WE BRING BUILDINGS TO LIFE

BRAVIDA ANNUAL REPORT 2017
INCLUDING SUSTAINABILITY REPORT

BRINGING BUILDINGS TO LIFE

TECHNOLOGY SOLUTIONS FOR A LIVING SOCIETY

Bravida provides service and installation of the functions that bring buildings to life. Most of us use them every day without even thinking about it– at home, at work and in our communities.

● SECURITY SYSTEMS

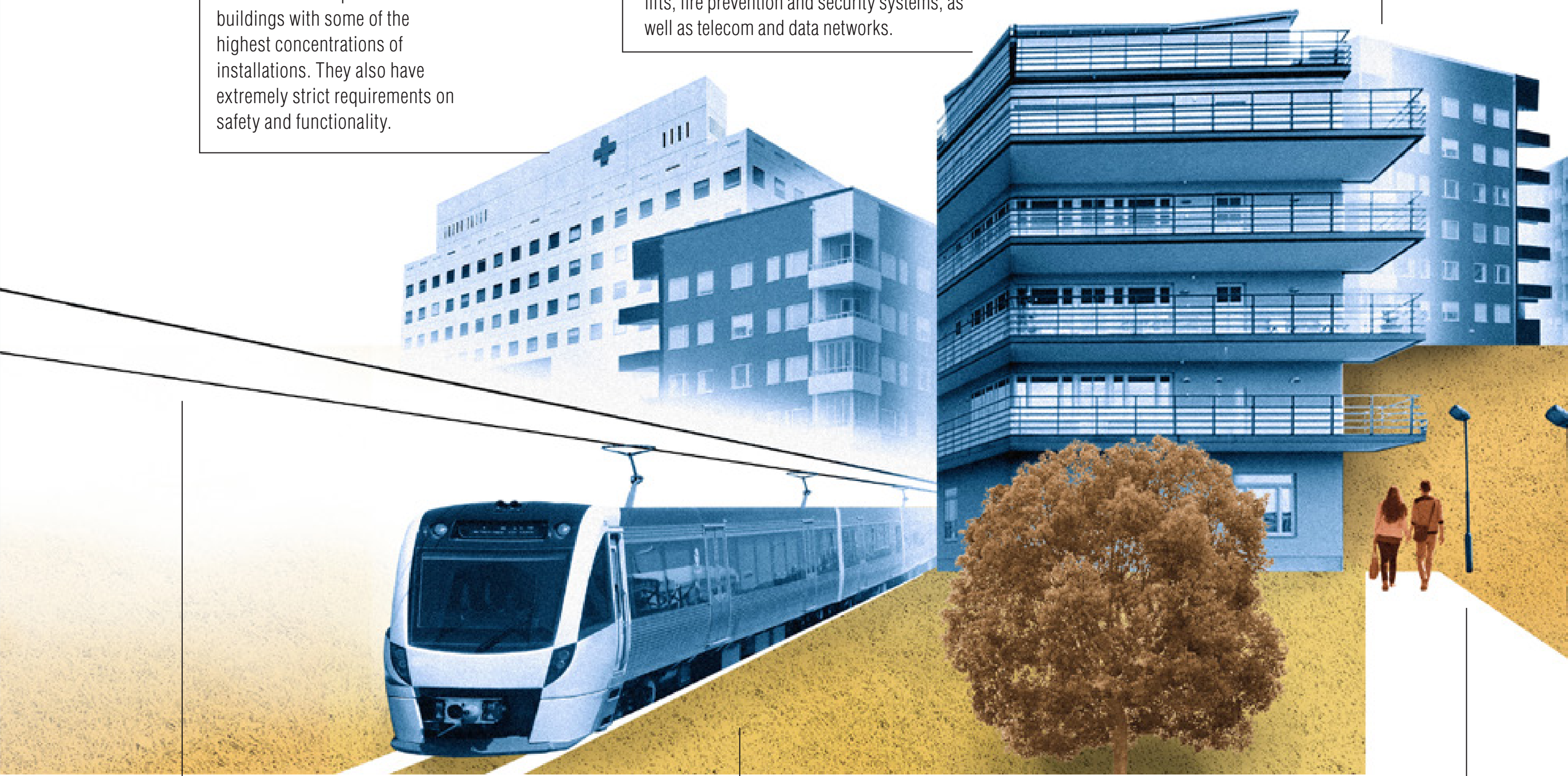
We supply security functions such as entry control, video surveillance, intrusion alarms and fire alarms both as individual systems and as integrated end-to-end solutions.

● COMPREHENSIVE RESIDENTIAL SOLUTIONS

Our installation solutions for homes include not only the basic electrical, heating & plumbing, and HVAC functions, but also energy recovery, lifts, fire prevention and security systems, as well as telecom and data networks.

● HOSPITALS

Hospitals and other healthcare centres are examples of buildings with some of the highest concentrations of installations. They also have extremely strict requirements on safety and functionality.



● RAILWAY POWER SUPPLY

These systems include overhead contact lines and substations where AC is converted to 15,000 V DC for train services.

● GEOTHERMAL HEATING

This utilises the relatively stable temperature of groundwater (6–8°C) to produce space heating and hot water using a heat pump. The depth of the borehole is 50–200 metres.

● LIGHTING

We install lighting solutions in places such as arenas and stadiums, car parks and road tunnels. Projects include everything from electricity supply to installing light fittings.

● INDOOR SWIMMING POOLS

Technical solutions for indoor swimming pools have to meet stringent requirements. Bravida has extensive experience of installations and maintenance of swimming pools throughout the Nordics.

● COMPREHENSIVE OFFICE SOLUTIONS

Electrical, heating & plumbing, and HVAC are the core of our solutions for offices. As well as basic installations, we can include functions such as comfort cooling, air purification, communication networks, fire prevention and security.

● INDUSTRY

We have extensive experience of installation assignments in industrial environments with ongoing production. Bravida offers complete installation solutions, operation, and energy efficiency improvement measures – without disruption to parallel production operations.

● AUTOMATION

This includes both industrial and building automation, which involves automatic control of industrial processes, and control and regulation of buildings' technical systems. The aim is to achieve optimal operational reliability and energy efficiency.

● PROCESS COOLING

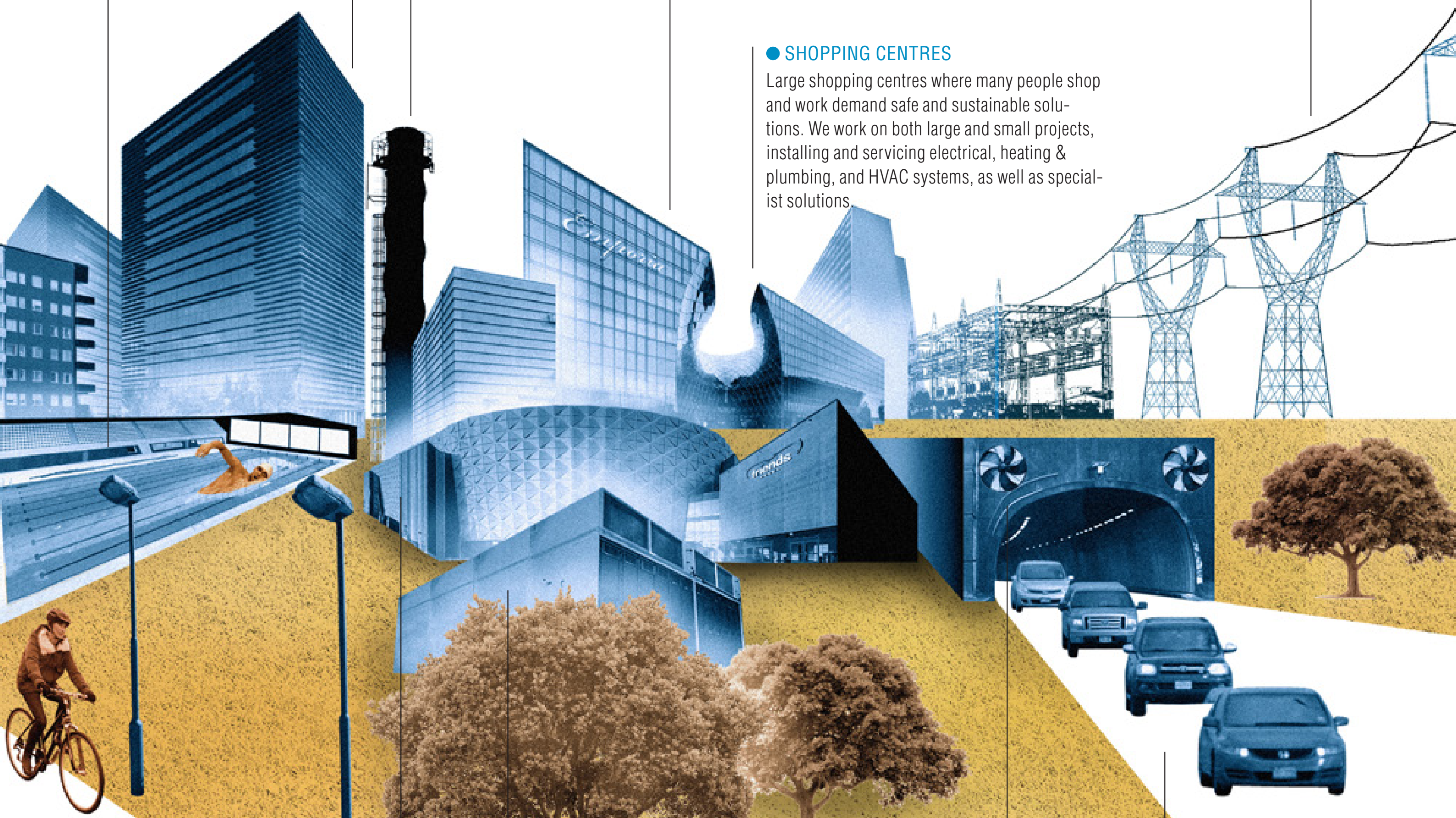
Our solutions for cooling can be used in industrial processes, for the storage of food, temperature control of data centres and ice rinks.

● ELECTRICAL SUBSTATIONS

We direct electrical power safely to various regions and consumers in society. Where necessary, the voltage is transformed from higher to lower levels.

● SHOPPING CENTRES

Large shopping centres where many people shop and work demand safe and sustainable solutions. We work on both large and small projects, installing and servicing electrical, heating & plumbing, and HVAC systems, as well as specialist solutions.



● ARENAS AND STADIUMS

We provide installations and maintenance at a number of arenas and stadiums. These large buildings place significant demands on installations, in terms of adapting to requirements and accommodating events with large audiences.

● DATA CENTRES

Although modern data centres and server halls are energy-efficient, they consume lots of energy, and their equipment generates a lot of heat. Continuous cooling is needed to create a stable indoor climate, and the high energy consumption means that efficient installation solutions play a key role.

● HVAC SYSTEMS

In road tunnels, it's important that the air quality is maintained at a stable level under normal traffic conditions, and that in the event of a fire, toxic smoke and fumes can be rapidly vented.

● INFRASTRUCTURE

We work on a wide range of large infrastructure projects that contribute to the growth and development of society. Projects currently include road tunnels, railway technology and underground rail systems.

Testing of road tunnel sprinkler system

Contents

Bravida Annual Report 2017 including sustainability report

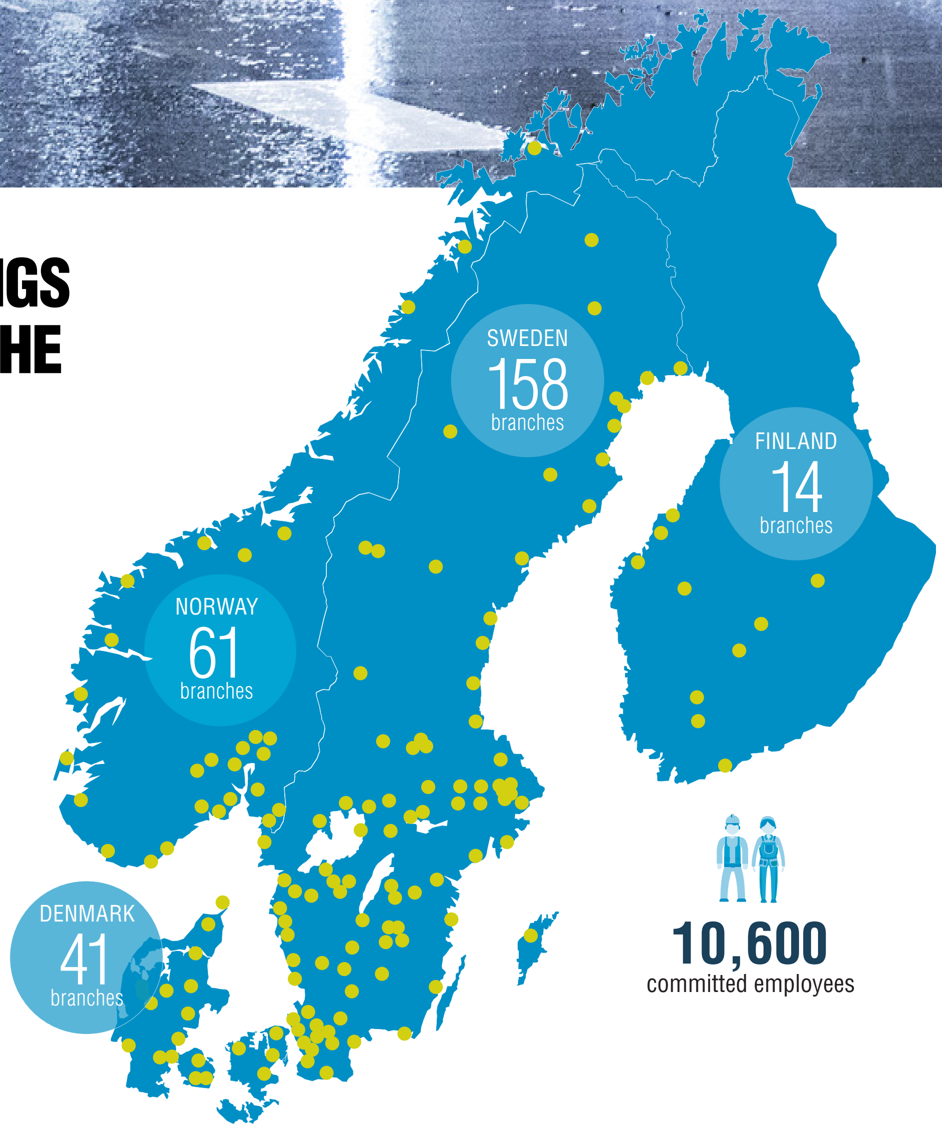
The Annual Report is prepared in Swedish and translated into English. Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.

BRINGING BUILDINGS TO LIFE ACROSS THE NORDICS

Leader in service and installation

Bravida brings buildings to life – 24 hours a day, 365 days a year. We work primarily with electricity, heating & plumbing, and HVAC, and we offer services in security, sprinklers, cooling, power, lifts, project management and technical service management.

After every service or installation assignment we want properties and systems to work a little better and be more energy-efficient and for those people that live or work there to feel safe and healthy. In other words, we bring buildings to life.



END-TO-END PROVIDER OF SERVICE AND INSTALLATION

As an end-to-end provider, we are active throughout the life of a property, from advising and planning to service and installation. This ensures a long-term solution for our customers. Our local branches across the Nordics specialise in different technical areas. With the same expertise, working methods and values, they provide our customers with service and installation of all technical functions and solutions that bring buildings to life.

Bravida as an end-to-end provider

Service

Regular service extends the life of installations and reduces costs.

Bravida offers maintenance, operation and minor upgrades of installations in properties, facilities and infrastructure. Typical examples of service assignments include inspection of electrical fittings, the upgrade or replacement of water and heating systems and management of HVAC systems. A service agreement with Bravida makes life easier for property owners and managers. With operations across the Nordics, we can help customers coordinate the operation and maintenance of all their facilities and properties. One contract, one contact, same solution – wherever the customer is located.

Installation

We install technical solutions in properties and industrial facilities.

Most of our installation assignments are straightforward, such as new lighting in an office or replacing an air-conditioning system. But we also work with large, complex installation projects comprising a number of technical areas. This might involve a hospital building new operating theatres or the refurbishment of a road tunnel. We view all installations in a building or facility as parts of a whole. That's why we're involved early on in the process and are often in charge of coordinating a range of installation work.

We are specialists in the vital functions of properties

Electrical
Bravida carries out all sorts of electrical installations, both large and small, for offices, homes, hospitals, industrial facilities and major infrastructure projects. We maintain and install electrical solutions in both existing properties and new-builds.

Heating & Plumbing
Bravida maintains and installs all types of heating & plumbing solutions, whether it's basic fittings in homes or offices, or more complex systems for industry, hospitals or leisure centres.

HVAC
Fresh air indoors is inexpensive and quickly reaps benefits. Bravida maintains and installs all types of HVAC (heating, ventilation and air conditioning) solutions, such as air treatment, process ventilation and control and monitoring. And we can provide support for calibration and mandatory ventilation checks.

Power
Bravida offers high-voltage services throughout the power grid, from power source to wall sockets. Our assignments include electrical installations, the design of power stations, the operation and maintenance of power stations and electricity grids, and the construction of electrical substations.

Fire safety and security
Bravida offers systems including fire and intruder alarms, CCTV and overarching platforms. We can also provide consulting, project services and service of security systems, with the aim of ensuring peace of mind for our customers 24 hours a day.

Cooling
Bravida designs, installs and provides service for all types of cooling systems, including systems based on HFCs, CO_2, propane and ammonia. We can also help improve system operating strategy to reduce energy consumption.

Sprinklers
A sprinkler system with automatic fire protection can save a property from being extensively damaged in a fire. Bravida covers all aspects of sprinkler systems.

Technical service management
Bravida provides ongoing technical management of all types of properties and facilities. Our service technicians ensure optimal interaction between all systems, prevent disruptions and take action if problems arise.

Project management
Bravida offers project, construction and design management for the construction and property, energy, infrastructure and public buildings sectors. With wide-ranging expertise, a comprehensive approach and commitment, we are involved from concept design to management of systems.

Lifts
Bravida's offering within lifts includes installation, service and maintenance of passenger and goods lifts. A strong emphasis on project design and coordination is vital to the function of lifts.

IMPORTANT EVENTS IN 2017

SALES GROWTH
Net sales increased by 17 percent, with 6 percent organic growth and 10 percent growth through acquisitions. Sales growth for the year was above our financial target.

STRONG CASH FLOW
Cash flow was SEK 1,038 million, which is a significant improvement compared with 2016. Cash conversion was 106 percent, which is above our financial target.

FOUR ACQUISITIONS
Four acquisitions were made over the year. These increase sales by approximately SEK 1,370 million annually.

COMBINED SPECIALIST EXPERTISE
During the year, a new division, Division National, was established in Sweden. In order to increase our focus on specialist capabilities, all 'specialist areas' have been grouped into a single division.

IMPROVEMENTS IN PRODUCTIVITY
The Group's programme of improvements on price and productivity, better purchasing and increased service continues to progress and contributed to the increases in productivity and profitability for the year.

LEADER IN NORWAY
In May, Bravida acquired Norway's leader in heating & plumbing and HVAC, Oras AS. The acquisition means Bravida is now the market-leading end-to-end installation and service provider in Norway.

THE YEAR IN FIGURES

KEY PERFORMANCE INDICATORS, SEK MILLION	2013	2014	2015	2016	2017
Net sales	11,080	12,000	14,206	14,792	17,293
Operating profit (EBIT)	600	705	782	944	1,072
Operating margin, %	5.4	5.9	5.5	6.4	6.2
Adjusted* operating profit/loss	649	759	878	954	1,080
Adjusted* operating margin, %	5.9	6.3	6.2	6.5	6.2
Profit/loss after tax	174	320	287	674	820
Cash flow from operating activities	457	659	841	428	1,038
Order backlog	6,075	6,580	7,092	8,644	10,271

*Adjusted for specific costs

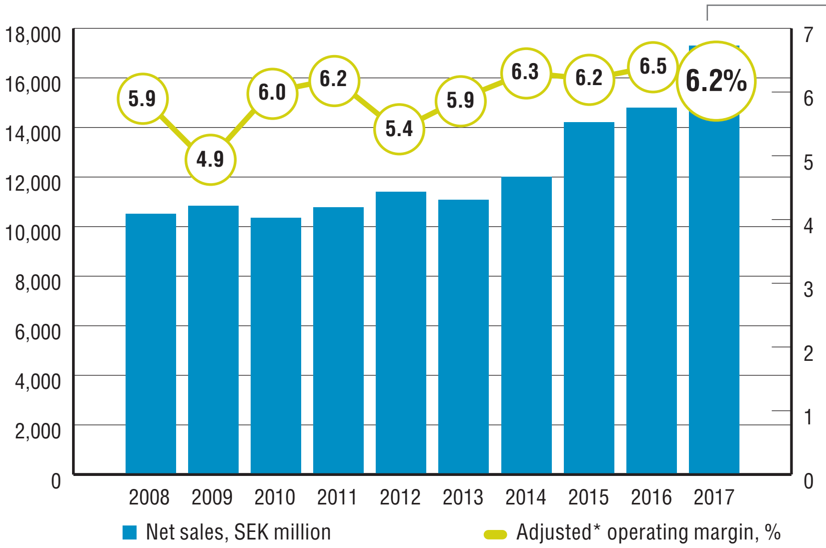
INCREASE IN NET SALES

17%

ADJUSTED* IMPROVEMENT IN OPERATING PROFIT

13%

GROWTH AND EARNINGS PERFORMANCE 2008–2017



*Adjusted for specific costs

Excluding Oras 6.5%

STABLE AND INCREASING OPERATING MARGIN
Over the past 10 years, Bravida has delivered a stable and increasing operating margin. Over the past four years, our average sales growth has been 12 percent a year, 4 percent of which was organic growth.

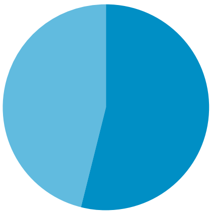
BRAVIDA IN FIGURES

	SEK MILLION	2016	2017	SHARE OF BRAVIDA'S NET SALES	SHARE OF BRAVIDA'S OPERATING PROFIT
SWEDEN	Net sales	8,760	9,847	57%	61%
	Operating profit/loss	574	658		
	Operating margin	6.6%	6.7%		
NORWAY	Net sales	3,124	4,185	24%	23%
	Operating profit/loss	224	251		
	Operating margin	7.2%	6.0%		
DENMARK	Net sales	2,278	2,547	15%	12%
	Operating profit/loss	114	130		
	Operating margin	5.0%	5.1%		
FINLAND	Net sales	662	745	4%	1%
	Operating profit/loss	7	15		
	Operating margin	1.1%	2.0%		

BREAKDOWN OF INCOME

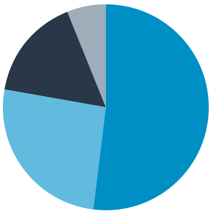
Percentage of Bravida's sales

INSTALLATION/SERVICE



- **53%** Installation
- **47%** Service

AREAS OF TECHNOLOGY

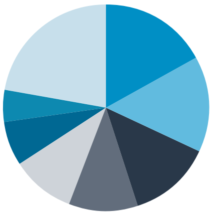


- **50%** Electrical
- **29%** Heating & plumbing
- **16%** HVAC
- **5%** Specialist areas

TYPES OF FACILITIES/CUSTOMER GROUPS

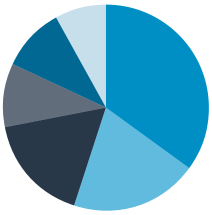
Percentage of Bravida's sales

TYPES OF FACILITIES



- **17%** Apartment buildings
- **16%** Offices
- **13%** Industry
- **11%** Health and social care
- **7%** Infrastructure
- **9%** Education
- **5%** Retail
- **22%** Other

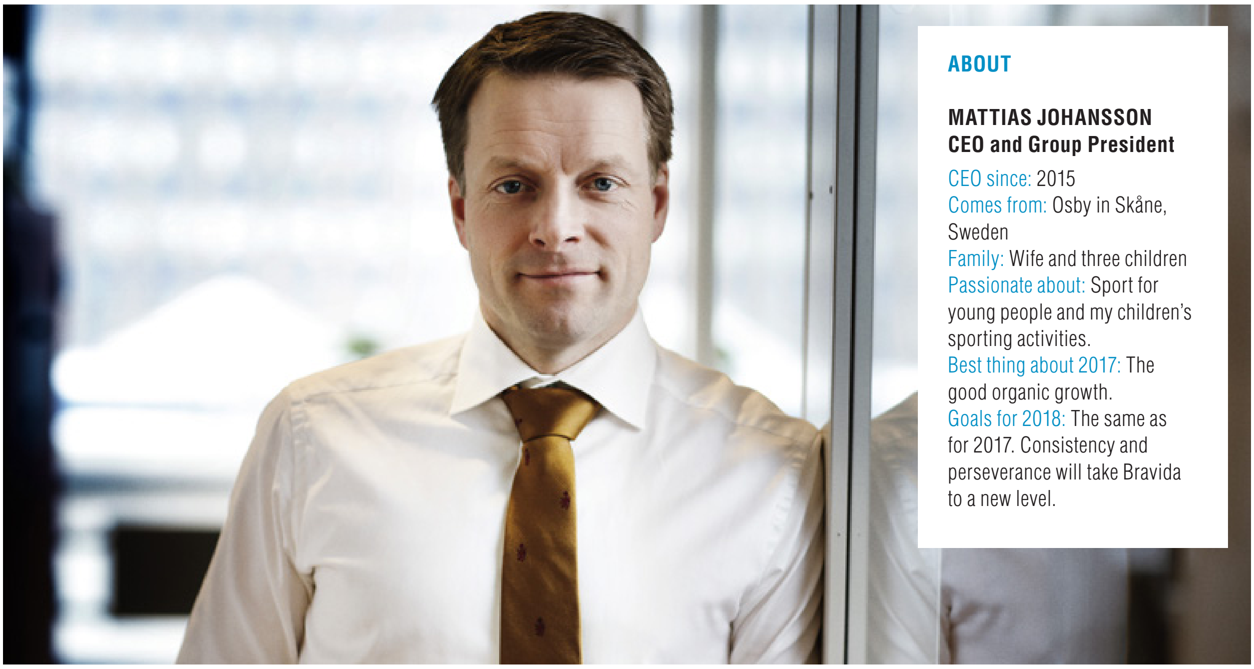
CUSTOMER GROUPS



- **38%** Construction companies
- **19%** Other commercial
- **15%** Public sector
- **10%** Property companies
- **9%** Industry
- **9%** Other

STRONG GROUPWIDE PERFORMANCE

In 2017, Bravida delivered strong organic growth and high profitability across its business. We also made several acquisitions, of which Norway-based Oras was the most important. Bravida begins 2018 with a growing market and high pace of activity in the organisation. Access to potential acquisitions at reasonable price levels remains good.



ABOUT

MATTIAS JOHANSSON
CEO and Group President

CEO since: 2015
Comes from: Osby in Skåne, Sweden
Family: Wife and three children
Passionate about: Sport for young people and my children's sporting activities.
Best thing about 2017: The good organic growth.
Goals for 2018: The same as for 2017. Consistency and perseverance will take Bravida to a new level.

EMPHASIS ON CONTINUAL IMPROVEMENT

We are continuing to refine the Bravida Way, our successful business model that nurtures local entrepreneurship in a decentralised organisation and complements it with the structured working methods and economies of scale of a large company. Our strategy also involves us growing with good profitability while maintaining a strong financial position. We are meticulous in assessing potential projects and always put margin ahead of volume if we have to choose.

It is in Bravida's DNA to constantly strive to increase productivity through continual improvements. We have already achieved a lot, but there is still lots to do. Our recently launched business plan involves clearer segmentation, with improvement initiatives emphasising different aspects depending on how well individual branches meet our profitability targets. Those that underperform are given clearer requirements and action plans to raise profitability, along with an explicit deadline. Branches that deliver stable, good profitability should focus primarily on growing while maintaining or improving their margin.

EARNINGS SPEAK FOR THEMSELVES

Earnings for 2017 confirm the success of the Bravida Way. Net sales grew by a strong 17 percent, 6 percent of which was organic. Order intake increased by 12 percent and the order backlog was at a record high at year-end. Our focus on growing the service business also generated results, with net sales growing by 16 percent for the full year and by a very strong 25 percent in the fourth quarter.

The underlying operating margin was stable at a high level in 2017. We practice what we preach in terms of putting margin ahead of volume.

WE ARE GROWING AND DEVELOPING OUR ORGANISATION

Our decentralised structure and our strong brand make us attractive to entrepreneurs who are considering selling their business. The purchase of Oras is a key step in Norway as it makes us the leader in service and installation, including in HVAC. The acquisition is a textbook example of how we are using our economy of scale to reduce overhead and material costs and implement the Bravida Way in our business processes.

Bravida's strong brand, and the fact that we are often cited as one of Sweden's best employers, provides a clear advantage in competing for the best personnel.

In 2017 we worked intensively on establishing our new Division National in Sweden. This is a strong platform for increased growth and profitability within security, sprinklers, cooling, technical service management and power.

In Finland we have recruited Marko Holopainen as the new Head of Division. This is an important step in continuing to take the business forward to meet our profitability targets.

ESSENTIAL TO BE AN ATTRACTIVE EMPLOYER

The lack of skilled labour is one of the challenges we are facing amid the current strong economic conditions. This places additional pressure on productivity and increases the need to use subcontractors. Bravida's strong brand, combined with the fact that we are often cited as one of Sweden's best employers, provides a clear advantage in competing for the best personnel.

BRIGHT MARKET OUTLOOK DESPITE DIP IN HOUSING CONSTRUCTION

The strong and growing activity in the construction and infrastructure sectors is driving the Nordic service and installation market. New-build housing is frequently noted as an area of uncertainty. However, this only accounts for 10 percent of our billing and has a lower margin than the average across the Group. Reduced housing construction also means there is greater focus on refurbishing older properties, which suits us better.

FOCUSSING ON SUSTAINABILITY

Bravida is one of the companies leading development in what is an industry of the future. We understand that energy and environmental issues are becoming increasingly important within society and for our customers. We have the ability to conduct projects that make a difference in terms of sustainability. Every day our installation work and our service contribute to more efficient use of resources. At the same time, demands on our business and on us to conduct sustainable operations are also increasing. Bravida has three priority sustainability areas: the sustainable use of resources, good health and safety, and good business ethics.

Our transport operations account for a large percentage of our carbon emissions. We are gradually replacing old vehicles with new, more eco-friendly alternatives. During 2017, we evaluated the use of electric vehicles in our service business, but unfortunately we found that the current generation of electric vehicles does not meet our needs. Other measures involve using different ways of reducing the number of kilometres driven, such as by cutting the number of collection orders.

Bravida makes significant efforts to create good health and safety at our workplaces, both for our personnel and for cooperation partners. Despite this, the statistics continue to show too many occupational injuries and incidents. We have, however, conducted useful analysis of the accidents and incidents that occur. The most common cause of accidents is procedures not being correctly followed. In 2018, we will increase our efforts to create greater insight and accountability among both managers and individual employees for achieving the goals we have set in this area. Each employee must put safety first!

One of Bravida's key values is 'good conduct'. It means we do business properly and behave correctly towards each other. Sound values are key to success in such a decentralised organisation as Bravida. Our managers have significant responsibility to both maintain good business ethics in their business relationships and as leaders and corporate culture ambassadors in their local businesses. Bravida clarifies its values, both proactively in management groups and through regular controls to ensure we are responsible and reliable in all types of relations.

During the year most industries have been given pause for thought with regard to the #metoo movement, including our own industry. The ensuing debate has given us further cause to reflect on the work climate in the service and installation sector and how we behave towards each other. We do not tolerate any form of harassment. Going forward, we will use the momentum generated by the movement to work towards Bravida genuinely being the company of the future that we want it to be.

STILL LOTS TO DO

In conclusion, we look back on a highly successful year and we have a good basis from which to make further progress in 2018. But there is still lots to do. We decide how high we want to set the bar for our ambitions. I am confident as we look ahead to a busy year of taking on both opportunities and challenges with great enthusiasm.

Mattias Johansson,
Stockholm, March 2018

THE BRAVIDA WAY

Our corporate culture and way of working make us unique in the market

Our mission

We offer technical end-to-end solutions over the life of a property, from consulting and design to installation and service.

We are a large company with a local presence across the Nordics. We meet customers locally and take long-term responsibility for our work.

Our employees are our most important resource. With shared values, working methods and tools, together we create a sustainable and profitable business for us and our customers.

Our vision

Bravida is the best in the Nordics at providing sustainable service and installation of the functions that bring buildings to life. We are the first choice for customers and the most attractive employer in the industry.

ENTREPRENEURSHIP

Our approach is based on an important principle: each local branch is responsible for its own earnings. Branch managers are responsible for creating, together with their employees, a successful business with stable profitability, growth and good local market relations. It's the combined commitment of the branches and employees that drive Bravida forward.

FOLLOW-UP AND SUPPORT

Together, the branches create economies of scale, supported by Bravida's shared tools and working methods. Employees are responsible for continually making use of these. Regular follow-ups together help us create the stable profitability that is distinctive for our organisation. The business is supported by central Group departments.

CONTINUOUS IMPROVEMENT

We have established shared best-practice working methods. We aim to constantly improve and simplify the way we operate. Our working model, which is designed to create constant improvement, helps local branches continually share experiences and learn from each other.

Our values:

PROFESSIONALISM – Clear responsibility for economy and profitability

In all parts of the organisation, there are opportunities and paths that lead the company forward. All our employees take responsibility for the company's finances through all stages of our projects and assignments.

SIMPLICITY – A uniform and uncomplicated approach

Simple and uncomplicated routines and work processes make day-to-day operations run smoothly and efficiently. With the aid of a uniform approach, all of our local branches solve similar issues in the same way. Our motto in this respect is 'same needs – same solution'.

COMPETENCE – We have knowledge, will and ability

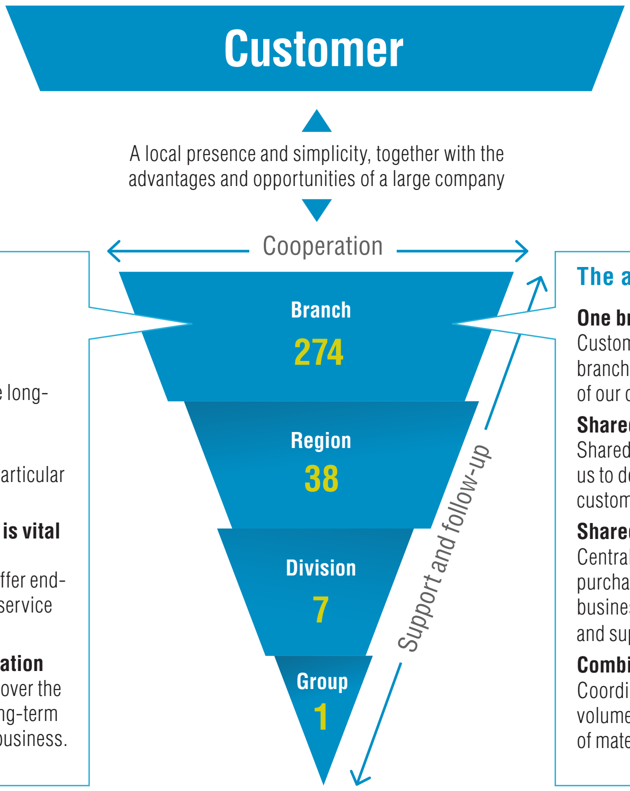
Bravida always ensures that the right competence is in the right place for every assignment. The competence is organised in the best interests of both the company and the customer. Bravida is a step ahead and thinks in new ways. Employees collaborate between branches and technical areas, and between divisions and countries.

GOOD CONDUCT – Reliability and correct behaviour

Bravida has a clear style of business conduct that is based on reliability and correct behaviour. Employees take personal responsibility and deliver what they promise. A friendly and accommodating approach is self-evident in all customer contact.

Business model

Local branches are at the heart of Bravida. They bring together a local presence and commitment with access to the advantages of a large organisation.



The local presence of our branches

We are always located close to customers
We meet customers locally and take long-term responsibility for our work.

Specialised local branches
Each local branch specialises in a particular technical area.

Cooperation between branches is vital to the overall organisation
Together, the branches are able to offer end-to-end installation work and larger service undertakings.

We combine service and installation
We provide an end-to-end solution over the entire life of a property, ensuring long-term customer satisfaction and a stable business.

The advantages of a large company

One brand, shared values
Customers encounter a single brand, whatever branch they visit. Our shared values form the basis of our organisation.

Shared working methods
Shared working methods, tools and systems enable us to deliver high quality and consistency for our customers, wherever they are.

Shared support functions
Central Group functions such as finance, HR, purchasing, IT, legal services, communication and business development create economies of scale and support local branches.

Combined purchasing
Coordination of purchasing and large procurement volumes allow Bravida to offer a competitive range of materials, components and services.

LOCAL BRANCHES AT THE HEART OF BRAVIDA

Bravida is the local company with the advantages of a large company. Let's visit Bravida's electrical branch in Linköping, Sweden, to explain how Bravida's business model works in practice.

INTERVIEW WITH

CHRISTER ELFSTRÖM, Branch Manager Linköping Electrical

Bravida's electrical branch in Linköping has over 60 employees – fitters, technicians, coordinators, service managers, project managers and cost accountants. The branch is managed by Branch Manager Christer Elfström, who has worked in various roles at Bravida since 1985.

"The special thing about Bravida is that my branch operates as a small business, but as part of the larger company. I'm responsible for everything from recruitment and personnel development to sales and the branch's earnings. But we always benefit from the many advantages of the larger company, such as IT systems and groupwide purchasing. These apply to all Bravida's branches," says Christer Elfström.

A typical branch of Bravida, like the electrical branch in Linköping, consists of a service unit and an installation unit. The advantage of both being part of the same branch is that installation assignments can lead to long-term service assignments.

"And we're based in the same building as Linköping's heating & plumbing and HVAC branch. This allows us to cooperate on assignments to offer customers comprehensive technical solutions. We also benefit from being located near Bravida in Norrköping, so we're able to borrow resources from one another for large projects. And we can do this as we have shared working methods across Bravida."

These shared working methods unite all 274 Bravida branches throughout the Nordics. And this also means the branches use groupwide systems and tools.

"For instance, as a branch we are able to benefit from Bravida's purchasing system to take advantage of large purchasing contracts or get help with coordinating purchasing to achieve better prices," explains Christer.

Our shared working methods and values also mean that Bravida can deliver consistent high quality, wherever the customer is. And with 274 branches, Bravida is always close to customers. That's the strength of a decentralised organisation.

"No one at Bravida knows the Linköping market better than us in Linköping. We know our local customers well and have constructive relationships with them. And we also benefit from the strong Bravida brand. I think this combination means many view us as a local but also a large and reliable company."

A management focussing on creating successful branches

At Bravida it's the local branches that play the key role. That's where contact with customers takes place, that's where the fitters and technicians are, and that's where earnings are generated. To support the local branches, there are Regional Managers, Heads of Division and Bravida's CEO. They have different roles and areas of responsibility:

Branch Manager

Each branch operates as a small business on a local market, with local customers. This is where all our installation and service assignments are carried out. Branch Managers have a key role at Bravida and are responsible for everything from sales and personnel issues to branch profitability.

CHRISTER ELFSTRÖM
Linköping Electrical in Sweden

Regional Manager

Regional Managers are responsible for all branches in their region. Sven is responsible for 8 local branches and provides important support for branch managers and their businesses. Regional Managers are in close contact with each branch manager, allowing them to work together to develop the branch in line with Bravida's goals and strategies. Regional Managers also coordinate branches with different areas of expertise for large service and installation assignments.

SVEN WESTDAHL
Regional Manager Närke, Östergötland, Gotland in Sweden

Head of Division

Bravida's Heads of Division are members of Bravida's Group management. They are an important link between management and the operations of each division, i.e. the regions and branches. The Heads of Division contribute to the development of the Group through their knowledge about and contact with local operations. Similarly, they also communicate the company's goals and working methods to their regional and branch managers.

THOMMY LUNDMARK
Division North in Sweden

CEO and Group President

Bravida's President and CEO leads and manages Bravida together with Bravida's Board. The CEO has overall responsibility for Bravida's performance and earnings. Together with Group functions within finance, HR, purchasing, IT, legal services, communication and business development, the CEO provides important support for the Group's operating activities.

MATTIAS JOHANSSON
CEO and Group President

QUARTERLY REVIEWS CREATE CONTINUITY
An important element of Bravida's business are our quarterly reviews, in which all managers participate at different levels, all the way from the Board to local branches. The purpose of the quarterly reviews is to monitor the business and see what can be done to become even better. These meetings also strengthen Bravida's corporate culture and encourage pride in our performance. The CEO and CFO have a key role in this process.

APPROVAL PROCESS BEFORE IMPORTANT DECISIONS
Another cornerstone at Bravida is the 'grandfather principle'. This means that a manager must consult with their immediate superior before taking important decisions. This relates, for example, to key recruitment decisions and bids for major tenders, as well as significant matters of principle such as entertainment expenses.

TARGETS AND OUTCOMES

To achieve our vision we guide our business towards key targets that reflect our ambitions on profitable growth, financial stability, being a sustainable company and having the sector's strongest brand.

Profitable growth

TARGET	OUTCOME FOR 2017

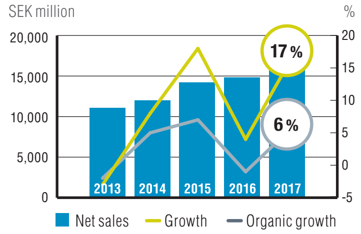
PROFITABLE GROWTH

> 10%

Bravida aims to increase its sales by more than 10 percent per year, of which 5 percent organically and 5–7 percent through acquisitions. But margin should always take precedence over volume.

17%

(growth, 6 percent of which is organic)



Financial stability

TARGET	OUTCOME FOR 2017

GOOD PROFITABILITY

● Adjusted* operating margin

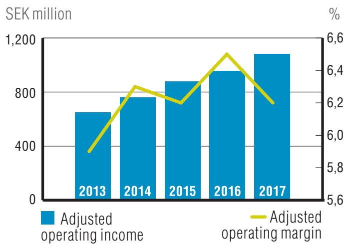
7%

Bravida aims to achieve an adjusted* EBITA margin exceeding 7 percent, including the dilutive effect of acquisitions.

*Adjusted for specific costs.

6.2%

Over the past five years Bravida has delivered a stable operating margin. Adjusted for the acquisition of Oras, the operating margin was 6.5 percent.



STABLE CASH FLOW

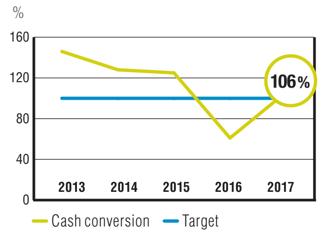
● Cash conversion

> 100%

12-month EBITDA +/- change in working capital and investment in machinery and equipment in relation to 12-month EBIT.

106%

Average cash conversion for the past five years totalled 113 percent.



● Net debt/adjusted* EBITDA

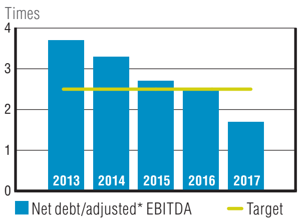
2.5

Bravida's capital structure should enable a high degree of financial flexibility and provides scope for acquisitions. The company's target is a net debt/equity ratio of approximately 2.5x net debt/adjusted EBITDA.

*Adjusted for specific costs.

1.7

Bravida has reduced its debt/equity ratio over the past years.



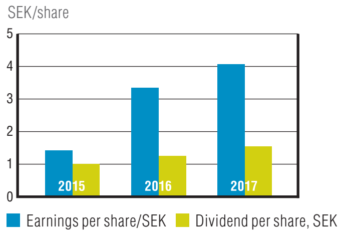
● Dividend policy

> 50%

Bravida's target is to pay out a minimum of 50 percent of the Group's consolidated net earnings while also taking account of other factors such as financial position, cash flow and growth opportunities.

38%

Proposed dividend of SEK 1.55 per share corresponds to a total of SEK 312 million.



A sustainable company

TARGET	OUTCOME FOR 2017

SUSTAINABLE USE OF RESOURCES – EFFICIENT PRODUCTION AND ENERGY-EFFICIENT OFFERINGS

● Fuel-based CO_2-emissions*

-3% CO_2/km compared with the previous year

+3,9% 2017* **-6,5%** 2016**

*Refers to fuel-based emissions from vehicles in Sweden, Norway and Denmark.
**Refers to Sweden.

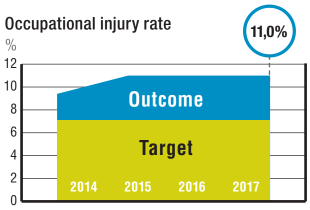
GOOD WORK ENVIRONMENT – EMPLOYEE SAFETY, AND PHYSICAL AND MENTAL HEALTH

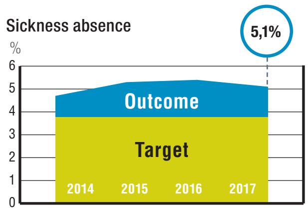
● Occupational injury rate* Sickness absence**

< 7% **< 4%**

No Bravida employee should have a work-related physical or mental ill health – our long-term aim is to eliminate this.

*Occupational injuries that lead to at least one day of sickness absence per million working hours.
**Total hours of sickness absence in relation to planned working hours.



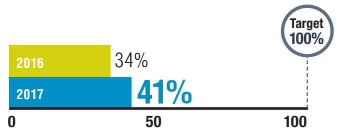


GOOD BUSINESS ETHICS – IN RELATION TO CUSTOMERS, EMPLOYEES AND SUPPLIERS

● Percentage of our significant suppliers in Sweden that accept our supplier code of conduct

100%

41%
Work began in 2016



A strong brand

TARGET	OUTCOME FOR 2017

THE STRONGEST BRAND IN THE INDUSTRY

#1

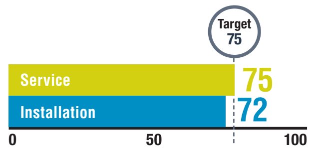
In late 2017, Bravida conducted its sixth brand survey of the Nordic countries. Finland was included for the first time. The survey shows that Bravida is the best-known brand in the industry in Scandinavia. In Finland, Bravida is still a new name in the market and is consequently not as well known.

THE MOST SATISFIED CUSTOMERS

● Satisfied customer index (0–100)

75

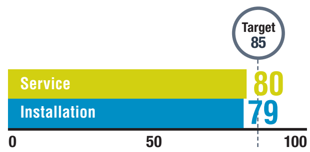
75 Service **72** Installation



● Customer loyalty index (0–100)

85

80 Service **79** Installation

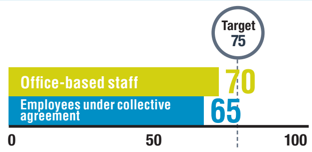


THE MOST ATTRACTIVE EMPLOYER

● Employee motivation index (EMI)

75

70 Office-based staff **65** Employees under collective agreement



OUR STRATEGIES

How we generate profitable growth

Bravida's objective is to be the largest or second-largest player in all the locations where we choose to operate. We aim to grow both organically and via acquisitions in our various key geographical markets. To ensure long-term stable growth, we are increasing our focus on service and proactive sales.

Organic growth provides a stable platform

Bravida has a number of groupwide initiatives to promote organic growth, with proactive sales and growth in service being important aspects. We also want to increase the number of end-to-end solutions covering several technical areas, which requires greater cooperation between our branches.

GROWTH IN SERVICE AND PROACTIVE SALES

Service, operation and maintenance represent recurring business that boosts the stability of our business and reduces cyclicality. Combining installation and service provides more long-term business. A key strategy for boosting organic growth is therefore to make sales more proactive, particularly for service.

We aim to encourage closer dialogue with our customers to better understand their needs and strengthen customer relations. We contact existing and new customers to present Bravida's offering and suggest improvements. We also have training initiatives to increase our employees' ability to identify needs when they are on site with customers. Service grew by 16 percent in 2017.

END-TO-END SOLUTIONS BOOST COMPETITIVENESS

Our ability to also carry out end-to-end projects that include electrical, heating & plumbing, and HVAC solutions, as well as security, sprinklers, technical service management, power and cooling, distinguishes Bravida from most of our local competitors.

We also have the capacity to perform major service and installation assignments throughout the Nordics. That's why we conduct Groupwide marketing initiatives and develop packaged services comprising more than one technical area. Together, we endeavour to gain more national agreements with major customers that have operations across several regions.

COOPERATION BETWEEN BRANCHES IS VITAL

Using shared systems and working methods makes it easier for our branches to cooperate. It's also important for Bravida to be able to grow and train new employees quickly, as well as integrate new businesses. We are therefore increasing collaboration between local branches in joint projects where this results in greater competitiveness, better use of resources and skills transfer between different parts of the organisation.

Acquisitions, an important element of growth

The Nordic service and installation market is fragmented and a large proportion of the approximately 25,000 companies are small with few employees. The sector is consolidating, offering good opportunities for acquisitions.

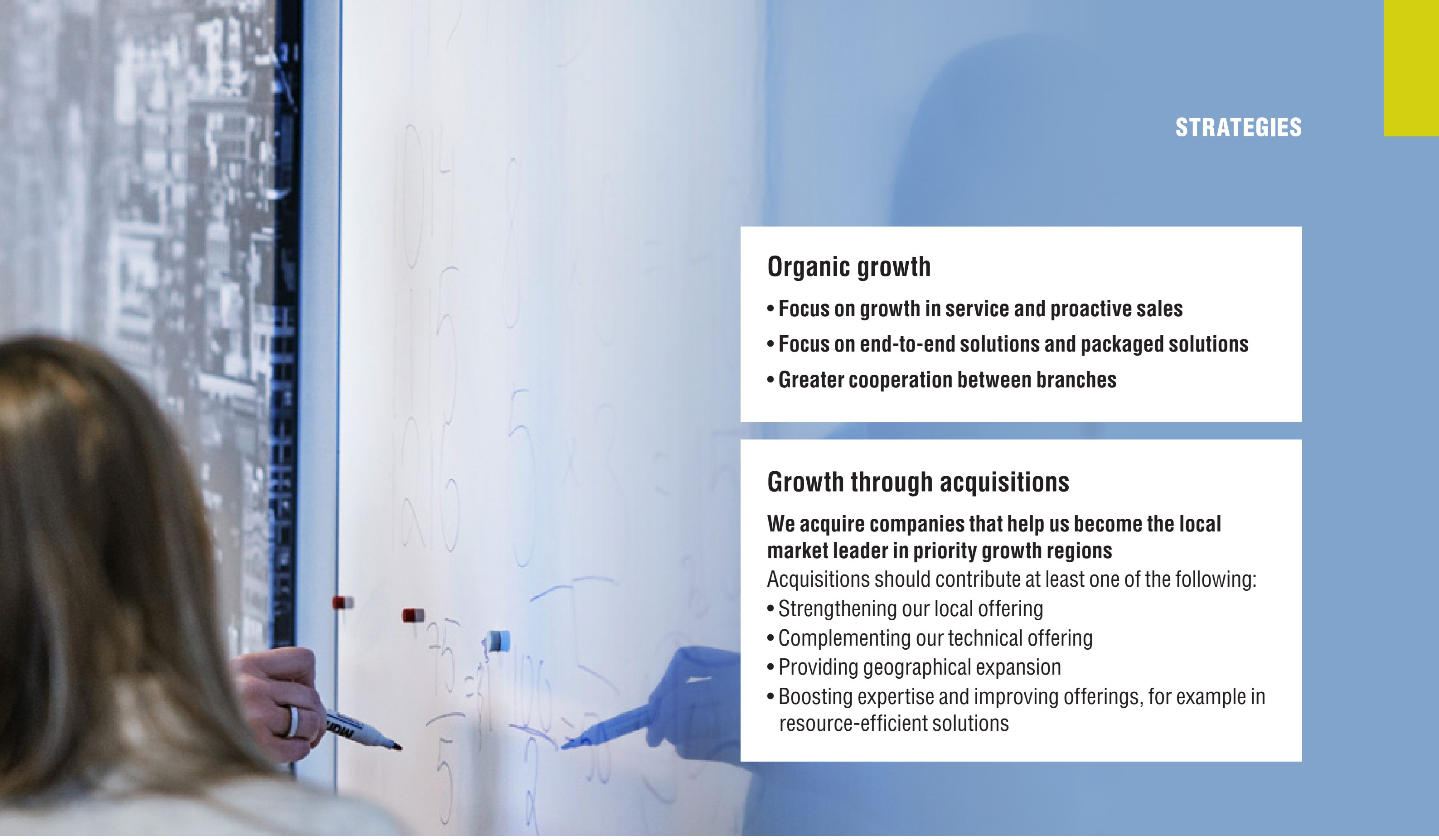
ACQUISITIONS TO CONTRIBUTE 5–7 PERCENT GROWTH

Acquisitions are one of the fundamental elements of Bravida's growth strategy. Our aim is to grow by 5–7 percent a year through acquisitions. In 2017, sales increased by 10 percent as a result of acquisitions.

THE ACQUISITION PROCESS

Bravida has a constant ongoing process to identify and carry out new acquisitions. These acquisitions are intended to strengthen Bravida's local market position, add an additional area of technology or expand into a new area.

Acquisition candidates must have a long, stable history and strong management who, through incentives, are encouraged to remain in businesses after acquisitions. Acquisitions are quickly integrated into Bravida's organisation, business systems and our Group brand.



Organic growth

- **Focus on growth in service and proactive sales**
- **Focus on end-to-end solutions and packaged solutions**
- **Greater cooperation between branches**

Growth through acquisitions

We acquire companies that help us become the local market leader in priority growth regions

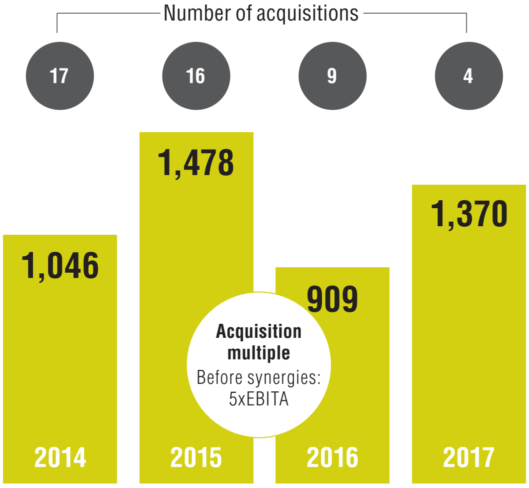
Acquisitions should contribute at least one of the following:

- Strengthening our local offering
- Complementing our technical offering
- Providing geographical expansion
- Boosting expertise and improving offerings, for example in resource-efficient solutions

Strong history of acquisitions

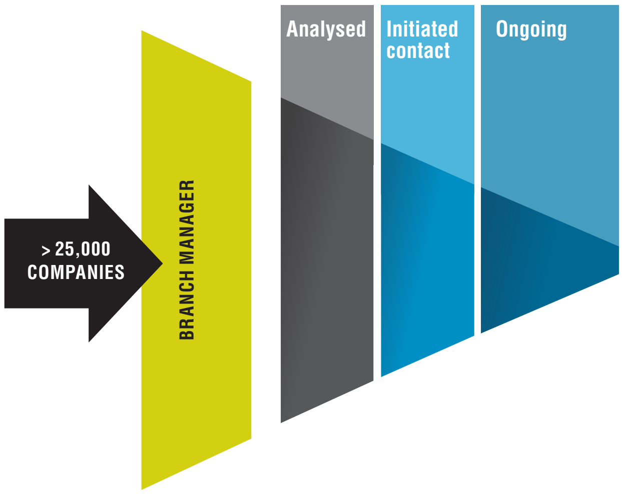
Over the past four years Bravida has made 46 acquisitions, which have increased annual sales by almost SEK 5 billion.

ANNUAL SALES, ACQUIRED COMPANIES, SEK million



Large number of potential acquisitions

In order to identify and assess small, local acquisitions as well as acquisitions of major companies, Bravida conducts a continuous acquisition process, with potential acquisitions being identified within the organisation and then analysed and possibly carried out by the Group.



BRAVIDA MAKES VARIOUS TYPES OF ACQUISITIONS

Bravida's strategy is to be a market leader in the places in which we choose to operate. And we also want to grow, both organically and through acquisitions, in those places. We make various types of acquisitions:

Stronger local offering
Bravida makes bolt-on acquisitions on the local market to become a market leader in a technical area. A good example is the acquisition of Björnbergsgruppen (2016), which strengthened our market position within heating & plumbing in the Stockholm area.

Additional technology offering
Bravida makes acquisitions on the local market so we can offer our customers a comprehensive technology offering. A good example is the acquisition of Oras (2017), which has led to us also establishing a strong market position in heating & plumbing and HVAC in many areas in Norway.

Geographical expansion
Bravida makes acquisitions to grow geographically into strategically important areas where it doesn't currently have a presence. A good example is the acquisition of Asentaja (2016) in the Ostrobothnia region of Finland, which gave us a presence in a new geographic market.

How we create financial stability

Maintaining good financial stability is essential to Bravida. Margin always takes precedence over volume in our operations, cost-effectiveness is a cornerstone of our business and we continually endeavour to maintain stable cash flow.

LOTS OF SMALL PROJECTS

Bravida has a diversified customer structure with a large percentage of relatively small projects, and consequently does not depend on individual customers or assignments. Bravida has numerous relatively small projects and a few large projects, with the majority of assignments worth up to SEK 1 million. Only around 7 percent of sales come from projects with an order value of over SEK 50 million.

SERVICE, REFURBISHMENT AND EXTENSION WORK MEANS LESS CYCLICALITY

Our service business, which accounts for nearly half our sales, is stable because of its recurring nature. In addition, refurbishment and extension work, which are less cyclical than new-builds, account for nearly 15 percent of our sales. All in all, just over 60 percent of our business is less cyclical than the overall construction industry.

MARGIN OVER VOLUME – FOCUS ON PROFITABLE GROWTH

Bravida always prioritises profitability over volumes in projects, which is a fundamental consideration when we undertake a project. We do not take on projects in which the margin is low or risk too high.

Ongoing projects are reviewed each month with regard to costs incurred, current cost estimates and cash flow. A steering group is established for large projects to reduce the risk of incorrect estimates.

COST-EFFECTIVENESS IS FUNDAMENTAL

A high level of cost awareness is a success factor for Bravida. We focus on limiting the increase in administrative expenses as we grow.

With good financial monitoring at all levels of our organisation, Bravida conducts stable operations with controlled risk assumption. Our cost structure, with a low proportion of fixed costs, gives us flexibility if the market for new-build-related projects were to weaken. In addition, Bravida continually endeavours to leverage the economies of scale offered by a large organisation, in terms of administrative functions, purchasing and system support.

STRONG CASH FLOWS AND SOUND CAPITAL STRUCTURE

Bravida's ability to generate stable cash flows is fundamental to our ability to grow both organically and via acquisitions. Stable cash flow is also necessary for us to fulfil our dividend policy.

To achieve this, our local branches continually take measures to maintain control of invoicing, payment plans and processes and to restrict cost levels. For example, we lease our offices and our vehicles, making it easier to adjust production capacity and administrative costs according to sales volumes.

In 2017, we refinanced some of our loans by establishing a commercial paper programme with a facility amount of SEK 2 billion.

STABLE CASH FLOW

Focus on cash flow

Long-term efforts to maintain strong cash flow and a healthy capital structure.

Continual monitoring

Continual monitoring of cash flow at all levels of the company.

GOOD PROFITABILITY

Margin over volume

Growth, but not at any price. We only take on assignments with a healthy margin and calculable risks.

Focus on cost-effectiveness

- Minimise fixed costs. We adapt production capacity and administrative expenses according to sales volumes.
- Coordination of purchasing generates economies of scale and cost-effectiveness.

Continual financial monitoring

Continual financial monitoring at all levels of the company.

How we create a sustainable company

Bravida aims to operate a responsible business and manage its own and others' resources efficiently. We take focused measures to achieve clear results in our sustainability work.

SUSTAINABLE USE OF RESOURCES – EFFICIENT PRODUCTION AND ENERGY-EFFICIENT OFFERINGS

Huge amounts of natural resources are consumed every day to build, maintain, heat and cool buildings and facilities. We work with our customers to offer solutions that cut energy and resource consumption. We also endeavour to improve our sustainability impact assessment of the materials and components we use in order to reduce our long-term environmental impact.

Bravida's most significant internal environmentally related aspects consist of travel, transportation and waste. Bravida uses over 6,000 vehicles in its business. So a priority in our work is to reduce carbon emissions from our transport.

Bravida takes long-term, systematic measures to encourage all employees to consider energy use and the environment. We also endeavour to cut resource usage within the company through efficient processes in our projects.

GOOD WORK ENVIRONMENT – EMPLOYEE SAFETY, AND PHYSICAL AND MENTAL HEALTH

We believe no employee should suffer ill-health as a result of work. That's why Bravida has systematic health and safety measures in place. We want to constantly learn as an organisation, and we view each risk assessment and incident as an opportunity to learn and improve.

Initiatives are undertaken throughout the Group to improve health and safety and employee health. Everyone at Bravida has a collective responsibility to contribute to a safe and pleasant work environment. The Bravida School offers training on health and safety for all employees, and managers are continually trained on health and safety issues.

GOOD BUSINESS ETHICS – IN RELATION TO CUSTOMERS, EMPLOYEES AND SUPPLIERS

Bravida endeavours to create a culture in which all employees contribute to our continuous improvement. Together with Bravida's code of conduct, this forms the basis for how we operate and how we develop in the future. The code of conduct contains our values and our approach to issues such as business ethics, human rights and health and safety, customers, quality issues and the environment and is based on the UN Global Compact.

The code of conduct is an important element of our leadership programme and the introduction of new employees. We have continual initiatives to increase awareness of the code of conduct within our organisation.

All our business relationships should be managed in a responsible and proper manner. We place the same requirements on our business partners as we place on ourselves with regard to safety, environmental impact, human rights, quality and business ethics. Our suppliers and subcontractors must comply with our code of conduct.

SUSTAINABLE USE OF RESOURCES

Efficient production

Greater efficiency in our own operations and resource usage.

Energy efficiency in our customers properties

Cooperation with customers to reduce energy and resource consumption in their properties and facilities.

Sustainable products

Sustainability impact assessment of installation products.

GOOD HEALTH AND SAFETY

Active health and safety work

Employee safety, and physical and mental health.

Focus on leadership

GOOD BUSINESS ETHICS

Internal culture

Active measures to maintain a healthy corporate culture with good values.

Suppliers

Continual sustainability assessment of suppliers.

BRAVIDA'S MARKET

The service and installation market in the Nordics

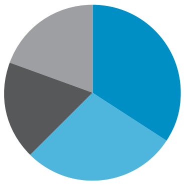
2017 MARKET GROWTH

5%*

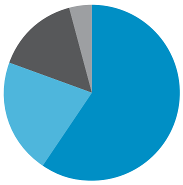
TOTAL MARKET SALES IN 2017

SEK 262 billion*

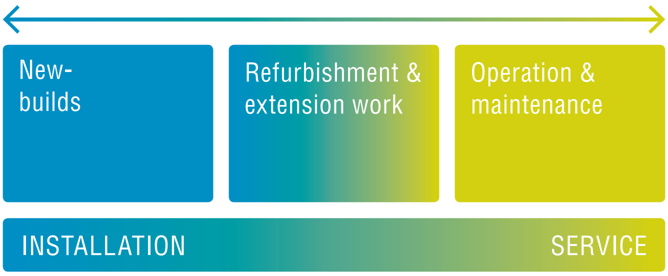
THE NORDIC SERVICE AND INSTALLATION MARKET



SHARE OF BRAVIDA'S NET SALES



Combination of service and installation provides stable market



The service and installation market is made up of a number of submarkets, the more volatile market for new-builds and the more stable markets for refurbishment, extension work, and operation and maintenance.

A stable and growing sector

Bravida is the leading end-to-end supplier of technical installations and service for properties and facilities in the Nordics, with a market share of around six percent. The sector continued to grow in 2017 and multiple factors indicate that the market remains healthy.

Bravida's main business is technical service and installation of electrical, heating & plumbing, and HVAC systems in buildings and commercial facilities. We also offer installation and service of security and sprinkler systems, cooling, power facilities, lifts and services within project management and technical service management. We carry out technical installations and service in housing, offices, shopping centres, hospitals, schools, sports arenas and stadiums, industrial properties, energy facilities and infrastructure projects. We work on both new-build and refurbishment projects, as well as maintenance and service. Another important aspect of our business is buying in materials for our service and installation assignments, at competitive prices and good quality. Our geographical market consists of Sweden, Norway, Denmark and Finland. Customers comprise construction contractors, central government and local authorities, county councils, other businesses and private individuals.

Bravida's market in the Nordic region grew by around 5 percent in 2017 and is estimated to be worth SEK 262 billion*. Market growth in 2018 is expected to be 3 percent. Our share of the Nordic market is just over 6 percent.

COMBINATION OF INSTALLATION, TECHNICAL OFFERINGS AND SERVICE PROVIDES STABILITY

Electrical, heating & plumbing, and HVAC installations are an important part of construction projects, and the concentration of installations involved varies depending on the type of project. In commercial facilities and properties, the proportion of installations in relation to building costs is about 30 percent. The proportion of installations is lower in residential properties, while in hospitals, for example, it is very high. All technical installations require service and maintenance, which means the greater the concentration of installations the higher the service volumes. Aftermarket service agreements ensure a repeat flow of assignments customers, which contributes to stability and growth for the industry.

FINANCIAL PERFORMANCE OF THE TECHNICAL SERVICE AND INSTALLTION MARKET

The technical installation market follows, with a lag, general economic development in the respective country, and more specifically the local construction sector. The production of new homes and commercial property follows fluctuations in the economy, while public-sector investments are governed by political decisions.

Service is continually in demand and demand for refurbishment and maintenance is less sensitive to economic fluctuations compared with new-builds.

*Source Prognoscentret.

Fragmented Nordic market

The Nordic installation and service market is fragmented and consists of around 25,000 small companies specialising in a single technical area and a few larger operators with wider offerings.

The Nordic installation and service market is local and highly fragmented. The industry is characterised by low barriers to entry, and in the Nordic region there are around 25,000, mainly small and privately owned, companies operating in this area. There are only a few companies with a presence throughout the Nordic region.

SMALL COMPANIES COMPETE ON LOCAL MARKETS

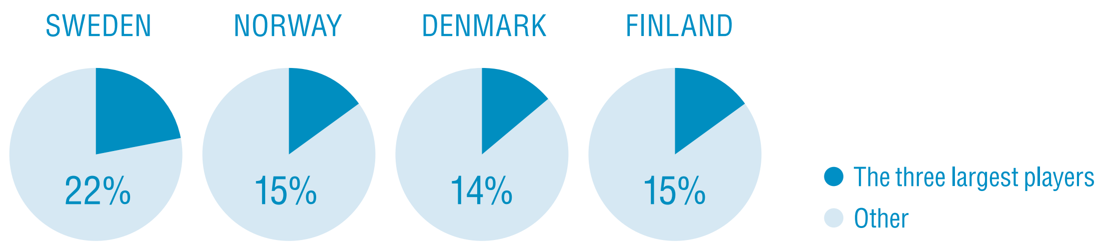
Bravida's main competitors are mainly the small and medium-sized companies on local markets. The majority of these companies are family-owned with few employees, and operate in geographically limited areas within a single area of technology.

Bravida's advantage over these smaller companies is its combination of installation and service across a number of areas of technology. Our group organisation with a range of support functions allows us to offer more extensive and in-depth expertise in areas such as purchasing, sustainability, technological developments and quality control. Bravida also has significant capabilities and experience in staffing and managing large complex projects.

LARGE COMPANIES COMPETE FOR MAJOR CONTRACTS

Competition for large contracts mainly comes from other international companies with offerings across several areas of technology and sufficient financial capacity. Aside from Bravida, the large operators on the Nordic market are Assemblin and Caverion, as well as medium-sized companies such as Gunnar Karlsen and Instalco. Major national operators include Are and Consti in Finland, Kemp & Lauritzen and Wicotec in Denmark, and Elajo, Eitech and Midroc Electro in Sweden.

Largest companies' share of the installation and service market



Bravida in Norway

Market leader after acquisition of Oras AS

In May 2017, Bravida acquired the leading heating & plumbing and HVAC operator in Norway, Oras AS. The acquisition was a strategic step in Bravida's continued development in Norway.

Bravida's position in heating & plumbing and HVAC was previously weak, but as a result of this acquisition we are now the market leader in both areas and within technical installations and service as a whole in Norway. Bravida's organisation in Norway has significant capabilities in integrating acquired companies and work to consolidate the company began in early 2017, as soon as the acquisition was approved. In the second and third quarters, the new employees were trained in Bravida's various systems, working methods, business processes and corporate culture, and integration was complete by the end of the year.

Megatrends, technical installations and service

1. Environmental impact – energy efficiency

Buildings have a significant environmental impact, both directly through energy usage and emissions from heating, ventilation, cooling and water consumption, and indirectly in the production process through factors such as transport and the choice of materials. Increasing demand for sustainable and energy-efficient buildings is an important growth driver in the installation and service sector. A large percentage of property stock in the Nordics is in need of refurbishment to make it more energy-efficient so the buildings can meet EU directive requirements. Bravida offers its customers sustainable installation solutions for new-build and upgrade projects and regular service to optimise energy efficiency. We also contribute to reducing the operating costs of properties.

2. Digitalisation and increased technical complexity

Today's information society makes quite different demands of IT environments, security and capacity compared with the past, in both residential settings and public environments such as workplaces. Cooled server rooms, broadband installations and automatic control of technical systems are examples of this. This increases the need for installation and service expertise. New technical installations can be connected online, opening new business opportunities such as operational monitoring and energy optimisation of customer properties remotely. Bravida has considerable expertise in a range of technical systems and solutions that help meet customers different needs. This greater complexity of technical installations is also increasing demand for service.

3. Urbanisation

The population is growing in metropolitan regions and university towns, which is increasing the need for new housing, properties for offices and retail, as well as education, health and social care. The rise in the number of residents is also increasing demand on infrastructure such as power supply, railways, roads, tunnels and rail-based public transport. Bravida has a broad market offering that is in demand as construction increase in growth towns and cities.

Market development in the Nordics

The Nordic technical installation and service market is healthy. A healthy construction industry in Sweden and Norway and a stable market in Denmark is contributing to increased installation volumes. The market in Finland has improved in recent years.

Total building production is important for the growth of the installation sector and for future growth within technical service. Construction volumes in the Nordics have increased in recent years, due in part to increased new-build housing production and large public-sector investment in hospitals and infrastructure projects. Increased demand for technical content and higher energy efficiency standards for properties have also contributed to good demand. This has led to both a higher degree of fittings in new-build properties and larger numbers of new technical installations in older buildings.

More properties, higher concentration of installations and greater complexity are also leading to gradually rising service volumes. Technical service is less sensitive to fluctuations in the economy than installation assignments. Maintenance and service of properties and facilities has to be carried out regardless of economic conditions. Service contracts usually run over several years, unlike an installation projects, which are carried out over a period of months. Bravida signed numerous service agreements in 2017. These include some large contracts, such as the agreement signed with Swedavia for service at nine of Sweden's airports and another contract regarding service of HVAC systems at LKAB's facilities.

In the Nordic countries we are also noticing that several large public projects are having a positive impact on the installation market. Bravida has won the contract to carry out installation work at a number of hospitals in Sweden, Denmark and Norway, including at a new hospital in Kungälv, Sweden, a new hospital in Gødstrup, Denmark, and for the extension of the university hospital in Tromsø, Norway. We also provided installation work for a number of large infrastructure projects such as the new North Pier at Oslo Gardemoen Airport and the expansion of the Eiganes and Hundvåg Tunnel in Stavanger, Norway. And installations are being carried out at a number of schools, such as Fridhem high school in Umeå, Sweden, where we are fitting electrical, heating & plumbing, and HVAC systems in a complete refurbishment of the school.

Market development by country

In Sweden, Bravida has signed a service contract regarding HVAC systems with LKAB in Kiruna

SWEDEN

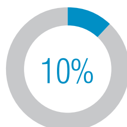
The Swedish installation and service market experienced good growth in 2017 and is estimated to be worth SEK 91* billion. The market is driven by good demand for public-sector investments in hospitals, education and infrastructure, as well as new-build housing.

Good growth is expected to continue in 2018.

Bravida is the market leader in Sweden, with a market share of approximately ten percent. Its main competitors are Caverion and Assemblin.

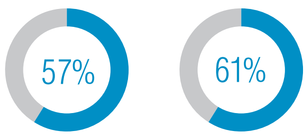
Bravida's largest customer groups are construction companies, property companies and public-sector customers.

MARKET SHARE

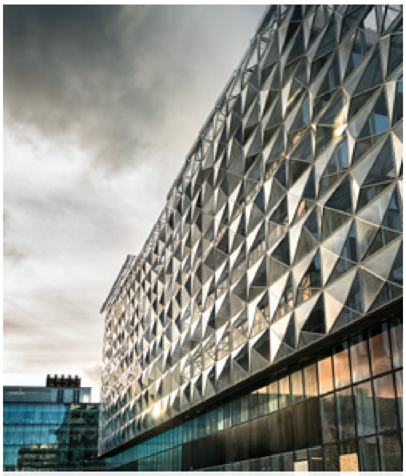


PROPORTION OF GROUP

Sales **Operating profit/loss**



In Norway, Bravida is installing heating & plumbing fittings for the construction of the Vitaminveien 11 areas in Storo, Oslo



In Denmark, Bravida is installing electrical and heating & plumbing fittings for the Niels Bohr building in Copenhagen

In Finland, Bravida is installing heating & plumbing and HVAC fittings for a project in Espoo

NORWAY

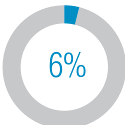
The Norwegian installation and service market experienced good growth in 2017 and is estimated to be worth SEK 73* billion. The market is driven by investment in public-sector construction and infrastructure, along with new-build housing.

A stable market is anticipated for 2018.

Bravida's market share in Norway has increased as a result of the Oras acquisition. Bravida is the market leader, with a market share of six percent. Its main competitors are Caverion and Gunnar Karlsen.

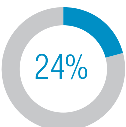
Bravida Norway's largest customer groups are construction companies and public-sector customers.

MARKET SHARE

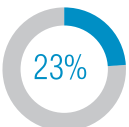


PROPORTION OF GROUP

Sales



Operating profit/loss



DENMARK

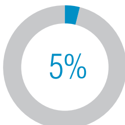
The Danish installation and service market experienced slightly positive growth in 2017 and is estimated to be worth SEK 45* billion. Public investment in health and social care, education and the new-build and refurbishment of housing is driving the market.

Good growth is expected in 2018.

Bravida's market share in Denmark is around five percent. Its main competitors are Kemp & Lauritzen and Wicotec.

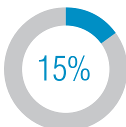
Bravida Denmark's largest customer groups are public-sector customers, construction companies and industry.

MARKET SHARE

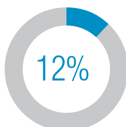


PROPORTION OF GROUP

Sales



Operating profit/loss



FINLAND

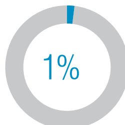
The Finnish installation and service market experienced good growth in 2017 and is estimated to be worth SEK 53* billion. The construction market has gradually improved in recent years as a result of increased public-sector investment and new-build office buildings and housing.

A stable market is anticipated for 2018.

Bravida's market share in Finland is around one percent. ARE and Caverion are its main competitors.

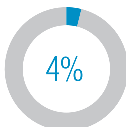
Bravida Finland's largest customer groups are construction companies, property companies and public-sector customers.

MARKET SHARE

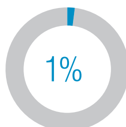


PROPORTION OF GROUP

Sales



Operating profit/loss



*Source Prognoscentret.

BRAVIDA'S CUSTOMERS

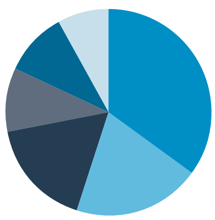
Bravida has more than 50,000 customers. No customer accounts for more than 5 percent of Bravida's total sales. This means we are not dependent on any one customer, project or sector.

Two main customer groups – construction companies and end-customers

Our customers can be divided into two main groups: end-customers and construction companies. The largest customer group comprises building contractors, who purchase installation services as part of a construction contract. End-customers – professional tenants and property owners – are key to our service activities. Income from customers in the public sector still accounts for a sizeable proportion of Bravida's sales. Private property owners and industry are other major customer groups.

38% construction companies

MAIN CUSTOMER GROUPS

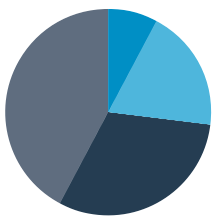


Wide-ranging and diverse customer base

Bravida's sales mainly consist of a large number of small and medium-sized projects. Of Bravida's more than 50,000 customers, no individual customer accounts for more than five percent of Bravida's sales, which provides for significant risk diversification. In 2017, the five largest customers accounted for 15 percent of net sales, and those customers of which four are large construction companies with a wide range of different projects and contacts. Of customers with annual sales of SEK 5 million or higher, 92 percent were also customers in 2016.

> 50,000 customers

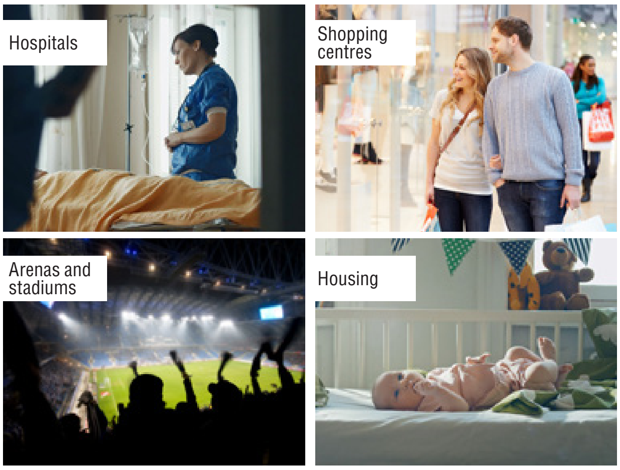
SALES BY PROJECT SIZE



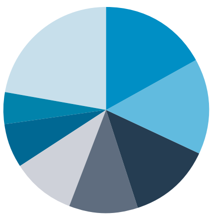
Lots of different projects and assignments

Bravida is selected for installation and service solutions at all types of facilities and buildings. This includes housing, commercial premises, infrastructure projects, sports arenas and stadiums, hospitals, schools and industrial properties. A typical installation project takes six months from start to final delivery, but projects may also span several years. Service assignments comprise everything from 1–2 hour emergency call-outs to multi-year maintenance contracts.

6 months
– duration of a typical installation assignment

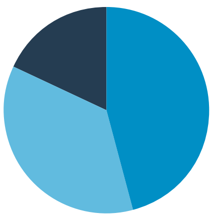


TYPES OF FACILITIES



- **17%** Apartment buildings
- **16%** Offices
- **13%** Industry
- **11%** Health and social care
- **7%** Infrastructure
- **9%** Education
- **5%** Retail
- **22%** Other

TYPES OF ASSIGNMENT



- **47%** Service
- **38%** New-builds
- **15%** Refurbishment and upgrade work

A SUSTAINABLE COMPANY

Sustainability is important to Bravida. We have more than 50,000 customers and every day we help them contribute to a more sustainable society. But the issue of how we operate responsibly, sustainably and for the long term is wider than that. It relates to the choices and priorities we make in our day-to-day work, how we conduct business and how we cooperate with other entities.

Bravida's priority sustainability goals

Sustainable use of resources

EFFICIENT PRODUCTION AND ENERGY-EFFICIENT OFFERINGS
We aim to be an industry leader on energy and the environment. We aim to offer our customers energy-efficient and environmentally sustainable solutions, and to reduce our own environmental impact.

Intermediate goals
Reduce internal resource consumption and carbon footprint: Fuel-related CO_2 emissions should decrease by three percent in terms of CO_2/km versus previous year.

Good health and safety

EMPLOYEE SAFETY, AND PHYSICAL AND MENTAL HEALTH
No employee should suffer from work-related physical or mental ill health – our long-term aim is to eliminate this.

Intermediate goals
Occupational injury rate* < 7
Sickness absence < 4%

*Number of occupational injuries that lead to at least one day of sickness absence per million working hours.

Good business ethics

IN RELATION TO CUSTOMERS, EMPLOYEES AND SUPPLIERS
All our business relationships should be managed in a responsible and proper manner.

Intermediate goals
All our employees and suppliers must comply with our code of conduct, which is based on the UN Global Compact.

Responsible business

Bravida aims to operate a responsible business and ensure efficient management of its own and others' resources. This includes the environmental, economic and social factors relating to our business. We take focused measures to achieve clear results. That's why we have prioritised our key sustainability issues and goals to identify the most important areas to improve over the next three years.

Bravida sustainability report

Bravida's first published a sustainability report for the 2015 financial year. Since 2016 the sustainability report is combined with our annual reporting. As of 2017 Bravida is subject to the Swedish Annual Reports Act's new requirements for large companies to publish sustainability reporting.

Our sustainability work encompasses all of our business

Bravida's priority sustainability goals relate to the sustainable use of resources, good health and safety and good business ethics. Environmental, economic and social factors are all part of Bravida's business and feature in all aspects of our day-to-day operations.

EMPLOYEES AND HEALTH AND SAFETY

Our success as a service company depends on the expertise of our employees – and on good leadership. We aim to offer a stimulating workplace with safe conditions and good opportunities for professional development.

WORKING METHODS

We work based on structured and efficient processes in implementing projects and assignments. This enables us to use our own resources and those of others in an efficient manner, generating customer value and profitability, and creating the conditions for a good working environment.

PURCHASING AND SUPPLIERS

Purchasing is an important part of our business. We place the same requirements on our business partners as we place on ourselves. This relates to our approach and actions concerning issues regarding human rights, labour conditions, product liability, environmental impact, health and safety, and business ethics.

ENERGY AND RESOURCE USAGE

Bravida has significant opportunities to help customers make good environmental choices and save energy in their properties and facilities. We take long-term, systematic measures to integrate energy and environmental issues in our own business and reduce our own environmental footprint.

DEVELOPMENT OF SOCIETY

Bravida is involved in helping develop society, both as an installation and service provider and as a large employer. We offer sustainable solutions for our customers, train future fitters, support research and technical developments, and contribute to the growth of our industry and society.

About Bravida's sustainability work

Bravida has stuctured its organisation in order to conduct long-term measures characterised by continuous improvement. This takes place in continual dialogue with our stakeholders.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS
Bravida's business affects and is affected by a wide range of stakeholders. Stakeholder engagement provides an important basis for decisions about the focus and priorities of our business. The closest interaction takes place with customers, employees suppliers and shareholders. Day-to-day contact combined with regular surveys and forums are the main channels to understand needs and expectations.

In 2015, Bravida undertook a project to revise and create a structure for the company's sustainability work. Stakeholder engagement was part of this work. Through surveys and interviews, it involved a number of parties in Sweden, Norway and Denmark giving their views on what sustainability issues Bravida should prioritise in its work. Combined with the company's business intelligence, the assessment of opportunities to make a difference and applicable business plan targets and priorities, this engagement provided us with a basis to identify Bravida's key sustainability issues. This work continued in 2016 with the analysis and prioritisation of important issues to validate and provide a clear focus for our sustainability work in both the short and long term.

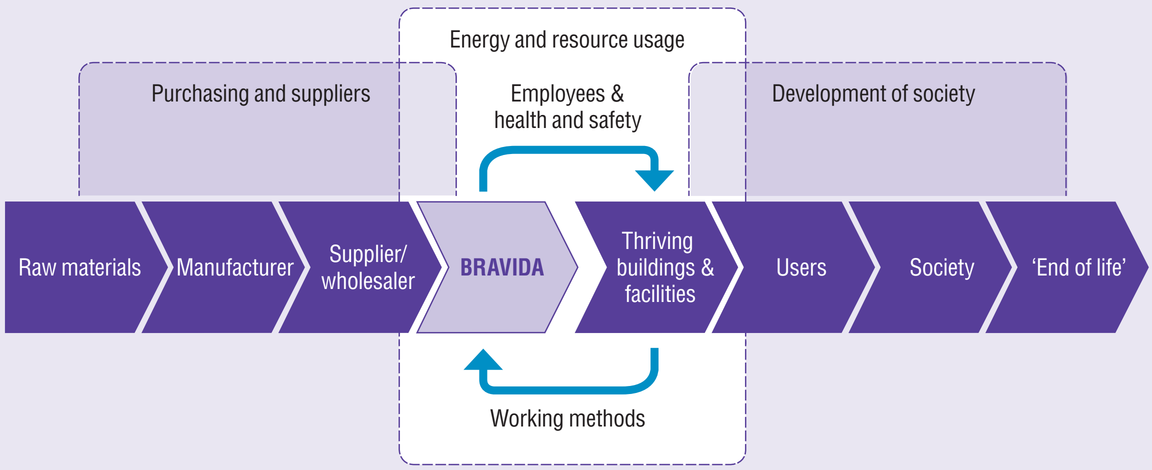
In May 2017, new, comprehensive stakeholder engagement was undertaken with surveys sent to employees and in-depth interviews conducted with customers, employees, suppliers and shareholders. This time the aim was to validate Bravida's priority sustainability issues and receive feedback on how we are performing. The results support the perception that we are working on the right issues, but they also demonstrate that we have further to go. One example is to better understand and communicate how the environmental aspect of our installations can be improved through correct design and product selection.

Bravida's stakeholders

Bravida's value chain and sustainability areas

Bravida's value chain stretches from the raw materials in the products, materials that we purchase from our suppliers to our own operations, and onward to our customers and out into the communities in which we operate. Our fittings are used for a long time in properties and facilities, they are serviced and maintained before finally being replaced and disposed of.

From a sustainability perspective, our greatest opportunities to make a difference are in those parts of the value chain concerning our own operations and our direct contact with our cooperation partners.



ORGANISATION, GOVERNANCE AND MONITORING OF SUSTAINABILITY WORK

Bravida aims to conduct long-term, responsible and sustainable business that integrates economic, environmental and social considerations into the company's business operations. The Board is responsible for the company's overall strategic focus. Strategies for our sustainability work are developed and set by Group management, and ultimate responsibility lies with the CEO. Operationally, sustainability work is led by the Head of Business Development, with day-to-day responsibility decentralised to the respective unit. Central Group departments for the environment, health and safety, legal services and HR provide practical support and create structures for this work.

Governance and monitoring of sustainability work take place via the well-established management process as part of Bravida's groupwide business management systems and follow the description in the Corporate Governance Report. Sustainability is also reported in a sustainability report.

Bravida's operations and our strategies for future development are governed by the Group's code of conduct, policies* and our values: professionalism, simplicity, competence and good conduct.

The code of conduct is consistent with the UN Global Compact, meaning the company takes a stand on issues concerning human rights, labour conditions, the environment and corruption. Bravida also endeavours to comply with:

- The UN Declaration of Human Rights
- The ILO's Declaration on Fundamental Principles and Rights at Work
- The OECD's principles and standards for multinational enterprises
- The Rio Declaration on the Precautionary Approach.

The Rio Declaration on the Precautionary Approach means that Bravida commits to take a preventive approach and minimise risks in environmental issues. Additional references to laws, codes and regulations that are material to the company's governance can be found in the Corporate Governance Report.

The sustainability issues that Bravida has identified as most significant relate to the company's strategy and business plan. In 2017, work was undertaken by Group management to develop a new business plan. The new plan will be established and launched in the first quarter of 2018 and will cover the next three years. The monitoring of goals will be reviewed and revised in connection with the plan's launch. Further information about Bravida's targets can be found on pages 12-13.

*Including policies on the environment, health and safety and quality management.

Building OU44 at The University of Southern Denmark, one of the 20 most energy efficient buildings in the world.

Employees

Bravida is a large employer – the largest in electrical, heating & plumbing, and HVAC in the Nordics. But our aim is far greater than this. Our goal is to be the most attractive employer in the industry.

Bravida has around 10,600 employees working together. We are trade professionals, service technicians, project managers, service managers, cost accountants, business managers, administrators and economists who are all experts in their own areas.

SKILLS DEFICIENCY IN THE SERVICE AND INSTALLATION INDUSTRY

The service and installation sector is an industry of the future that is constantly evolving. The installations in demand today are increasingly complex and require clear coordination between different disciplines, such as electrical, heating & plumbing and HVAC. This increases demand for our knowledge and skills in the efficient management of projects. According to the trade association Installatörsföretagen, there is currently a skills gap of 10,000 trained fitters in Sweden. Denmark faces a similar situation. This deficiency makes it difficult to achieve housing construction targets and has a negative impact on growth and employment. The significant competition for labour is placing stringent requirements on our offering as an employer and on our work to retain, develop and attract the best skills.

RECRUITMENT IS A KEY ISSUE FOR BRAVIDA'S GROWTH

We aim to recruit the best skills in the sector and our need for capable fitters, technicians and engineers is increasing. Skills planning and recruitment take place locally at our branches. The Group provides support and tools to boost quality, efficiency and a long-term approach to planning.

We are raising the profile of and interest in the sector and of Bravida as an employer through a presence at institutes of technology, vocational colleges and other forums. Bravida's local branches regularly recruit apprentices across all areas of technology. Our apprentice programmes are strengthened by a number of cooperation initiatives with colleges.

We also have a trainee programme, known as 'BraIngenjör', in which talented young employees spend a year learning about Bravida's working practices and developing their leadership and business skills.

Bravida employees can choose from numerous career paths, as a specialist, a project or service manager or other form of manager. We try to fill management positions internally, which creates opportunities, stability and continuity in the organisation. With operations in about 150 locations throughout the Nordic region, employees also have the opportunity to gain experience from projects in different countries and places.

DEVELOPING AND RESPONSIBLE LEADERSHIP MAKES OUR ORGANISATION STRONGER

Under Bravida's decentralised structure, our local branch managers are responsible for the performance of their branch. Branch managers play an important role in the development of our employees and our business. Bravida has a Group management programme in place to strengthen the leadership skills of our managers and leaders. This programme also encourages networking and the transfer of experience that strengthens our collective capabilities and corporate culture.

THE BRAVIDA SCHOOL MAKES US BEST IN CLASS

The Bravida School, our in-house training organisation, plays a pivotal role in ensuring Bravida is at the forefront of the industry both in terms of working methods and technical solutions. The school creates an attractive range of courses for all groups of professions. Much of the programme consists of courses developed especially for Bravida, such as on leadership, entrepreneurship, and health and safety. But we also make use of external training, particularly for the certification of fitters and technicians.

WE CREATE GREAT RESULTS, TOGETHER

We have focused on our brand as an employer to strengthen our corporate culture and clarify what it means to be employed at Bravida. A number of our fitters, technicians and office-based staff across the Nordic region have contributed to this work. Under the motto 'We create great results, together' these employees' contributions have created a clear and attractive image of what it means to be a Bravida employee.

Improvements in 2017

Bravida is an attractive employer
Bravida is strengthening its employer brand and is continuing to rise up the Universum list of Sweden's best employers for office-based staff. In 2017 we were ranked 9th (12th).

Manager and leader development
An analysis of the duties and workload of Bravida's managers provides further insight into how we can create good working conditions together.

The Bravida School is growing
The number and range of courses is increasing. There is a particular focus on the service side of the business, with the launch of a service manager course. We are also strengthening our office-based staff with a new course on efficiency and self leadership.

We are developing our use of e-learning to improve the availability and effectiveness of our courses.

Follow-up

67 Employee motivation index 67 (66). Target: > 75, scale 0–100*.

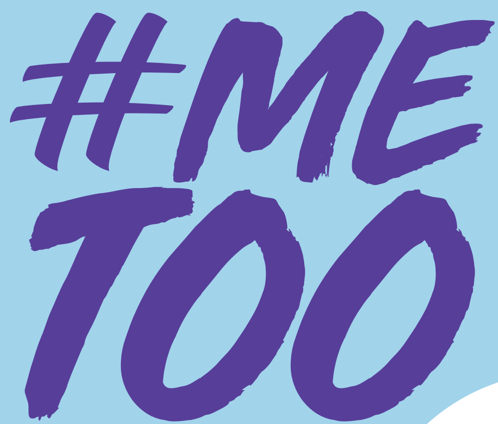
30 'BraIngenjör' graduates received diplomas from our trainee programme.

1,354 apprentices worked at Bravida during the year.

*Bravida's employee survey is conducted every other year, and most recently in 2016.

#METOO

Bravida has zero tolerance of all forms of harassment and discrimination, but the #metoo movement of last autumn shows there is still lots to do in all industries. Bravida's leaders and managers have particular responsibility within the company, both in terms of setting an example and in terms of how they act.



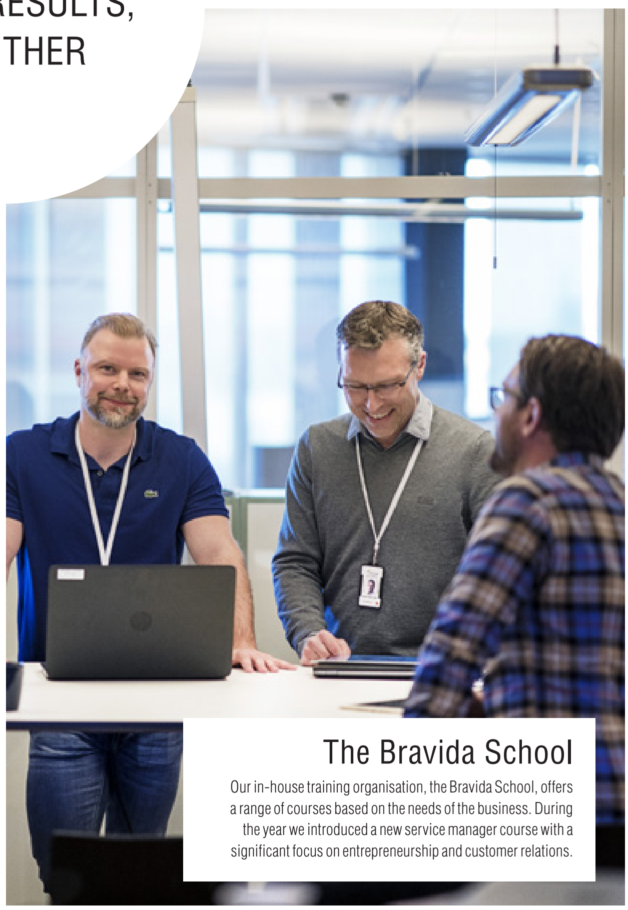
Our employer brand

Under the motto 'We create great results, together', employees' contributions have created a clear and attractive image of what it means to be a Bravida employee.

WE CREATE
GREAT RESULTS,
TOGETHER

Career opportunities

Bravida employees can choose from numerous career paths, as a specialist, a project or service manager or other form of manager. We try to fill management positions internally, which creates opportunities, stability and continuity in the organisation.



The Bravida School

Our in-house training organisation, the Bravida School, offers a range of courses based on the needs of the business. During the year we introduced a new service manager course with a significant focus on entrepreneurship and customer relations.

A CORPORATE CULTURE THAT EVERYONE CONTRIBUTES TO

A fundamental aspect of Bravida's corporate culture is that we grow and learn from each other – we keep our commitments, we follow up and we constantly improve. We call it the Bravida Way. Together with Bravida's code of conduct and our core values, this forms the basis for how we act and how we develop in the future.

The code of conduct contains the ethical values that we believe should apply in our business on issues regarding human rights, labour relations, customers and quality management, the environment and sustainability, leadership and business ethics. Using practical examples concerning areas such as entertainment, gifts and events, it provides specific guidance about how we are expected to behave and act from day to day.

If anyone feels that we are not adhering to our values, suspects that something isn't right or if someone feels they have been wrongly treated, Bravida has a whistleblower function to report such issues anonymously.

To further increase understanding and widen the dialogue about business ethics we will educate our administrative personnel more in-depth during 2018.

A WELCOMING AND RESPECTFUL WORKPLACE

Bravida should be a workplace that welcomes and respects all employees. By promoting gender equality and diversity, we make the most of employees' differences, skills and experience. The Group maintains policies and plans for equal rights and opportunities, with measures and objectives designed to increase gender equality and diversity. We are working with employer organisations and training boards to increase the proportion of women in the industry.

Bravida has zero tolerance of all forms of harassment and discrimination. If there are suspicions or comes to our knowledge that harassment occurs, action should be taken swiftly in accordance with our anti-harassment action plan. Last autumn's #metoo movement shows there is still much to do throughout the society. Leaders and managers at Bravida have particular responsibility, both in terms of setting an example and in terms of taking action if anyone feels discriminated against. The HR department can provide further advice and support where necessary.

Our HR processes are structured in accordance with legislation and collective agreements to ensure that we live up to society requirements and our own code of conduct, not least in issues concerning human rights, the working environment and labour law. Internal audits, independent inspections and our employee survey help us to further follow up our compliance.

EMPLOYEE MOTIVATION INDEX

67 Bravida's target is 75.

NUMBER OF EMPLOYEES, AVERAGE	2016	2017
Total in Group	9,730	10,643
Of whom women	627	710
Sweden	5,399	5,626
Norway	2,349	2,718
Denmark	1,602	1,803
Finland	380	496

AGE STRUCTURE, %	2016	2017
Over 60 years	7.2	7.2
51–60 years	19.6	19.7
41–50 years	22.4	20.8
31–40 years	20.5	21.7
21–30 years	25.3	25.6
Under 20 years	5.0	4.8

Business ethics

Business ethics at Bravida

About Bravida's code of conduct

Bravida has shared values that create the corporate culture that brings us together and provides us with guidelines about what is right and wrong. We want our corporate culture to reflect or exceed the expectations of the society in which we live.

The basis for Bravida's ethical values is provided by our code of conduct. It lays the foundations for how we behave and act day to day. The code of conduct covers important issues such as gender equality and diversity, our view on health and safety and business ethics issues.

Our aim is for everyone at Bravida to be familiar with the code of conduct and comply with it. All new employees are required to read the code. It is also regularly discussed in internal information, training courses and meetings. It should be easy to both want to and be able to comply with Bravida's code of conduct.

We have to question our values

"Values need to be kept up to date. What is considered right or wrong varies over time and as a result of public response. Something that was accepted 10 years ago may now be deemed unacceptable. So we have to constantly question our values. The code of conduct should be a dynamic document that always reflects our values and how we behave. We have to constantly support the organisation in keeping the code relevant and up to date," says Magnus Liljefors, Chief Legal Officer at Bravida.

For a business with a decentralised organisation, as with Bravida, it is especially important for the organisation to discuss business ethics issues. This may relate to matters such as what a bribe is, how we organise a Christmas party or how sponsorship should be managed. It is important that we have a common understanding of these issues and an insight into the importance of following our values. Anyone lacking an ethical compass and does not take on our code of conduct and rules may not only be exposing themselves but also all of Bravida to significant risks. Violation of the legislation can lead to severe penalties, fines and imprisonment, not to mention the deteriorating reputation that can affect Bravida.

"That's why we're proactive in constantly reminding employees and explaining our values. Our leaders set an important example. We establish our values with managers through regular training and discussions. But we're also reactive, through monitoring and internal controls to ensure that no one disregards our code of conduct, knowingly or unknowingly," says Magnus Liljefors.

"Training is not restricted to managers. All administrative staff involved with accounting and invoicing at departmental level gets trained. Through education we create an interest and a greater understanding of business ethics issues. As a result, we can proactively conduct a dialogue on values while improving the follow-up and tightening control further" adds Magnus Liljefors.

"Values need to be kept up to date. What is considered right or wrong varies over time and as a result of public response.

Magnus Liljefors, Chief Legal Officer at Bravida

Work environment, health and safety

At Bravida our vision is to eliminate occupational injuries entirely. That includes both mental and physical health. Every employee should be healthy at the end of each day – and at the beginning of the next one. That is why we have systematic health and safety measures in place.

Bravida operates in an industry with significant health and safety challenges. Numerous operators, high-risk environments and tasks, a fast pace and a culture that doesn't always encourage a safety mindset are just a few of them. Yet we know that good health and safety generates productivity, quality and wellbeing, as well as making a positive contribution to our performance. We have resources and systems in place to promote health and prevent injuries, and we are continually working to improve efforts, including by planning work to ensure safety and good organisation. Everyone at Bravida has a collective responsibility to contribute to a pleasant and safe work environment.

SICKNESS ABSENCE AND OCCUPATIONAL INJURY RATE

Sickness absence declined in 2017 from 5.4 percent to 5.1 percent. Contributing factors to the lower level of sickness absence include the 'God bättring' initiative, which involved contact and support at an early stage for employees in Norway who are unwell, as well as the Finnish collective occupational healthcare initiative. We are continually working to understand the reasons behind sickness absence and to identify what needs to be done to improve employee health in the short and long term. Bravida's goal is to get sickness absence down to under 4 percent. Monitoring, discussions with employees on sick leave and rehabilitation will continue to be important aspects of this work going forward.

The rate of occupational injuries has remained at the same level since 2015. The number of occupational injuries that lead to at least one day of sickness absence amounts to 11 per million working hours. Bravida's vision is to eliminate instances of occupational injury entirely, with an initial goal of getting the rate of accidents under 7 per million working hours. We work with integrated operational processes which include instructions for work environment, electrical safety and road safety. Achieving our goal requires regular leadership training and compliance with our shared procedures. We also need to highlight risks and risk areas. Our groupwide incident and risk management system, BIA, allows Bravida employees to easily report incidents, accidents, occupational injuries and preventive activities via a mobile app. Data from the system forms the basis for qualitative analyses, which in turn help us identify focus areas and come up with more targeted measures. Falls and electrical accidents are the most serious occupational injuries, which means we prioritise efforts to prevent and avoid such incidents.

WE SHARE THE SAME WORK ENVIRONMENT

Many high-risk situations and accidents are related to the fact that multiple contractors are operating in the same workplace. Bravida needs to improve within the area of health and safety, but we cannot achieve our vision of eliminating occupational injuries entirely on our own. We need to work together with everyone involved in the various phases of a construction project, including contractors and developers. That's why Bravida has chosen to become a founding member of the organisation 'Samverkan för noll olyckor i byggbranschen' (joint action for zero accidents in the construction industry) and the 'Håll Nollan' initiative. Bravida's President and CEO Mattias Johansson is a member of the organisation's Board. Bravida employees are members of working groups for some of the organisation's priority issues, including how to ensure the correct health and safety expertise for each operator and role, and the development of requirements specifications in the tendering and procurement process.

Improvements in 2017

Group Health and Safety Week

September 2017 saw Bravida's first groupwide Health and Safety Week. The focus was on common types of accident, Bravida's safety regulations and psychosocial work environments. One effect of the week was that it encouraged a greater number of reports of incidents using the BIA system.

Initiative to eliminate accidents

Bravida is a co-founder of the organisation 'Samverkan för noll olyckor i byggbranschen', which aims to eliminate accidents in construction work environments. The organisation covers the entire Swedish construction industry and works to ensure that no-one suffers an injury in the workplace.

Health promotion in Denmark

The 'KRAM' health survey, which focuses on diet, smoking, alcohol and fitness, gives employees and management in Denmark a health rating and suggestions on what action they can take to improve their health and wellbeing.

Follow-up

OCCUPATIONAL INJURIES, RATE*	2016	2017
Sweden	9.5	9.5
Norway	7.6	3.0
Denmark	17.6	19.0
Finland	41.3	33.8
Group	11.0	11.0

*Occupational injuries that lead to at least one day of sickness absence per million working hours.

SICKNESS ABSENCE*, %	2016	2017
Sweden	5.1	4.7
Norway	6.5	5.8
Denmark	4.1	4.8
Finland	6.7	4.5
Group	5.4	5.1

*Total hours of sickness absence in relation to planned working hours.

Health and Safety Week

Bravida in Nordic health and safety initiative

Nordic Health and Safety Week strengthens safety culture

In September 2017, Bravida held its first Health and Safety Week, which involved the entire Group. During the week, there was a particular focus on efforts to improve health and safety, and the work environment. Thousands of employees took part and hundreds of activities were carried out, including extra safety inspections, workplace visits, training, talks and health surveys.

"Everyone at Bravida has a collective responsibility to contribute to a pleasant and safe workplace. That's why it's important that everyone gets involved – fitters, technicians, managers and other office-based staff. Health and Safety Week gives us a great opportunity to shine a light on this issue and the fact that health and safety is one of our most important areas, something we need to work on every day, all year round," says Anna Bergström, Health and Safety Manager, Bravida Sweden.

"During the week there was an increase in the use of Bravida's groupwide incident reporting system, BIA. It was primarily the number of risk observations that increased, which enables us to take a preventive approach."

Bravida's Health and Safety Week will be an annual event that will help reinforce our safety culture in the short and long term.

> **Everyone at Bravida has a collective responsibility to contribute to a pleasant and safe workplace.**

Image: Bravida Drammen on a safety inspection at Orkla's new headquarters, Orkla City, during Health & Safety Week 2017.

Working methods

Bravida aims to contribute to sustainable production using efficient working methods and tools. We always work based on a structured process in our projects and assignments. This creates customer value and profitability, and builds the foundations for a good working environment.

GOOD ORGANISATION ENSURES EFFICIENT USE OF RESOURCES

We always aim to simplify the way we work and be more efficient. Clear planning and well-structured work processes allow us to achieve a high and consistent level of quality in our deliveries. Good organisation means efficient resource usage for customers, society and ourselves. It also promotes a good and safe working environment where our employees thrive and can do a good job.

GROUP SYSTEMS LAY FOUNDATIONS

Bravida has a groupwide business management system known as BravidaBas. The system is ISO 9001/14001-certified and guarantees that aspects such as quality, environment and health and safety are integrated into our customer projects and assignments, as well as in management of the company at all levels.

The Group also has shared systems for finance, HR, purchasing and administration. These systems support the operations of our branches and facilitate cooperation between different units.

DEVELOPING OUR WORKING METHODS

Over the past few years, extensive productivity programmes have helped develop our employees, our shared working methods and our tools. We are now building on this work by realising the full potential of the programmes throughout the entire business.

This will include training, follow-up and support in various forms. In purchasing, the focus is on increased use of Bravida's purchasing platform and central contracts, alongside reducing the number of collection orders. In service operations, we are boosting customer value via service contracts, organisation and the strengthening of expertise, which simplifies customer contact and the transfer from emergency call-outs to planned service.

So far we have seen results in the form of more signed service contracts and opportunities for new recruitment. For our customers this means lower operating costs and fewer outages. In short, a more efficient use of resources and less environmental impact.

Improvements in 2017

Purchasing and service initiatives improve shared working methods

Our established improvement initiatives continue to strengthen the expertise of our employees and branches and their use of shared working methods.

New ISO versions boost quality and environmental efforts

Work began during the year to gain certification according to the new versions of the ISO standards for Quality and Environment from 2015. The focus has been on how we manage and include stakeholder requirements, life-cycle perspective, risks and opportunities. Sweden is the first to complete the transition of the countries in which Bravida operates.

Improved digital support

Several improvements have been made to streamline the service process for service technicians in the field and in the office. One such improvement is that more order details are being automatically transferred between work order and business systems, cutting administration for order management and invoicing.

Follow-up

62% of the service branches have completed training as part of the programme for improved working methods for service operations.

130 suggestions for improvements were received via our internal case management systems and were reviewed at Group level during the year.

Bravida in Finland

Improved working methods

When Bravida was established in Finland, extensive efforts were initiated to integrate the business into the Group's shared systems and working methods. All regions in Finland have now received training in our basic systems and tools.

The implementation of our improvement initiatives is conducted according to the same models that have proved successful in the other countries. Firstly, a pilot is carried out to adapt the content of the training to local needs and conditions. Then management receives training and subsequently the rest of the organisation. This way they can assist with implementation and both trainers and participants can receive support from their line manager. But the training itself is just the first step. It is followed by monitoring, development and in-depth training out in the regions. The objective is for productivity to continue to improve and for the business to be developed and grow within both service and installation.

Purchasing and suppliers

Bravida's purchases of materials, components and services constitute an important part of our customer offering. Bravida supports the purchasing activities of its local branches and develops cooperation with suppliers, wholesalers and subcontractors.

Purchasing in the installation and service industry is highly complex. There is a wide range of materials and components from various suppliers that have to be selected for each individual project and assignment. In 2017, Bravida's total purchasing amounted to SEK 9,5 billion.

GROUP PURCHASING PROVIDES STRENGTH

The purchasing expertise and skills of the branches are crucial to ensure customers receive good end-products and to support the profitability of our projects and assignments. To support this work, Bravida has purchasing coordinators and groupwide buyer portal, which includes systems and tools for procurement. The Bravis groupwide purchasing platform and coordination of branches' purchasing help us create larger order volumes and achieve lower prices and efficiency benefits. The purchasing platform increases transparency and facilitates quality assurance and sustainable selection of suppliers, services and products. Bravida has also developed a standardised range of products, known as the Bravida Assortment, used by all our branches. The range is an important part our purchasing and our customer offering.

CODE OF CONDUCT FOR SUPPLIERS

We place the same requirements on our business partners as we place on ourselves. Our code of conduct for suppliers focuses on the values and approaches that we believe should apply to issues such as human rights, employment conditions, product responsibility, environmental impact, health and safety and business ethics. Our goal is to establish a dynamic supplier register in which key suppliers and subcontractors are regularly rated. So far, 41 percent of our key suppliers and subcontractors in Sweden have committed to follow our code of conduct. Planning is under way to launch similar working methods throughout the rest of the Nordic region.

TOOLS TO REDUCE SUPPLIER RISKS

The substantial number of suppliers we use presents a challenge when it comes to ensuring compliance with Bravida's requirements. The supplier portal and tools for supplier assessment are our most important instrument in this respect. In a supplier assessment, suppliers and subcontractors carry out a self-assessment which indicates how well they satisfy requirements within the areas covered by the code of conduct. To further reduce the risks and increase efficiency, purchasing is largely focused on established operators on the Nordic market. In cases where Bravida imports items, the supplier assessment is conducted centrally. The area that is most difficult to monitor is local subcontractors. Although the risks are primarily local, it underlines the importance of continual training, follow-up and support to ensure our tools and working methods are used.

PARTNERSHIPS FUEL DEVELOPMENT

Bravida's partnerships with selected suppliers create the conditions for pursuing development and finding better solutions. Through closer partnerships we aim to improve our control of purchasing and promote those processes that lead to efficient purchases, less transportation and a reduced carbon footprint.

INTEGRATION OF ACQUIRED COMPANIES

When Bravida acquires companies they gain access to our purchasing platform, including contracts, systems and product assortment. This enables the company to reduce its purchasing costs while maintaining or increasing quality.

Improvements in 2017

Coordinated purchasing
Over the year, Bravida continued to strength its purchasing organisation by appointing more purchasing coordinators, who support the purchasing work of local branches. This is leading to larger purchasing volumes, fewer suppliers and lower costs.

Imports
We are becoming increasingly better at carrying out quality-assured international purchasing to improve our competitiveness and our customer offering.

Best purchasing
Our 'Best Purchasing' programme aimed at developing the company's purchasing had an even greater impact in 2017. When our working methods are improved, the organisation is able to benefit more from Bravida's size and purchasing power, while ensuring high-quality and sustainable purchasing.

Follow-up

94% of branches have undergone Best Purchasing training.

41% of key suppliers in Sweden have so far carried out a self-assessment on sustainability using our supplier assessment tool*.

59% of products sold are included in our own recommended range, known as the Bravida Assortment.

-0.4% reduction in the number of orders requiring collection (visits to wholesalers).

*As of 2017, the calculation only includes suppliers who have submitted comprehensive responses to the self-assessment.

Energy and resource usage

Every day, Bravida's employees provide installation and service of new, energy-efficient technology in our customers' properties and facilities. Our aim is to be an industry leader on energy and the environment. This imposes high standards for our customer offering and our efforts regarding our own environmental impact.

WE CAN MAKE A DIFFERENCE

We endeavour to strengthen our expertise and increase customers' awareness of how we can create energy- and resource-efficient solutions. Bravida has significant opportunities in its service business to optimise customers' properties and facilities in terms of energy efficiency.

Training strengthens the involvement and capabilities of our service managers and fitters. The aim is to provide more tools to enable them to proactively identify, suggest and carry out improvement measures at customers' properties. Important areas include energy audits, energy-efficient pumps and HVAC, as well as continuing the transition to LED lighting and increased lighting control.

REDUCED ENVIRONMENTAL IMPACT IN OUR INSTALLATIONS

The construction and installation industry has various systems that assess the energy consumption and environmental impact of the products we install, such as 'BASTA', 'SundaHus' and 'BVB'. There are also a number of certification systems for buildings that impose requirements regarding traceability and checks on the products and materials being installed. BREEAM, LEED, Nordic Ecolabel, Sweden Green Building and EU Green Building are just a few examples. Choosing environmentally evaluated products enables greater control of energy and environmental performance. Bravida works with suppliers and assessment systems to make it easier to access information about environmentally evaluated products. This facilitates the choice of energy-efficient and environmentally superior installations.

OUR OWN ENVIRONMENTAL IMPACT

Bravida's own environmental impact comes from travel, transportation and waste. The Group has over 6,000 leased vehicles, which creates both dependency on fossil fuels and carbon emissions. Our most important goal in this area is therefore to reduce fuel-related CO_2 emissions per kilometre by a minimum of 3 percent annually. Measures range from central to individual level, and include reducing mileage, modifying or replacing vehicles and fuel-efficient driving. Carbon dioxide emissions* from domestic transportation in Sweden, Norway and Denmark in 2017 totalled 20,989 tonnes and average emissions per vehicle were 188g CO_2/km. In 2016, the corresponding figures were 18,589 tonnes and 181g CO_2/km, which means carbon dioxide emissions per km from Bravida's vehicle fleet have risen by 3.9 percent and we are not achieving our target. As regards the Swedish vehicle fleet, it is being modernised and made more efficient. Manufacturers' stated emissions have declined from 162g CO_2/km to 155g CO_2/km, however the reduction is not reflected in actual emissions. In order to work more consistently with the vehicle issue and improve at monitoring the emissions trend, two fleet managers have been appointed within the Group.

At Bravida we conduct operations in accordance with national laws, requirements and regulations. Our management system and our groupwide working methods are designed to reduce the risk of pollution or other detriment to human health or the environment. Bravida's operations are not subject to notification or licence requirements for environmentally hazardous activities.

Improvements in 2017

Electric vehicles

The pilot study involving electrically powered service vehicles in Sweden and Norway is continuing. To date the feasibility of using electric vehicles has been limited by factors such as uncertainty regarding the actual range and charging opportunities, as well as the fact that the vehicles cannot be fitted with a tow bar. Hopefully the next generation of electric vehicles will reduce some of these challenges.

Bravida builds charging infrastructure

Norway has the largest fleet of electric vehicles per capita in the world, which demands a developed and well-functioning charging infrastructure. Bravida Norway has adopted a leading position within installation and service of charging stations and charging points, and conducts preventive annual maintenance checks on more than 1,000 chargers.

Ongoing research collaboration with KTH Royal Institute of Technology

The research project relating to heat recovery in apartment blocks and adaptation of radiators is progressing, and the project attracted some attention in the Swedish industry press during the year.

Follow-up

3.9% increase in CO_2 emissions/km* from Bravida's vehicle fleet in Sweden.

20,989 tonnes – total carbon dioxide emissions from Bravida's own transport*.

*Carbon dioxide emissions calculated under Greenhouse Gas Protocol Scope 1. Actual emissions are lower than those reported as emissions factors for fuel under the European standard excluding biofuel blends were used. In practice, a significant percentage of fuel includes a small amount of bioethanol/biodiesel, which produces lower carbon dioxide emissions. Bravida has chosen this reporting method to make it easier to see our own impact on carbon dioxide emissions over time. Emissions calculations have been made for operations in Denmark, Norway and Sweden. There is no comparative data for Finland. The data collection system is currently being established and is expected to be in place this year.

Energy

Energy efficiency strengthens Induflex

Plastics manufacturer Induflex has been working with Bravida to implement significant energy savings.

Induflex in Denmark is endeavouring to upgrade its production and make it more environmentally sustainable. The company has carried out several energy efficiency projects in collaboration with Bravida Denmark. At Induflex's factory in Støvring near Ålborg, Service Manager Poul Bjerre Jensen from Bravida's gas branch and Bravida's energy consultants have proposed and implemented energy optimisation measures on the technical installations. Together they have conducted a comprehensive review of the ventilation and heating system and replaced outdated solutions with modern and more energy-efficient technology. The installations have beneficial pay-back periods and have so far resulted in annual energy savings of 272,200 kWh, a reduced carbon footprint and a better work environment for the company's employees.

"We have achieved savings on a number of levels. First and foremost we are making the desired savings for the investments we have carried out. Furthermore, the energy efficiency project means substantial production and work environment benefits for us. The new ventilation system uses plate heat exchangers on the ceiling, allowing us to harness surplus heat while solving the problem of downturns in production," says Induflex CEO, Rico Larsen.

Development of society

Bravida wants to be the best in the Nordic region for sustainable installation and service. This means we are also contributing towards developing society both today and for the future.

Bravida's aim is to create a long-term healthy return for its shareholders by operating our business in a way that is profitable, responsible and transparent. We want to offer our staff secure employment and to develop our business, and make a positive contribution to the rest of society.

HOW WE CREATE ADDED VALUE FOR OUR STAKEHOLDERS

Society

Bravida contributes to the development of society by paying taxes and other public fees, as well as through our employees paying income tax. Bravida has a transfer pricing policy that clearly sets out the rules for financial transfers between the Group's companies. We comply with national tax legislation in all countries in which we operate and we pay the requisite tax on our earnings in each country.

Employees

Bravida employs just over 10,600 people in four countries. With businesses in around 150 locations throughout the Nordic region, we are a significant local employer. We provide professional development for employees and offer a range of career opportunities, as well as investing in health and safety and job satisfaction

Suppliers and business partners

We purchase materials, products and services from both large and small suppliers. Our branches purchase significant amounts of services, creating job opportunities and generating new business opportunities in the locations where they operate. We look to sign long-term cooperation agreements that give our suppliers and partners the opportunity to develop their businesses over the long term.

Shareholders and debtors

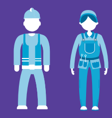
Bravida pays a dividend to its shareholders. We endeavour to increase shareholder value by operating a business that has long-term profitability. We ensure our position as a reliable debtor by meeting our payment obligations.

Financial contribution to our stakeholders 2017

Society

SEK 1.3 billion
(social security costs and corporation taxes paid)

Employees



SEK 6.2 billion
(wages, benefits and pension)

Suppliers

SEK 9.5 billion
(purchase of material, products and services)

Shareholders

SEK 0.25 billion
(dividend paid)

WaterAid

In September 2017, four Bravida employees travelled to India to find out about and follow up how WaterAid works in some of the most deprived areas around the city of Hyderabad.

For the past few years, Bravida has been working with the global organisation WaterAid. We install vital functions across the Nordic region. Access to clean water is a human right. This access is taken for granted in places like the Nordic region, but that's not the case everywhere in the world. That's why we work with WaterAid, which provides training and support for people and communities in some of the most vulnerable parts of the world. Supporting their work means we are also contributing to vital functions in society in countries where we do not operate.

Apprentices

BRAVIDA INVESTS IN APPRENTICES

The installation and service industry must be able to attract young employees and train apprentices in all areas of technology in order to continue to grow.

By giving young people the opportunity to gain their first experience of professional life, Bravida is contributing towards their development, while future-proofing our own expertise.

In 2017, 1,354 apprentices were given the opportunity work at Bravida in the Nordic region.

153 new apprentices in Norway

In the autumn, 153 new apprentices joined Bravida Norway within electricity, heating & plumbing and HVAC. During their first working week, the apprentices received training in areas such as safety. Each apprentice was also given their own tools and protective equipment.

> I think it's important to get good training, and that also requires a good work environment.

Ajab Gul Shinwari from Trondheim was given the opportunity to work as an apprentice in autumn 2017. As an apprentice electrician, Ajab has to pass three tests in electricity, electronics and automation before he can be an approved and fully certified professional.

"Bravida works within all three areas, and I get excellent training in all of them. I will get to do lots of different things and will also have the chance to do two of the three tests that I need to pass to gain certification," said Ajab before starting as an apprentice. Ajab has also tried out working at Bravida on a previous occasion for a brief period. Deciding which company to apply for an apprenticeship at was easy. "As an apprentice, I think it's important to get good training, and that also requires a good work environment. That's why I applied to Bravida."

An increasing number of customers value and require Bravida to offer apprenticeships. On a visit to the apprentices during their first week, Tore Bakke, Head of Division in Norway, commented:
"By offering apprenticeships we guarantee quality in their professional training while also ensuring we have access to the skills we need. The idea is to offer employment to those apprentices that pass their tests."

Tore also believes there should be tougher requirements on all operators in the industry to recruit and introduce more apprentices, as they are the future of the industry.

SHARE PERFORMANCE AND TURNOVER

Bravida Holding was listed on the Stockholm Stock Exchange in October 2015 at a price of SEK 40 per share. The last price paid in 2017 was SEK 54.85 The shares are listed on Nasdaq Stockholm's Large Cap list and included under the Industrial Goods & Services index.

Bravida's share price decreased by SEK 0.40 during the year and the last price paid in 2017 was SEK 54.85 (55.25), which corresponds to a market capitalisation of SEK 11,056 million. Total shareholder return, including the 2017 dividend, was 1.50 percent. The highest price paid for a Bravida share was SEK 65.55 and the lowest was SEK 54.15. During 2017, a total of 100,335,120 were traded, corresponding to a turnover ratio of 49.8 percent based on the total number of shares traded. The number of share trades during the period was 235,856, with an average daily volume of 399,742 shares.

SHARE CAPITAL

Bravida's share capital is distributed over 201,566,598 ordinary shares and 1,750,000 class C shares, with a quotient value of SEK 0.02. The ordinary shares carry voting and dividend rights. The class C shares entitle holders to one-tenth of vote but not to dividends.

The class C shares are intended to ensure the supply of ordinary shares, by way of conversion to ordinary shares, for employees participating in the performance-based incentive programmes in place since 2015. The class C shares are not publicly listed.

OWNERSHIP STRUCTURE

The number of shareholders at year-end totalled 11,890 (10,126). At 31 December, the four largest shareholders were Swedbank Robur Funds, Lannebo Funds, Capital Group Funds and AP4. Bravida has no shareholders that hold shares exceeding 10 percent of voting rights.

The number of Swedish natural persons owning Bravida shares increased in the year from 8,907 to 10,440*.

More Swedish and foreign institutional owners became shareholders in 2017. The percentage of foreign owners increased during the year to 49 percent (25) of capital. The largest foreign ownership is in the US and the UK. Bravissima Holding AB (Bain Capital funds) owned just over 30 percent of shares at 31 December 2016 and sold all its shares in Bravida during 2017.

DIVIDEND POLICY

Bravida's target is to pay out a minimum of 50 percent of the Group's consolidated net earnings while also taking account of other factors such as financial position, cash flow and growth opportunities. The Board of Directors has proposed a dividend of SEK 1.55 per share for the 2017 financial year. If calculated using the closing price on 29 December 2017 (SEK 54.85), the dividend proposal constitutes a yield of 2.8 percent. Group net profit was SEK 4.07 per share, so the proposed dividend corresponds to 38 percent of consolidated net profit for 2017.

*Source Euroclear.

BRAVIDA SHARES IN 2017

Total number of ordinary shares	201,566,598
Voting right	1
Number of shares traded	100,335,120
Turnover ratio, %	49.8
Share price at start of year, SEK	55.25
Share price at year-end, SEK	54.85
Highest paid, SEK	65.55
Lowest paid, SEK	54.15
Beta value	0.73
Dividend paid per share, SEK	1.25
Total shareholder return, %	1.50

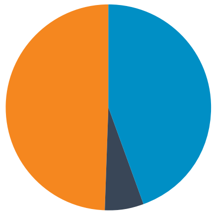
DISTRIBUTION OF BRAVIDA'S SHARES*

CATEGORIES, NUMBER OF SHARES PER SHAREHOLDER	NUMBER OF SHAREHOLDERS	SHAREHOLDERS AND VOTES, %
1 – 500	7,919	0.7%
501 – 1,000	1,689	0.7%
1,001 – 5,000	1,512	1.8%
5,001 – 10,000	305	1.2%
10,001 – 15,000	84	0.5%
15,001 – 20,000	63	0.6%
20,001 –	318	94.5%
Total	**11,890**	**100.0%**

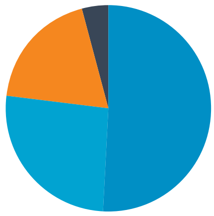
*At 31 December 2017.

BRAVIDA'S 10 LARGEST SHAREHOLDERS AT 29/12/2017*	PERCENTAGE OF CAPITAL, %
Swedbank Robur Funds	9.3
Lannebo Funds	8.1
Capital Group	7.7
Fourth Swedish National Pension Fund (AP4)	6.5
Vanguard	3.9
SEB Funds	3.6
AFA Försäkring	3.5
Crux Asset Management Limited	2.9
Länsförsäkringar Funds	2.8
Handelsbanken Funds	2.4
Total	**50.7**

OWNERSHIP PER CATEGORY, %



OWNERSHIP PER COUNTRY, %

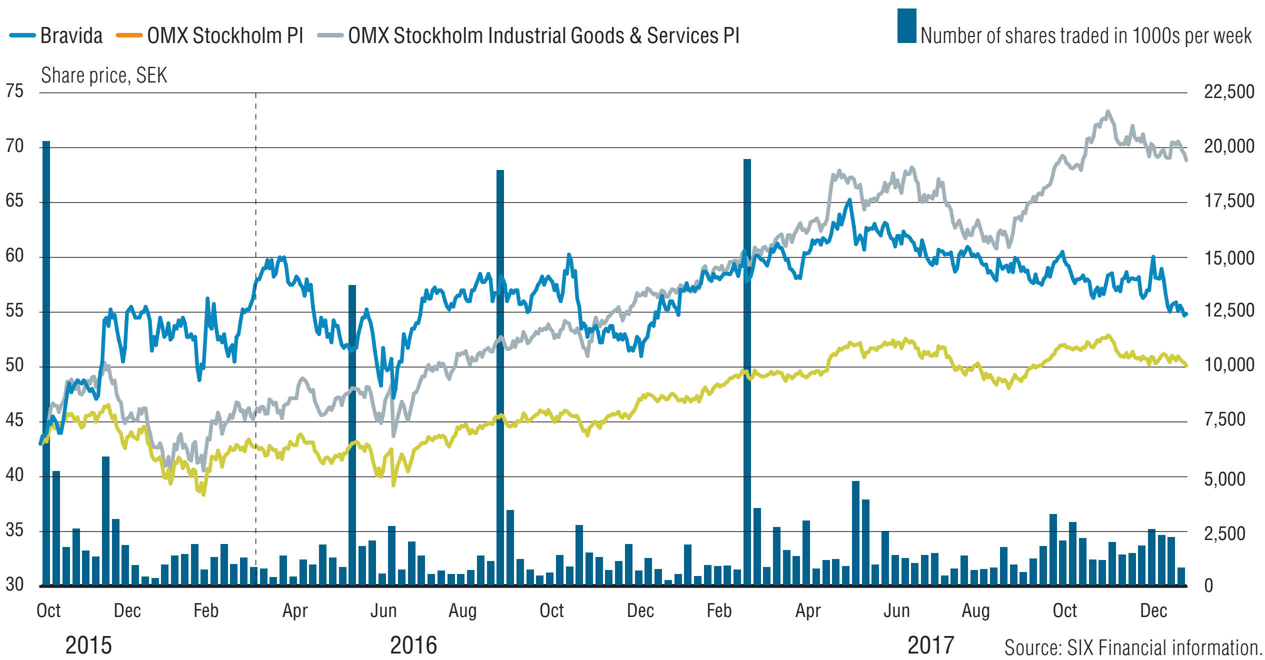


ABOUT THE SHARES

Marketplace	XSTO
Industry classification	Industrial Goods & Services
Ticker symbol	BRAV
Abbreviation	BRAV
ISIN code	SE0007491303
ICB code	2700

*Source Euroclear.

BRAVIDA SHARE PERFORMANCE SINCE IPO



Source: SIX Financial information.

A GOOD YEAR WITH KEY INITIATIVES FOR THE FUTURE

Bravida is delivering strong figures across the board. At the same time, we're also investing for the future with important acquisitions in both Norway and Finland. The continued significant acquisition potential on all markets is perhaps the most important value driver for Bravida over the long term. We ended the year strongly, providing us with momentum for 2018.

"Construction companies' order books are healthy and the prospects for the Nordic installation market remain good for the coming year.

ABOUT

NILS-JOHAN ANDERSSON
CFO

CFO since: 2014
Comes from: Jönköping, Sweden
Family: Wife and two children.
Passionate about: Sport in general, particularly Formula 1 and Rögle Hockey.
Best thing about 2017: Our strong cash flow.
Goals for 2018: A profit generated in Oras.

2017 was a very good year for Bravida. We posted record earnings, with high growth in both sales and the order backlog. We also invested for the future, particularly in terms of acquisitions on all our markets. We continued working intensively on our strategic initiatives to further increase productivity and profitability.

A RECORD YEAR

We grew net sales by 17 percent, with organic growth exceeding our target and amounting to 6 percent. Our acquisitions contributed 10 percent of this growth, which is also well over our target. The underlying profit margin was stable compared with the previous year, amounting to 6.5 percent.

Bravida always puts margin ahead of volume and we are making concerted efforts to improve productivity, which is resulting in the stable operating margin. Our focus on increasing cash flow also resulted in a strong performance in the second half of the year. This led to cash conversion for the full year amounting to 106 percent of operating profit.

The strategic initiative to boost growth in service business is also generating results. This is central to our aim to build in as much stability as possible into our business.

Over the year, service grew by 16 percent, and by 25 percent in the fourth quarter. Service accounted for half of the Group's sales in the fourth quarter, in line with our long-term target.

ORAS AND FINLAND IMPORTANT INITIATIVES FOR THE FUTURE

The operating margin decreased from 6.4 percent to 6.2 percent, which was due to the Oras acquisition. Oras made a loss in 2016 but broke even in 2017. We believe the company will generate a profit in 2018.

Oras was the largest and most important acquisition of the year. Consequently, we are now the market leader in service and installation in Norway. Integration and transformation of Oras has proceeded fully to plan. This has involved extensive work. We have trained 700 employees, replaced business systems and renegotiated supplier agreements.

In Finland, a new management team will be in place in spring 2018. Here we are endeavouring to improve profitability, in particular by implementing the Bravida Way, and by increasing the critical mass of acquisitions.

Growth potential through acquisitions remains significant throughout the Nordics as the industry is fragmented. Clear synergies and a reasonable price are key in this respect. We are generally good at rapidly integrating new businesses and realising synergies with the companies we purchase. There are still many acquisition candidates of interest that would be a good fit and complement our market presence, both in terms of geography and products.

A HIGH SHARE OF SERVICE, REPAIRS AND MAINTENANCE PROVIDE STABILITY.

The service business, which accounts for around half of sales, is characterised by stability and stable demand for services. Refurbishment and maintenance account for almost 15 percent of our sales, and are also little affected by economic fluctuations. Our considerably fragmented customer structure, with small average order sizes, also limits business risk.

SUSTAINED STRONG MARKET

Construction companies' order books are healthy and the prospects for the Nordic service and installation market remain good for the coming year. We believe that a slowdown in housing construction in Sweden and Norway will have a limited impact on our sales, in part because new production of housing in Stockholm and Oslo only accounts for around 1 percent of our net sales.

SIGNIFICANT POTENTIAL AHEAD

A focus on margins, potential acquisitions, a good market and a record order book mean we have a good basis to continue growing with good profitability.

Five-year overview

INCOME STATEMENT, SEK MILLION	2013	2014	2015	2016	2017
Net sales	11,080	12,000	14,206	14,792	17,293
Production costs	-9,420	-10,173	-12,081	-12,562	-14,718
Gross profit/loss	**1,660**	**1,827**	**2,124**	**2,230**	**2,575**
Selling and administrative expenses	-1,061	-1,123	-1,342	-1,286	-1,502
Operating profit/loss	**600**	**705**	**782**	**944**	**1,072**
Adjustments relating to specific costs	49	54	96	10	8
Adjusted operating profit/loss	**649**	**759**	**878**	**954**	**1,080**
Net financial items	-378	-265	-360	-67	-54
Profit/Loss after financial items	**221**	**440**	**422**	**877**	**1,019**
Tax	-47	-120	-135	-203	-199
Profit/loss for the period	**174**	**320**	**287**	**674**	**820**

BALANCE SHEET, SEK MILLION	2013	2014	2015	2016	2017
Goodwill	6,733	6,940	7,211	7,599	7,844
Other non-current assets	354	386	218	144	154
Current assets	2,785	2,911	3,394	3,933	4,523
Cash and cash equivalents	838	828	573	286	839
Total assets	**10,710**	**11,064**	**11,396**	**11,962**	**13,360**
Equity	3,701	3,306	3,555	4,079	4,662
Long-term loans	3,312	3,441	2,700	2,700	1,700
Other non-current liabilities	182	420	177	245	356
Commercial paper	–	–	–	–	1,000
Current liabilities	3,514	3,897	4,964	4,938	5,642
Total equity and liabilities	**10,710**	**11,064**	**11,396**	**11,962**	**13,360**

CASH FLOW, SEK MILLION	2013	2014	2015	2016	2017
Cash flow from operating activities	457	659	841	428	1,038
Cash flow from investing activities	-54	-136	-262	-280	-231
Cash flow from financing activities	344	-545	-767	-504	-254
Cash flow for the period	**746**	**-22**	**-189**	**-356**	**553**

KEY FIGURES	2013	2014	2015	2016	2017
Operating margin, %	5.4	5.9	5.5	6.4	6.2
Adjusted operating margin, %	5.9	6.3	6.2	6.5	6.2
Profit margin, %	2.0	3.7	3.0	5.9	5.9
Return on equity, %	4.9	9.1	8.4	17.5	18.3
Net debt	2,468	2,595	2,433	2,417	1,862
Capital structure (net borrowings/adj. EBITDA)	3.7	3.3	2.7	2.5	1.7
Cash conversion, %	146	128	125	61	106
Interest coverage, multiple	1.7	2.2	2.5	15.5	22.9
Equity/assets ratio, %	34.6	29.9	31.2	34.1	34.9
Order intake	12,346	12,149	14,249	15,990	17,972
Order backlog	6,075	6,580	7,092	8,644	10,271
Average number of employees	7,967	8,188	9,359	9,730	10,643
Administration costs as % of sales	9.6	9.4	9.4	8.7	8.6
Working capital as % of sales	-5.5	-7.1	-7.9	-5.8	-5.5
Basic earnings per share, SEK	0.86	1.59	1.42	3.34	4.07
Diluted earnings per share, SEK	0.86	1.59	1.42	3.34	4.06

CONTENTS

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Bravida Holding AB (publ), company no. 556891-5390, with its registered office in Stockholm, hereby present the annual accounts and consolidated financial statements for the 2017 financial year.

THE BUSINESS

Bravida is one of the Nordic region's leading end-to-end providers of technical service and installations for buildings and industrial facilities. Bravida brings buildings to life – 24 hours a day, 365 days a year. We work with electricity, heating & plumbing, and HVAC (heating, ventilation and air conditioning), and also offer services in security, sprinklers, cooling, power and technical service management. Bravida provides end-to-end services within our different areas as we operate across the entire process, from consulting and project management, to installation and service. Operations are organised according to four countries – Sweden, Norway, Denmark and Finland – with a presence across 150 regions. The Group's head office is located in Stockholm and provides common support functions within finance, HR, purchasing, IT, legal affairs, communication and business development.

Installation involves new construction and remodelling of technical systems in buildings, plant and infrastructure. Bravida coordinates technicians and fitters from our areas of technology and provides customers with access to a partner that can successfully coordinate and take responsibility for the entire installation.

Service consists of operation and maintenance assignments, as well as minor upgrade work.

SIGNIFICANT EVENTS DURING THE YEAR

On 1 April 2017, Bravida Sweden formed a new nationwide division, National Division, for the areas of security, sprinklers, cooling, power and technical service management. The aim is to develop growth opportunities and synergies within these areas. The new division is headed up by former head of Special Division Sven Klockare, who is also a member of Group management.

On 6 April 2017, Johnny Hey, former regional manager of Denmark Region North, was appointed the new Head of Division for Denmark. He is also a member of Bravida Group management.

On 8 May 2017 the leading player within heating and plumbing and HVAC in Norway, Oras AS, was acquired. Through the acquisition, Bravida is now the market leading end-to-end provider within service and installation in Norway.

As a result of Bravissima Holding AB (Bain Capital's investment funds) selling all its remaining shares in Bravida, Bain Capital's representative Ivano Sessa stepped down from the Board of Bravida on 12 June 2017.

Marcus Karsten left his position as Head of Division Finland on 14 August 2017, and Mattias Johansson is Acting Head of Division Finland until a permanent Head of Division starts. Marko Holopainen will take up the position of Head of Division Finland at the end of March 2018 and will be a member of Bravida's Group management.

In September 2017, Bravida established a commercial paper programme facility of SEK 2 billion, the main aim of which is to refinance parts of existing loans and to diversify the borrowing structure. In conjunction with the establishment of its commercial paper programme, Bravida has renegotiated the structures of its existing credit agreements.

ACTIVITIES IN 2017

During the year Bravida achieved good growth with a stable operating margin and is reporting improved net profit for the year, through higher sales, stable margin and improved net financial items. Demand for service and technical installations is stable. There is healthy demand for projects relating to hospitals, schools, industry, education, housing and infrastructure. The overall market is good in Sweden and Norway, stable in Denmark, and has improved in Finland.

Order intake was good and the order backlog, which only includes installation projects, has never been higher.

In 2017, Bravida's net sales increased by 17 percent, of which organic growth accounted for 6 percent, while acquisitions increased sales by 10 percent and the effect of currency rates contributed 1 percent.

During the year Bravida made four acquisitions, one in Sweden, one in Norway and two in Denmark with annual sales totalling SEK 1,370 million.

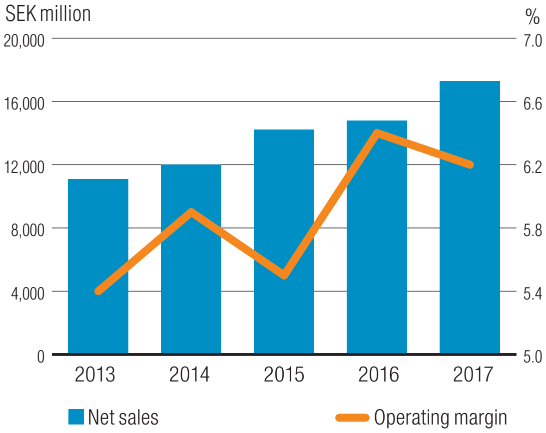
Group in brief SEK million unless stated otherwise	2017	2016	2015	2014	2013
Net sales	17,293	14,792	14,206	12,000	11,080
Operating profit/loss	1,072	944	782	705	600
Operating margin, %	6.2	6.4	5.5	5.9	5.4
Adjusted operating profit/loss	1,080	954	878	759	649
Adjusted operating margin	6.2	6.5	6.2	6.3	5.9
Profit/loss after tax	820	674	287	320	174
Cash flow from operating activities	1,038	428	841	659	457
Operating cash flow	1,171	594	988	915	855
Interest coverage, multiple	22.9	15.5	2.5	2.2	1.7
Cash conversion, %	106	61	125	128	146
Net debt/adjust. EBITDA, 12 m	1.7	2.5	2.7	3.3	3.7
Order intake	17,972	15,990	14,249	12,149	12,346
Order backlog	10,271	8,644	7,092	6,580	6,075
Average number of employees	10,643	9,730	9,359	8,188	7,967

NET SALES

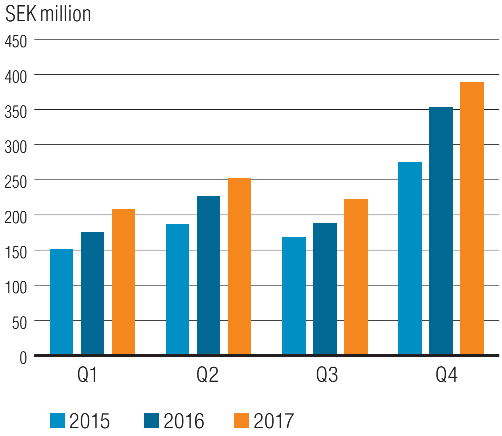
Net sales increased by 17 percent to SEK 17,293 million (14,792). Adjusted for currency fluctuations and acquisitions, the increase was 6 percent. Currency fluctuations had a 1 percent impact on sales, while acquisitions increased net sales by 10 percent. Net sales increased in all countries. They rose by 12 percent in Sweden, by 34 percent in Norway, by 12 percent in Denmark and by 13 percent in Finland. The growth in Norway was mainly due to the acquisition of Oras in May 2017 and the growth in Finland was mainly due to the acquisition of Asentaja Group in December 2016.

Compared with the previous year, service business increased by 16 percent and installation business by 17 percent. Service business accounted for 47 percent (47) and installation business accounted for 53 percent (53) of total net sales. The growth in service business is the result of the Group's initiatives to boost service sales. The increase in net sales in the installation business is mainly due to good growth in the order backlog reported since 2016.

Net sales and operating margin



Operating profit by quarter



OPERATING PROFIT

Operating profit rose by 14 percent to SEK 1,072 million (944), resulting in an operating margin of 6.2 percent (6.4). Operating profit increased by 15 percent in Sweden, by 12 percent in Norway and by 15 percent in Denmark. In Finland, operating profit improved to SEK 15 million (7). Groupwide operating profit was SEK 18 million (25). The acquisition of Oras in Norway has diluted the operating margin by 0.3 percentage points. Oras' operating profit was SEK 0 million.

Specific costs were SEK 8 million (10). Adjusted operating profit was SEK 1,080 million (954), resulting in an adjusted operating margin of 6.2 percent (6.5).

NET FINANCIAL ITEMS

Net financial items amounted to SEK -54 million (-67). The improved net financial items figure for the year was mainly attributable to lower interest expense. Lower debt and refinancing, with the company issuing SEK 1,000 million in commercial paper and repaying bank loans by the corresponding amount, has contributed to improved interest margins and lower interest expense.

PROFIT/LOSS AFTER TAX

The tax expense for the year was SEK -199 million (-203), which equates to an effective tax rate of 20 percent (23). SEK -130 million (-138) of the tax expense was current tax and SEK -69 million (-65) was deferred tax. Profit after tax for the period was SEK 820 million (674).

EARNINGS PER SHARE

Profit for the period, attributable to owners of shares in the parent company, increased by 22 percent to SEK 820 million (674), which corresponds to basic earnings per share of SEK 4.07 (3.34). Diluted earnings per share were SEK 4.06 (3.34).

ORDER INTAKE AND ORDER BACKLOG

Order intake for the year increased by 12 percent to SEK 17,972 million (15,990). The order backlog, which only includes installation projects, amounted to SEK 10,271 million (8,644), an increase of 19 percent.

ACQUISITIONS

During the year, Bravida made four acquisitions, which are in line with Bravida's strategy to expand within its priority markets.

In Sweden, Bravida acquired a heating & plumbing business with sales of SEK 30 million.

In Norway, Bravida acquired Oras, the leading heating & plumbing and HVAC supplier in Norway. The acquisition of Oras makes Bravida the market-leading end-to-end provider of installation and service on the Norwegian market. Oras has annual sales of approximately SEK 1,200 million and around 700 employees. Oras has a presence throughout Norway in many areas where Bravida already operates. The acquisition provides for synergies, primarily in purchasing and central costs.

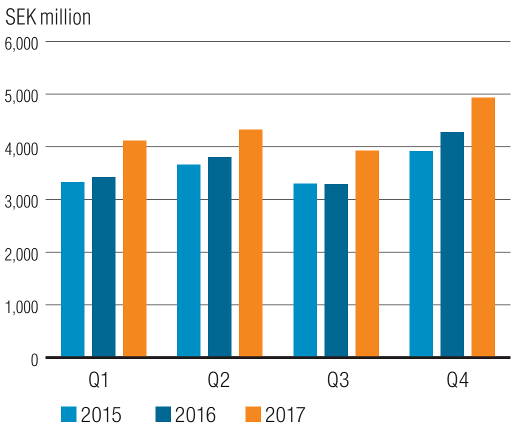
In Denmark, Bravida acquired a distance heating contractor with sales equivalent to SEK 130 million and the assets and liabilities of a small electrical business with sales equivalent to SEK 10 million.

The combined annual sales of the acquisitions made in the year are estimated at approximately SEK 1,370 million. For further information about the acquisitions, see Note 4.

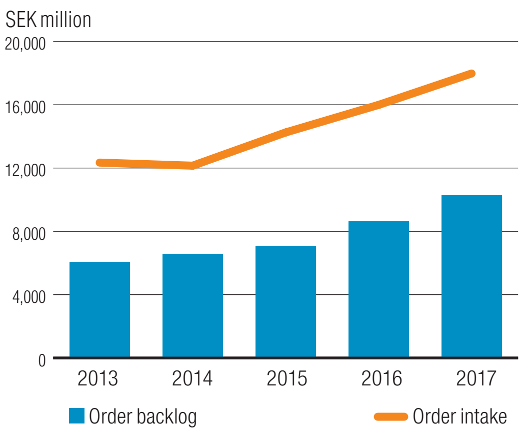
CASH FLOW AND INVESTMENTS

Cash flow from operating activities was SEK 1,038 million (428). The improvement in cash flow was due to higher earnings and lower working capital. Working capital has improved as a result of current liabilities increasing. Cash flow includes SEK -95 million (-112) in taxes paid. Cash flow from investment activities was SEK -231 million (-280), mainly attributable to

Net sales by quarter



Order intake and order backlog



acquisitions of companies and businesses totalling SEK -215 million (-262). Cash flow from financing activities, which relate to a dividend payment and the net reduction of utilised overdraft facilities, amounted to SEK -254 million (-504). The dividend paid amounted to SEK -252 million (-202). Operating cash flow for 2017 amounted to SEK 1,171 million (594).

Cash flow	2017	2016
Cash flow from operating activities	1,038	428
Cash flow from investing activities	-231	-280
Cash flow from financing activities	-254	-504
Cash flow for the year	553	-356

FINANCIAL POSITION

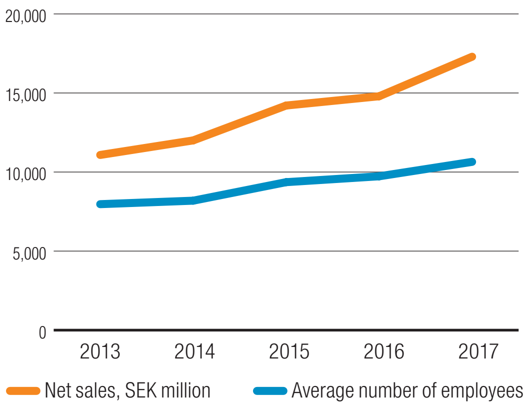
Bravida's net debt at 31 December was SEK 1,862 million (2,417), which corresponds to a capital structure (net debt/adjusted EBITDA) ratio of 1.7 (2.5). Consolidated cash and cash equivalents were SEK 839 million (286) at year-end. Interest-bearing liabilities amounted to SEK 2,701 million (2,703), SEK 1,000 million of which was commercial paper. Bravida's total credit facilities amounted to SEK 3,703 million (4,003), of which SEK 1,997 million (1,300) was unused at 31 December. Bravida established a commercial paper programme during the year with a facility amount of SEK 2,000 million, SEK 1,000 million of which was used at 31 December.

At year-end, equity amounted to SEK 4,662 million (4,079), resulting in an equity/assets ratio of 34.9 percent (34.1).

EMPLOYEES

The average number of employees during the year was 10,643 (9,730), an increase of 9 percent. The increase in the number of employees during the year was due to both the acquired businesses and new recruitment as a result of organic growth. See Note 5 for further information about employees.

Average number of employees in relation to net sales



GEOGRAPHIC MARKETS

Operations in Sweden

Demand for new-builds and upgrades of public-sector premises, offices, housing and retail properties and building maintenance continues to be healthy. Confidence indicators for the construction industry remain at historical highs. A gradual decrease in demand for technical installations in new-build housing is expected. However, this will be substituted by increased demand for other types of installations and renovation of existing housing. Bravida believes demand for service and technical installations is strong in metropolitan regions and university towns and healthy in the rest of the country.

Net sales increased by 12 percent to SEK 9,847 million (8,760). The growth in net sales is attributable to organic growth within both service and installation business.

Operating profit rose by 15 percent to SEK 658 million (574), resulting in an operating margin of 6.7 percent (6.6).

Order intake increased by 7 percent to SEK 10,275 million (9,566). The order backlog at year-end was SEK 5,372 million (4,944), which was 9 percent higher than the previous year.

Sweden	2017	2016
Net sales	9,847	8,760
Operating profit/loss	658	574
Operating margin, %	6.7	6.6
Order intake	10,275	9,566
Order backlog	5,372	4,944
Average number of employees	5,553	5,330

Operations in Norway

Conditions in the construction industry in Norway are generally good, although the south-west parts of the market are still weak following the fall in the price of oil and gas. Public-sector investments in public transport and health care are important drivers. There is also good demand for investments relating to the shift towards greener sources of energy such as wind turbines, solar energy and electric car charging. Housing construction has seen strong growth in recent years, but this segment is expected to gradually experience lower production. Bravida believes demand for service and technical installations is good.

Net sales increased by 34 percent to SEK 4,185 million (3,124). The growth was due to acquisitions and organic growth, as well as a 1 percent positive currency translation effect. Growth is attributable to both service and installation business. The acquired company Oras was consolidated into the Group from May 2017.

Operating profit increased by 12 percent to SEK 251 million (224), resulting in an operating margin of 6.0 percent (7.2). The acquisition of Oras has resulted in a 1.3 percentage point dilution of the operating margin; adjusted for this, the operating margin was 7.3 percent. Integration of Oras is proceeding according to plan, and integration costs have been recognised on an ongoing basis in Bravida Norway.

Order intake increased by 26 percent to SEK 4,406 million (3,507). The order backlog at year-end was SEK 2,804 million (1,677), which was 67 percent higher than the previous year.

Norway	2017	2016
Net sales	4,185	3,124
Operating profit/loss	251	224
Operating margin, %	6.0	7.2
Order intake	4,406	3,507
Order backlog	2,804	1,677
Average number of employees	2,718	2,349

Operations in Denmark

The construction industry is performing well. Demand is driven both by significant public-sector investments such as large hospitals, and by private investments in data centres, as well as good demand for housing new-builds and renovation.

However, confidence indicators for the construction industry remain slightly below normal. Bravida believes demand for service and technical installations assignments is healthy in major cities.

Net sales increased by 12 percent to SEK 2,547 million (2,278). The growth in sales was mainly due to growth in the installation business. Currency fluctuations had a positive 2 percent impact on net sales.

Operating profit increased by 15 percent to SEK 130 million (114), resulting in an operating margin of 5.1 percent (5.0).

Order intake increased by 6 percent to SEK 2,567 million (2,412). The order backlog at year-end was SEK 1,752 million (1,689), which was 4 percent higher than the previous year.

Denmark	2017	2016
Net sales	2,547	2,278
Operating profit/loss	130	114
Operating margin, %	5.1	5.0
Order intake	2,567	2,412
Order backlog	1,752	1,689
Average number of employees	1,803	1,602

Operations in Finland

The construction industry has gradually improved over recent years and building firms are reporting increased sales. Confidence indicators for the construction industry are above the normal level. The number of granted building permits, however, has decreased recently. Bravida believes demand for service and technical installations is growing.

Net sales increased by 13 percent to SEK 745 million (662). The acquisition of Asentaja Group in December 2016 has contributed to the growth in net sales. Currency fluctuations had a positive 2 percent impact on net sales.

Project selection has contributed to improving operating profit to SEK 15 million (7), resulting in an operating margin of 2.0 percent (1.1).

Order intake increased by 40 percent to SEK 755 million (538). The order backlog at year-end was SEK 344 million (334), which was 3 percent higher than the previous year.

Finland	2017	2016
Net sales	745	662
Operating profit/loss	15	7
Operating margin, %	2.0	1.1
Order intake	755	538
Order backlog	344	334
Average number of employees	496	380

SIGNIFICANT DISPUTES

There were no significant disputes at year-end. Legal proceedings and disputes are unpredictable and outcomes may differ from the assessments made.

OUTLOOK

Over the past four years Bravida has made 46 acquisitions, which has increased our net sales with closer to SEK 5 billion. The market remains good and the Group will continue to grow through acquisition.

In recent years, Bravida has restructured and streamlined its activities in sales, purchasing, production and administration. Bravida is implementing far-reaching training programmes across all local branches, which are designed to improve profitability through more efficient operations, better pricing and more efficient purchasing and increased service sales.

We believe demand for Bravida's services will remain good and there is positive potential for continued growth. Our focus on 'margin before volume' aims to balance resource shortages and pricing pressure against demand. A meticulous approach and correct pricing are key to continued healthy profitable growth.

We remain well positioned for the coming year thanks to our strong order backlog and good demand.

REMUNERATION GUIDELINES AND OTHER EMPLOYMENT TERMS FOR SENIOR EXECUTIVES

Senior executives refers to those people who, together with the Chief Executive Officer, make up Group management. The current guidelines for remuneration of senior executives were adopted at the AGM of 10 May 2017. The company applies market rates for salaries and remuneration based on a fixed and a variable element. Distribution between the basic salary and variable remuneration is in proportion to an executive's responsibility and authority. Variable remuneration is based on a combination of the business' earnings and the Group's acquisition activity.

The Chief Executive Officer's total remuneration is determined by the Board. Guidelines on remuneration for other senior executives are proposed by the Remuneration Committee and determined by the Board. Senior executives' total remuneration consists of; fixed cash salary, variable cash salary, long-term incentive programmes, pension and other remuneration and benefits.

Fixed cash salary

Fixed cash salaries are reviewed annually and provide the basis for calculating variable salary components.

Variable cash salary component

Variable cash salary components are dependent on individuals fulfilling annually predetermined financial targets. Actual variable cash salary paid is followed up annually. For senior executives, the maximum possible variable cash salary component may vary depending on the position held by the individual concerned.

For the Chief Executive Officer, annual variable remuneration, which is based on the business' earnings, is a maximum of 10 months' salary, and the annual variable remuneration, which is based on the Group's acquisition activity, is a maximum of SEK 2.8 million. Heads of Group staff who are members of Group management may receive annual variable remuneration based on the business' earnings equivalent to a maximum of 8 months' salary, while the CFO and Heads of Division may receive annual variable remuneration based on the business' earnings equivalent to a maximum of 20 months' salary. In addition to this, annual variable remuneration that is based on the Group's acquisition activity may amount to a maximum of SEK 2.2 million per person entitled to compensation.

Long-term incentive programme

Key personnel at Bravida, principally line managers, have been offered long-term share-based incentive programmes. The purpose of a share-based incentive programme is to reward performance, increase and broaden share ownership among managers and key executives, and to encourage them to stay at the company. Decisions regarding the structure of long-term incentive programmes are taken by the Board and approved by the AGM. The approved long-term incentive programmes are described in more detail in Note 5 and on www.bravida.se/en.

Pension

Senior executives resident in Sweden are entitled to pension benefits corresponding to between 28 and 35 percent of their respective salary, or in accordance with an occupational pension plan. For senior executives resident outside Sweden, the company aims to apply comparable pension benefits to those applied for senior executives resident in Sweden, although variations due to local circumstances may occur.

Other remuneration and benefits

Other remuneration and benefits should be competitive and contribute to making it easier for senior executives to perform their work duties, for example a company car and occupational health care.

Notice and severance pay

Senior executives are entitled to six to twelve months' notice if employment is terminated by the employer and four to six months if the employee resigns. In the event of the company terminating employment, a senior executive is entitled, in addition to their fixed monthly salaries, to severance pay of between six and twelve months' salary during the notice period. All employees are subject to a non-competition clause if they resign.

The Board is entitled to deviate from these guidelines if special reasons exist.

Detailed information regarding salaries and other remuneration of the Board, Chief Executive Officer and senior executives is provided in Note 5. Bravida's website, www.bravida.se/en, also contains the assessments and reports that are required to be reported under the Swedish Corporate Governance Code.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report is separate from the annual accounts but is published in association with publication of the annual accounts.

THE WORK OF THE BOARD

According to the Articles of Association, the Board of Bravida Holding AB should consist of a minimum of six and a maximum of nine ordinary members. In addition to this, there are two ordinary employee representatives and two deputy Board members. Bravida's general counsel acts as secretary to the Board. The Chief Executive Officer is not a Board member but reports to the Board at its meetings. The Board is responsible for the organisation of the company and the Group and the administration of the company's affairs. No Board members are members of the company's management. During the 2017 financial year, the Board held 12 Board meetings, three of which were extraordinary Board meetings and one of which was a constitutive Board meeting. The meetings addressed matters such as strategic issues, business operations including the business plan, acquisitions, financial statements, the annual accounts and sustainability report and related reports.

The Board has an Audit Committee and a Remuneration Committee. The Audit Committee is tasked, among other things, with responsibility for preparing the Board's work to ensure the quality of the company's financial statements and to maintain ongoing dialogue with the company's auditors. The Remuneration Committee is tasked with preparing issues regarding remuneration and other terms of employment for senior executives. Further information about the company's governance, the composition of the Board and internal control is provided by the Corporate Governance Report.

NOMINATION ACTIVITIES

The Nomination Committee for the 2018 AGM is made up of the following members: Marianne Flink, Swedbank Robur, Peter Lagerlöf, Lannebo funds, Arne Lööw, Fourth National Pension Insurance Fund (AP4) and Monica Caneman, Chairwoman of Bravida. No remuneration has been paid for work on the Nomination Committee. The Nomination Committee's proposals, report on the Nomination Committee's work for the 2018 AGM and additional information about proposed Board members are published in conjunction with the convening notice and are to be presented at the 2018 AGM. All documentation relating to the AGM can be found on www.bravida.se/en.

SUSTAINABILITY REPORT

Bravida aims to operate a responsible business and ensure efficient management of its own and others' resources. Sustainability work covers the entire business and we work continually to make new progress on becoming a more sustainable organisation, monitoring and measurement within the area of sustainability. Bravida has published sustainability and follow-up reporting since 2015. Because we want to adopt a focused approach and achieve clear results in our sustainability work, we have prioritised our key sustainability issues and goals. Bravida's priority sustainability goals relate to the sustainable use of resources, good health and safety and good business ethics.

The sustainability report is separate from the annual accounts and is published separately. The sustainability report is available on pages 26-41 and at www.bravida.se/en.

PARENT COMPANY

Bravida Holding AB's net sales for the year were SEK 151 million (82). All sales were internal.

Operating income was SEK 25 million (-1) and earnings after net financial items were SEK -9 million (-34). Cash and cash equivalents were SEK 644 million (184). At year-end, equity amounted to SEK 4,905 million (4,764).

BRAVIDA SHARES

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list and its shares trade under the ticker symbol BRAV. At 29 December Bravida had 11,890 shareholders, according to Euroclear. At 29 December, the four largest shareholders were; Swedbank Robur funds, Lannebo funds, Capital Group funds and AP4. Bravida has no shareholders that hold shares exceeding 10 percent of voting rights.

The price of a Bravida share at 29 December 2017 was SEK 54.85 (55.25), corresponding to a market capitalisation of SEK 11,056 million (11,137) based on the number of ordinary shares. Over the past 12 months, Bravida shares produced a total shareholder return, including the dividend, of 1.5 percent.

Share capital amounts to SEK 4 million divided among 203,316,598 shares, of which 201,566,598 are ordinary shares and 1,750,000 are class C shares. Ordinary shares entitle holders to one vote and a dividend payment, while C shares entitle holders to one-tenth of a vote and no dividend.

Apart from the credit agreements, the company has no knowledge of any agreements of material significance that are due to come into force or be amended or invalidated if the majority ownership in the company changes as a result of a takeover offer. Neither are there any agreements between the company and the Board members that result in compensation if such persons leave, are dismissed without reasonable grounds or are dismissed as a result of an offer to acquire their shares in the company.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Electric Viborg A/S in Denmark was acquired on 2 January 2018. The company has 30 employees and sales equivalent to SEK 26 million in electrical service and security.

The acquisition of EL & Tele Installation AB in Enköping, Sweden, was completed on 3 January 2018. The company has 10 employees and sales equivalent to SEK 10 million.

Finland-based Adison Oy was acquired on 4 January 2018. The company, which operates in the Helsinki region, has 70 employees and sales equivalent to SEK 190 million in electrical, heating & plumbing, HVAC and construction.

On 23 January 2018, Bravida's Nomination Committee proposed that the AGM on 20 April 2018 appoint Fredrik Arp as the new Chairman.

PROPOSED ALLOCATION OF PROFIT

The Board proposes that the parent company's non-restricted equity of SEK 4,901,112,712 be allocated as follows:

Shareholders receive a dividend of SEK 1.55 per ordinary share	312,428,227
Share premium reserve	3,517,757,028
Carried forward	1,070,927,457
Total	**4,901,112,712**

For further information about the company's earnings and financial position, see the following income statements and balance sheets and the notes to the accounts.

ANNUAL GENERAL MEETING

The AGM of Bravida Holding AB (publ) will take place on 20 April 2018 at Bravida's headquarters at Mikrofonvägen 28 in Stockholm, Sweden. The notice convening the 2018 AGM is available on the Group's website, www.bravida.se/en, from 19 March 2018.

SIGNIFICANT RISKS AND UNCERTAINTIES

All business operations are associated with and entail risk. If correctly managed, risks can be turned into opportunities and add value to the business, while risks that are not correctly managed can lead to incidents and losses.

Bravida has a model and process for identifying and evaluating the Group's risks, and in 2017 its risk management work was formalised and developed. In its operations Bravida is exposed to various types of risk – operational, financial and market risk.

Risk management

The Chief Executive Officer is ultimately responsible for ensuring good risk management throughout the Group in accordance with the Board's guidelines and instructions. Heads of Division and Heads of Group services are responsible for implementing risk management in their respective divisions and areas of responsibility. Ownership of the management of risks identified by a risk audit lies with the respective division. The results of the risk audit are reported continually to Group management and the Board.

Market risk

Bravida continually assesses and evaluates the risks to which the Group is and may be exposed. Critical external risks are mainly managed through strategic business plan measures, but are also managed operationally in the organisation. Fluctuations in general market conditions, financial turmoil and political decisions are the main external factors that can have an impact on demand for residential and commercial new production and industrial and public-sector investment. Demand for service and maintenance is less sensitive to economic fluctuations.

AREA OF RISK	DESCRIPTION	MANAGEMENT
Changes in operating environment	Two key trends that affect demand for construction activity in the Nordics are urbanisation and energy efficiency. This is currently leading to significant public investment and housing refurbishment and new-builds. Such investment requires strong public finances, a stable labour market and low interest rates.	Bravida needs to continue monitoring developments in the market in order to adapt. Bravida has wide-ranging expertise which, together with a flexible cost structure, enabling Bravida to adapt its organisation to changes in circumstances.
Economic conditions	Fluctuations in the economy affect the building services sector, which is sensitive to market fluctuations and political decisions that can have an impact on demand for residential and commercial new builds and industrial and public-sector investment. Demand for service and maintenance work is not as sensitive to fluctuations in the economic cycle.	Almost half of Bravida's sales come from its service business, which has historically been relatively little affected by fluctuations in the economy. In addition, refurbishment and maintenance account for around 15 percent of sales. Bravida is not dependent on any individual customers, as the Group has more than 50,000 customers across a range of segments. Bravida has a diversified customer structure with a large percentage of relatively small projects, and is consequently not dependent on individual customers or assignments.

Financial risk

Through its operations Bravida is exposed to various types of financial risk. Financial risk mainly includes interest rate, currency, financing and credit risk. The Group's financial operations and management of financial risk are centralised within Group Finance. Business is conducted based on a financial policy set by the Board and reviewed and established by the Board annually. Its purpose is to minimise the Group's cost of capital through effective financial solutions and effective management and control of the Group's financial risks. Credit risk in business operations is managed locally, however, supported by a groupwide credit monitoring and analysis system. For further information about the management of financial risk, see Note 27.

AREA OF RISK	DESCRIPTION	MANAGEMENT
Interest rate risk	Interest rate risk refers to the risk of changes in the market interest rate affecting the Group's net interest income and cash flow.	Bravida has established principles for managing interest rate risk in its financial policy, which stipulates short fixed-interest periods.
Currency risk	Currency risk refers to the risk of exchange rate fluctuations adversely affecting the Group's income statement, balance sheet and cash flow. Currency risk can be divided into transaction exposure and translation exposure.	Bravida's transaction exposure is relatively limited because the majority of sales and expenditure are in local currency, with a minor exposure to imported components. Bravida's translation exposure policy is not hedged for currency risk, and a strengthening of the Swedish krona against the NOK, EUR and DKK has a negative effect on sales and operating profit. All financing takes place in SEK.
Financing and liquidity risk	Bravida's financing risk comprises the risk of being unable to raise new, or refinance existing, loans with acceptable conditions. The Group is also exposed to liquidity risk, which is defined as the risk of not being able to fulfil immediate payment obligations.	Responsibility for Bravida's financial transactions and risk lies with the Group Finance department, which works according to a policy established by the Board. Financing consists of a long-term credit agreement valid until 2020 and the issuing of short-term commercial paper.
Credit risk	There is always a risk that a counterparty will be unable to meet its commitments. Deficient control of customer creditworthiness poses a risk of Bravida carrying out work for customers that cannot meet their commitments, with a risk of bad debts.	The credit rating of all customers is checked before a project begins. In those countries in which it operates, Bravida has a customer credit department that operates according to established risk assumption guidelines. Bravida has historically had a low level of bad debts.

A number of areas of risk have been identified in Bravida's risk management process. A selection of these and an overall description of each area of risk are set out below. Financial risk management is described in further detail in Note 27.

Risk management is also defined to some extent in Bravida's managementsystem. The Group's systematic work on quality and environmental issues as well as occupational health and safety issues are key elements of the management system.

Operational risk

Operational risk relates to day-to-day operations and is often possible to influence, so this is usually regulated through policies, guidelines and instructions. Management of this risk is part of Bravida's ongoing business process.

AREA OF RISK	DESCRIPTION	MANAGEMENT
Employees	The current labour market situation may pose challenges in attracting and retaining the right personnel. Retaining and recruiting the right personnel is key to Bravida's growth in the future as competition and the need for talented engineers, technicians and fitters increases.	Over the past year, Bravida has been working on its employment offering and has developed a competitive offering to attract employees. The Group invests in continual training, skills enhancement and leadership development through initiatives such as the Bravida School with the aim of retaining employees and providing professional development.
Corporate culture	There is a risk of Bravida's corporate culture not being upheld. Our corporate culture and way of working make us unique in the market There is a risk of this not being maintained by the company in the face of new competitors, as well as a changing operating environment combined with many new employees and a number of corporate acquisitions.	The Bravida School is constantly being developed to ensure our corporate culture is maintained and developed.
Business ethics	Bravida's code of conduct provides the basis for our behaviour. The code of conduct sets out our values and our approach to business ethics. There is a risk of individual employees not adhering to our values and damaging Bravida's reputation and brand.	All Bravida employees must read and be familiar with the code of conduct. In 2018, a wide-ranging training initiative will be undertaken throughout the Group. In addition, Bravida also takes a reactive approach in the form of monitoring and internal controls.
Projects	As the majority of Bravida's installation projects are based on fixed-price contracts, any errors in the calculation of costs could have an adverse effect on margins. Extended and large service assignments are regulated through framework agreements that specify hourly rates and the price of materials.	Bravida has a an established procedure for managing tenders, and for some years now has adopted a 'grandfather' principle, whereby large projects must be presented to and approved by a superior.
Quality management	Bravida is responsible for the quality delivered in its own work, that of its subcontractors and its own selected products.	
Delivery quality risk	Bravida is responsible for the quality delivered in its own work, that of its subcontractors and the products it installs. Inadequate quality could result in both increased costs and an adverse impact on Bravida's reputation.	Trained, skilled staff and consistent use of our Group-wide business systems and methods ensure a high standard in the work that we deliver.
Subcontractor risk	The conduct of subcontractors could have an adverse impact on Bravida's reputation and brand if a subcontractor does not comply with Bravida's code of conduct.	Quality assurance of Bravida's subcontractors has been in place since 2016.
Product quality risk	Deficiencies in the quality of the products that Bravida installs could have an adverse impact on reputation among customers and lead to increased costs.	Bravida has warranties from the suppliers of products it uses.
IT Security and accessibility	Bravida uses information systems and other technology to manage and administer the business. Unplanned disruptions may lead to loss of income and have an adverse impact on reputation and brand.	Bravida continually maintains and reviews IT security to ensure a stable IT environment. Bravida has secured its IT operations by having resources available both internally and externally so any unplanned disruptions to IT operations can be quickly rectified.

CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	1 Jan 2017 –31 Dec 2017	1 Jan 2016 –31 Dec 2016
Net sales	2, 3	17,293	14,792
Production costs		-14,718	-12,562
Gross profit/loss		**2,575**	**2,230**
Administrative and selling expenses		-1,502	-1,286
Operating profit/loss	3, 5, 6, 7, 30	**1,072**	**944**
Finance income		9	7
Finance costs		-63	-74
Net financial items	8	**-54**	**-67**
Profit/loss before tax		**1,019**	**877**
Tax on profit/loss for the year	9	-199	-203
Profit/loss for the year		**820**	**674**
Comprehensive income for the year attributable to:			
Owners of the parent company		818	673
Non-controlling interests		2	1
Profit/loss for the year		**820**	**674**
Basic earnings per share, SEK	10	4.07	3.34
Diluted earnings per share, SEK	10	4.06	3.34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	NOTE	1 Jan 2017 –31 Dec 2017	1 Jan 2016 –31 Dec 2016
Profit/loss for the year		**820**	**674**
Other comprehensive income			
Items that have been or can be transferred to profit/loss for the year			
Translation differences for the year from the translation of foreign operations	20	-26	92
Items that cannot be transferred to profit/loss for the year			
Revaluation of defined-benefit pensions		23	-65
Tax attributable to the revaluation of pensions		-5	14
Other comprehensive income for the year		**-8**	**42**
Comprehensive income for the year		**812**	**715**
Comprehensive income for the year attributable to:			
Owners of the parent company		811	715
Non-controlling interests		2	1
Comprehensive income for the year		**812**	**715**

CONSOLIDATED BALANCE SHEET

SEK MILLION	NOTE	31 Dec 2017	31 Dec 2016
ASSETS			
Non-current intangible assets	11	7,854	7,611
Property, plant and equipment	12	71	65
Investments in associates	13	2	2
Pension assets	14	7	2
Securities held as non-current assets	15	12	11
Non-current receivables	16	14	13
Deferred tax asset	9	38	39
Total non-current assets		**7,998**	**7,743**
Inventories		95	102
Current tax assets		36	100
Trade receivables	17, 27	3,030	2,544
Income accrued but not invoiced	18	1,004	875
Prepayments and accrued income	19	311	271
Other receivables	16	46	42
Cash and cash equivalents		839	286
Total current assets		**5,362**	**4,219**
TOTAL ASSETS	26	**13,360**	**11,962**
EQUITY	20		
Share capital		4	4
Other contributed capital		3,518	3,518
Reserves		6	31
Retained earnings including profit/loss for the year		1,124	514
Equity attributable to owners of the parent company		**4,652**	**4,067**
Non-controlling interests		10	11
Total equity		**4,662**	**4,079**
LIABILITIES			
Non-current interest-bearing liabilities	21	1,700	2,700
Non-current non-interest-bearing liabilities		36	–
Pension provisions	14	48	20
Other provisions	22	79	80
Deferred tax liabilities	9	192	146
Total non-current liabilities		**2,056**	**2,945**
Current interest-bearing liabilities	21	1,000	–
Overdraft facilities	21	1	3
Trade payables		1,866	1,468
Tax liabilities		89	171
Income invoiced but not accrued	23	1,519	1,318
Other liabilities	24	529	524
Accrued expenses and deferred income	25	1,466	1,311
Provisions	22	172	143
Total current liabilities		**6,642**	**4,938**
Total liabilities	26	**8,698**	**7,883**
TOTAL EQUITY AND LIABILITIES		**13,360**	**11,962**

For information on Group pledged assets and contingent liabilities, see Note 29.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK MILLION	Share capital	Other contributed capital	Translation reserve	Retained earnings, incl. profit/loss for the year	Non-controlling interests	Total equity
2016						
Opening balance of equity at 1 Jan 2016	4	3,518	-61	82	11	3,555
Profit/loss for the year	–	–	–	673	1	674
Other comprehensive income for the year	–	–	92	-51	–	42
Total comprehensive income for the year	–	–	**92**	**622**	**1**	**715**
Dividend	–	–	–	-202	–	-202
Change in non-controlling interests	–	–	–	1	-1	0
Shareholder programme	–	–	–	10	–	10
Closing balance of equity at 31 Dec 2016	**4**	**3,518**	**31**	**514**	**11**	**4,079**
2017						
Opening balance of equity at 1 Jan 2017	4	3,518	31	514	11	4,079
Profit/loss for the year	–	–	–	818	2	820
Other comprehensive income for the year	–	–	-26	18	–	-8
Total comprehensive income for the year	–	–	**-26**	**836**	**2**	**812**
Dividend	–	–	–	-252	–	-252
Change in non-controlling interests	–	–	–	3	-3	0
Shareholder programme	–	–	–	23	–	23
Closing balance of equity at 31 Dec 2017	**4**	**3,518**	**6**	**1,124**	**10**	**4,662**

Further information on equity is provided in Note 20.

CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	NOTE	1 Jan 2017 –31 Dec 2017	1 Jan 2016 –31 Dec 2016
OPERATING ACTIVITIES			
Profit/loss before tax		1,019	877
Adjustments for non-cash items	32	51	50
Income taxes paid		-95	-112
Cash flow from operating activities before changes in working capital		**974**	**815**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/Decrease (+) in inventories		10	4
Increase (-)/Decrease (+) in operating receivables		-295	-266
Increase (+)/Decrease (-) in operating liabilities		348	-124
Cash flow from operating activities		**1,038**	**428**
INVESTING ACTIVITIES			
Acquisition of subsidiaries	4, 31	-214	-258
Acquisition of assets and liabilities	4	-2	-4
Disposal of assets and liabilities		5	2
Acquisition of non-current intangible assets	11	0	–
Acquisition of property, plant and equipment	12	-21	-19
Disposal/reduction of financial assets	13	–	0
Cash flow from investing activities		**-231**	**-280**
FINANCING ACTIVITIES			
Loans raised	32	1,700	–
Repayment of loans	32	-1,700	-302
Change in utilisation of overdraft facility	32	-2	0
Dividend paid		-252	-202
Cash flow from financing activities		**-254**	**-504**
Cash flow for the year		553	-356
Cash and cash equivalents at start of year		286	573
Exchange gains/losses on cash and cash equivalents		0	69
Cash and cash equivalents at year-end		**839**	**286**

PARENT COMPANY INCOME STATEMENT

SEK MILLION	NOTE	1 Jan 2017 –31 Dec 2017	1 Jan 2016 –31 Dec 2016
Net sales		151	82
Administrative and selling expenses	5, 6, 7	-126	-83
Operating profit/loss		**25**	**-1**
Income from financial items			
Interest and similar income		23	38
Interest and similar expenses		-57	-72
Net financial items	8	**-34**	**-34**
Profit/Loss after financial items		**-9**	**-34**
Appropriations			
Provision for tax allocation reserve		-160	-153
Group contributions		644	644
Profit/loss before tax		**475**	**456**
Tax	9	-105	-99
Profit/loss for the year[1)]		**370**	**357**

[1)]Profit/loss for the year corresponds to comprehensive income for the year.

PARENT COMPANY BALANCE SHEET

SEK MILLION	NOTE	31 Dec 2017	31 Dec 2016
ASSETS			
Non-current assets			
Non-current financial assets			
Investments in Group companies	31	7,341	7,341
Total non-current assets		**7,341**	**7,341**
Current assets			
Current receivables			
Receivables from Group companies	30	1,562	1,755
Other receivables	16	0	26
Prepayments and accrued income	19	33	25
Cash and bank balances		644	184
Total current assets		**2,240**	**1,990**
TOTAL ASSETS	26	**9,581**	**9,331**
EQUITY AND LIABILITIES			
Equity	20		
Restricted equity			
Share capital		4	4
		4	**4**
Non-restricted equity			
Share premium reserve		3,518	3,518
Retained earnings		1,013	886
Profit/loss for the year		370	357
		4,901	**4,760**
		4,905	**4,764**
Untaxed reserves			
Tax allocation reserves		390	231
Provisions			
Pension provisions	14	0	–
Non-current liabilities			
Interest-bearing liabilities	21	1,700	2,700
Current liabilities			
Liabilities to credit institutions	21	1,000	–
Trade payables		20	4
Liabilities to Group companies	30	1,429	1,496
Tax liabilities		90	98
Other liabilities	24	1	5
Accrued expenses and deferred income	25	46	32
Total current liabilities		**2,585**	**1,636**
TOTAL EQUITY AND LIABILITIES	26	**9,581**	**9,331**

For information on parent company pledged assets and contingent liabilities, see Note 29.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK MILLION	Share capital	Non-restricted equity Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
2016					
Opening balance of equity at 1 Jan 2016	4	3,518	889	188	4,599
Profit/loss for the year	–	–	–	357	357
Appropriation of profits	–	–	188	-188	–
Dividend paid	–	–	-202	–	-202
Shareholder programme	–	–	10	–	10
Closing balance of equity at 31 Dec 2016	**4**	**3,518**	**886**	**357**	**4,764**
2017					
Opening balance of equity at 1 Jan 2017	4	3,518	886	357	4,764
Profit/loss for the year	–	–	–	370	370
Appropriation of profits	–	–	357	-357	–
Dividend	–	–	-252	–	-252
Shareholder programme	–	–	23	–	23
Closing balance of equity at 31 Dec 2017	**4**	**3,518**	**1,013**	**370**	**4,905**

Further information on equity is provided in Note 20.
Profit/loss for the year corresponds to comprehensive income for the year.

PARENT COMPANY CASH FLOW STATEMENT

SEK MILLION	NOTE	1 Jan 2017 –31 Dec 2017	1 Jan 2016 –31 Dec 2016
OPERATING ACTIVITIES			
Profit/Loss after financial items		-9	-34
Adjustments for non-cash items	32	23	10
Income taxes paid		-87	-101
Cash flow from operating activities before changes in working capital		**-74**	**-125**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/Decrease (+) in operating receivables		144	-135
Increase (+)/Decrease (-) in operating liabilities		-1	-1
Cash flow from operating activities		**69**	**-261**
FINANCING ACTIVITIES			
Loans raised	21	1,700	–
Repayment of loans	21	-1,700	-300
Dividend paid		-252	-202
Group contributions paid		-27	–
Group contributions received		670	490
Cash flow from financing activities		**392**	**-12**
Cash flow for the year		461	-272
Cash and cash equivalents at start of year		184	456
Cash and cash equivalents at year-end		**644**	**184**

NOTES

TO THE FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

ACTIVITIES

Bravida Holding AB, company reg. 556891-5390, is a Swedish public limited company with its registered office in Stockholm, Sweden. The address of the head office is Mikrofonvägen 28, 126 81 STOCKHOLM, SWEDEN. The company's shares are listed on Nasdaq Stockholm's Large Cap list. This report refers to the Bravida Group as Bravida or the Group, and the parent company Bravida Holding AB in full or as the parent company. The consolidated accounts for 2017 consist of the parent company and its Group companies; the Group also incudes the portion of holdings in associate companies. The Group also conducts development operations at a branch office in Slovakia.

CONDITIONS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups of the Swedish Financial Reporting Board has also been applied.

The parent company applies the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities. In cases where the parent company applies other accounting policies than the Group this is stated at the end of this Note.

The Group and parent company's reporting is in millions of Swedish kronor (SEK million) without decimals unless otherwise specified. Swedish kronor are referred to as SEK and thousands of Swedish kronor are referred to as SEK thousand. In certain cases, the amounts reported have been rounded off. Where amounts are less than SEK 1 million and are rounded down, this is shown with a zero (0). Where there is no value, a dash (–) is used. This means that tables, charts and calculations do not always tally. Figures in brackets refer to actual figures for the previous year.

VALUATION PRINCIPLES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

Assets and liabilities are stated at historical cost.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparing financial statements in accordance with IFRS requires that management make estimates and judgements as well as assumptions which affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. Estimates and assumptions are based on historical experience and a number of other factors that, under prevailing circumstances, are considered reasonable. Actual outcomes may differ from these estimates. Judgements and assumptions are reviewed on a regular basis. Changes to estimates are recognised in the period when the change is made if the change only affects this period, or in the period when the change is made and future periods if the change affects both the current period and future periods.

Company management's best assessment is also taken into account for the reporting of disputed amounts as legal proceedings and disputes are inherently unpredictable.

Below are the estimates and judgements which, according to company management's understanding, are significant for reported amounts in the financial statements and for which there is a material risk of future events or new information resulting in a change in them.

Percentage-of-completion accounting

Reported earnings for installation projects in progress are accounted for in accordance with the percentage-of-completion method based on the degree of completion of the project. This requires that project income and project expenses can be reliably estimated, which in turn requires a well-functioning system for cost estimates, forecasting procedures and project review. Forecasts relating to the final outcome for the project are a critical assessment that is material to the reporting of earnings during the course of the project. There is a risk that the final earnings for the project may differ from earnings as reported in accordance with the percentage-of-completion method.

Impairment tests of goodwill
In estimating recoverable amounts for cash-generating units for the purpose of testing for impairment of goodwill, several assumptions about future circumstances and estimates of parameters have been made. These are described in Note 11.

Pension assumptions
Bravida has some defined-benefit pension plans. The pension obligation is calculated using actuarial assumptions and the plan assets are valued at the market value at the balance sheet date. A change in any of these assumptions and valuations may have a significant impact on the estimated pension obligations and pension costs. See also Note14 for further information about utilised pension commitments.

NEW OR AMENDED RELEVANT IFRS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED
Bravida has applied the amended IAS 7, Statement of Cash Flows, in the 2017 annual accounts. Information is added where changes for the year in liabilities attributable to financing activities are reconciled with a breakdown of items such as new borrowing, repayments, changes relating to disposals/acquisitions of subsidiaries and currency exchange effects.

The Group has chosen not to apply any new standards or interpretations in advance in preparing these financial statements and is currently not planning to apply standards or interpretations in advance in coming years.

FUTURE CHANGES TO ACCOUNTING POLICIES
The IASB has issued new standards that come into effect from 1 January 2018. The Group is starting to apply IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers as of 1 January 2018.

IFRS 9 Financial Instruments
IFRS 9 Financial Instruments is replacing IAS 39 Financial Instruments: Recognition and Measurement IFRS 9 comprises three parts; classification and measurement, impairment and hedge accounting. For Bravida, this new accounting standard has a limited impact on the accounting of financial instruments. No impact has been indicated with regard to classification and measurement. For the Group, the resulting change from this standard will mean that credit losses will be recognised earlier than under IAS 39. The Group has historically had very low recorded bad debts and this is not expected to change going forward, so the impact of the impairment model on expected credit losses is considered to be immaterial. As the effects are immaterial, the transfer to the opening balance for 2018 is not affected.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 Revenue from Contracts with Customers is replacing the existing standards for revenue recognition.

Bravida currently applies IAS 11 Construction Contracts to all revenue. Revenue consists of service and installation services and sales of services and materials take place on a combined basis. Sales of material only take place to a very minor extent, and in such cases and these are currently recognised when the goods have been delivered at the customer, which is deemed to be the point in time when risks and benefits associated with the goods are transferred to the customer.

Service and installation services, including related materials, are currently recognised as revenue using the percentage-of-completion method as costs are incurred in relation to forecast costs. Service and installation services are performed on customer property.

Initial assessment of the IFRS 15 criteria for recognition over time or at a particular date indicate that in most of these cases the goods are deemed to be controlled by the customer as they are installed, whereupon they will also be recognised over time rather than at the date when installation is completed. This implies no difference in revenue recognition compared with the current situation. The accrual of revenue is therefore not affected and the impact of the new accounting standard is negligible for the Group. As no impact has occurred, the transfer to the opening balance for 2018 is not affected.

Finally, it is noted that IFRS 15 contains expanded disclosure requirements for revenue, which will increase the content of disclosures in the notes.

IFRS 16 Leases
IFRS 16 Leases is replacing the existing standard for the accounting of leases, such as IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease. The new standard will be applied by Bravida from 1 January 2019.

IFRS 16 mainly affects lessees and the main effect is that all leases that are currently recognised as operating leases will be recognised in a manner similar to the current accounting of financial leases. This means that for operating leases too assets and liabilities must be recognised, along with recognition of amortisation and interest expenses. This is in contrast to the current situation, whereby there is no recognition of a leased asset and related liability, and lease payments are accrued on a straight-line basis as a lease expense. Exceptions for recognition as a beneficial asset and lease liability exist for leases of minor value and leases with a term of up to 12 months.

The new standard will have a not insignificant impact on the Group's financial statements. Work is currently ongoing to calculate the quantitative effect. The most material effect so far identified is that the Group will need to recognise new assets and liabilities for leases relating to leased premises and vehicles. The Group will select a transition method over the coming year.

The disclosures provided in Note 28 regarding lease payments for operating leases give an indication of the type and extent of the leases that currently exist.

SEGMENT REPORTING
An operating segment is a component of the Group which engages in business from which it may earn revenues and incur expenses, for which separate financial information is available. Earnings of an operating segment are reviewed by the company's chief operating decision-maker for the purpose of evaluating earnings and allocating resources to the operating segment. Bravida's operating segments consist of geographic markets, i.e. countries: Sweden, Norway, Denmark and Finland. See Note 3 for additional information on the itemisation and presentation of operating segments.

CONSOLIDATION PRINCIPLES
Group companies
Group companies are companies in which the parent company has a controlling influence. A controlling influence is assumed to exist where the parent company directly or indirectly has an ownership interest amounting to more than 50 percent of the votes, but may also be achieved if a controlling influence is able to be exerted over operational and financial management.

The purchase method is used in accounting for the Group's acquisition of subsidiaries. The cost of an acquisition is the fair value of all assets provided as compensation, issued equity instruments and liabilities incurred or assumed at the transfer date. Transaction costs are expensed directly. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are initially stated at fair value at the acquisition date regardless of the size of any non-controlling interests. In a business combination where the transferred compensation, any non-controlling interests and the fair value of the previously owned interest (in incremental acquisitions) exceed the fair value of the acquired assets and assumed liabilities which are recognised separately, the difference is recognised as goodwill. Where the difference is negative, in a 'bargain purchase,' the difference is recognised in profit/loss for the year.

Group companies are included in the consolidated accounts from the date that controlling influence is obtained and are excluded from the consolidated accounts from the date that controlling influence ceases. Where necessary, Group companies' accounting is adjusted to adapt their accounting policies to those of the Group.

Intra-Group transactions and balance sheet items and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated but any losses are viewed as an indication of a possible impairment requirement.

Associates
Associates are those companies in which the Group exercises a significant, but not a controlling, influence.

Associates are recognised in accordance with the equity method. This means that the carrying amount in the Group of investments in the company corresponds to the Group's share of equity and any carrying amounts of Group surplus values following the change to Group accounting policies. The share in the companies' profits after tax is recognised in operating profit/loss together with amortisation of the acquired surplus values.

Elimination of transactions

Gains and losses arising from transactions between Group companies are eliminated in full in the preparation of the consolidated accounts.

Gains arising from transactions with associates are eliminated to an extent corresponding to the Group's ownership of the company. Losses are eliminated in the same way as gains, but only insofar as there is no impairment requirement.

FOREIGN CURRENCY

Functional currency and reporting currency

Items included in the financial statements for the various units of the Group are valued in the currency used in the economic environment in which each company primarily operates (functional currency). The Swedish krona (SEK), the functional and reporting currency of the parent company, is used in the consolidated financial statements.

Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rates applying at the transaction date. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currencies at the balance sheet date rate are recognised in the income statement. Foreign exchange differences on borrowing are recognised under financial items while other foreign exchange differences are included in operating profit/loss.

Financial statements of foreign operations

The earnings and financial position of all foreign operations included in the consolidated financial statements that have a different functional currency than the reporting currency are translated into the Group's reporting currency as follows:

- assets and liabilities for each of the balance sheets are translated at the balance sheet date rate
- income and expenses for each of the income statements are translated at the average rate
- all resulting foreign exchange differences are recognised through other comprehensive income as a separate part of equity (translation reserve)

Upon consolidation, foreign exchange differences arising from the translation of net investments in foreign operations are transferred to equity through other comprehensive income. Upon divestment, wholly or partially, of a foreign operation, the foreign exchange differences recognised in equity through other comprehensive income are transferred to profit/loss for the year. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities in such operation and translated at the balance sheet date rate.

CASH FLOW STATEMENT

The cash flow statement is prepared in accordance with the indirect method, which means that adjustments are made for transactions that do not result in incoming or outgoing payments.

REVENUE

Revenue is recognised in the income statement when it is possible to reliably estimate the revenue and it is probable that the financial benefits will accrue to the Group. The company's revenue primarily consists of revenues from service and installation contracts. Revenue is recognised in accordance with the percent-age-of-completion method. Interest income is recognised over the term of the loan by applying the effective interest method. Dividend income is recognised when the right to receive payment has been established.

Percentage-of-completion accounting

Under this method, earnings are recognised in accordance with the degree of completion of the project. Determining the earnings accrued at any given time requires information about the following components:

- Project revenue – the value of all revenues attributable to the contract.
- Project cost – all costs corresponding to the project revenues that are attributable to the project.
- Degree of completion – recognised costs in relation to estimated total project costs.

Expenditure that has been incurred during the year but that relates to future work is not included in project costs paid at the time of determining the degree of completion. These are reported as materials and inventories, advances or other assets depending on their nature. Changes to the scope of the project, claims and incentive pay are included in project revenue to the extent that they have been agreed with the customer and can be reliably measured. A fundamental condition for application of the percentage-of-completion method is that project revenues and project costs can be reliably measured and that the degree of completion is determined in a way that is relevant with respect to the reliability requirement.

For projects where revenues and costs cannot be reliably measured at the closing date, the zero recognition method is applied. This means that revenue equal to the incurred costs is recognised for the project, i.e. the profit is zero until such time as it is possible to determine the earnings. As soon as this is possible the percentage-of-completion method is applied. Provisions are made for expected losses, i.e. when the project costs are expected to exceed the total project revenues, and these amounts are charged to profit/loss for the year.

The Bravida Group recognises as assets receivables (balance sheet item 'Income accrued but not invoiced') from buyers of installation projects for which the project costs and recognised profits (after deducting recognised losses) exceed the invoiced amount. Partially invoiced amounts that have not yet been paid by the customer and amounts withheld by the buyer are included in the item 'Trade receivables'. Bravida recognises as liabilities (balance sheet item 'Income invoiced but not accrued') any liabilities to buyers of installation contracts for projects in progress for which the invoiced amount exceeds the project costs and recognised profits (after deducting recognised losses).

INTANGIBLE ASSETS

The Group's non-current intangible assets principally consist of goodwill, as well as other intangible assets. Goodwill represents the difference between the cost of a business combination and the fair value of the Group's share of the acquired operation's identifiable net assets at the time of acquisition. Goodwill is recognised at cost, less any impairment. Goodwill has an indefinite useful life and is tested for impairment at least annually. Goodwill impairment losses are not reversed. Any gain or loss from the sale of a unit includes the divested portion of the recognised value of goodwill. In testing for impairment, goodwill is allocated to cash-generating units.

Other non-current intangible assets mainly consist of licenses. Additional expenditure on an intangible asset is added to the asset's cost only if it increases the future financial benefits and the expenditure can be reliably estimated. All other expenditure is recognised as it is incurred. Depreciation/amortisation is based on the asset's original cost less any residual value. Amortisation is recognised in the income statement on a straight-line basis over the useful life of the intangible asset, unless the asset has an indefinite useful life. Assets are amortised from the date at which they became available for use. Other intangible assets are amortised according to plan over five years. Useful lives are reassessed annually or more frequently.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings mainly comprise warehouses and offices. Property, plant and equipment is recognised at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Any additional expenditure is added to the carrying amount of the asset or recognised as a separate asset only when it is probable that the future financial benefits associated with the asset will accrue to the Group and the cost can be reliably measured. The carrying amount of the replaced portion is removed from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in the income statement for the periods in which they are incurred.

Land is not depreciated. Other assets are depreciated on a straight-line basis to allocate the cost down to the estimated residual value over the assets' estimated useful lives, as follows:

Depreciation policies for property, plant and equipment

	Useful life
Buildings	20 years
Expenditure on property not owned by the company	During the remaining lease term
Machinery and other technical facilities	3–5 years
Equipment, tools and installations	3–10 years

Residual values and useful lives of assets are tested at each closing date and adjusted where required. Any gain or loss from the sale of an asset is determined by comparing the sale proceeds and the carrying amount, and is recognised in other operating income or other operating expenses in the income statement.

IMPAIRMENT LOSSES

The values of property, plant and equipment and non-current intangible assets are analysed at each balance sheet date to establish whether there is an indication that such assets have decreased in value. In the event of such indication, the replacement value of the asset is estimated in order to establish the value of any impairment.

An impairment loss is recognised in the income statement. If an impairment loss is reversed, this is only done insofar as the asset's carrying amount does not exceed the value that would have been recognised, less depreciation/amortisation, if no impairment had been made. A reversal of an impairment loss is recognised in the income statement. Goodwill impairment losses are never reversed.

LEASES

Leases are classified in the consolidated accounts either as financial leases or as operating leases.

Bravida classifies all leases as operating leases. Payments made during the lease term are charged to the income statement on a straight-line basis over the term of the lease.

FINANCIAL ASSETS

Bravida classifies its financial assets as loans and trade receivables. The classification depends on the purpose for which the financial asset was acquired. The classification of financial assets is determined by management upon initial recognition.

General principles

A receivable is recognised when the company has performed a service and the counterparty is contractually obliged to pay, even if an invoice has not yet been issued. Trade receivables are recognised in the balance sheet when the invoice has been sent.

At each balance sheet date the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets, for instance that it is unlikely that the debtor will be able to fulfil its obligations. Impairment tests of trade receivables are described below. Examples of objective evidence include significant financial difficulties for a debtor, a breach of contract such as non-payment or delayed payment of interest or principal, or the likelihood that the borrower will become bankrupt or enter into another form of financial reorganisation.

Loans and trade receivables

Loans and trade receivables are financial assets that are not derivatives. They have specified or specifiable payments and are not listed on an active market. They are included in current assets, with the exception of items maturing later than 12 months from the balance sheet date, which are classified as non-current assets. Loans and trade receivables are initially stated at fair value and subsequently at amortised cost by applying the effective interest method, less any provisions for impairment. A provision for impairment of trade receivables is posted when there is objective evidence that the Group will not be able to recover all overdue amounts in accordance with the original terms and conditions for the receivables. The size of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows.

An impairment loss on trade receivables is recognised in the income statement in the function 'Other operating expenses' while an impairment loss on loans is recognised in financial items.

Impairment losses on loan receivables and trade receivables stated at amortised cost are reversed if a later increase in the recoverable amount can objectively be attributed to an event occurring after the impairment loss was recognised.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. This also takes into account the risk of obsolescence. Cost is determined using the first-in/first-out method (FIFO). Net realisable value is the estimated selling price in the company's operating activities less any applicable variable selling expenses. The cost of company-produced semi-finished and finished goods consists of direct costs of production plus a reasonable portion of indirect costs of production. Normal capacity utilisation is also taken into account in the valuation.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances, and other short-term investments maturing within three months of the acquisition date.

FINANCIAL LIABILITIES

The Group's financial liabilities are divided into borrowing and other financial liabilities, e.g. trade payables.

General principles

A liability is recognised when the company has a contractual obligation to pay, even if a supplier invoice has not yet been received. Supplier invoices are recognised in the statement of financial position when an invoice is received. The liability is removed when payment is made or when a contractual obligation to pay no longer exists.

Offsetting

A financial asset and a financial liability are offset and recognised as a net amount in the statement of financial position only when there is a legal right to offset amounts and there is the intention to settle the items as a net amount or simultaneously realise the asset and settle the liability.

Financial liabilities measured at amortised cost

Loans and other financial liabilities, e.g. trade payables, are included in this category. Financial liabilities are initially stated at fair value, net of transaction costs. Subsequently financial liabilities are measured at amortised cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognised in the income statement over the term of the loan by applying the effective interest method. Compensation for any difference in interest upon early redemption of a loan is recognised in the income statement at the date of redemption. Dividends paid are recognised as a liability upon approval of the dividend by the Annual General Meeting.

Borrowing and other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

FINANCE INCOME AND COSTS

Finance income and costs comprise interest income on bank deposits, receivables and interest-bearing securities, interest expenses on loans, dividend income, unrealised and realised gains and losses on financial assets and liabilities.

INCOME TAX

Recognised income taxes include tax that is payable or receivable in respect of the current year, adjustments relating to current tax for previous years and changes in deferred tax. All tax liabilities and assets are valued at their nominal amounts and based on the tax rules and tax rates that have been adopted or that have been announced and are highly likely to be confirmed. Income taxes are recognised in profit/loss for the year except where the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effects are recognised in other comprehensive income or in equity. Deferred tax is calculated in accordance with the balance sheet method for all temporary differences between the carrying amounts and taxable values of assets and liabilities. Temporary differences are not taken into account for differences arising from the recognition of consolidated goodwill. Deferred tax assets relating to unused loss carry-forwards or other future tax deductions are recognised to the extent that it is probable that such deductions can be used to offset future taxable profits.

EARNINGS PER SHARE

The calculation of earnings per share is based on consolidated profit for the year attributable to owners of the parent company and on the weighted average number of shares outstanding during the year.

In calculating diluted earnings per share, the average number of shares is adjusted to take account of the effects of diluting potential ordinary shares. Over the reported periods, potential ordinary shares consist of rights to receive shares in Bravida as part of the long-term incentive programmes. Rights to matching shares held by employees at the reporting date are deemed to be dilutive. Entitlement to receive shares with performance conditions is dilutive only insofar as profit targets (EBITA) have been met at the reporting date. Adjustment of the number of dilutive shares is made for the hypothetical number of shares that could have been purchased with the value of remaining services as part of each incentive programme.

EMPLOYEE BENEFITS

Post-employment benefits

In Sweden most employees are covered by a defined-contribution plan, but defined-benefit plans also exist. In Norway virtually all employees are covered by a defined-contribution pension plan. In Denmark and Finland all employees are covered by defined-contribution plans.

In a defined-contribution plan the company makes fixed contributions to a separate legal entity and has no obligation to make any further contributions. Costs are charged to the consolidated income statement as the benefits are earned.

Defined-benefit plans are plans for post-employment benefits other than defined-contribution plans. The Group's net liability relating to defined-benefit plans is calculated separately for each plan by estimating the future compensation earned by the employees through their employment in the current and previous periods. The Group bears the risk for ensuring that the plan provides the promised compensation.

The defined-benefit pension plans are both funded and unfunded. In a funded plan the assets have been segregated, mainly in pension funds. These plan assets can only be used to make payments in accordance with the terms of the pension agreements.

The estimated present value of the obligations less fair value of the plan assets is recognised in the balance sheet as a provision or a non-current financial asset, as appropriate.

The pension cost and the pension obligation for defined-benefit pension plans is calculated annually by independent actuaries. The discount rate is the interest rate on mortgage bonds, with a term corresponding to the average term of the Group's pension obligations. If there is no functioning market for such corporate bonds, the market interest rate on government bonds with a corresponding term is used instead. The calculation is made by a qualified actuary using the Projected Unit Credit Method. The fair value of any investment assets at the reporting date is also calculated. Net interest expense/income on the defined-benefit obligation/asset is recognised in profit/loss for the year under net financial items. Net interest income is based on the interest arising from the discounting of the net obligation, i.e. interest on the obligation, plan assets and interest on the effect of any asset restrictions. Other components are recognised in operating profit.

Revaluation effects comprise actuarial gains and losses, the difference between the actual return on plan assets and the sum included in the net interest income and any changes to the effects of asset restrictions (excluding interest included in net interest income). The revaluation effects are recognised in other comprehensive income. If the calculation results in an asset for the Group, the carrying amount of the asset is limited to the lower of the plan surplus and the asset restriction calculated using the discount rate. The asset restriction consists of the present value of the future financial benefits in the form of reduced future contributions or cash repayments. Any requirements for minimum funding are taken into account in the calculation of the present value of future repayments or contributions.

Changes to or reductions in a defined-benefit plan are recognised at the earlier of the following times: a) when the change to the plan or the reduction takes place, or b) when the company recognises related restructuring costs and termination benefits. Changes/reductions are recognised directly in profit and loss for the year.

Special payroll tax forms part of the actuarial assumptions and is therefore recognised as part of the net obligation/asset. For reasons of simplicity, the element of special payroll tax that is calculated on the basis of the Swedish Act on Safeguarding Pension Obligations at legal entities is recognised as accrued cost instead of as part of the net obligation/asset.

Pension yield tax is recognised on an ongoing basis in the profit and loss for the period to which the tax relates and therefore is not included in the calculation of the liability. For funded plans, the tax is payable on the return on plan assets and is recognised in other comprehensive income. For unfunded or partially unfunded plans, the tax is charged to profit/loss for the year.

Termination benefits

A cost for payments in connection with termination of staff employment is recognised when the company is no longer able to withdraw the offer to the employees or when the company recognises costs for restructuring, whichever is the earlier. Benefits that are expected to be settled after twelve months are recognised at their present value. Benefits that are not expected to be fully settled within twelve months are recognised as long-term remuneration.

Short-term benefits

Short-term employee benefits are calculated without discounting and are recognised as a cost when the related services are received.

Share-based payments

Share-based payments relate to employee benefits in accordance with the long-term incentive programmes approved by the AGM. Personnel costs are recognised at the value of services received, accrued over the vesting periods of the programmes, calculated as the fair vale of the assigned equity instruments. The fair value is established at the date of assignment, i.e. when Bravida and the employees entered an agreement on the terms and conditions of the programmes. As the programmes are paid using equity instruments, they are classified as 'paid with equity' and an amount corresponding to the recognised personnel cost is recognised directly in equity.

The programmes mean that the participants need to purchase and retain shares in Bravida during the vesting period. At the end of the vesting period, participants receive additional shares in Bravida provided that the shares they purchased were retained, that their employment continued throughout the period and, with regard to performance target-related shares, that Group EBITA reached specified target levels. The recognised cost is initially based on and continually adjusted according to the number of additional shares expected to be earned, taking account of how many participants are expected to remain employed during the vesting period and taking account of the expected achievement of the EBITA conditions. No adjustment is made with regard to whether participants lose the entitlement to shares owing to their sale of the shares they needed to purchase and need to retain; in such case, the entire remaining cost is recognised immediately.

When rights to shares are earned and shares assigned, social security costs must be paid in certain countries for the value of the benefit to the employee. A cost and provision are recognised, accrued over the vesting period, for such social security costs. The provision for social security costs is based on the number of rights to shares expected to be earned and on the fair value of the rights to shares at the reporting date and eventually upon allocation of the shares.

PROVISIONS

A provision is recognised on the balance sheet when the company has a legal or constructive undertaking as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are divided into a long-term and short-term portion.

Warranty provision

A provision is recognised when the underlying product or service has been sold. Upon completion of the installation work a warranty period of 24 months normally applies. The warranty provision is calculated on the basis of previous years' warranty expenditure and an assessment of future warranty risks.

Restructuring provision

A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has been initiated or publicly announced. No provision is made for future operating expenses.

Contingent liabilities

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by one or more uncertain future events, not entirely outside the company's control, occurring or not occurring, or an obligation arising from past events but that is not recognised as a liability or a provision because it is unlikely that an outflow of resources will be required to settle the obligation, or the size of the obligation cannot be estimated with sufficient accuracy. No recognition is required where an outflow of resources is highly unlikely.

PARENT COMPANY ACCOUNTING POLICIES

The parent company prepares its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. Differences between the Group and parent company accounting policies are described below. The stated accounting policies of the parent company have been applied consistently for all periods presented in the parent company's financial statements.

Subsidiaries

Interests in subsidiaries are recognised in the parent company using the cost method. This means that transaction costs are included in the reported value of interests in subsidiaries. In the consolidated financial statements, transaction costs attributable to subsidiaries are recognised directly in the consolidated income statement when they are incurred.

Contingent considerations are valued based on the probability that the consideration will be paid. Any changes to the provision or receivable are added to or reduce the cost. In the consolidated financial statements, contingent considerations are stated at fair value while changes in value are recognised in profit/loss.

Bargain purchases which relate to future expected losses and expenses are eliminated in the periods when the expected losses and expenses are incurred. Bargain purchases that arise for other reasons are recognised as a provision to the extent that they do not exceed the fair value of the acquired identifiable non-monetary assets. Any portion exceeding this value is recognised as income immediately. The portion which does not exceed the fair value of the acquired identifiable non-monetary assets is recognised as income systematically over a period which is calculated based on the remaining weighted average useful life of those acquired identifiable assets that can be depreciated/amortised. In the consolidated financial statements, bargain purchases are recognised directly in profit/loss.

Group contributions and shareholder contributions

In the parent company, shareholder contributions are recognised in shares and interests, insofar as no write-down is required, and directly in equity in the receiving entity. Group contributions received/paid are recognised as appropriations.

Presentation of the income statement and balance sheet

The parent company applies the form of presentation for income statements and balance sheets prescribed in the Swedish Annual Accounts Act, which means, among other things, a separate form of presentation for equity and that provisions are recognised under a separate main heading on the balance sheet.

NOTE 2. DISTRIBUTION OF REVENUES

Group	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016
Invoicing	17,396	14,755
Change in work in progress on behalf of third parties	-103	37
Net sales	**17,293**	**14,792**

Revenue by significant revenue type

Group	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016
Installation	9,179	7,822
Service	8,114	6,970
Net sales	**17,293**	**14,792**

NOTE 3. SEGMENT REPORTING

The Group's operations are monitored and reviewed on a geographic market basis by the chief operating decision-maker. Bravida's segments consist of geographic markets. Bravida has a transfer pricing policy that sets out the rules for financial transfers between the Group's companies. Internal prices charged between the various segments of the Group are set on an arm's length basis, i.e. between parties that are independent of one another, are well informed and have an interest in ensuring that the transactions are completed. None of the companies' customers generate more than 5 percent of total consolidated income.

GEOGRAPHIC MARKETS

Geographic markets constitute the Group's operating segments, i.e. the countries of Sweden, Norway, Denmark and Finland. In each geographic market, activities are conducted in the areas of electrical, heating & plumbing and HVAC. Bravida also offers service and installation of security and sprinkler systems, cooling, power, lifts and services within project management and technical service management.

2017	Sweden	Norway	Denmark	Finland	Groupwide	Eliminations and other	Total
External net sales	9,807	4,185	2,546	743	11	–	17,293
Internal net sales	40	0	1	1	336	-378	–
Net sales	**9,847**	**4,185**	**2,547**	**745**	**347**	**-378**	**17,293**
Operating expenses	-9,186	-3,931	-2,416	-730	-329	378	-16,215
Amortisation of non-current intangible assets	-3	-2	-1	–	–	–	-6
Operating profit/loss	**658**	**251**	**130**	**15**	**18**	**–**	**1,072**
Net financial items	-3	5	0	-3	-53	–	-54
Profit/loss before tax	**655**	**256**	**130**	**12**	**-35**	**–**	**1,019**
Other information							
Goodwill	4,989	1,709	918	228	–	–	7,844
Other non-current assets*	23	22	49	7	15	–	116
Total non-current assets	**5,012**	**1,731**	**967**	**235**	**15**	**–**	**7,959**

2016	Sweden	Norway	Denmark	Finland	Groupwide	Eliminations and other	Total
External net sales	8,718	3,136	2,277	660	1	–	14,792
Internal net sales	42	-12	1	2	299	-331	–
Net sales	**8,760**	**3,124**	**2,278**	**662**	**299**	**-331**	**14,792**
Operating expenses	-8,186	-2,900	-2,163	-654	-273	331	-13,844
Amortisation of non-current intangible assets	0	0	-1	0	-2	–	-4
Operating profit/loss	**574**	**224**	**114**	**7**	**25**	**–**	**944**
Net financial items	-2	3	-1	-4	-63	–	-67
Profit/loss before tax	**572**	**226**	**113**	**4**	**-38**	**–**	**877**
Other information							
Goodwill	4,973	1,547	859	219	–	–	7,599
Other non-current assets*	25	16	39	9	16	–	105
Total non-current assets	**4,998**	**1,564**	**898**	**229**	**16**	**–**	**7,705**

*Excluding deferred tax asset.

NOTE 4. ACQUISITION OF OPERATIONS

2017

Bravida made the following acquisitions in 2017:

Acquired unit	Country	Type	Acquisition date	Percentage of equity	No. of employees	Estimated annual sales
Electrical business, Oslo [1]	Norway	Company	February	9%	–	–
Heating & plumbing business, Köge	Denmark	Company	April	100%	100	130
Heating & plumbing and HVAC business	Norway	Company	May	100%	700	1,200
Heating & plumbing business, Kiruna	Sweden	Company	September	100%	18	30
Electrical business, Brøndby	Denmark	Assets and liabilities	November	–	8	10

[1] Acquisition of remaining minority

If the acquisitions had taken place at 1 January 2017, consolidated net sales would have increased by around 3 percent.

Acquisition of Oras AS

On 8 May 2017 Bravida, via Bravida Norge AS, acquired 100 percent of the shares in Norwegian installation and service company Oras AS. The acquisition of Oras, Norway's leading heating & plumbing and HVAC provider, makes Bravida the market-leading end-to-end provider of installation and service on the Norwegian market. Oras has annual sales of approximately SEK 1,200 million, around 700 employees, with headquarters in Oslo, and has a presence throughout Norway in many areas where Bravida already operates. The acquisition provides for synergy effects, primarily in purchasing and central costs. The purchase price for the shares was SEK 121 million, with the purchase price being paid in the second quarter of 2017. Oras had net debt of SEK 55 million at the acquisition date. Oras was consolidated into the Group from 8 May 2017. Earnings for the second quarter of 2017 were impacted by acquisition costs of SEK 8 million as a specific cost.

The acquisition analysis for Oras AS below is preliminary.

Acquired net debt and goodwill	SEK million
Consideration	121
Fair value of acquired net debt	55
Goodwill	**176**

Goodwill is attributable to synergies that are estimated to be possible to achieve through further coordination of purchasing and central costs.

Effects of acquisitions in 2017

Acquisitions have the following effects on consolidated assets and liabilities.

	Fair value recognised in the Group, SEK mil.		
Assets and liabilities included in acquisition	**Oras**	**Other**	**Total**
Intangible assets	0	1	1
Property, plant and equipment	8	7	14
Trade receivables [2]	209	35	244
Income accrued but not invoiced	75	2	76
Other current assets	44	6	50
Cash and cash equivalents	0	5	5
Non-current liabilities	-83	-16	-100
Trade payables	-102	-13	-115
Income invoiced but not accrued	-49	0	-49
Other current liabilities	-158	-18	-175
Net identifiable assets and liabilities	**-55**	**5**	**-50**
Consolidated goodwill	**176**	**57**	**233**
Consideration	121	66	187
Cash and cash equivalents, acquired	0	5	5
Net effect on cash and cash equivalents	**121**	**61**	**182**
Cash consideration paid	121	38	159
Consideration recognised as a liability	0	29	29
Consideration	**121**	**66**	**187**

[2] There are no material write-downs of trade receivables.

2016

Bravida made the following acquisitions in 2016:

Acquired unit	Country	Type	Acquisition date	Percentage of equity	No. of employees	Estimated annual sales
Heating & plumbing business, Oslo	Norway	Company	January	100%	35	69
Electrical business, Jutland	Denmark	Assets and liabilities	March	–	25	38
Heating & plumbing business, Sandnes	Norway	Company	April	25%	–	–
Electrical business, Sandnes	Norway	Company	April	25%	–	–
Electrical business, Copenhagen	Denmark	Company	May	100%	52	70
Specialist business, Ljungby	Sweden	Assets and liabilities	June	–	8	12
Heating & plumbing business, Stockholm	Sweden	Company	July	100%	179	290
HVAC business, Växjö	Sweden	Company	October	100%	18	40
Electrical business, Kristianstad	Sweden	Company	November	100%	35	40
Electrical business, Östlandet	Norway	Company	December	100%	160	220
Electrical, heating & plumbing and HVAC business, Ostrobothnia	Finland	Company	December	100%	100	130

If the acquisitions had taken place at 1 January 2016, consolidated net sales would have increased by around 4 percent.

Effects of acquisitions in 2016

Acquisitions have the following effects on consolidated assets and liabilities.

Assets and liabilities included in acquisition	Fair value recognised in the Group, SEK million
Intangible assets	3
Property, plant and equipment	23
Other current assets	151
Cash and cash equivalents	18
Provisions	-17
Non-current liabilities	–
Current liabilities	-176
Net identifiable assets and liabilities	**2**
Consolidated goodwill	**338**
Consideration	339
Cash and cash equivalents, acquired	18
Net effect on cash and cash equivalents	**-321**
Cash consideration paid	239
Consideration recognised as a liability	101
Consideration	**339**

NOTE 5. EMPLOYEES AND PERSONNEL COSTS

	2017			2016		
Average number of employees	**Total**	**Share women**	**Share men**	**Total**	**Share women**	**Share men**
PARENT COMPANY						
Sweden	13	39%	61%	12	42%	58%
Total at parent company	**13**	**39%**	**61%**	**12**	**42%**	**58%**
GROUP COMPANIES						
Sweden[1)]	5,613	6%	94%	5,387	6%	94%
Norway	2,718	7%	93%	2,349	6%	95%
Denmark	1,803	8%	92%	1,602	7%	93%
Finland	496	5%	95%	380	7%	93%
Total in Group companies	**10,630**	**7%**	**93%**	**9,718**	**6%**	**94%**
Total, Group	**10,643**	**7%**	**93%**	**9,730**	**6%**	**94%**

[1)] Bravida Sweden conducts development operations at a branch office in Slovakia. These employees are reported in Sweden and amount to 13 (7) persons, of whom 2 (0) are women.

Distribution on the Board and in company management[2]	31 Dec 2017 Female representation	31 Dec 2017 Male representation	31 Dec 2016 Female representation	31 Dec 2016 Male representation
PARENT COMPANY				
Board of Directors	22%	78%	18%	82%
Other senior executives	8%	92%	8%	92%
TOTAL, GROUP				
Board of Directors	22%	78%	18%	82%
Other senior executives	8%	92%	8%	92%

[2] Calculated in accordance with the EU calculation model in which trade union representatives are included on the Board and the CEO is included in other senior executives.

Salaries, other remuneration and social security contributions	2017 Salaries and remuneration	2017 Social security costs	2016 Salaries and remuneration	2016 Social security costs
PARENT COMPANY	59	22	53	11
(of which pension)	(6)	(2)	(7)	(2)
GROUP COMPANIES	6,102	1,148	5,334	1,015
(of which pension)	(464)	(53)	(395)	(50)
Total, Group	**6,161**	**1,169**	**5,387**	**1,026**
(of which pension)	(470)	(54)	(402)	(52)

Salaries and other remuneration	2017 CEO and other senior executives[3]	2017 Other employees	2016 CEO and other senior executives[3]	2016 Other employees
PARENT COMPANY				
Sweden	30	29	23	30
(of which bonuses, etc.)	(12)	(0)	(11)	(2)
GROUP COMPANIES				
Sweden	20	3,006	18	2,785
(of which bonuses, etc.)	(8)	(49)	(9)	(47)
Norway	6	1,666	5	1,317
(of which bonuses, etc.)	(4)	(34)	(4)	(28)
Denmark	4	1,149	6	986
(of which bonuses, etc.)	(1)	(14)	(2)	(11)
Finland	3	247	2	217
(of which bonuses, etc.)	(0)	(0)	(–)	(–)
Total for Group companies	**33**	**6,069**	**31**	**5,303**
(of which bonuses, etc.)	(13)	(97)	(15)	(86)
Total, Group	**63**	**6,098**	**54**	**5,333**
(of which bonuses, etc.)	(26)	(97)	(26)	(88)

[3] At year-end the group of senior executives, including the CEO, numbered 12 (12) persons.

Remuneration of Board members

SEK thousand	Board remuneration	Committee fee[4]	Other fees	Total recognised cost for 2017	Total recognised cost for 2016
CHAIRWOMAN OF THE BOARD					
Monica Caneman	1,500	180	–	1,680	1,500
OTHER BOARD MEMBERS					
Jan Johansson	450	100	–	550	550
Mikael Norman	450	153	–	603	367
Staffan Påhlsson[5]	450	80	–	530	1,263
Ivano Sessa[6]	–	–	–	–	–
Michael Siefke[6]	–	–	–	–	–
Cecilia Daun Wennborg	450	100	–	550	353
	3,300	**613**	**–**	**3,913**	**4,033**

[4] Relates to remuneration for work on Board committees.
[5] The recognised cost for 2016 includes the invoiced consulting fee.
[6] Ivano Sessa and Michael Siefke left the Board in 2017, both were linked to Bain Capital and therefore did not receive Board remuneration.

Board remuneration

The Chairwoman and members of the Board are paid a fee as per the resolution by the AGM of 10 May 2017. No pension is paid to the Board. No fee is paid to Board members who are employed by Bain Capital. Employee representative and deputy members of the Board do not receive a Board fee. Board fees are paid as a salary or to a Board member's company. Board and committee fees have been invoiced, with the invoiced fee including compensation for social security contributions.

Remuneration to the Audit Committee is paid as per the AGM resolution of 10 May 2017. Since the constitutive Board meeting in 2017, the Audit Committee has consisted of Mikael Norman as chairman and Monica Caneman and Jan Johansson as members.

Payment of the Remuneration Committee is made as per the AGM resolution of 10 May 2017. Since the constitutive Board meeting in 2017, the Remuneration Committee has consisted of Cecilia Daun Wennborg as chairwoman and Monica Caneman and Staffan Påhlsson as members.

CEO and senior executives' benefits

See page 50 of the directors' report for further information.

Remuneration and other benefits for senior executives

2017 SEK thousand	Basic salary	Variable remuneration	Other benefits	Pension cost	Total
CEO and Group President Mattias Johansson	5,592	5,670	122	1,758	13,141
Other senior executives[7)]	22,396	19,870	1,277	6,421	49,965
	27,988	**25,540**	**1,398**	**8,179**	**63,106**

2016 SEK thousand	Basic salary	Variable remuneration	Other benefits	Pension cost	Total
CEO and Group President Mattias Johansson	5,592	4,750	104	1,774	12,220
Former Senior Vice President, Staffan Påhlsson[8)]	–	456	–	–	456
Other senior executives[7)]	20,954	21,047	1,281	5,222	48,504
	26,546	**26,253**	**1,385**	**6,996**	**61,180**

[7)] The group 'Other senior executives' refers to Group management, excluding the CEO. At year-end the group of senior executives, including the CEO, numbered 12 (12) persons.
[8)] In addition to this, Staffan Påhlsson invoiced SEK 2,519 thousand in consulting fees.

Long-term incentive programmes

For a number of years, Bravida Holding AB's AGM has approved long-term incentive programmes for selected employees. The background to and purpose of these programmes is to encourage personnel's loyalty to the company and, consequently, the long-term growth in the company's value.

LTIP 2017

The 2017 AGM approved another incentive programme (LTIP 2017), to run from 2017 until the 2020 AGM.

Participation in LTIP 2017 requires participants to own a certain number of shares in Bravida throughout the term of the programme and for participants to be employed by Bravida for the entire period and at the point of allocation. For each share held under the programme, participants may be assigned a minimum of one and a maximum of five new shares in Bravida Holding AB. The Chief Executive Officer may participate with shares ('Bravida shares') corresponding to a value of up to SEK 300,000 at the start date, the Chief Financial Officer may participate with shares corresponding to a value of up to SEK 240,000, other members of Group management may participate with shares corresponding to a value of up to SEK 200,000.

In addition, a number of regional managers, branch managers, other Group staff personnel and other identified key personnel have been invited to invest in the programme.

For each Bravida share that participants hold under LTIP 2017, the company will allocate participants a minimum of one and a maximum of five new Bravida shares at no cost. The number of shares allocated depends on the extent to which the set performance target is met. The set performance target is Group EBITA for 2019. All participants consequently have the same performance target. Any allocation takes place after the first-quarter report for 2020 has been published.

LTIP 2016

The 2016 AGM approved an additional incentive programme (LTIP 2016) to run from 2016 through 31 December 2018.

Participation in LTIP 2016 requires participants to own a certain number of shares in Bravida throughout the term of the programme and for participants to be employed by Bravida for the entire period and at the point of allocation. For each share held under the programme, participants may be assigned a minimum of one and a maximum of five new shares in Bravida Holding AB. The Chief Executive Officer may participate with shares ('Bravida shares') corresponding to a value of up to SEK 300,000 at the start date, the Chief Financial Officer may participate with shares corresponding to a value of up to SEK 240,000, other members of Group management may participate with shares corresponding to a value of up to SEK 200,000.

In addition, a number of regional managers, branch managers, other Group staff personnel and other identified key personnel have been invited to invest in the programme.

For each share held under the LTIP 2016, participants may be assigned, at no cost, a minimum of one and a maximum of five new shares in Bravida. The number of shares allocated depends on the extent to which the set performance target is met. The set performance target for all participants is Group EBITA for 2018. Any allocation takes place after the first-quarter report for 2019 has been published.

LTIP 2015

In conjunction with the IPO in 2015, 248 employees, principally line managers, accepted an offer from the company to participate in a long-term incentive programme (LTIP 2015). The programme runs until year-end 2017.

Participation in LTIP 2015 requires participants to own a certain number of shares in Bravida throughout the term of the programme and for participants to be employed by Bravida for the entire period and at the point of allocation. The Chief Executive Officer may participate with a maximum of 7,500 shares, the CFO with a maximum of 6,000 shares, other members of Group management with 5,000 shares, regional managers with 1,250 shares and local branch managers with 750 shares.

For every Bravida share that participants hold under LTIP 2015, the company will allocate participants up to three new Bravida Holding AB shares at no cost. The Chief Executive Officer, however, may receive up to five shares and the Chief Financial Officer may receive up to four shares. The number of shares allocated depends on the extent to which the set performance target is met. The set performance target for all participants is Group EBITA for 2017. The highest possible value for each share that a participant can received is limited to SEK 120. Any allocation takes place after the first-quarter report for 2018 has been published.

			Maximum number	
Number of rights to shares at start of programme	**Number of shares**	**Number of participants**	**Matching shares**	**Performance shares**
LTIP 2017	591, 078	147	128, 924	462 154
LTIP 2016	573,500	123	123,300	450,200
LTIP 2015	803,805	248	–	803, 805

Share savings programme, LTIP	2015	2016	2017
Number of rights to shares at 1 January 2016	803,805	–	–
Allocated during the year	–	573,500	–
Forfeited during the year	-66,000	-24,000	–
Number of rights to shares at 31 December 2016	**737,805**	**549,500**	**–**
Number of rights to shares at 1 January 2017	737,805	549,500	–
Allocated during the year	–	–	591,078
Forfeited during the year	-86,625	-22,750	-15,384
Number of rights to shares at 31 December 2017	**651,180**	**526,750**	**575,694**

Share programme, LTIP	2015	2016	2017
No. of participants still employed, at 31 December 2017	197	114	146
Vesting period	Oct 2015 –Dec 2017	Jan 2016 –Dec 2018	Jan 2017 –Dec 2019
Performance target	2017 EBITA	2018 EBITA	2019 EBITA
Fair value per right to share	40.90	47.90	58.25

The fair value of the rights to shares is calculated as the share price at the start of the programme, less the present value of expected dividends over the vesting period.

Recognised cost of the above programmes.

SEK MILLION	2017	2016
Share savings programme, LTIP 2015	14	11
Share savings programme, LTIP 2016	10	3
Share savings programme, LTIP 2017	5	–
	29	**14**

Costs for the share programmes are included in operating profit and recognised in the balance sheet as equity and accrued costs (social security charges).

Costs are based on the fair value of the matching shares that are expected to be allocated. Fair value is established at the point of participants' investment as the share price adjusted for the dividend not payable to the employee over the vesting period. The fair value of cost of social security charges is calculated at the respective period-end.

NOTE 6. AUDITORS' FEES AND EXPENSES

	Group		Parent company	
	1 JAN 2017– 31 DEC 2017	1 JAN 2016– 31 DEC 2016	1 JAN 2017– 31 DEC 2017	1 JAN 2016– 31 DEC 2016
KPMG				
Audit assignment	6	4	1	1
Audit work in addition to audit engagement	0	0	–	–
Tax advice	0	0	–	0
Other services	0	1	0	1
Other accounting firms				
Audit assignment	1	0	–	–
Other services	–	0	–	–
	7	**5**	**1**	**2**

Audit assignments refer to fees for the statutory audit, i.e. the work necessary to publish the audit report, and 'audit consulting' provided in connection with the audit assignment.

Audit work in addition to the audit assignment refers to fees for the reports and other assignments that are relatively closely associated with the audit and that are usually conducted by the external auditor, including consulting regarding advisory and reporting requirements, internal control and audit of interim reports.

Other services refers to such costs not classified as audit assignments, audit work in addition to the audit assignment or tax consulting.

NOTE 7. OPERATING EXPENSES BY COST TYPE

	Group		Parent company	
	1 JAN 2017– 31 DEC 2017	1 JAN 2016– 31 DEC 2016	1 JAN 2017– 31 DEC 2017	1 JAN 2016– 31 DEC 2016
Costs of materials	5,049	4,184	–	–
Subcontractors and purchased services in production	2,287	1,881	–	–
Employee costs	7,330	6,413	81	64
Depreciation and amortisation	34	26	–	–
Vehicle expenses	425	356	1	0
Premises expenses	267	228	0	–
Consulting fees	70	79	4	13
IT expenses and telecoms	116	86	0	0
Travel expenses	28	32	1	2
Other operating expenses	614	563	39	3
	16,220	**13,848**	**126**	**83**

NOTE 8. NET FINANCIAL ITEMS

	Group		Parent company	
	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016
FINANCE INCOME				
Interest income, Group companies	–	–	20	37
Interest income, other	2	1	3	1
Foreign exchange gains	0	0	1	–
Interest on overdue payments	3	3	–	–
Other	4	3	–	–
	9	**7**	**23**	**38**
FINANCE COSTS				
Interest expense, Group companies	–	–	-2	-3
Interest expense, other	-46	-61	-45	-59
Foreign exchange losses	-1	0	–	0
Interest on overdue payments	-2	-2	0	0
Other	-14	-12	-10	-10
	-63	**-74**	**-57**	**-72**
Net financial items	**-54**	**-67**	**-34**	**-34**

NOTE 9. TAX

	Group		Parent company	
	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016
CURRENT TAX				
Tax expense for the period	-130	-140	-105	-101
Adjustment of tax in respect of prior years	0	2	0	2
	-130	**-138**	**-105**	**-99**
DEFERRED TAX				
Adjustment of tax in respect of prior years	-69	-65	–	–
Total recognised tax expense	**-199**	**-203**	**-105**	**-99**

	Group		Parent company	
	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016
RECONCILIATION OF EFFECTIVE TAX				
Profit/loss before tax	1,019	877	475	456
Tax at tax rate applying to parent company	-224	-193	-105	-100
Effect of different tax rates for foreign subsidiaries	-5	-7	–	–
Non-deductible expenses	-12	-15	-1	-1
Deductible items not affecting earnings	7	3	–	–
Non-taxable income	29	5	0	0
Tax in respect of prior years	0	2	0	2
Effect of changed tax rates	4	3	–	–
Revaluation of deferred tax asset	2	3	–	–
Other	0	-5	0	0
Recognised effective tax	**-199**	**-203**	**-105**	**-99**
Effective tax, percent	19.5%	23.2%	22.2%	21.7%

Corporate tax rate in the respective country:
Sweden 22.0% (22,0%), Norway 24.0% (25.0%), Denmark 22% (22%), Finland 20.0% (20.0%).

Recognised deferred tax assets and tax liabilities

Deferred tax assets and tax liabilities are attributable as follows:

	31 Dec 2017		31 Dec 2016	
Group	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Non-current intangible assets	54	–	66	–
Property, plant and equipment	5	–	3	–
Trade receivables	9	–	8	–
Pension provisions	4	–	1	–
Provisions for projects	–	-209	–	-216
Warranty provisions	26	–	28	–
Untaxed reserves	–	-93	–	-66
Loss carry-forwards	39	–	38	–
Other	11	–	31	–
Tax assets/liabilities	**148**	**-302**	**175**	**-282**
Net tax assets/liabilities	**-154**		**-107**	

Deferred tax assets amounted to SEK 148 million, SEK 25 million of which is expected to be used within 12 months. Deferred tax liabilities amounted to SEK 302 million, SEK 0 million of which is due within 12 months.

Change in deferred tax in temporary differences and loss carry-forwards

Group 2017	Amount at 1 Jan 2017	Recognised in profit/loss for the year	Recognised in other comprehensive income	Translation differences and other	Acquisitions/ disposals of companies	Amount at 31 Dec 2017
Non-current intangible assets	66	-13	–	0	–	54
Property, plant and equipment	3	1	–	1	0	5
Trade receivables	8	1	–	0	0	9
Pension provisions	1	9	-5	0	-1	4
Provisions for projects	-216	45	–	11	-49	-209
Warranty provisions	28	-4	–	-1	3	26
Untaxed reserves	-66	-28	–	–	–	-93
Loss carry-forwards	38	-67	–	-3	71	39
Other	31	-15	–	-6	1	11
Total	**-107**	**-69**	**-5**	**2**	**25**	**-154**

Group 2016	Amount at 1 Jan 2016	Recognised in profit/loss for the year	Recognised in other comprehensive income	Translation differences and other	Acquisitions/ disposals of companies	Amount at 31 Dec 2016
Non-current intangible assets	47	19	–	–	–	66
Property, plant and equipment	3	1	–	0	-1	3
Trade receivables	4	3	–	0	0	8
Pension provisions	-21	7	14	0	–	1
Provisions for projects	-179	-31	–	-9	2	-216
Warranty provisions	28	0	–	1	0	28
Untaxed reserves	-34	-36	–	–	5	-66
Loss carry-forwards	67	-34	–	7	-1	38
Other	23	7	–	3	-2	31
Total	**-61**	**-65**	**14**	**3**	**2**	**-107**

NOTE 10. EARNINGS PER SHARE

	2017	2016
Profit/loss for the year attributable to owners of the parent company, SEK thousand	819,917	673,624
Weighted average number of ordinary shares outstanding;		
basic	201,566,598	201,566,598
Effect of long-term incentive programme	493,183	–
diluted	202,059,781	201,566,598
Basic earnings per share, SEK	4.07	3.34
Diluted earnings per share, SEK	4.06	3.34

Basic earnings per share
Basic earnings per share are calculated by dividing income attributable to owners of the parent company by a weighted average number of outstanding ordinary shares in the period.

Diluted earnings per share
To calculate diluted earnings per share, the weighted average number of outstanding ordinary shares is adjusted for the dilutive effect of all potential ordinary shares. These potential ordinary shares are attributable to the long-term incentive programme introduced in 2015 (LTIP 2015). See also Note 5 'Employees and personnel costs' for a description of approved long-term incentive programmes.

NOTE 11. NON-CURRENT INTANGIBLE ASSETS

Group at 31 Dec 2017	Goodwill	Other intangible assets	Total
ACCUMULATED COST			
At start of year	7,607	25	7,632
Purchases	–	3	3
Acquisition of subsidiaries	254	1	256
Foreign exchange differences for the year	-10	0	-10
At year-end	**7,851**	**29**	**7,880**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	–	-13	-13
Scheduled amortisation for the year	–	-6	-6
Foreign exchange differences for the year	–	0	0
At year-end	**–**	**-19**	**-19**
ACCUMULATED IMPAIRMENT			
At start of year	-8	–	-8
At year-end	**-8**	**–**	**-8**
Carrying amount at start of period	**7,599**	**12**	**7,611**
Carrying amount at end of period	**7,844**	**10**	**7,854**

Group at 31 Dec 2016	Goodwill	Other intangible assets	Total
ACCUMULATED COST			
At start of year	7,218	20	7,238
Acquisition of subsidiaries	324	4	329
Foreign exchange differences for the year	64	0	65
At year-end	**7,607**	**25**	**7,632**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	–	-8	-8
Business combinations	–	-1	-1
Scheduled amortisation for the year	–	-4	-4
Foreign exchange differences for the year	–	0	0
At year-end	**–**	**-13**	**-13**
ACCUMULATED IMPAIRMENT			
At start of year	-8	–	-8
At year-end	**-8**	**–**	**-8**
Carrying amount at start of period	**7,211**	**13**	**7,223**
Carrying amount at end of period	**7,599**	**12**	**7,611**

Impairment tests for cash-generating units containing goodwill

The following cash-generating units/segments have significant recognised goodwill values in relation to total recognised consolidated goodwill:

Group	31 DEC 2017	31 DEC 2016
Sweden	4,989	4,973
Norway	1,709	1,547
Denmark	918	859
Finland	228	219
	7,844	**7,599**

Impairment of goodwill

For those cash-generating units where the recoverable amount has been calculated and no impairment has been identified, management deems that no reasonably possible changes in key assumptions would cause the recoverable amount to fall below the carrying amount.

Method for calculating the recoverable amount

For all goodwill values, the recoverable amount has been determined by calculating value in use for the cash-generating unit. The model of calculation is based on the discounting of future expected cash flows in relation to carrying amounts for the unit. Future cash flows are based on five-year forecasts produced by the management for each cash-generating unit. Impairment tests of goodwill are based on the assumption of a perpetual horizon and the extrapolation of cash flows for the years after the forecasting period has been based on a growth rate of 2 percent (2) from year six.

Key variables for calculating value in use:

The following variables are material and common for all cash-generating units in calculating value in use.

Sales: The competitiveness of the business, expected trends in the construction sector, general economic trends, central and local government investment plans, interest rates, and local market conditions.

Operating margin: Historical profitability levels and efficiency in the business, access to key individuals and qualified labour, skills in dealing with customers/customer relationships, access to internal resources, trends in expenses for salaries, materials and subcontractors.

Working capital requirements: An assessment in each individual case of whether the working capital reflects the operational requirements or needs to be adjusted for the forecasting periods. For the trend going forward, a reasonable or cautious assumption is that working capital will track sales growth.

Investment needs: Investment needs in the businesses are assessed based on the investments required to achieve the forecast cash flows from the baseline, i.e. without investments for expansion. Normally, the level of investment has corresponded to the rate of depreciation of property, plant and equipment.

Tax burden: The tax rate in the forecasts is based on Bravida's expected tax situation in each country.

Discount rate: Forecast cash flows and residual values are discounted to present value using the weighted average cost of capital (WACC). The interest rate paid on borrowed capital is defined as the average interest rate on consolidated net debt. The required rate of return on equity is defined using the capital asset pricing model (CAPM). Calculations of value in use are based on a weighted discount rate before tax of 6.3–6.8 percent (6.3–6.8), with the range being due to the variation in the nominal interest rate in the different segments.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Group at 31 Dec 2017	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At start of year	3	241	244
Purchases	6	15	21
Acquisition of subsidiaries	–	14	14
Divestments and disposals	–	-10	-10
Foreign exchange differences for the year	0	-1	-1
	10	**259**	**268**
ACCUMULATED SCHEDULED DEPRECIATION			
At start of year	-1	-177	-178
Divestments and disposals	–	9	9
Scheduled depreciation of cost for the year	0	-28	-28
Foreign exchange differences for the year	0	1	1
	-1	**-196**	**-197**
Carrying amount at end of period	**8**	**63**	**71**

Group at 31 Dec 2016	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At start of year	3	220	223
Purchases	–	19	19
Acquisition of subsidiaries	0	12	12
Divestments and disposals	–	-22	-22
Foreign exchange differences for the year	–	12	12
	3	**241**	**244**
ACCUMULATED SCHEDULED DEPRECIATION			
At start of year	-1	-159	-160
Acquisition of subsidiaries	–	-4	-4
Divestments and disposals	–	15	15
Scheduled depreciation of cost for the year	0	-22	-22
Foreign exchange differences for the year	0	-7	-7
	-1	**-177**	**-178**
Carrying amount at end of period	**2**	**64**	**65**

NOTE 13. INVESTMENTS IN ASSOCIATES

Group	31 DEC 2017	31 DEC 2016
ACCUMULATED COST		
At start of year	2	2
Liquidation	0	–
Share in profit of associates	9	2
Withdrawals for the year	-9	-2
Foreign exchange differences for the year	0	0
Carrying amount at end of period	**2**	**2**

Specification of investments in associates

31 Dec 2017 Company, Company reg. no., Reg. office	Profit/loss for the year	Owned share, %	Value of investment	Carrying amount
Kraftkompaniet Sweden HB, 969740-4755, Stockholm, Sweden	9	50%	2	2
MT Højgaard ApS, CVR 36905026, DK-2605 Brøndby, Denmark	–	50%	0	0
			2	**2**

31 Dec 2016 Company, Company reg. no., Reg. office	Profit/loss for the year	Owned share, %	Value of investment	Carrying amount
Kraftkompaniet Sweden HB, 969740-4755, Stockholm, Sweden	2	50%	2	2
Forenede & Mosness Installasjon AS, 991 008 195, Oslo, Norway	–	50%	0	0
MT Højgaard ApS, CVR 36905026, DK-2605 Brøndby, Denmark	0	50%	0	0
			2	**2**

NOTE 14. PENSION ASSETS AND PROVISIONS AND SIMILAR OBLIGATIONS

Bravida employees are covered by pension plans. The Group has both defined-contribution and defined-benefit pension commitments. The majority of the Group's pension commitments are defined-contribution plans.

Sweden

The Group's most extensive defined-benefit plans are in Sweden..

KTP

The largest pension plan is the Swedish KTP plan, which accounts for approximately 95 percent of the total obligation and assets. In 2014, the KTP plan was closed to new employees, but those people who belonged to the KTP plan continue to have vesting and remain in this plan. Salaried employees covered by the KTP plan have a defined-benefit pension plan, which is accounted for in the Group in accordance with IAS 19.

The KTP plan is structured in a similar way to the ITP plan and the pension benefit is based on a theoretical final salary. The pension plan has a share of the KP Foundation, which overall is one of the largest pension foundations in Sweden. The foundation, like all foundations, is subject to the supervision of the County Administrative Board. For further information, see http://arbetsgivare.folksam.se/pensionsstiftelsen. Bravida has chosen a medium risk portfolio, in which the assets are approximately 30 percent equities, 60 percent interest-bearing securities and 10 percent property. The pension plan requires 107 percent funding and is reinsured with PRI. No payments are expected to be made to the KP fund next year.

ITP

As of 1 July 2014, all new employees in Sweden are registered with the ITP plan, as the KTP plan was closed to new employees. The defined-contribution plan, ITP 1, covers employees born in 1979 or later. Employees born in 1978 or earlier are covered by ITP 2. Old-age pension in ITP 2 can be funded in two ways; either the employer itself is responsible for the pension or premiums are paid to Alecta.

From August 2017, Bravida has changed the funding method to choosing ITP 2 under its own management, which means the company will itself manage the old-age pension through liability accounting on the balance sheet. This portion is recognised as a liability in the Group in accordance with IAS 19.

Until August 2017, for salaried employees in Sweden covered by the ITP 2 plan's defined-benefit pension obligations for old-age and family pension, this was secured through an insurance policy with Alecta. According to a statement by the Swedish Financial Reporting Board (UFR 10 Classification of ITP plans financed by insurance with Alecta), this is a multi-employer defined-benefit pension plan. Bravida does not have sufficient access to the information required in order to report its proportional share of the plan obligation and of the plan assets and costs and has therefore been unable to report the plan as a defined-benefit plan. The ITP 2 pension plan, which is secured through an insurance policy with Alecta, is therefore reported as a defined-contribution plan. The premium for defined-benefit old-age and family pensions is individually calculated and is dependent, among other things, on salary, pension previously earned and expected remaining period of service. The fees for the year for ITP 2 insurance policies taken out with Alecta amount to SEK 19 million (24). The collective funding level is the market value of Alecta's assets as a percentage of the insurance commitments, calculated in accordance with Alecta's calculation methods and assumptions for insurance purposes, which do not comply with IAS 19. The collective funding level is normally permitted to vary between 125 and 155 percent. If Alecta's collective funding level falls below 125 percent or exceeds 155 percent, measures must be taken in order to create the conditions for the funding level to return to within the normal range. If funding is too low, measures include increasing the agreed price for new subscriptions and extending existing benefits. If funding is too high, measures include applying premium reductions. At year-end 2017, Alecta's surplus in the form of the collective funding level was 154 percent (153).

Other countries

In Norway, the majority of pension plans are defined-contribution, although a few employees have a defined-benefit plan.

Denmark and Finland have defined-contribution pension plans.

Defined-benefit obligations and the value of plan assets

Group	31 DEC 2017	31 DEC 2016
Present value of fully or partly funded obligations	-1,334	-1,360
Fair value of plan assets	1,324	1,357
Total fully or partly funded obligations	**-10**	**-2**
Present value of unfunded defined-benefit obligations	-32	-14
Net obligations	**-42**	**-18**
The net amount is recognised in the following items on the balance sheet:		
Pension assets	7	2
Provisions for pensions and similar obligations	-48	-20
Total	**-42**	**-18**
Distribution of net amount by country:		
Sweden	-48	-19
Norway	6	1
Total	**-42**	**-18**

Changes in the present value of the obligation for defined-benefit plans

Group	31 DEC 2017	31 DEC 2016
Obligation for defined-benefit plans at 1 Jan	1,374	1,272
Cost of vested benefits during period	50	27
Interest expense	38	41
Pension payments	-60	-60
Actuarial gains (-) and losses (+)		
- Changes in financial assumptions	-49	121
- Experience-based adjustments	16	-19
Foreign exchange differences	-3	-7
Obligation for defined-benefit plans at 31 Dec	**1,366**	**1,374**
- Of which funded obligations	-1,334	-1,360

The average maturity period for the obligations is 15.6 years (15.6).

Changes in fair value of plan assets

Group	31 DEC 2017	31 DEC 2016
Fair value of plan assets at 1 Jan	1,357	1,332
Interest income recognised in the income statement	37	43
Withdrawn	-59	-59
Insurance premium (-) paid from plan assets	-1	0
Paid in	1	0
Return on plan assets excluding interest income	-10	36
Foreign exchange differences	-1	5
Fair value of plan assets at 31 Dec	**1,324**	**1,357**

Defined-benefit pension plans

The cost for benefit-based pensions is recognised as an administrative expense in the income statement.

The number of individuals covered by the IAS 19 calculation regarding defined-benefit pension plans, Denmark and Finland are not covered.

31 Dec 2017	Parent company	Other Sweden	Norway	Total
Active	8	1,189	31	1,228
Former employees, not retired	–	2,251	–	2,251
Retired	–	3,038	66	3,104
Total	**8**	**6,478**	**97**	**6,583**

31 Dec 2016	Parent company	Other Sweden	Norway	Total
Active	–	673	34	707
Former employees, not retired	–	2,318	–	2,318
Retired	–	3,048	69	3,117
Total	**–**	**6,039**	**103**	**6,142**

Sensitivity analysis

Effects of possible changes in the Group's defined-benefit pension plans, according to IAS 19 calculation.

Group	Increase	Decrease
Change in discount rate	0.5%	0.5%
Effect on obligation	-82	124

Actuarial assumptions

The following significant actuarial assumptions have been applied in calculating the obligations.

	Sweden		Norway	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Discount rate	2.80%	2.80%	2.60%	2.50%
Assumed long-term salary increases	2.80%	3.00%	2.50%	2.50%
Long-term increase in income base amount	2.80%	3.00%	–	–
Assumed long-term inflation	1.80%	2.00%	–	–
Expected increase in base amount (price base amount)	–	–	2.25%	2.25%
Future increases in pensions	–	–	0.00%	0.10%

The actuarial assumptions are based on commonly used assumptions relating to demographic factors and termination of employment. Lifespan assumptions are determined based on actuarial advice and in accordance with published data, DUS 2007.

NOTE 15. OTHER SECURITIES HELD AS NON-CURRENT ASSETS

	Group	
	31 DEC 2017	31 DEC 2016
ACCUMULATED COST		
At start of year	11	10
Acquisition of subsidiaries	0	1
Changes in value	0	0
Foreign exchange differences for the year	0	0
Carrying amount at end of period	**12**	**11**
BREAKDOWN OF SECURITIES		
Tenant-owner property	7	7
Other	5	4
	12	**11**

The above securities are not measured at fair value with a change in profit/loss in excess of the income statement.

NOTE 16. NON-CURRENT RECEIVABLES AND OTHER RECEIVABLES

LONG-TERM RECEIVABLES THAT ARE NON-CURRENT ASSETS

	Group		Parent company	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Deposit for rental of premises	13	12	–	–
Other	1	1	–	–
	14	**13**	**–**	**–**

OTHER RECEIVABLES THAT ARE NON-CURRENT ASSETS

	Group		Parent company	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Receivable, pension funds	1	1	–	–
Value-added tax receivable	0	1	–	–
Other	45	40	0	26
	46	**42**	**0**	**26**

NOTE 17. TRADE RECEIVABLES

Trade receivables are recognised after taking account of bad debts, which were SEK -18 million (-15) in the Group. Bad debts in the parent company were SEK 0 (0).

Bad debts consist of actual and expected bad debts. See also Note 27 for information on credit risk and maturity structure.

NOTE 18. INCOME ACCRUED BUT NOT INVOICED

Group	31 DEC 2017	31 DEC 2016
Accrued income from work not yet completed	8,769	6,372
Invoicing of work not yet completed	7,765	-5,496
	1,004	**875**

Accrued income from installation projects in progress is recognised in accordance with the percentage-of-completion method. The degree of completion is defined as project expenditure incurred at the end of the period compared with the total project cost corresponding to the project income.

On the balance sheet, installation projects are recognised gross on a project by project basis, either as 'Income accrued but not invoiced' in current assets or as 'Income invoiced but not accrued' in current liabilities. Projects for which the accrued income exceeds the amount invoiced are recognised as an asset while projects for which the amount invoiced exceeds the accrued income are recognised as a liability.

NOTE 19. PREPAYMENTS AND ACCRUED INCOME

	Group		**Parent company**	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Prepaid rents	26	26	–	–
Prepaid insurance premiums	21	4	18	1
Prepaid credit facility charge	15	23	15	23
Accrued income	211	186	–	–
Other items	38	32	0	–
	311	**271**	**33**	**25**

NOTE 20. EQUITY

Parent company	31 DEC 2017 Ordinary shares	C shares	Total	31 DEC 2016 Ordinary shares	C shares	Total
SHARES OUTSTANDING						
Opening number of shares	201,566,598	1,200,000	202,766,598	201,566,598	–	201,566,598
New issue of C shares[1]	–	550,000	550,000	–	1,200,000	1,200,000
Number of shares at year-end	**201,566,598**	**1,750,000**	**203,316,598**	**201,566,598**	**1,200,000**	**202,766,598**
- of which held by Bravida Holding AB	–	-1,750,000	-1,750,000	–	-1,200,000	-1,200,000
Total shares outstanding at year-end	**201,566,598**	**–**	**201,566,598**	**201,566,598**	**–**	**201,566,598**

[1] Custodial, intended for long-term incentive programme.

Share capital amounts to SEK 4,066,332. The quotient value of one share is SEK 0.02. Share capital is distributed over 201,566,598 ordinary shares and 1,750,000 class C shares. Ordinary shares entitle holders to one vote and a dividend payment, while C shares entitle holders to one-tenth of a vote and no dividend.

Specification of equity item reserves:

Group	31 DEC 2017	31 DEC 2016
TRANSLATION RESERVE		
Opening translation difference	31	-61
Translation differences for the year, foreign subsidiaries	-26	92
Closing translation difference	**6**	**31**

Translation reserve
The translation reserve includes all foreign exchange differences arising from the translation of financial statements of foreign operations for which the financial statements have been prepared in a different currency than the currency in which the consolidated financial statements are presented. The parent company and Group present their financial statements in Swedish kronor. The translation reserve also includes foreign exchange differences arising from expanded investments in foreign operations as well as re-borrowing received from foreign operations.

Dividend
The Board has proposed a dividend of SEK 1.55 (1.25) per ordinary share for 2017. The proposal corresponds to a dividend totalling SEK 312,428,227 (251,958,248), calculated based on the number of registered ordinary shares. The dividend will be put forward for adoption at the Annual General Meeting on 20 April 2018. The total dividend payment is calculated on the basis of the number of outstanding shares at the dividend date.

Capital management
Bravida aims to maintain a good capital structure and financial stability. This creates a stable foundation for the company's continued business activities, which creates opportunities to retain existing owners and attract new shareholders. A good capital structure should also help to ensure that relationships with the Group's creditors evolve in a way that is beneficial for all parties. Capital is defined as equity and refers to equity attributable to holders of interests in the parent company.

Bravida's capital structure should enable a high degree of financial flexibility and provides scope for acquisitions. The company's target is to have a debt ratio of around 2.5 times net debt/adjusted EBITDA. At 31 December 2017, the debt/equity ratio was 1.7 times (2.5).

Bravida's target is to pay out a minimum of 50 percent of the Group's consolidated net earnings while also taking account of other factors such as financial position, cash flow and growth opportunities.

Bravida's loan agreements specify key financial performance indicators (covenants) that the Group is required to meet, which is customary for this type of loan. At year-end, Bravida met these covenants by a wide margin.

PARENT COMPANY
Restricted funds
Restricted funds may not be reduced through the payment of dividends.

Non-restricted equity
Share premium reserve
Comprises the value of shares issued to the share premium reserve, i.e. more than the shares' quotient value has been paid for the shares. The amount received in excess of the quotient value has been transferred to the share premium reserve.

Retained earnings
Comprises the previous year's unrestricted equity after any payment of a dividend. Retained earnings and profit/loss for the year make up non-restricted equity, i.e. the amount that is available for dividend payments to the shareholders.

Proposed allocation of profit
The Board proposes that the parent company's non-restricted equity of SEK 4,901,112,712 be allocated as follows:

Shareholders receive a dividend of SEK 1.55 per ordinary share	312,428,227
Share premium reserve	3,517,757,028
Carried forward	1,070,927,457
Total	**4,901,112,712**

NOTE 21. INTEREST-BEARING LIABILITIES

The following is a presentation of the contractual terms applying to the company's interest-bearing liabilities. For further information about the company's exposure to interest rate risk and the risk of changes in exchange rates, see Note 27.

	Group		Parent company	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
NON-CURRENT LIABILITIES				
Bank borrowings	1,700	2,700	1,700	2,700
	1,700	**2,700**	**1,700**	**2,700**
CURRENT LIABILITIES				
Commercial paper	1,000	–	1,000	–
Overdraft facilities	1	3	–	–
	1,001	**3**	**1,000**	**–**
Amount out of liability item that is expected to be paid within 12 months of balance sheet date	1,001	3	1,000	–
Amount out of liability item that is expected to be paid later than 5 years from balance sheet date	–	–	–	–

Bravida has a Swedish commercial paper programme. The size of this programme is SEK 2,000 million (–) and total borrowing under this programme amounts to SEK 1,000 million (–).
See table below for covenants and repayment periods.

	2017				2016	
	Maturity	**Nom. interest**	**Nom. value**	**Carry. amount**	**Nom. value**	**Carry. amount**
Bank loans, SEK	2020	1.40%	1,700	1,700	2,700	2,700
Commercial paper	2018	0.18%	1,000	1,000	–	–
Overdraft facilities	2017	1.65%	1	1	3	3
Total interest-bearing liabilities			**2,701**	**2,701**	**2,703**	**2,703**

The liabilities are subject to certain covenants relating to the company's earnings and financial position. For further information about loans, see also Note 27.

Credit facilities/limits

SEK MILLION	Group		Parent company	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Credit facilities/limits granted	3,703	4,003	3,700	4,000
Undrawn portion	-1,997	-1,300	-1,995	-1,300
Credit drawn	**1,706**	**2,703**	**1,705**	**2,700**
CREDIT LIMIT GRANTED, BY COUNTRY				
Sweden	3,700	4,000	–	4,000
Norway	3	3	–	–
Total credit limit granted, SEK million	**3,703**	**4,003**	**–**	**4,000**

Drawn credit facility includes SEK 5 million (–) allocated for a warranty facility. For further information about credit facilities, see also Note 27.

Assets pledged as collateral for liabilities to credit institutions

	Group		Parent company	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Floating charges	36	32	–	–
	36	**32**	**–**	**–**

For information regarding assets pledged as collateral, see also Note 29.

NOTE 22. PROVISIONS

	Group	
	31 DEC 2017	31 DEC 2016
PROVISIONS THAT ARE NON-CURRENT LIABILITIES		
Warranties	71	73
Other	7	7
	79	**80**
PROVISIONS THAT ARE CURRENT LIABILITIES		
Warranties	71	73
Disputes	31	27
Provision for vacant premises	1	1
Restructuring costs	4	6
Provision for project losses	13	10
Other	50	25
	172	**143**
Total provisions	**250**	**223**

Warranties
Refers to the expected cost of correcting errors and defects in respect of completed projects that occur during the warranty periods for the projects. The outflow of resources takes place during the warranty periods for the projects, which normally range from two to five years. As the effect of when payment is made is not material, expected future outgoing payments are not discounted to present value.

Disputes
The provision is based on an individual risk assessment for unresolved disputes at the balance sheet date.

Empty premises
Linked to the restructuring and coordination of operations, a provision has been made for empty premises. Account has been taken of the possibility of subletting the premises or terminating the contracts prematurely.

Restructuring measures
Restructuring measures include items such as costs for staff reductions. A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has been initiated or publicly announced. No provision is made for future operating expenses.

Loss provision, contracts
Installation projects are accounted for in accordance with the percentage- of-completion method. Individual provisions are made for expected losses, i.e. when the project costs are expected to exceed the total project income.

Change in provisions in 2017	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at end of period	145	27	1	6	43	223
Provisions made during the period	71	31	–	0	-4	98
Amount used during the period	-109	-25	0	-2	-19	-155
Provisions in acquired companies	37	–	–	–	50	87
Foreign exchange differences	-1	-1	0	0	0	-2
Carrying amount at year-end	**143**	**31**	**1**	**4**	**71**	**250**

Change in provisions 2016	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at end of period	135	15	3	3	61	216
Provisions made during the period	83	13	1	6	31	134
Amount used during the period	-80	-2	-2	-3	-63	-150
Provisions in acquired companies	3	–	–	–	14	17
Foreign exchange differences	4	2	0	0	1	6
Carrying amount at year-end	**145**	**27**	**1**	**6**	**43**	**223**

NOTE 23. INCOME INVOICED BUT NOT ACCRUED

Group	31 DEC 2017	31 DEC 2016
Invoicing of work not yet completed	11,926	11,773
Accrued income from work not yet completed	-10,407	-10,455
	1,519	**1,318**

Accrued income from installation projects in progress is recognised in accordance with the percentage-of-completion method. The degree of completion is defined as project expenditure incurred at the end of the period compared with the total project cost corresponding to the project income.

On the balance sheet, installation projects are recognised gross on a project by project basis, either as 'Income accrued but not invoiced' in current assets or as 'Income invoiced but not accrued' in current liabilities. Projects for which the accrued income exceeds the amount invoiced are recognised as an asset while projects for which the amount invoiced exceeds the accrued income are recognised as a liability.

NOTE 24. OTHER LIABILITIES

	Group		Parent company	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Value-added tax liability	161	148	0	4
Employee withholding taxes	148	130	1	1
Other	220	246	1	0
	529	**524**	**1**	**5**

NOTE 25. ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent company	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Accrued holiday pay and salaries	1,026	906	20	16
Accrued social security contributions	378	333	16	7
Accrued interest expenses	7	5	7	5
Other items	55	67	3	4
	1,466	**1,311**	**46**	**32**

NOTE 26. VALUATION OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The following table shows carrying amounts and fair values for financial instruments. For interest-bearing assets and liabilities, fair value has been determined by discounting future payment flows at the market interest rate applying at the balance sheet date. The carrying amounts of trade receivables and trade payables are assessed to be the same as the fair values. The discount rate is the market interest rate for similar instruments at the balance sheet date.

Fair value hierarchy

- Level 1 refers to fully observable data, unadjusted listed prices on an active market for identical assets and liabilities to which the company has access at the time of valuation.
- Level 2 refers to observable data, other than the listed prices of level 1, which is directly or indirectly observable.
- Level 3 refers to non-observable data for assets or liabilities.

An asset or liability is included in its entirety in one of the three levels, based on the lowest level of input data that is material to the valuation.

Bank loans of the Group and the parent company are in level 2.

Group at 31 Dec 2017	Financial assets available for sale	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Securities held as non-current assets	12	–	–	12	12
Non-current receivables	–	13	–	13	13
Trade receivables	–	3,030	–	3,030	3,030
Accrued income	–	211	–	211	211
Other receivables	–	1	–	1	1
Cash and cash equivalents	–	839	–	839	839
Total assets	**12**	**4,094**	**–**	**4,106**	**4,106**
Non-current liabilities to credit institutions	–	–	1,700	1,700	1,700
Current liabilities to credit institutions	–	–	1,000	1,000	1,000
Overdraft facilities	–	–	1	1	1
Trade payables	–	–	1,866	1,866	1,866
Other liabilities	–	–	257	257	257
Accrued expenses	–	–	62	62	62
Total liabilities	**–**	**–**	**4,886**	**4,886**	**4,886**

Group at 31 Dec 2016	Financial assets available for sale	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Securities held as non-current assets	11	–	–	11	11
Non-current receivables	–	12	–	12	12
Trade receivables	–	2,544	–	2,544	2,544
Accrued income	–	186	–	186	186
Other receivables	–	1	–	1	1
Cash and cash equivalents	–	286	–	286	286
Total assets	**11**	**3,028**	**–**	**3,039**	**3,039**
Non-current liabilities to credit institutions	–	–	2,700	2,700	2,700
Overdraft facilities	–	–	3	3	3
Trade payables	–	–	1,468	1,468	1,468
Other liabilities	–	–	246	246	246
Accrued expenses	–	–	72	72	72
Total liabilities	**–**	**–**	**4,490**	**4,490**	**4,490**

Parent company at 31 Dec 2017	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Current receivables from Group companies	1,562	–	1,562	1,562
Cash and cash equivalents	–	644	644	644
Total liabilities	**1,562**	**644**	**2,206**	**2,206**
Non-current liabilities to credit institutions	–	1,700	1,700	1,700
Current liabilities to credit institutions	–	1,000	1,000	1,000
Current liabilities to Group companies	–	1,429	1,429	1,429
Trade payables	–	20	20	20
Other liabilities	–	1	1	1
Accrued expenses	–	10	10	10
Total liabilities	**–**	**4,160**	**4,160**	**4,160**

Parent company at 31 Dec 2016	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Current receivables from Group companies	1,755	–	1,755	1,755
Cash and cash equivalents	–	184	184	184
Total assets	**1,755**	**184**	**1,939**	**1,939**
Non-current liabilities to credit institutions	–	2,700	2,700	2,700
Current liabilities to Group companies	–	1,496	1,496	1,496
Trade payables	–	4	4	4
Other liabilities	–	5	5	5
Accrued expenses	–	9	9	9
Total liabilities	**–**	**4,214**	**4,214**	**4,214**

NOTE 27. FINANCIAL RISK AND FINANCIAL POLICIES

Financial risk and financial policies

Through its operations the Group is exposed to various types of financial risk. Financial risk refers to fluctuations in the company's earnings and cash flow as a result of changes in exchange rates, interest rates, and refinancing and credit risk. The Group's financial management is governed by the applicable financial policy, which is adopted by Bravida's Board of Directors and constitutes a framework of guidelines and rules in the form of risk mandates and limits for the company's financial activities. The central Finance support function is responsible for coordinating the Group's financial activities. The general goal for the Finance function is to provide cost-effective financing and to minimise negative effects on the Group's earnings that derive from financial risk.

Market risk

Market risk is the Group's risk that the fair value of financial instruments or future cash flows from financial instruments will fluctuate as a result of changes in market prices. The Group's main market risks are interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk of interest rate changes having an adverse effect on the Group's future earnings and cash flow. The Group is primarily exposed to interest rate risk through cash and cash equivalents and through interest-bearing liabilities. The average fixed-rate period for all interest-bearing assets was 0 years (0). The interest rate for interest-bearing assets at year-end was 0 percent in SEK, DKK and EUR, and in NOK the interest rate was 0.8 percent. Of the Group's total interest-bearing financial assets, 0 percent 0 (0) have fixed interest rates and 100 percent (100) have variable interest rates.

The average fixed-rate period for all interest-bearing liabilities, excluding pension liabilities, was 0 years (0). The interest rate for interest-bearing liabilities at year-end was 0.95 percent (1.65). Of total interest-bearing financial liabilities, 0 percent (0) have fixed interest rates and 100 percent (100) have variable interest rates.

Currency risk

Currency risk is defined as the risk that changes in exchange rates will have a negative impact on the consolidated income statement and cash flow. This risk can be divided into transaction exposure, i.e. the net operating and financial (interest/repayments) flows, and translation exposure, which relates to net investments in foreign Group companies.

Bravida's transaction exposure is low, as both sales and purchases are largely made in local currency. Translation exposure arises when assets and liabilities are denominated in different currencies, and when the earnings and net assets of foreign subsidiaries are translated to Swedish kronor. For the Group, translation risk arises for subsidiaries in Norway, Denmark and Finland. Assets and liabilities in foreign currency are translated at the rate at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the Group will face problems meeting its obligations associated with financial liabilities. The Group has a rolling three-month liquidity planning system that covers all units in the Group. The plans are updated continually. The Group's forecasts also comprise medium-term liquidity planning. Liquidity planning is used to manage liquidity risk and the costs of funding the Group. The goal is to ensure that the Group is able to meet its financial obligations regardless of economic climate without incurring significant unforeseen expenses. Liquidity risk throughout the Group is managed by the central Finance department.

Credit facilities

The Group has bank loans of SEK 1,700 million (2,700) and revolving facility of SEK 2,000 million (1,300). SEK 300 million of the revolving facility has been allocated to an overdraft facility and linked to the Group's cash pool, and SEK 5 million is allocated to a warranty facility. The loan and revolving facility agreements specify key financial performance indicators (covenants) that the Group is required to meet. At year-end, Bravida met these covenants by a good margin. At year-end, the Group's cash and cash equivalents totalled SEK 839 million (286). The nominal liquidity reserve was SEK 4,542 million (4,289), of which SEK 1,706 million (2,703) was drawn. The available liquidity reserve was SEK 2,836 million (1,586). The remaining term for the overdraft facility was 34 months (46), and for the revolving credit facility it was 34 months (46).

Maturity structure of financial liabilities

2017

Group	2018	2019	2020	2021
Borrowings	21	21	1,718	–
Overdraft facilities	1	–	–	–
Trade payables	1,866	–	–	–
Other liabilities	1,000	–	–	–
Accrued expenses	7	–	–	–
Total	**2,896**	**21**	**1,718**	**–**

Parent company	2018	2019	2020	2021
Borrowings	21	21	1,718	–
Trade payables	20	–	–	–
Other liabilities	1,000	–	–	–
Accrued expenses	7	–	–	–
Total	**1,049**	**21**	**1,718**	**–**

2016

Group	2017	2018	2019	2020
Borrowings	42	41	41	2,733
Overdraft facilities	3	–	–	–
Trade payables	1,468	–	–	–
Other liabilities	–	–	–	–
Accrued expenses	5	–	–	–
Total	**1,518**	**41**	**41**	**2,733**

Parent company	2017	2018	2019	2020
Borrowings	42	41	41	2,733
Trade payables	4	–	–	–
Other liabilities	–	–	–	–
Accrued expenses	5	–	–	–
Total	**51**	**41**	**41**	**2,733**

Credit facilities

Group at 31 Dec 2017	Nominal	Drawn	Available
Bank borrowings	1,700	1,700	–
Revolving facilities	1,700	5	1,695
Overdraft facilities	303	1	302
Cash and cash equivalents	839	–	839
Liquidity reserve	**4,542**	**1,706**	**2,836**

The revolving credit facility totalled SEK 2,000 million, of which SEK 300 million is currently allocated to an overdraft facility.

Group at 31 Dec 2016	Nominal	Drawn	Available
Bank borrowings	2,700	2,700	–
Revolving facilities	1,000	–	1,000
Overdraft facilities	303	3	300
Cash and cash equivalents	286	–	286
Liquidity reserve	**4,289**	**2,703**	**1,586**

The revolving credit facility totalled SEK 1,300 million, of which SEK 300 million is currently allocated to an overdraft facility.

Fixed-rate period for drawn credit	31 DEC 2017	31 DEC 2016
Amount	2,701	2,703
Average effective interest rate, %	0.95	1.65
Share, %	100	100
Fixed-rate period	Variable	Variable

Exposure of net assets in foreign currency

The translation exposure that arises through investments in foreign net assets is not hedged.

Foreign net assets

	Group	
Local currency	31 DEC 2017	31 DEC 2016
NOK	908	660
DKK	197	220
EUR	7	6

A 10 percent strengthening of the Norwegian krone at 31 December 2017 would have a positive translation effect on equity of SEK 91 million. The same increase in the value of the Danish krone would have a positive translation effect on equity of SEK 26 million. The same increase in the value of the euro would have a positive translation effect on equity of SEK 7 million.

The foreign exchange difference for the year in comprehensive income was SEK -26 million (92).

Commercial exposure

International purchases and sales of goods and services in foreign currencies are limited in scope but can be expected to increase as the Group expands and in response to mounting competition in respect of purchasing of goods and services.

Credit risk

Credit risk refers to the risk of losing money due to the inability of a counterparty to meet its obligations.

Credit risk in financing activities

The credit risk in the Group's financing activities is very small, as Bravida only concludes agreements with counterparties with the highest creditworthiness. Credit risk refers mainly to counterparty risks in connection with receivables from banks and other counterparties. The Group's financial policy contains a set of counterparty regulations specifying maximum credit exposures for different counterparties. The estimated gross exposure to counterparty risk in respect of cash and cash equivalents and short-term investments was SEK 839 million (286).

Credit risk in trade receivables

The risk that the company's customers will not fulfil their commitments, i.e that it will not receive payment from its customers, constitutes a customer credit risk. Credit losses are normally small thanks to the very large number of projects and customers, which are invoiced regularly during the period of production. Before a project is initiated, the credit risk of the customer is assessed, whereby information about the customer's financial position is obtained from various credit information companies. The Group has adopted a credit policy for the management of customer credits. The policy states, among other things, where decisions should be made on credit limits of various sizes and how doubtful receivables should be handled. A bank guarantee or other security is required for customers with low creditworthiness or an insufficient credit history. The maximum credit exposure is stated in the consolidated balance sheet. Total credit losses for the year were SEK -18 million (-15). There was no significant concentration of credit risk at the balance sheet date.

Based on historical data, the Group makes the assessment that no impairment of trade receivables that are not yet due is necessary at the balance sheet date.

Maturity analysis, trade receivables past due but not impaired

	Group	
Carrying amount, unimpaired receivables	31 DEC 2017	31 DEC 2016
Trade receivables not yet due	2,503	2,221
Trade receivables past due 1–15 days	257	193
Trade receivables past due 16–30 days	38	24
Trade receivables past due 31–60 days	43	46
Receivables past due > 60 days	274	129
Total	**3,114**	**2,613**

	Group	
Impaired trade receivables	31 DEC 2017	31 DEC 2016
Opening balance	-69	-63
Change for the year	-15	-6
Closing balance	**-84**	**-69**

There are no past-due receivables in other financial receivables.

	Group	
Sensitivity analysis	**Change +/-**	**Effect on profit before tax +/-**
Net sales	1%	173
Operating margin	1 percentage point	11
Payroll costs	1%	62
Materials and subcontractors	1%	73
Share of productive installer time	1 percentage point	87
Interest rate on loans	1 percentage point	27
Exchange rate DKK	10%	13
Exchange rate NOK	10%	26
Exchange rate EUR	10%	1

NOTE 28. LEASE PAYMENTS UNDER OPERATING LEASES

	Group		Parent company	
	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016
ASSETS HELD UNDER OPERATING LEASES				
Minimum lease payments	319	264	0	0
Total lease costs	**319**	**264**	**0**	**0**
BREAKDOWN OF LEASE PAYMENTS BY AGREEMENT				
Lease payments, rent for premises	148	100	–	–
Lease payments, vehicles	168	161	0	0
Lease payments, IT	1	0	–	–
Lease payments, other	2	2	–	–
Total lease costs	**319**	**264**	**0**	**0**
FUTURE LEASE COMMITMENTS				
Nominal value of future minimum lease payments relating to non-cancellable contracts fall due for payment:				
- Within 1 year	163	144	0	0
- Between 1 and 5 years	247	240	0	0
- After 5 years	2	0	–	–
	412	**384**	**1**	**0**
FUTURE COMMITMENTS, RENT FOR PREMISES				
Nominal value of future commitments in respect of rent for premises fall due for payment:				
- Within 1 year	138	148	–	–
- Between 1 and 5 years	221	202	–	–
- After 5 years	40	3	–	–
	398	**353**	**–**	**–**

Rents for premises, vehicles, office equipment and IT equipment are classified as operating leases. In Sweden, Norway, Denmark and Finland Bravida has framework agreements covering operating leases for vehicles and related administrative services. The terms of the leases normally range from three to five years. The purchase of leased assets and the extension of leases require a separate agreement.

NOTE 29. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent company	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
PLEDGED ASSETS				
For own liabilities and provisions				
Floating charges	36	32	–	–
Funds, endowment policies	30	30	–	–
	66	**62**	**–**	**–**
CONTINGENT LIABILITIES				
For own liabilities and provisions				
Guarantee commitments, FPG/PRI	22	22	–	–
Guarantee commitments, for Group companies	–	–	1,131	1,086
	22	**22**	**1,131**	**1,086**

Bravida Holding AB has acted as guarantor for Bravida Sverige AB's pension liabilities, which in turn are guaranteed by PRI. Bravida Sverige AB also has a pension fund containing assets that more than covers the liability.

NOTE 30. RELATED PARTIES

Relationships

The parent company's directly owned subsidiaries are reported in Note 31, 'Investments in Group companies'. Investments in associates are reported in Note 13, 'Investments in associates'. Information about Board members and Group management, along with their remuneration, is reported in Note 5, 'Employees and personnel costs,' and in the Corporate Governance Report.

Transactions

Transactions with related parties are priced on market terms. The parent company Bravida Holding AB is the primary account holder of the Group's cash pool.

The table below lists the parent company's transactions with Group companies:

	Parent company	
	31 DEC 2017	31 DEC 2016
Revenue		
Sales	151	82
Dividend	182	226
Group contributions	661	670
Interest income	20	37
Costs		
Operating expenses	-43	–
Group contributions	-17	-27
Interest expense	-2	-3
Receivables	**1,562**	**1,755**
Liabilities	**1,429**	**1,496**

NOTE 31. INVESTMENTS IN GROUP COMPANIES

The parent company's investments in Group companies	31 DEC 2017	31 DEC 2016
ACCUMULATED COST		
At start of year	7,341	7,341
Carrying amount at end of period	**7,341**	**7,341**

Bravida Holding AB owns shares directly in Bravida AB. The other Group companies listed below are indirectly owned.

Itemisation of investments in Group companies

Group company / Company reg. no. / Reg. office		No. of shares	Share, %[1]	Carrying amount
		31 DEC 2017		
Bravida AB, 556713-6519, Stockholm, Sweden		1,012,429,900	100.0	7,341,332
Bravida Sverige AB, 556197-4188, Stockholm, Sweden		20,000	100.0	2,543,983
Bravida Prenad AB, 556454-1315, Malmö, Sweden		50,000	100.0	103,044
Bravida Säkerhet AB, 556193-1832, Stockholm, Sweden		5,100	100.0	24,961
Bravida Service Mellersta AB, 556181-4020, Norrköping, Sweden		1,000	100.0	160
Byggnadsaktiebolaget Konstruktör, 556012-3670, Stockholm, Sweden		1,485,417,130	100.0	502
C2M Sprinkler AB, 556684-9021, Mark, Sweden		2,100	100.0	55,275
Erfator Projektledning AB, 556401-7795, Kista, Sweden		1,000	100.0	14,022
E/S Intressenter AB, 556564-6741, Skellefteå, Sweden		1,000	100.0	15,238
E/S Elconsult AB, 556311-0633, Skellefteå, Sweden		1,000	100.0	432
E/S Installation AB, 556306-0838, Skellefteå, Sweden		1,000	100.0	415
E/S Styromatic AB, 556111-9248, Skellefteå, Sweden		1,000	100.0	1,028
Friginor Kylmontage och Service AB, 556309-1940, Haparanda, Sweden		4,000	100.0	25,056
Juhl Air Control AB, 556308-0356, Kävlinge, Sweden		2,000	100.0	229
Dala Elmän i Falun AB, 556715-0403, Falun, Sweden		1,000	100.0	2,965
Electi El AB, 556817-5045, Malmö, Sweden		1,000	100.0	782
Electi El Service AB, 556913-9685, Malmö, Sweden		500	100.0	145
Elinstallatörer i Dalarna AB, 556283-7095, Hedemora, Sweden		1,000	100.0	3,808
Jihå Automation AB, 556651-4054, Landskrona, Sweden		140,000	100.0	1,171
Jihå El & Automation AB, 556607-4190, Landskrona, Sweden		60,000	100.0	2,871
MO-Service El & Hushåll AB, 556796-6246, Klippan, Sweden		1,000	100.0	2,096
RTS Lås & Larm AB, 556452-9385, Linköping, Sweden		2,000	100.0	2,547
Rörspecialisten i Stockholm AB, 556353-5227, Stockholm, Sweden		1,000	100.0	10,573
R. Nilssons Elektriska Aktiebolag, 556074-1745, Kristianstad, Sweden		10,000	100.0	20,500
OCM Vent AB, 556861-6303, Gothenburg, Sweden		715	100.0	7,613
Pounus Rör AB, 556901-5372, Kiruna, Sweden		500	100.0	12, 237
Vavtrudner AB, 556929-0710, Stockholm, Sweden		8,320,240	100.0	162,134
Aktiebolaget CJ Björnberg, 556232-6008, Stockholm, Sweden		1,000	100.0	59,065
Vega Energi AB, 556484-7506, Stockholm, Sweden		2,040	100.0	3,160
VVS Teknik Rör i Väst AB, 556442-4694, Mölndal, Sweden		2,500	100.0	10,348
ABEKA El & Kraftanläggningar AB, 556515-7012, Nyköping, Sweden		6,000	75.0	61,677
Bravida Danmark A/S, 14769005, Brøndby, Denmark	DKK thousand	4	100.0	260,859
Bravida Norge Holding AS, 998 121 221, Oslo, Norway	NOK thousand	30	100.0	909,021
Bravida Norge AS, 987 582 561, Oslo, Norway	NOK thousand	10,796,137	100.0	788,678
Bravida Norge 4 AS, 917 097 321, Ringsaker, Norway	NOK thousand	76,666	100.0	25,665
Oras AS, 915 068 553, Oslo, Norway	NOK thousand	12,000	100.0	166,866
VVS Engineering AS, 991 952 799, Oslo, Norway	NOK thousand	600	100.0	12,220
Bravida Finland Oy, 2528874-1, Helsinki, Finland	EUR thousand	2,500	100.0	155,041
Kuopion Talotekniikka Oy,0988651-4, Kuopio, Finland	EUR thousand	26	100.0	0

[1] Refers to the proportion of ownership of equity, which is also consistent with the share of voting rights for the total number of shares.

NOTE 32. STATEMENT OF CASH FLOWS

	Note	Group		Parent company	
		1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016	1 JAN 2017 –31 DEC 2017	1 JAN 2016 –31 DEC 2016
ADJUSTMENTS FOR NON-CASH ITEMS, ETC.					
Depreciation/amortisation and impairment of assets	7, 11, 12	34	26	–	–
Capital gain/loss on disposals of businesses/subsidiaries		-1	0	–	–
Pension provisions		8	-1	0	–
Change in provisions		-14	16	–	–
Shareholder programme costs		23	10	23	10
Other		0	-2	–	–
Total		**51**	**50**	**23**	**10**
INTEREST RECEIVED AND PAID					
Interest received		2	1	22	38
Interest paid		-46	-61	-48	-62
UNDRAWN CREDITS					
Undrawn credit facilities were	21	-1,997	-1,300	-1,995	-1,300

Reconciliation of liabilities attributable to financing activities and reconciliation of net debt.
Below is an analysis of liabilities attributable to financing activities and a reconciliation of net debt for the periods shown.

	Liabilities attributable to financing activities					
Group	Non-current liabilities	Current liabilities	Overdraft facility	Total	Cash and cash equivalents	Net debt
Balance at 1 Jan 2016	**-2,700**	**-302**	**-3**	**-3,005**	**573**	**-2,433**
Cash flow	–	302	0	302	-356	-53
Foreign exchange differences	–	–	–	–	69	69
Balance at 31 Dec 2016	**-2,700**	**–**	**-3**	**-2,703**	**286**	**-2,417**
Cash flow	–	–	2	2	553	555
Refinancing	1,000	-1,000	–	–	–	–
Foreign exchange differences	–	–	–	–	0	0
Balance at 31 Dec 2017	**-1,700**	**-1,000**	**-1**	**-2,701**	**839**	**-1,862**

AReconciliation of net debt

Group	31 DEC 2017	31 DEC 2016
Long-term loan liabilities	-1,700	-2,700
Short-term loan liabilities	-1,000	–
Overdraft facilities	-1	-3
Total	**-2,701**	**-2,703**
Cash and cash equivalents	839	286
Net debt	**-1,862**	**-2,417**

NOTE 33. EVENTS AFTER THE BALANCE SHEET DATE

Electric Viborg A/S in Denmark was acquired on 2 January 2018. The company has 30 employees and sales equivalent to SEK 26 million in electrical service and security.

The acquisition of EL & Tele Installation AB in Enköping, Sweden, was completed on 3 January 2018. The company has 10 employees and sales of SEK 16 million.

Finland-based Adison Oy was acquired on 4 January 2018. The company, which operates in the Helsinki region, has 70 employees and sales equivalent to SEK 190 million in electrical, heating & plumbing, HVAC and construction.

On 23 January 2018, Bravida's Nomination Committee proposed that the AGM on 20 April 2018 appoint Fredrik Arp as the new Chairman.

SIGNATURES OF THE BOARD OF DIRECTORS

The Board of Directors and Chief Executive Officer certify that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated financial statements give a true and fair view of the parent company's and Group's financial positions and results. The Directors' Report for the parent company and Group gives a true and fair overview of the development of the parent company's and Group's activities, their financial position and earnings, and describes significant risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 26 March 2018

Monica Caneman
Chairwoman of the Board

Jan Johansson
Board member

Mikael Norman
Board member

Staffan Påhlsson
Board member

Cecilia Daun Wennborg
Board member

Mattias Johansson
Chief Executive Officer

Jan Ericson
Employee representative

Geir Gjestad
Employee representative

Anders Mårtensson
Employee representative

Örnulf Thorsen
Employee representative

Our audit report was submitted on 28 March 2018.
KPMG AB

Anders Malmeby
Authorised Public Accountant

As stated above, the annual accounts and consolidated financial statements were approved for release by the Board of Directors on 26 March 2018. The consolidated statement of comprehensive income and balance sheet and the parent company income statement and balance sheet will be submitted for adoption at the Annual General Meeting on 20 April 2018.

AUDITOR'S REPORT

To the general meeting of the shareholders of Bravida Holding AB (publ), corporate identity number 556891-5390

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Bravida Holding AB (publ) for the year 2017, except for the corporate governance statement on pages 96-101 and the sustainability report on pages 26-41. The annual accounts and consolidated accounts of the company are included on pages 47-92 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 96-101 and sustainability report on pages 26-41. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

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

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

KEY AUDIT MATTERS

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

Revenues from installation contracting and earnings thereto

See disclosure 18 and 23 and accounting principles on page 62 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The Group reports revenues from installation contracting and earnings thereto, based on percentage of completion method.

The percentage of completion depends on actual costs in relation to the total projected costs for each project. The latter may change during the life cycle of the projects which in turn may have a significant impact on reported revenue and earnings. Unforeseeable costs may also have to be included in the assessments to take project risks or disputed claims into account. These items are regularly assessed by the Group and are adjusted if necessary. Alterations, and additional work are taken into account when the Group considers the amounts which will be obtained.

Based on the above, there is a significant measure of judgement involved which impacts the accounting of revenue and earnings.

Response in the audit

We have evaluated the Group´s processes for review and assessment of installation contracts, including the identification of loss-making projects and / or high-risk projects and the process of assessing income and project costs for these.

We have, among other things:
- evaluated the financial performance against budget and historical outcomes to assess the Group's ability to deliver the forecasted margins
- challenged management's forecasts take into account unforeseen expenses and identified claims from customers
- assessed whether the risks and opportunities in projects seems to have been reflected in a balanced way.

Valuation of goodwill (Group) and Participations in group companies (parent company)

See disclosure 11 (Group) and 31 (parent company) and accounting principles on page 62 (Group) and page 67 (parent company) in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The Group's balance sheet includes goodwill amounting to SEK 7,8 billlion, principally arising from historical acquisitions. The risk is that the goodwill allocated to cash generating units ('CGU') is not recoverable and should be impaired. Due to the inherent uncertainty involved in forecasting and discoun¬ting future cash flows, which are the basis of the assessment of recoverability, this is one of the key judgemental areas for our audit.

The Group annually carries out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash-generating unit ('value-in-use'). This is calculated using certain assumptions around discount rates, growth rates and cash flow forecasts.

A similar impairment assessment is performed by the parent company for the ownership in subsidiaries ("Shares in subsidiaries") where the conditions are similar to the ones described above for goodwill.

Response in the audit
Our procedures included assessing the key assumptions applied by the Group in determining the recoverable amounts of each CGU. In particular, we:
- considered the consistency and appropriateness of the allocation of businesses and related goodwill balances into CGUs;
- considered the underlying assumptions in determining the cash flows and growth assumptions applied with reference to historical forecasting accuracy and wider macro environment conditions;
- challenged the assumptions used in the calculation of the discount rates used by the Group, including comparisons with external data sources and consideration of the potential risk of management bias;
- assessed the Group'ssensitivity analysis, including a reasonably possible reduction in assumed growth rates and cash flows to identify areas to focus our procedures on.
- We also assessed whether the Group's disclosures appropriately describes the assumptions made in the impairment test.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-46 and 96-107. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions 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 accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

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

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

BASIS FOR OPINIONS

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 96-101 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

The Board of Directors is responsible for the sustainability report on pages 26-41, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Bravida Holding AB (publ) by the general meeting of the shareholders on 10 May 2017. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2012.

Stockholm 28 March 2018

KPMG AB

Anders Malmeby
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

For Bravida, which has a decentralised organisational structure, good corporate governance is essential and a very important part of its core business operations. Governance, management and control are distributed between the shareholders, the Board of Directors, the Chief Executive Officer and company management in accordance with applicable laws, rules and recommendations and Bravida's Articles of Association, the Board's procedural rules, the instruction for the Chief Executive Officer and other internal instructions.

Bravida Holding AB (publ) is a Swedish public limited company, with its registered office in Stockholm and its ordinary shares listed on Nasdaq Stockholm. The Corporate Governance Report is not part of the formal annual accounts documentation.

Corporate governance

The general meeting of the company is the company's highest decision-making body at which shareholders exercise their right to vote. The Board of Directors and the Chairman are elected at the annual general meeting (AGM). The Board appoints the Chief Executive Officer (CEO). The Board and CEO's management and the company's financial reporting is audited by the external auditor appointed by the AGM. In order to streamline and strengthen work on certain issues, the Board has established an Audit Committee and a Remuneration Committee.

Bravida applies the Swedish Corporate Governance Code (the Code) and has not deviated from this in any respect in 2017. Bravida Holding AB complies with Nasdaq Stockholm's Regulations for Issuers and good equity market practice. The most important internal governance instrument is the Articles of Association established by the general meeting of the company. In addition to this are the Board's procedural rules and the Board's instruction for the CEO. Internal policies and instructions that clarify responsibilities and powers within specific areas such as data security, compliance and risk management are key guideline documents for the entire company.

Ownership structure

At year-end 2017 Bravida had 11,890 owners of ordinary shares according to the shareholder register maintained by Euroclear Sweden. The largest owners at 29 December 2017 were Swedbank Robur funds with 9.3 percent of the votes, Lannebo funds with 8.1 percent of votes, Capital Group with 7.7 percent of votes and the Fourth National Pension Insurance Fund (AP4) with 6.5 percent of votes.

CORPORATE BODIES

General meeting of shareholders

The shareholders' right to make decisions on matters relating to the company is exercised at general meetings of the company. This is the highest decision-making body, which all shareholders are entitled to attend. The term 'annual general meeting' (AGM) refers to the general meeting of the company that is held within six months of the end of the financial year, at which the consolidated financial statements and the group auditors' report are submitted and decisions are taken regarding the adoption of the income statements and balance sheets of the company and the Group, the appropriation of profits, and the discharge from liability of the Board and the Chief Executive Officer.

Bravida's 2018 AGM will take place on 20 April at Bravida's headquarters at Mikrofonvägen 28 in Stockholm, Sweden. Shareholders who wish to submit a proposal to the Nomination Committee or have a matter addressed by the AGM may submit such proposal to the Nomination Committee and such matter to be addressed to the company by 31 January. Contact information can be found at www.bravida.se/en.

Each ordinary share (class A share) entitles the holder to one vote at general meetings and each class C share entitles the holder to one tenth of a vote. Shareholders are entitled to vote in proportion to the shares that they own in the company.

Notice convening general meetings should be given no earlier than six weeks and no later than four weeks before the meeting. In accordance with Bravida's Articles of Association, shareholders wishing to attend a general meeting must give notification of their attendance within the time period stated in the convening notice. Such date must be a working day and not occur any earlier than five working days before the stated date of the meeting. All documentation relating to the AGM can be found at www.bravida.se/en.

Nomination Committee

Nomination of Board members prior to the election at the AGM takes place by means of a Nomination Committee. In addition, the Nomination Committee proposes fees for Board members, as well as proposing the election of and fees for the auditor. The current Nomination Committee instruction stipulates that Bravida should have a Nomination Committee consisting of Bravida's Chairman and a representative for each of the three largest shareholders or shareholder groups, by number of votes, that wish to appoint a representative. For the forthcoming year the Nomination Committee should be based on the list provided by Euroclear Sweden of registered shareholders and shareholder groups and other reliable information as of the last business day of September. See the companywebsite for further information about the Nomination Committee.

The Nomination Committee for the 2018 AGM consists of the following members: Peter Lagerlöf, Lannebo funds, Marianne Flink, Swedbank Robur funds, Arne Lööw, AP4, and Monica Caneman, Chairwoman of Bravida Holding AB. Capital Group with 7.7 percent of votes has declined to participate in the Nomination Committee and AP4 has instead been offered the place. No remuneration has been paid for Nomination Committee work. The Nomination Committee's proposals, report on the Nomination Committee's work for the 2018 AGM and additional information about proposed Board members are published in conjunction with the convening notice and are to be presented at the 2018 AGM. All documentation relating to the AGM can be found at www.bravida.se/en.

Board of Directors

According to the Articles of Association, Bravida's Board of Directors should consist of no less than three and no more than ten Board members and a maximum of five deputy members, who are appointed by the AGM. Board members are elected for a period of one year. In 2017, six Board members were elected by the AGM. Employees are represented on the Board through representatives appointed by employees. The number of employee representative members was four, with two deputies, throughout the year.

All Board memberships in Bravida are based on merit, with the main aim being to maintain and improve the overall effectiveness of the Board. To fulfil this, the Board aims to achieve a broad range of characteristics and capabilities and it is explicitly stated that diversity regarding aspects such as age, gender, geographic origin, education and professional background are important to take into account.

The AGM of 10 May 2017 re-elected Board members Monica Caneman, Jan Johansson, Ivano Sessa, Cecilia Daun Wennborg, Mikael Norman and Staffan Påhlsson. The AGM elected Monica Caneman as Chairwoman for the period until the next AGM. As a result of Bravissima Holding AB (Bain Capital's investment funds) selling all its remaining shares in Bravida Holding AB, Bain Capital's representative Ivano Sessa stepped down from the Board of Bravida Holding AB on 12 June 2017.

For further information about the Board of Directors, please refer to page 102 and www.bravida.se/en.

The composition of Bravida's Board meets the requirements regarding independent Board members.

The Board's work in 2017

12 Board meetings were held during the year, comprising three extraordinary Board meetings and one constitutive meeting. Board member attendance is set out in the table on page 99. The company's general counsel Magnus Liljefors acted as secretary at the Board meetings. Board members received written material about the issues being addressed before each Board meeting.

The work of the Board mainly comprises strategic issues, accounts, the establishment and monitoring of business goals, business plans, acquisitions and other decisions which, according to the procedural rules, should be addressed by the Board. Internal and external presentations were made to the Board about the markets in which Bravida operates and Bravida's local operations. The Board discussed Bravida's performance and opportunities at these meetings. The Board worked actively with company management on various strategic issues.

A key aspect of the Board's work is its review of the financial statements that are presented at each ordinary Board meeting and this also encompasses in-depth analysis of ongoing work by the company. The Board also receives monthly reporting on the Group's financial position.

During the year, the Board followed up business plans submitted by management and the development potential across Bravida's business areas.

During the year, the Board also established a new business plan for the period 2018–2020.

Board committees

The Board has established two Board committees as part of streamlining and strengthening the Board's work with regard to certain issues: the Audit Committee and the Remuneration Committee. The committees' members are appointed at the constitutive Board meeting immediately after the AGM. They are appointed for one year at a time and the work and authority of the committees are regulated by the committee instructions, which are established annually.

The committees have a preparatory and administrative role. The issues addressed at the committees' meetings are minuted and a report is submitted at the subsequent Board meeting.

The Audit Committee consists of Mikael Norman (Chairman), Jan Johansson and Monica Caneman. This committee is also attended by the company's CFO and general counsel. The Audit Committee's main tasks are to:

- monitor the company's financial reporting;
- monitor the effectiveness of the company's internal control and risk management with regard to financial reporting;
- stay informed about the audit of the annual accounts and the consolidated financial statements;
- review and monitor the auditor's impartiality and independence and, in so doing, pay particular attention to whether the auditor is providing the company with services other than auditing services;
- assist in the preparation of proposals for the AGM's election of auditor;
- assist in monitoring the compliance with legal and regulatory requirements that have a material impact on financial statements;
- assist in monitoring transactions with related parties; and
- assist in monitoring and evaluating selected projects.

The Remuneration Committee comprises Cecilia Daun Wennborg (Chairwoman), Monica Caneman and Staffan Påhlsson. This committee is also attended by the company's general counsel. The company's CEO and CFO attend as required. The Remuneration Committee's main tasks are to:

- prepare Board decisions on issues regarding remuneration policies, remuneration and other terms of employment for senior executives;
- monitor and evaluate ongoing variable remuneration programmes for senior executives and such programmes that conclude during the year; and
- monitor and evaluate application of the guidelines for the remuneration of senior executives that are determined by the AGM and the applicable remuneration structure and remuneration levels in the Group.

Assessment of the Board and the CEO

In accordance with the Board's procedural rules, the Chairman of the Board should initiate an evaluation of the Board's work once a year.

In 2017, the Board's work was evaluated in cooperation with the Swedish Academy of Board Directors. A questionnaire was sent to all Board members. Their responses were compiled and analysed. In addition, the Chairwoman conducted individual evaluation discussions with all Board members.

The purpose of the evaluation was to gain an understanding of Board members' views of the work conducted by the Board and what measures could be taken to streamline the Board's activities. It also aims to gain an understanding of what type of issues the Board believes should be accorded more scope and what areas may require additional capabilities within the Board. The results of the evaluation have been reported to the Board.

The Board also assesses the work of the Chief Executive Officer on an ongoing basis by monitoring the performance of the business against the targets that are set. A formal assessment is carried out once a year.

Chief Executive Officer, management and organisation

The President and Chief Executive Officer is Mattias Johansson. The Chief Executive Officer's responsibilities include personnel, financial and business management issues, as well as ongoing contact with the company's stakeholders such as authorities and the financial markets. The Chief Executive Officer ensures that the Board receives the information it needs to take well-informed decisions.

Bravida's business operations are divided into four segments, based on geographic markets; Sweden, Norway, Denmark and Finland. These segments are divided into divisions; four for Sweden and one for each of the other countries. Each division has a Head of Division, who reports directly to the CEO. The Heads of Division are responsible for each division's operations and earnings and are also responsible for ensuring that the division's operations are conducted in accordance with decisions that have been taken. The Heads of Division are supported by their own staffs as well as Group-wide staff functions. Bravida's Group management consists of the CEO, the heads of each division and the Group staff heads. For further information about the Chief Executive Officer and Group management, see page 103.

Group management holds meetings once a month, with at least one meeting a year dedicated to addressing forward-looking strategies. This year, several additional meetings have been held in order to establish the new business plan for the period 2018–2020. Group management meetings discuss and address ongoing Group-wide initiatives, changes in the market, current issues in divisions and staffs, acquisitions and the follow-up of operating target achievement.

The Group management works actively to encourage the involvement of employees in developing the corporate culture and following its values. In 2017, a lot of effort was put into establishing a business plan for the 2018–2020 period and continued work on the various initiatives regarding Pricing, Operations, Purchasing and Service, as well as developing Bravida further as a modern employer and in terms of sustainability issues.

GOVERNANCE AT BRAVIDA

Bravida's business operations are divided into four segments, based on geographic markets; Sweden, Norway, Denmark and Finland. These segments are divided into divisions; four for Sweden (North, Stockholm, South and National) and one for each of the other countries. These divisions are in turn divided into a total of 38 regions, which are themselves divided into local branches. The business is decentralised, which means that the main business operations and customer contact take place at local branch level. Each local branch manager (LBM) is responsible for the earnings of the local branch and is consequently responsible for the organisational structure, staffing, and the signing and performance of contracts. The local branches are supported by Group-wide business and purchasing systems and other tools for risk assessment, cost estimates and effective performance of signed contracts. Local branches' independence is restricted by instructions and an authorisation procedure. Bravida has clear rules on project approval, with threshold levels governed principally by contract value. This means that a local branch manager cannot enter into an agreement above a certain value without approval from the regional manager (RM) and neither can a regional manager enter into an agreement above a certain value with the approval of the Head of Division (HD). Contracts over SEK 50 million must always be approved by the CEO.

As a significant part of the President's (also CEO's) management and control of the business, the President and Group CFO meet each Head of Division once a quarter to review the division's financial position, major projects, billing, cash flow, etc. according to the specific points of a scorecard. These meetings are also attended by the division's head of finance and the respective regional manager and financial controller. These quarterly reviews are held in a corresponding manner down throughout the organisation according to a schedule.

Type of meeting	Coordinator	Frequency
Group (CEO, HD, RM)	President	every 3 months
Division (HD, RM, LBM)	Head of Division	every 3 months
Region (RM, LBM, proj./serv. manager)	Regional Manager	every 3 months
Local Branch (LBM, proj./serv. manager, managing fitter)	Branch Manager	every 3 months

These regular meetings enable the relevant responsible person to meet their manager's manager and have the opportunity to report on their business in detail and to point out improvements, but they also have to be accountable, for example, for less successful projects or poor adherence to change management initiatives. This ensures high visibility and clarity of leadership within the company. It is also a highly effective way of managing the business and ensuring and monitoring that decisions that are taken are implemented. In addition, the 'grandfather principle' is also applied to a range of decisions taken within Bravida. This principle means that certain decisions must be taken/approved by a manager's manager. This includes decisions regarding investments, major tenders and projects, new hirings and certain costs.

Over the longer term, Bravida is managed based on a business plan for the coming three years. This is then applied down from Group to local branch level. Each year target figures are set for all departments and at aggregate level for the Group, along with an action plan for how these targets are to be achieved. Evaluation and any adjustments take place on an ongoing basis according to the 'annual cycle' (see figure below). This work is ongoing throughout the year and at different levels. In addition, twice a year a regional manager conference is held at which Group management meets the regional managers to address important strategic issues.

The divisions continually compile summaries about potential and ongoing acquisitions for review at Group management meetings. This enables ongoing control of current activities and prioritisations to be made. No acquisitions are made without first having been dealt with and approved by the company's established 'Acquisition Group' following a formalised process and decision-making procedure. Large acquisitions must also be approved by the Board.

BRAVIDA'S ANNUAL CYCLE

The Annual Cycle describes how Bravida works with goals, strategies and action plans during the year.

OCTOBER – DECEMBER
9. Target process

OCTOBER
8. Divisional management
Compiles these into a common strategy

SEPTEMBER
7. Regions and branches' Targets, Strategy and Action Plans are established for the coming years and sent to Divisional Management by the end of September

AUGUST – SEPTEMBER
6. Strategy work in the regions

FEBRUARY – MARCH
1. Regional management meetings
– Assessment/adjustment of Targets, Strategy and Action Plan (management review)

APRIL
2. Divisional management meeting
– Assessment/adjustment of Targets, Strategy and Action Plan (management review)

3. Group management meeting
– Assessment/adjustment of Targets, Strategy and Action Plan

MAY
4. Divisional management conference
Adjustment of Targets, Strategy and Action Plan

JUNE
5. Group management (Strategy days)
– Establishment of Targets, Strategy and Action Plan for coming years.

BOARD OF DIRECTORS

Board and committee meetings and attendance in 2017.

Board members elected by AGM	Year elected	Indepe-ndent [1]	Attend-ance, Board meetngs	Attend-ance, Audit Committee meetings	Attendance, Remunera-tion Commit-tee meetings	Fee SEK thou-sand [2]	Committee fee, SEK thousand [2]	Number of Shares in Bravida
Monica Caneman	2015	Yes	12/12	5/5	4/4	1,500	180	24,143
Ivano Sessa[3] [5]	2012	No	6/7	1/2	-	-	-	-
Jan Johansson	2014	Yes	11/12	4/5	-	450	100	37,895
Michael Siefke[4] [5]	2012	No	4/5	-	1/1	-	-	-
Staffan Påhlsson	2016	Yes	11/12	-	4/4	450	80	1,962,745
Cecilia Daun Wennborg	2016	Yes	12/12	-	4/4	450	110	7,000
Mikael Norman	2016	Yes	12/12	5/5	-	450	180	8,000

Ordinary employee representatives	
Anders Mårtensson	12/12
Jan Ericson	12/12
Örnulf Thorsen	11/12
Geir Gjestad	12/12

[1] Independent of the company, company management and owners.
[2] Fees set by the 2017 AGM.
[3] Left the Board on 12 June 2017.
[4] Not re-elected by the 2017 AGM.
[5] Board members linked to Bain Capital. No Board fee paid as per decision by AGM.

Code of Conduct

Correct behaviour is important to Bravida, not only in respect of our customers and suppliers but also between everyone who works at Bravida. Bravida has adopted a code of conduct which includes guidelines and rules on how we should behave. There is a training programme that also includes work relating to different 'typical cases' regarding the code of conduct and related issues, aimed at all managers at Bravida. Bravida also has a whistle-blower function which allows suspected irregularities to be reported anonymously.

REMUNERATION

Board remuneration

The Board fee for 2017 was set by the 2017 AGM. The fees were allocated as per the table above.

The Chief Executive Officer's total remuneration is determined by the Board. Guidelines on remuneration for other members of Group management are proposed by the Remuneration Committee and determined by the Board.

The Board's proposed guidelines for salaries and other remuneration for the Chief Executive Officer and other members of Group management

Bravida endeavours to offer competitive overall remuneration that allows the Group to recruit and retain the right senior executives. In order to determine what is competitive overall remuneration and to evaluate prevailing levels, each year comparative studies are conducted of relevant sectors and markets. Total remuneration is based on factors such as position, performance and individual profile.

Total remuneration for the Group management consists of:
- a fixed cash salary;
- a variable cash salary component;
- a long-term incentive programme;
- a pension; and
- other remuneration and benefits.

Fixed cash salary

Fixed cash salaries are reviewed annually and provide the basis for calculating the variable salary component.

Variable cash salary component

The variable cash salary component is dependent on individuals fulfilling annually predetermined financial targets. The actual short-term variable cash salary paid is followed up annually. For members of Group management, the maximum possible variable cash salary component may vary depending on the position held by the individual concerned. As a rule, heads of Group staff units in Group management may receive variable salary corresponding to a maximum of 8 months of their fixed cash salary while the CFO and Heads of Division may receive variable salary corresponding to 20 months' salary.

For the Chief Executive Officer, short-term variable salary is a maximum of 10 months' salary. Actual variable cash salary paid is linked both to the individual and overall target achievement at Group level. This ensures that remuneration is clearly linked to both the performance of individuals and the performance of Bravida as a whole.

Long-term incentive programme

Key personnel at Bravida, principally line managers, have been offered long-term share-based incentive programmes. The purpose of a share-based incentive programme is to reward performance, increase and broaden share ownership among managers and key executives, and to encourage them to stay at the company. Decisions regarding the structure of long-term incentive programmes are taken by the Board and approved by the AGM. Further details of the long-term incentive programme can be found at www.bravida.se/en.

Pension
Senior executives who are resident in Sweden are entitled to pension benefits corresponding to between 28 and 35 percent of their respective fixed salaries, or otherwise in accordance with their occupational pension plans. Comparable terms and conditions are offered to senior executives resident outside Sweden, in so far as is possible with regard to local conditions.

Other remuneration and benefits
Other remuneration and benefits should be competitive and contribute to making it easier for senior executives to perform their work duties.

Notice and severance pay
Senior executives are entitled to six to twelve months' notice if employment is terminated by the employer and four to six months if the employee resigns. If notice is given by the employer, severance pay corresponding to six to twelve months' fixed salary may be paid in addition. All employees are subject to a non-competition clause if they resign.

If there are specific grounds in an individual case, the Board is entitled to deviate from the above guidelines. A breakdown of salaries and other remuneration of the Board, CEO and senior executives is provided in Note 5 of the company's annual accounts. The assessments and reports required to be reported under the Code are available on the company's website.

AUDIT
The auditor is tasked with auditing the annual report and the accounts, as well as the administration by the Board of Directors and the Chief Executive Officer. After each financial year, the auditor submits an auditor's report and a Group auditor's report to the AGM.

Auditor
Pursuant to the Articles of Association, Bravida should have one or two auditors with up to two deputy auditors. Registered auditing firms may also be appointed as auditor. The auditor is appointed by the AGM for a term of one year, unless otherwise stated in Bravida's Articles of Association.

The 2017 AGM re-elected registered auditing firm KPMG AB as auditor for the period until the end of the 2018 AGM. Authorised Public Accountant Anders Malmeby is the principal auditor for the company and the Group.

Bravida's auditors: KPMG AB
Principal auditor: Anders Malmeby, Authorised Public Accountant
Year born: 1955
Principal auditor of Bravida since: 2014
Shareholdings in Bravida Holding AB: 0 shares
Other audit assignments: The publicly listed companies Concentric and Eastnine, as well as Bankgirocentralen, Teracom, RISE, Bauer Media and UC.

The auditor's independence in relation to the company is ensured by the elected auditor being only allowed to a limited extent to carry out services other than the audit.

THE BOARD'S REPORT ON INTERNAL CONTROL OF FINANCIAL REPORTING
Control environment
The Board of Directors has responsibility for internal control in relation to financial reporting. Internal control regarding financial reporting aims both to provide reasonable certainty in terms of the reliability of external financial reporting, and to ensure that external financial reporting has been prepared in accordance with the law, applicable reporting standards and other requirements.

The control environment includes how targets are set, how earnings are monitored and how risks are managed. A good control environment is based on an organisational structure with clear decision-making paths and a corporate culture with shared values and an awareness among individuals of their role in maintaining good internal control.

The control environment for financial reporting is based on the allocation of roles and responsibilities within the organisation, established and communicated decision-making pathways, instructions relating to powers and responsibilities, and accounting and reporting instructions. The Board of Directors has adopted procedural rules, a CEO instruction and an instruction for financial reporting. In addition to the Board's procedural rules, the CEO instruction and the reporting instruction, there is an overarching authorisation instruction for the entire Group and policies and guidelines in a number of areas for operational activities.

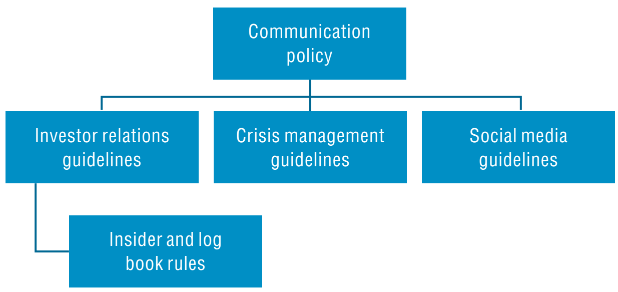
Bravida has established policies, instructions and detailed process descriptions covering all significant aspects of its operations. These policy documents are available on Bravida's intranet for staff. These documents are updated annually or as necessary to reflect applicable laws and regulations and the changes to processes that have been implemented. There is internal auditing and monitoring of compliance with key processes.

Risk assessment
An integral part of the management work of the Board of Directors and the Group management is a broad-based risk assessment. Risks are reported to the Board of Directors on an ongoing basis. During the year, the Board held ongoing discussions about various kinds of risk, as well as the risk management process. Risk within Bravida can be divided into operational risk, financial risk and market risk. The single most significant operational risks are the management, costing and valuation of current projects. Bravida has developed a model for managing these risks and works continually to make improvements.

Identification and assessment of risks of not achieving business objectives and reliable financial reporting take place continually as part of day-to-day processes within Bravida. The Board is responsible for ensuring that material financial risk and risks of errors occurring in financial reporting are identified and addressed. The Board continually monitors risk exposure.

The Chief Executive Officer is responsible for ensuring that the business applies and monitors established procedures and for ongoing monitoring and management of risks within the organisation.

Information security and communication
Bravida's Board has established a communication policy (see figure below) aimed at ensuring that external information is managed correctly. Instructions exist within the company regarding data security and how financial information should be communicated between management and other employees.



Information about internal policy documents, including for financial reporting, is available to the relevant staff via Bravida's intranet. Information and training on the internal policy documents is provided through internal seminars and meetings, etc.

Control activities
To ensure that the business is conducted effectively and efficiently and that financial reporting at each reporting date provides an accurate picture, control activities are in place, involving all levels of the organisation, from the Board and Group management to other employees.

Within Bravida, these control activities include approval of projects and agreements, checking with external counterparties, daily monitoring of earnings performance in projects, daily account reconciliations and monitoring of earnings, as well as analytical follow-up of decisions.

Bravida's financial statements are analysed and ultimately validated by the control function within Group finance. Such validation includes both automatic controls, such as deviation reporting, and manual controls such as analyses and plausibility assessment of values. The effectiveness of the automatic controls in IT systems is followed up based on information from system managers in the business process. Proposals for improvements are identified and implemented on an ongoing basis.

The Group's control activities, such as authorisation, project approval and implementation, originate at Group level, but are then handled primarily at regional level. On behalf of the Board of Directors, Group management has implemented partially modified working practices for the control and monitoring of Bravida's project activities, with the primary aim of further improving production, cost estimates and system compliance. All local branches receive training, with certification upon successful completion.

Follow-up

Bravida's Board and management continually monitor compliance with and the effectiveness of internal controls for quality assurance of processes. The Group's financial position and strategy regarding financial position is addressed at each Board meeting, with the Board receiving detailed monthly reports on the financial position and the performance of the business. The Audit Committee fulfils an important function in ensuring and monitoring control activities for key risk areas in financial reporting processes. The Audit Committee, management and the financial controller functions at divisional and regional level follow up reported deficiencies on a regular basis.

Bravida does not have a separate internal audit function. The Board evaluates the need for this annually. Within Bravida, quarterly reviews fulfil an important function by ensuring that the entire organisation is analysed four times a year. These quarterly reviews use standardised scorecards to measure and monitor important key performance indicators (KPIs). The local branches' operations are reviewed by the financial controllers of the relevant region. The regions are reviewed in turn by the divisions' finance departments, and finally there is a financial controller function at Group level. The accounts payable and accounts receivable ledger is centralised and is intended to provide some supervision. Payments may only be made by using special work order numbers and each payment must be authorised and approved by a superior.

The Business Development department undertakes an audit of a number of randomly selected projects each year. This audit verifies that the organisation is conducting projects in accordance with the established processes and procedures. If deficiencies are identified, feedback is provided and an action plan is activated.

From left to right: Cecilia Daun Wennborg, Jan Johansson, Anders Mårtensson, Monica Caneman, Örnulf Thorsen, Staffan Påhlsson, Geir Gjestad, Jan Ericson, Mikael Norman.

BOARD OF DIRECTORS OF BRAVIDA HOLDING AB

MONICA CANEMAN

Chairwoman of the Board since 2016
Year of birth: 1954
Other current assignments: Board member of SAS AB (publ) and Com Hem Holding AB (publ).
Previous assignments: Chairwoman of Frösunda Omsorg AB, Allenex AB (publ), Electronic Transaction Group Nordic Holding AB and Electronic Transaction Group Nordic AB, The Fourth Swedish National Pension Fund (AP4), VIVA Media Group AB, BIG BAG Group AB and Arion Bank hf. Board member of Investment AB Öresund (publ), Poolia AB (publ), Orexo AB (publ), mySafety Försäkringar AB, SPP Pension & Försäkring AB (publ), SPP Livförsäkring AB (publ), Storebrand ASA, Schibsted Sverige AB, Schibsted ASA (publ), mySafety Group AB, Intermail AS and Nets AS.
Education: MSc in Economics and Business, Stockholm School of Economics.
Number of Shares: 24,143

JAN JOHANSSON

Board member since 2014
Year of birth: 1959
Other current assignments: CEO of Malmö Cityfastigheter AB. Board member of Götenehus Group AB, Starka AB and Centuria AB.
Previous assignments: CEO of Peab AB (publ). Board member of Catena AB (publ), Fastighets AB ML 4, and Centur AB.
Education: MSc in Civil Engineering from Lund University.
Number of Shares: 37,895

MIKAEL NORMAN

Board member since 2016
Year of birth: 1958
Other current assignments: Board member of Cloetta AB, Byggmax Group AB, Bonava AB and Swedavia AB.
Previous assignments: CFO of the Nobia Group.
Education: Bachelor's Degree in Law, Stockholm University.
Number of Shares: 8,000

STAFFAN PÅHLSSON

Board member since 2016
Year of birth: 1952
Other current assignments: Board member of the employer organisation EIO, the employer organisation Installatörerna, and of One Nordic AB and Båstad Tennis och Hotell AB. Deputy Chairman of Laholms sparbank. Chairman of Båstad Fritidshamn Ekonomisk Förening. CEO and owner of MOS Advisors AB and S Påhlsson Fastigheter AB and subsidiaries.
Previous assignments: Several positions within Bravida, including President and CEO and Head of Division.
Education: Upper-secondary electrical engineering qualification, Tycho Braheskolan.
Number of shares: 1,962,745, held directly and through companies.

CECILIA DAUN WENNBORG

Board member since 2016
Year of birth: 1963
Other current assignments: Board member of ICA Gruppen AB, Getinge AB, Loomis AB, Hoist Finance AB, Oncopeptides AB, Atvexa AB and Sophiahemmet.
Previous assignments: Deputy CEO and CFO of Ambea, CEO and CFO of Carema, Head of Sweden for Skandia and CEO of SkandiaLink.
Education: MSc in Economics and Business, Stockholm University.
Number of Shares: 7,000

EMPLOYEE REPRESENTATIVES

JAN ERICSON

Year of birth: 1965 Jan Ericson is a Board member as an employee representative for Bravida and has been employed as an electrician with Bravida since 1985.
Jan Ericson is a representative of the Swedish Electricians Union ('Svenska Elektrikerförbundet').
Number of Shares: 500

GEIR GJESTAD

Year of birth: 1964
Geir Gjestad is a Board member as an employee representative for Bravida and has been employed as an electrician with Bravida since 1997. Geir Gjestad is a representative of the Electrician and IT Workers Union in Norway ('EL og IT Forbundet i Norge').
Number of Shares: 0

ANDERS MÅRTENSSON

Year of birth: 1965 Anders Mårtensson is a Board member as an employee representative for Bravida and has been employed as a plumber with Bravida since 1988. Anders Mårtensson is a representative of the Swedish Building Workers' Union ('Byggnads').
Number of Shares: 250

ÖRNULF THORSEN

Year of birth: 1966
Örnulf Thorsen is a Board member as an employee representative for Bravida and has been employed as an electrician since 1984. Örnulf Thorsen has been a Project Manager at Bravida since 1993. Örnulf Thorsen represents 'Ledarna' (Swedish Organisation for Managers).
Number of Shares: 500

From left to right: Anders Ahlquist, Tore Bakke, Magnus Hamerslag, Magnus Liljefors, Nils-Johan Andersson, Mattias Johansson, Johnny Hey, Filip Bjurström, Ingegerd Engquist, Lars Korduner, Sven Klockare, Thommy Lundmark.

BRAVIDA GROUP MANAGEMENT

MATTIAS JOHANSSON
CEO and Group President since 2015
Year of birth: 1973
Employed by Bravida since: 1998
Previous assignments: Many years' experience within Bravida, including as Branch Manager, Regional Manager, and Head of Division South (Sweden) and Division Norway.
Board assignments: -
Education: MSc in Engineering
Number of Shares: 833,698

NILS-JOHAN ANDERSSON
CFO since 2014
Year of birth: 1962
Employed by Bravida since: 2014
Previous assignments: Business Area Manager for HVAC and CFO of the Lindab Group, among others.
Board assignments: –
Education: MSc in Economics and Business
Number of shares: 300,624

THOMMY LUNDMARK
Head of Division North (Sweden) since 2016
Year of birth: 1964
Employed by Bravida since: 1983
Previous assignments: Many years' experience within Bravida, including as Project Manager, Branch Manager and Regional Manager.
Board assignments: –
Education: Upper-secondary engineering qualification
Number of Shares: 8,027

FILIP BJURSTRÖM
Head of Division Stockholm (Sweden) since 2009
Year of birth: 1969
Employed by Bravida since: 2009
Previous assignments: Regional Manager at NCC Boende.
Board assignments: Board member of AB Svensk Byggtjänst.
Education: MSc in Engineering
Number of Shares: 200,000

ANDERS AHLQUIST
Head of Division South (Sweden) since 2013
Year of birth: 1966
Employed by Bravida since: 2008
Previous assignments: Branch Manager at Wikströms VVS-kontroll, Marketing Director with Bravida Division South.
Education: Upper-secondary engineering qualification
Number of Shares: 274,510

SVEN KLOCKARE
Head of National Division (Sweden) since 2017
Year of birth: 1959
Employed by Bravida since: 2002
Previous assignments: Regional Manager of Specialist Stockholm Region. Project Manager at Skanska, Project Manager at Byggnads AB Häggmark & Johansson, Branch Manager at the consulting group HSB Stockholm.
Board assignments: –
Education: Upper-secondary engineering qualification
Number of Shares: 10,000

TORE BAKKE
Head of Division Norway since 2015
Year of birth: 1970
Employed by Bravida since: 2009
Previous assignments: Branch Manager at Siemens AS. Regional Manager Region EAST, Bravida Norway.
Board assignments: Board member of the trade organisation NELFO and Chairman of HeLa Bakke AS.
Education: BSc in Engineering
Number of Shares: 100,922

JOHNNY HEY
Head of Division Denmark since 2017
Year of birth: 1967
Employed by Bravida since: 2007
Previous assignments: Regional Manager for Region North, Bravida Denmark. Operational Controller at Falck Securitas AS, Head of Emergency Centre and a number of other services at G4S Denmark.
Board assignments: Board member of TEKNIQ.
Education: BA in Business Administration, MBA in Change Management
Number of Shares: 10,559

INGEGERD ENGQUIST
Head of Group HR since 2016
Year of birth: 1968
Employed by Bravida since: 2016
Previous assignments: HR Manager at IFS, HR Manager at Electrolux in Motala, HR Director at Holmen.
Board assignments: –
Education: BA in Human Resources and Labour Relations
Number of Shares: 7,300

MAGNUS HAMERSLAG
Head of Operations Development since 2011
Year of birth: 1973
Employed by Bravida since: 2008
Previous assignments: Group Manager at ÅF & SWECO. CEO of Erfator Projektledning.
Board assignments: –
Education: Upper-secondary engineering qualification
Number of Shares: 11,442

LARS KORDUNER
Chief Purchasing Officer since 2005
Year of birth: 1966
Employed by Bravida since: 2005
Previous assignments: Purchasing Group Manager at Cramo AB Sales and Business Development Manager at Cramo Sverige AB.
Board assignments: Chairman of Resultatfabriken AB.
Education: Business Administration and Accounting and Finance
Number of Shares: 122,215

MAGNUS LILJEFORS
Chief Legal Officer since 2010
Year of birth: 1963
Employed by Bravida since: 2005
Previous assignments: Lawyer at Advokatfirman Glimstedt, General Counsel at Nordisk Renting AB.
Board assignments: –
Education: Bachelor of Laws, Master of Laws
Number of Shares: 100,000

ALTERNATIVE PERFORMANCE MEASURES

The company presents certain financial measures that are not defined under IFRS. The company considers that these measures provide valuable additional information for investors and the company's management as they allow relevant trends to be assessed. Bravida's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be regarded as complementary rather than replacing the measures defined under IFRS. These measures are defined and reconciled below. Calculations do not always tally because amounts in the table have been rounded to the nearest million Swedish kronor.

RECONCILIATION OF PERFORMANCE MEASURES, NOT DEFINED UNDER IFRS.	2017	2016	2015	2014	2013
Net debt					
Interest-bearing liabilities	2,701	2,703	3,006	3,423	3,306
Cash and cash equivalents	-839	-286	-573	-828	-838
Total net debt	**1,862**	**2,417**	**2,433**	**2,595**	**2,468**
EBITDA					
Operating profit/loss	1,072	944	782	705	600
Depreciation, amortisation and impairment losses	34	26	21	15	13
EBITDA	**1,107**	**970**	**804**	**720**	**612**
Adjusted EBITDA					
Operating profit/loss	1,072	944	782	705	600
Depreciation, amortisation and impairment losses	34	26	21	15	13
Adjustments relating to specific costs	8	10	96	54	49
Adjusted EBITDA	**1,115**	**980**	**900**	**774**	**662**
Working capital					
Current assets	5,362	4,219	3,965	3,741	3,623
Cash and cash equivalents	-839	-286	-573	-828	-838
Current liabilities	-6,642	-4,938	-4,964	-3,897	-3,514
Short-term loans	1,001	3	305	6	0
Provisions	172	143	141	129	118
Total working capital	**-946**	**-859**	**-1,126**	**-849**	**-611**
Interest coverage ratio					
Profit/loss before tax	1,019	877	422	440	221
Interest expense	46	61	289	368	308
Total	**1,065**	**938**	**713**	**809**	**529**
Interest expense	46	61	289	368	308
Interest coverage, multiple	**22.9**	**15.5**	**2.5**	**2.2**	**1.7**
Cash conversion					
12-month EBITDA	1,107	970	803	720	612
Non-cash provisions in working capital, last 12 months	-14	16	60	17	30
Change in working capital, last 12 months	63	-387	150	179	247
Investments in machinery and equipment, last 12 months	-21	-21	-34	-15	-12
Total	**1,135**	**578**	**979**	**901**	**877**
Operating profit/loss, last 12 months	1,072	944	782	705	600
Cash conversion, last 12 months, %	106	61	125	128	146
Adjusted operating profit/loss					
Operating profit/loss	1,072	944	782	705	600
Adjustments relating to specific costs	8	10	96	54	49
Adjusted operating profit/loss	**1,080**	**954**	**878**	**759**	**649**

DEFINITIONS

FINANCIAL DEFINITIONS

NUMBER OF EMPLOYEES
Calculated as the average number of employees during the year, taking account of the percentage of full-time employment.

RETURN ON EQUITY
12-month rolling net profit/loss as a percentage of average equity.

EFFECTIVE TAX RATES
Recognised tax expense as a percentage of profit/loss before tax.

EQUITY PER SHARE, SEK
Equity attributable to equity holders of the parent company divided by the number of ordinary shares outstanding at period end.

NET FINANCIAL ITEMS
Total exchange differences on borrowing and cash and cash equivalents in foreign currency, other financial revenue and other finance costs.

ADJUSTED EBITDA
Earnings before interest, taxes, depreciation, and amortisation, adjusted for specific costs. Improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

ADJUSTED OPERATING MARGIN
Operating profit/loss excluding specific costs as a percentage of net sales. The adjusted operating margin excludes the effect of specific costs, which improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

ADJUSTED OPERATING PROFIT/LOSS
Operating profit/loss adjusted for specific costs. Adjusted operating profit/loss improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

CAPITAL STRUCTURE
Average net debt divided by EBITDA excluding specific costs, based on a rolling 12-month calculation.

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE
Cash flow from operating activities for the period, divided by the number of shares at period end.

12-MONTH CASH CONVERSION
12-month EBITDA (operating profit/loss plus depreciation and amortisation) +/- change in working capital and investment in machinery and equipment in relation to 12-month EBIT (operating profit/loss). This key figure measures the percentage of profit that is converted into cash flow. The purpose is to analyse what percentage of earnings can be converted into cash and cash equivalents and, in the longer term, the opportunity for investments, acquisitions and dividends, with the exception of interest-related cash flows.

NET SALES
Net sales are recognised in accordance with the principle of percentage-of-completion method. These revenues are recognised in proportion to the degree of completion of projects.

NET DEBT/EBITDA ADJUSTED FOR SPECIFIC COSTS
Average net debt divided by EBITDA excluding specific costs, based on a rolling 12-month calculation.

NET DEBT
Interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents. This key figure is a measure to show the Group's total interest-bearing debt.

ORGANIC GROWTH
The change in sales adjusted for currency effects, as well as acquisitions and disposals compared with the same period of the previous year.

OPERATING CASH FLOW
Operating profit/loss adjusted for non-cash items, investments in machinery and equipment and changes in working capital.

ORDER INTAKE
The value of new projects and contracts received, and changes in existing projects and contracts over the period in question. Includes both installation and service business.

ORDER BACKLOG
The value of remaining, not yet accrued project revenues from orders on hand at the end of the period. Order backlog does not include service operations, only installation projects.

DILUTED EARNINGS PER SHARE
Profit/loss for the period attributable to owners of the parent company divided by the average number of outstanding ordinary shares after dilution.

BASIC EARNINGS PER SHARE
Profit/loss for the period attributable to owners of the parent company divided by the average number of outstanding ordinary shares.

INTEREST COVERAGE RATIO
Profit/loss after financial items plus interest expense, divided by interest expense. This key figure is a measure of how much earnings may fall by without interest payments being jeopardised or how much interest on borrowing may increase without operating profit turning negative.

WORKING CAPITAL
Total current assets, excluding cash and cash equivalents, minus current liabilities excluding current provisions and borrowing. This measure shows how much working capital is tied up in the business and may be set in relation to sales to understand how efficiently tied-up working capital is being used.

OPERATING MARGIN
Operating profit/loss as a percentage of net sales.

OPERATING PROFIT/EBIT
Earnings before financial items and taxes.

EBITDA
Earnings before interest, taxes, depreciation, and amortisation. EBITDA is a measure that the Group regards as relevant for investors who want to understand earnings generation before investments in non-current assets.

EQUITY/ASSETS RATIO
Equity including non-controlling interests as a percentage of total assets.

SPECIFIC COSTS
Transactions and items that are irregular in occurrence and size and consequently have an impact on earnings and key figures.

UNDERLYING OPERATING MARGIN
Operating profit/loss adjusted for the impact on earnings from Oras and specific costs expressed as a percentage of net sales.

UNDERLYING OPERATING PROFIT/LOSS
Operating profit/loss adjusted for the impact on earnings from Oras and specific costs.

PROFIT MARGIN
Profit/loss after financial items, as a percentage of net sales.

OPERATIONAL DEFINITIONS

INSTALLATION/CONTRACTING
The installation and refurbishment of technical systems in properties, facilities and infrastructure.

SERVICE
Operation and maintenance, as well as minor refurbishment of installations in buildings and facilities.

ELECTRICAL
Power supply, lighting, heating, control and surveillance systems. Telecom and other low-voltage installations. Fire and intruder alarm products and systems, access control systems, CCTV and integrated security systems.

HVAC (heating, ventilation and air conditioning)
Comfort ventilation and comfort cooling through air treatment, air conditioning and climate control. Commercial cooling in freezer and cold rooms. Process ventilation control systems. Energy audits and energy efficiency through heat recovery ventilation, heat pumps, etc.

HEATING & PLUMBING
Water, waste water, heating, sanitation, cooling and sprinkler systems. District heating and cooling. Industrial piping with expertise in all types of pipe welding. Energy saving through integrated energy systems.

OTHER
Relates to technical solutions and products for security, sprinklers, cooling, power, lifts and services in project management and technical service management.

BRAVIDA'S HISTORY

Bravida emerged out of BPA, a Swedish building and installation company dating back to the 1920s.

The company was formed in 2000 through a merger of BPA and the installation division of Telenor. In 2003, Bravida acquired the Danish company Semco A/S, which formed what is now Bravida's Danish division. In 2005, Bravida's head office relocated to Stockholm. In 2006, private equity firm Triton became Bravida's new principal owner. In 2009, Bravida acquired Siemens Installation AS in Norway. In 2012, private equity firm Bain Capital became the principal owner of Bravida. In 2015, Bravida acquired Finnish Peko Group and established operations in Finland. The company was also listed on Nasdaq Stockholm. April 2017 saw the creation of a new nationwide division in Sweden, National Division, encompassing Bravida's different specialist areas. In May the same year Bravida acquired the leading heating & plumbing and HVAC operator in Norway, Oras AS. In 2017, private equity company Bain Capital sold all its shares in Bravida.

1922 Twelve building guilds form the foundation of Swedish BPA

1967 Aktiebolaget BPA Byggproduktion AB is formed

1986 BPA's shares are listed on the Stockholm Stock Exchange

1993 Installation services become the company's main business area

1994 Ventilationsunion is acquired from Trelleborg AB

1995 Danish plumbing company Ludvigsen & Herman A/S is acquired

1999 BPA's shares are delisted

2000 BPA's and Telenor's installation services operations are merged

2003 Bravida acquires Denmark-based Semco A/S – Prenad.

2004 The business is focussed on the core areas of electrical, heating and plumbing, and HVAC

2006 The private equity firm Triton becomes the new principal owner

2009 Bravida acquires Siemens Installation AS in Norway

2012 Private equity firm Bain Capital becomes the new principal owner

2015 Bravida enters the Finnish market by acquiring Peko Group and Halmesvaara Oy

2015 Bravida is listed on Nasdaq Stockholm

2017 Private equity firm Bain Capital sells all its shares

2017 Bravida purchases Oras AS in Norway

SIX REASONS TO INVEST IN BRAVIDA

The Nordic service and installation market is growing.

The Nordic countries have enjoyed strong government finances in recent years, making for considerable public investment in infrastructure and housing. In addition, demand for energy efficiency and complex installations is growing. This means excellent prospects for the Nordic service and installation sector.

Bravida is growing – but only if it's profitable.

We have excellent growth prospects, but we don't want to grow at any price. We only take on assignments with calculable risks and we always prioritise margins over growth. This generates results. Over the past four years we have achieved annual organic growth of around 4 percent, and our operating margin has remained at over 6 percent.

Acquisitions make us stronger.

Our market in the Nordic region largely consists of lots of small companies, giving us a basis for long-term growth through acquisitions. Bravida has acquired a large number of companies in recent years and has become a major player in the consolidation taking place in the industry. We mainly acquire companies that complement our offering locally. Our objective is to achieve economies of scale and synergies between our companies.

A stable company with low risk.

Bravida has significant risk diversification. Most of our approximately 50,000 customers are small and no single customer accounts for more than 5 percent of our sales. Around half of our business consists of service and maintenance work, making us less dependent on economic fluctuations. And much of our operations consist of recurring business. That provides a high degree of predictability and stability for sales.

Bravida Way provides continual improvement and profitability.

Bravida's clear and decentralised approach provides a basis for continual improvement and profitability. Our branches are the real engine of the business, with their entrepreneurial spirit, local market knowledge and proactive approach. And they receive support from the Group both in terms of operations and follow-up.

Strong cash flow provides basis for growth, acquisitions and dividends.

Bravida's cash conversion has remained stable for many years. One of Bravida's financial targets is to distribute at least 50 percent of net profit as dividends to shareholders.

*12-month cash conversion = 12-month EBITDA +/- change in working capital and investments in machinery and equipment in relation to EBIT.

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bravida
BRINGING BUILDINGS TO LIFE