We improve environments
that affect many people

Annual Report 2017

CHRISTIAN
BERNER

Expect more

Higher revenue

4.8%

Contents

Christian Berner ensures clean drinking water for millions of residents

Year in brief

- Net revenue for full-year 2017 was SEK 449.6 (429.1) million.
- Operating profit was SEK 20.2 (23.8) million, including costs for the list change, from First North to Small Cap, in an amount of SEK 4.3 (4.4) million.
- EBITA was SEK 21.5 (25.1) million.
- The EBITA margin amounted to 4.8 (5.9) per cent.
- Order intake was SEK 451.5 (431.2) million.
- Earnings per share before and after dilution was SEK 0.84 (0.99).
- The cash flow from operating activities before changes in working capital was SEK 16.3 (23.7) million. Total cash flow for the full year was SEK −0.3 (−7.4) million.
- The Board proposes a dividend of SEK 0.50 (0.50) per share.

"We achieved our profitability target in three out of four of our markets. Finland and Denmark had their best year ever."

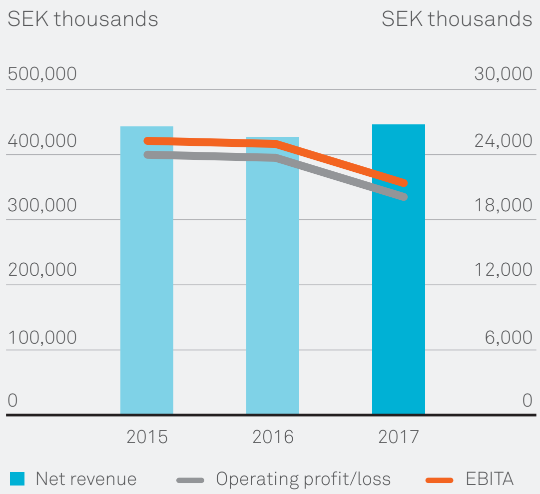
Bo Söderqvist
CEO, Christian Berner Tech Trade AB

KPIs

SEK thousands	**2017**	2016
Net revenue	449,607	429,121
Net revenue growth	4.8%	–3.7%
EBITA	21,467	25,105
EBITA margin	4.8%	5.9%
Operating profit/loss	20,177	23,815
Operating margin	4.5%	5.5%
Net financial items	–257	–101
Profit/loss for the period	15,448	18,532
Total assets	186,891	191,192
Earnings per share (SEK)	0.84	0.99
Equity ratio, %	50.8%	50.2%
Return on equity, %	20.9%	26.1%
Cash flow for the period	–334	–7,411
Number of shares at close of period	18,759	18,759

For definitions of key performance indicators, see page 61.

Net revenue and operating profit



Leading business partner for technical solutions

Buying technical components, materials and advanced equipment is a process that often involves many decisions. With 120 years of experience as a strategic business partner and adviser of manufacturers and customers, Christian Berner organises and streamlines this decision-making process. This leads to increased efficiency for both the company's customers and suppliers.

120 years of innovative thinking

Christian Berner was founded in 1897 and is today one of the leading technology trading companies in the Nordic region. The company markets and sells high-quality components, systems and services with a high technical content from leading suppliers to customers on the Nordic market. In addition, it also provides consultation, analysis of the customer's technical requirements, development, installation and service.

Expect more

Christian Berner creates value for customers by structuring the value chain and streamlining their use of technical components and systems. Through qualified needs analysis, consulting, service and development, the company enhances the competitiveness of its customers and simplifies their daily lives.

Christian Berner also has its own processing and refinement of products, which helps to create increased added value for customers. Value is created for the company's suppliers by providing them with an effective sales organisation with a high level of technical expertise and established customer relationships.

Lotta Sundberg, Business Sales Representative, Vibration Technology

Christian Berner's strengths

High level of technical expertise, service level and delivery reliability

For customers, a low total cost of production is vital. Christian Berner helps to achieve this by providing products and solutions of the highest quality. Most of the company's sales staff have technical training, ensuring a high level of technical expertise, knowledge of the customer's production processes and the ability to customise products and systems.

Long-term partnerships with leading suppliers

Christian Berner is an attractive business partner, which helps the company maintain its leading position. Through its stable, long-term relationships with leading suppliers, Christian Berner provides its customers with high-quality, technologically advanced products.

Creating value for the customer

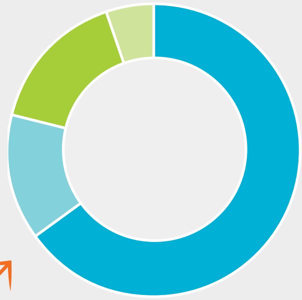
In areas where we see greater demand in society for reduced environmental impact, Christian Berner's products and systems have the opportunity, directly or indirectly, to improve environments that affect many people. As well as the environmental benefits, the company's technical solutions also create economic benefits for customers, including through greater efficiency and lower raw material costs.

Four markets

Christian Berner has approx. 4,400 customers, with the key customer segments being the pulp and paper industry, engineering industry, construction industry, food industry and petrochemicals and refineries. Most of Christian Berner's 150 or so suppliers are based in Europe, but raw materials procurement and production take place all over the world. The company's dependence on individual customers and suppliers is low.

Christian Berner operates from a number of locations in Sweden, Norway, Finland and Denmark. Christian Berner's market can be divided into products of an investment nature and products of a consumable nature.

Revenue by market
SEK million (2017)



Two complementary business areas

Christian Berner's operations in each country are run within the two business areas Process & Environment and Materials Technology, where the company's different product areas are coordinated and managed. In that the business areas are partly run on the basis of different business logic with different business models, they complement one another well, which creates clear benefits from a business cycle perspective.

Reducing vibrations
Read more on page 16

Right pressure
Read more on page 18

Materials Technology

Materials Technology focuses on the sale of materials, plastics and vibration-damping and noise-reduction materials. The customers are primarily within the infrastructure area, such as rail and trams, as well as the paper, construction and mining industries. The products are divided into two product areas: Technical Plastics and Vibration Technology.

Materials Technology is less sensitive to economic fluctuations than Process & Environment. One competitive advantage is being able to supply products and processed products quickly and easily, which is why large parts of the business area's products are kept in stock.

Process & Environment

The Process & Environment business area includes the offering to customers with a need primarily for process equipment and technical systems. The customers are spread across a large number of segments, including the paper industry, the public sector and the process industry. The range offered can be grouped into four areas: Environmental & Process Technology, Process Equipment, Filter Technology, as well as Gas, Energy and High-Pressure Technology.

The sale of larger and more complex systems requires active sales with a high level of technical expertise. A key competitive advantage is that most of the staff have technical training.

A more professional Christian Berner grows strongly through key acquisitions

Last year can be summarised as yet another eventful year in Christian Berner's 120 year journey. 2018 has begun in the same way with our important acquisition of Zander & Ingeström AB, which will make Christian Berner an even stronger player. All we do is characterised by the guide words from our brand strategy – Expect more, which means that we want and can do more.

It feels good that we were able to tell about our acquisition of Zander & Ingeström AB at the beginning of 2018, which is the result of hard and focused work in the previous year. We continuously seek stable, well-managed companies that are active in areas of interest, and have good profitability, a strong brand and a good market position. I can confirm that Zander & Ingeström AB are a high-quality company that has all of this.

With the acquisition, Christian Berner is taking the next step in the company's development. Our key performance indicators will be positively impacted at the same time that our offering is supplemented and strengthened through the acquisition. Together, both of the companies become even stronger, which is also good for our customers, suppliers and other stakeholders. I am looking forward to working together with all of the employees in Zander & Ingeström AB in 2018.

Costs for the list change affected earnings

As planned, Christian Berner Tech Trade was listed on Nasdaq Stockholm Small Cap in the first quarter. I can note that the work that preceded the list change has made us more professional. The list change also means that more people can invest in the company and increases interest from the capital market and the number of owners in the company.

The fact that we have become even more professional through this process will benefit us in the long term. At the same time, the list change entailed non-recurring costs that impacted earnings. The Group's EBITA amounted to SEK 21.5 million in 2017 and profitability, measured as the EBITA margin, was 4.8 per cent. Excluding the costs for the change of listing, profit was SEK 25.8 million and the EBITA margin was 5.7 per cent. We had a good inflow of orders throughout the year, and revenue was SEK 450 million, corresponding to a growth of 4.8 per cent.

Best year ever in Finland and Denmark

In the Group's geographic markets, it is especially pleasing to be able to note that we were able to present the best profit ever in Finland after several tough years and that all product areas contributed to this. Another pleasing subject was that the positive trend of recent years in Denmark continued. The profit was the best ever here too.

In Sweden, our largest market, we achieved a strong profit, but I think that we have even higher potential. Norway, our fourth market, was a disappointment, however. Last year, we therefore made large organisational changes, and in the future, focus will be fully on sales and marketing activities to improve earnings and strengthen profitability.

"The acquisition of Zander & Ingeström makes us an even stronger player."

Attractive and more complex offering

It is pleasing that both of our business areas contributed to the profit. Materials Technology had a strong 2017 with stable growth and profitability in all markets. Process & Environment did not grow as much as I would have liked, however, which is due to the negative development in Norway.

I can confirm that we have an attractive offering in the areas with strong growth. One example is vibration technology that benefits from a strong desire to invest in infrastructure and the construction industry. In 2017, we have also strengthened our offering with new products and suppliers, such as the collision protection solution A-Safe that we had major success with in Finland. The many advantages of the product make it both a cost-effective and environmentally friendly choice for the customers. Continued profitable growth through more sales from new suppliers and products is one of our most important priorities in 2018.

The two acquisitions we made in 2016 were fully integrated in Christian Berner last year.

Both companies have contributed to more sales of our service offering through more processing of the products. This way, we add more in the value chain and supply a more complex offering, which makes us less exposed to competition. Another focus area in 2018 is continued development of these value sales, primarily through more system sales, greater processing and more service and maintenance.

Contributing sustainable solutions

In 2017, we worked a great deal on sustainability issues, in part in the form of stakeholder dialogues and materiality analyses to identify the issues most important to Christian Berner's sustainability work. We actively work with these issues in our role as a business partner for sustainable value creation and by being an attractive workplace and a credible business partner.

Our offering also includes solutions in the field of sustainability. One example is our new product that cleans ballast water from organisms, which contributes to clean water. The more stringent requirements set by the UN Ballast Water Management Convention generate a greater need for our solution.

A more professional company

In summary, we did much of what we said we would do in 2017, but earnings were negatively impacted by the development in Norway and non-recurring costs in connection with the listing change. We are not satisfied with this, but I am confidently looking forward to 2018 when we can fully focus on the opportunities in our markets.

I can also confirm that we continued to develop into the high-quality company we want to be during the year. Thanks to our well-educated and skilled staff and their extensive understanding of the customers' processes and service, we can deliver the best solution every single time.

Having said this, I would like to thank all of our employees, customers, suppliers and shareholders for your extensive commitment and for our good cooperation in 2017. I am looking forward to 2018 when our stakeholders can expect even more from Christian Berner.

Bo Söderqvist
CEO, Christian Berner

Priorities for 2018

- Continued profitable growth
- Achieving a profit in Norway
- Continuing to develop value sales through more system sales, processing, consulting, service and maintenance
- Acquisitions

Trends and driving forces

The single most important driving force for a technology trading company is the underlying economic situation on its respective geographic markets. There are also a number of megatrends and market trends where Christian Berner provides solutions, including through the company's strong range within environmental technology.

Trends on our geographic markets

The underlying economic situation on Christian Berner's geographic markets is the single most important driving force for the company. When the economy is doing well, there is generally higher demand from customers, while the opposite is true when it is doing badly. For Christian Berner, GDP growth and investments in Sweden, Norway, Finland and Denmark are therefore important driving forces for the company's development.

The Nordic markets generally showed a good development in 2017. The economy in the respective markets was generally good and several of Christian Berner's most important customer segments showed a strong investment willingness.

Market trends that generate growth

Supplying quality products and services that keep pace with development at the company's customers and suppliers makes Christian Berner an even more important business partner.

Focus on core business increases demand for services

Many industrial companies in northern Europe are increasingly focusing on their core business. Activities that do not fall into the category of core business are often given lower priority, reducing the level of expertise within these areas. This increases the need of industrial companies for close cooperation with suppliers that have a high level of technical expertise and knowledge of the customer's processes and needs, which is well aligned with Christian Berner's strategic and operational focus.

An increased focus on core business also means that customers are trying to scale back their internal service and maintenance departments. This increases the demand for service and support, creating opportunities for Christian Berner to provide enhanced service and complementary services.

Fewer suppliers for shorter lead times

In order to reduce administrative costs, industrial companies are seeking to use fewer suppliers. At the same time, close cooperation with a limited number of suppliers results in shorter lead times and therefore reduced tied-up capital. As a consequence, every supplier is expected to be able to offer a wider range of products and services, which benefits large technology trading companies such as Christian Berner.

One way in which customers are reducing the number of suppliers is by using the same supplier in several geographic markets. Many larger customers see the Nordic region as one market, which makes Christian Berner's market presence even more important as it enables deliveries throughout the Nordic region.

Consolidation among suppliers

There is a process of consolidation taking place in the supply chain, which enables Christian Berner to add more products to its range. This in turn means improved competitiveness for Christian Berner's range.

	GDP growth, %			Growth in investments, %		
	2017	2018	2019	**2017**	2018	2019
Sweden	2.6	2.6	2.4	7.5	5.6	5.4
Norway	1.8	2.0	2.1	3.5	3.3	2.5
Finland	3.1	2.5	2.4	9.5	4.0	3.5
Denmark	2.1	2.4	2.3	1.7	4.7	3.6

The table above shows forecast GDP growth and gross investment growth for the period 2017–2019e. Source: SEB.

Solutions to global challenges

Christian Berner's customers are affected by various megatrends. By providing solutions to these, the company can help customers to manage these developments, which in turn contributes to higher growth and profitability for Christian Berner.

Larger and more affluent population

Globalisation has helped to achieve an increasingly broader distribution of goods and knowledge. At the same time, the world's population continues its rapid growth, life expectancy is increasing and more people around the world are achieving higher living standards. This leads to increased demand for a range of goods and services and for better technology in an increasingly digitalised world.

Christian Berner has solutions

Increased consumption requires a change in people's use of resources in order to reduce the impact on the planet. Christian Berner is helping to do this, among other things through systems and components that enable new products to be made from renewable resources.

Climate change and scarce resources

Climate change demands a focus on environmental adaptation and sustainable growth, with better management and more efficient use of limited resources. Shortages of raw materials and energy mean there is greater need to streamline processes for the manufacture of various products.

Christian Berner has solutions

Christian Berner supplies a number of different systems and components that help to increase efficiency in production processes. The company also supplies high-quality materials and systems that reduce the need for service and maintenance.

Increased urbanisation

The greater environmental awareness of consumers and the need for sustainable development are driving demand for locally produced goods. At the same time, people all over the world are increasingly moving to cities. With more people living in a smaller area, there is a major need for sustainable growth in cities, through solutions for cleaner air, reliable water supply and a properly functioning infrastructure, for example.

Christian Berner has solutions

Christian Berner supplies solutions for vibration-damping materials that enable society to grow and develop without the negative effects of increased noise and vibrations. The company also supplies products such as UV equipment, which ensures clean drinking water for millions of residents.

Goals and strategies for continued growth

Vision and business concept

Christian Berner supplies technical solutions, products and services to companies and public-sector businesses in the Nordic countries. The company enhances the competitiveness of its customers and simplifies their daily lives, through qualified needs analysis, consulting, service and development. The main competitive advantages are the high levels of technical expertise, service and delivery reliability. Christian Berner's vision is to be the leading business partner for technical solutions.

Increasing value in the value chain

As a technology trading company, Christian Berner creates value for both customers and suppliers by structuring and streamlining the value chain. This reduces transaction costs in the value chain. This is illustrated below.

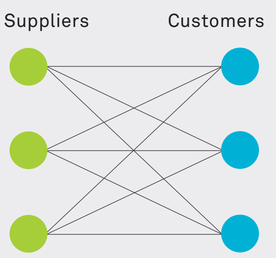
Through its position as a strategic business partner between manufacturers and end customers, Christian Berner has the opportunity to refine and extend its share of the value chain by, for example, performing customisation and installation of systems and components for the customer. This, together with the customisation and delivery of complete system solutions, which combine different products from leading suppliers, creates further added value for customers.

In recent years, Christian Berner has increased the proportion of ongoing sales. The high level of technical expertise in the company's sales organisation and the cooperation with leading high-quality suppliers enables Christian Berner to support customers with high-quality products and services. This strategic approach is valued by customers, as the company's customer surveys show. Altogether this helps to establish a strong position as an important strategic business partner for the company's customers and generates greater profitability for Christian Berner.

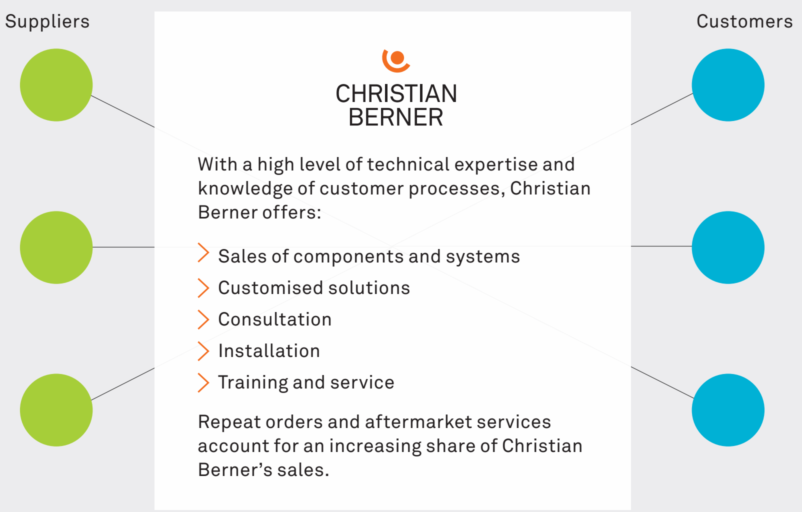
From the suppliers' perspective, technical trading companies are equivalent to having their own sales organisation on a market where the supplier does not consider it profitable or appropriate to establish its own sales organisation. For many suppliers, a partnership with Christian Berner is the most effective way to sell their products on these markets.

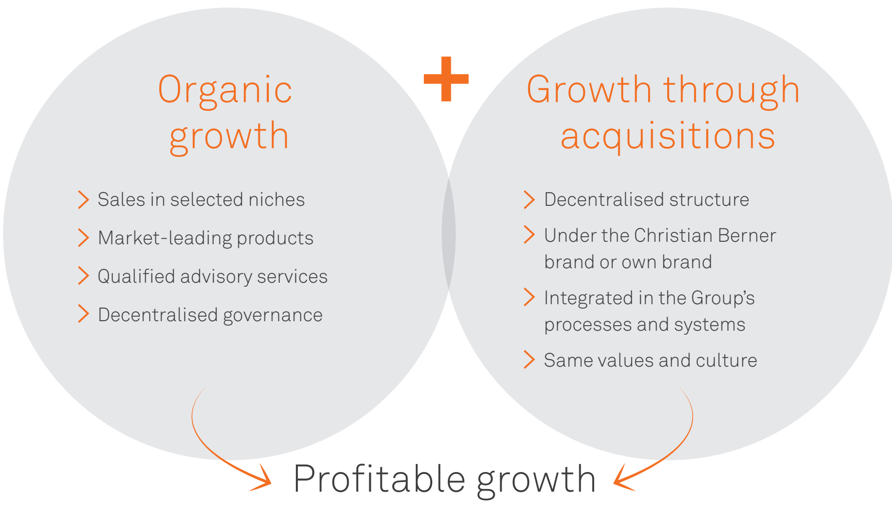
Christian Berner's role in value creation

This diagram shows a market without a structuring technology trading company as an intermediary. The market is characterised by resource-intensive contacts and high transaction costs.



This diagram shows a market structure where Christian Berner as an intermediary, strategic partner and advisor simplifies the purchasing and sales processes in the market and also provides technical knowledge and service.





Clear strategy for growth

Christian Berner's growth will be achieved both organically and through acquisitions on the Nordic market. The company's growth will be achieved partly by growing within new and existing product areas, and partly by broadening the range with new products and services, for example through service, support, training and other aftermarket services.

Organic growth

Christian Berner focuses on selling products within selected niches where it can achieve a leading position. This results in strong market positions, which is a prerequisite for good profitability. Christian Berner collaborates with suppliers which, through their own product development, provide market-leading, high-quality products with a high technical content. Market-leading products from the best suppliers and a high level of technical expertise among its employees make Christian Berner an attractive business partner.

Having a range of products and services with a high technical content that also includes a high level of service as well as qualified technical advice, means that Christian Berner's sales staff must have in-depth technical expertise within their respective niches and extensive knowledge of customers' production processes. Christian Berner's management model is characterised by decentralisation, because the best business decisions are made in close proximity to the customer by the people who know the customer's needs and processes best.

Focus on increasing sales of solutions

Products are still the core of Christian Berner's business, but by also adding services as a part of the offering, more complex solutions adapted to the customers' needs can be created. This means that Christian Berner can add more to the value chain and at the same time reduce its exposure to competition.

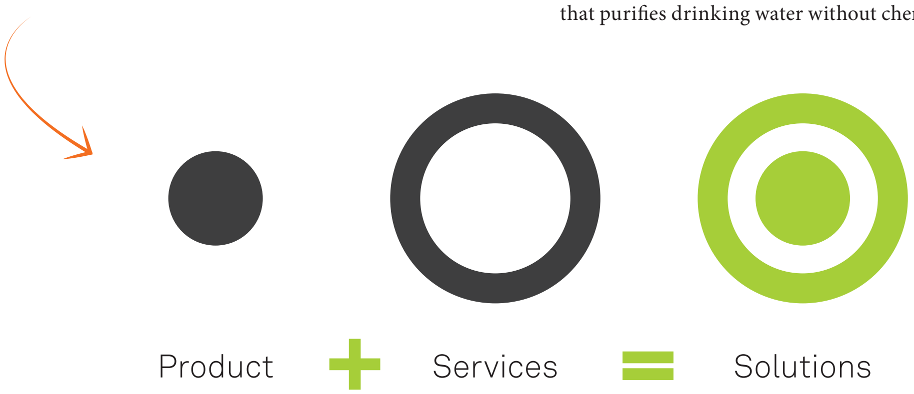
Christian Berner sees a clear opportunity to create added value for customers and suppliers by including the company's knowledge base as part of the offer. By offering customers the expertise available at Christian Berner, the company generates additional sales with higher margins and increased order volumes. This is achieved by providing products with a higher technical content and also consultancy services.

The acquisitions of Fillflex AB and PlastKapTek Sverige AB in 2016 contributed to a higher share of refinement of the products that Christian Berner sells. The company's processing also otherwise increases, including that within vibration technology where nearly all products are processed and within engineering plastics where a large part of the products are processed. Service and maintenance are other service areas within Christian Berner that are growing through its own service technicians and cooperation with suppliers.

Focus on environmental biotechnology

In today's society, environmental considerations are an integral part of the decision-making process and an increasing number of investments are environmentally driven. Christian Berner has therefore identified a strategic niche for the future in solutions for customer processes and equipment that comply with increasingly stringent legislation and controls. Besides the environmental benefits, the company's technical solutions also create economic benefits for customers, including through greater efficiency and lower raw material costs.

Christian Berner supplies products and systems that directly or indirectly improve the environment. The company's environmental technology range has been divided into four areas: quiet environments, clean water, sustainable products and sustainable production. Christian Berner supplies vibration-damping materials that improve the environment for those living near rail lines, for example, as well as process equipment that helps to reduce energy consumption in production and UV equipment that purifies drinking water without chemicals.



Large and important acquisition of Zander & Ingeström AB

At the beginning of 2018, Christian Berner acquired Zander & Ingeström AB, one of Sweden's leading companies in pump and heat technology. The company's customers are in the process, paper, water/power and mining industries.

Through the acquisition, Christian Berner's offering is supplemented and strengthened in both new and existing areas. Zander & Ingeström AB has a strong pump offering that complements Christian Berner's product portfolio.

Within heating technology, Christian Berner is gaining a new area of operations that also involves exports to new markets outside the Nordic region.

Zander & Ingeström AB has 24 employees. With revenue amounted to SEK 124 million in 2017 and good profitability, the acquisition also positively contributes to Christian Berner's key performance indicators. Zander & Ingeström AB will retain its strong brand and work as an independent company within Christian Berner.

Growth through acquisitions

Acquisitions are a key part of Christian Berner's long-term growth strategy. The acquisitions made must strengthen and advance the company's position within priority areas by bringing new products and new knowledge and thereby strengthening Christian Berner's offering to customers.

Christian Berner's acquisition strategy is based on a number of guidelines, where profitability is the key requirement, in order to ensure the quality of the acquisition target.

The acquisition strategy is generally based on the following guidelines:

- The acquired company must continue to operate with a decentralised structure.
- The company must operate under the Christian Berner brand, or under its own brand.
- The company must be integrated in the Group with shared Group processes and systems, such as IT and purchasing.
- The acquired company must have the same values and culture as the rest of the Group in order to ensure cooperation within Christian Berner with the aim of utilising the Group's entire experience base.

Priority acquisition areas

The Nordic region is home to a large number of technology trading companies of varying sizes and with different product ranges. This fragmented market consists largely of family-owned companies, which are undergoing a generational transition. This brings consolidation opportunities for those wishing to broaden their product range or establish themselves on new markets. Thanks to a good pool of potential acquisitions and the company's good financial position, Christian Berner sees opportunities to contribute to the consolidation that is taking place on the market.

Christian Berner is concentrating its acquisitions in a number of areas. Priority acquisition targets are companies where current revenue dominates and within product areas where Christian Berner is already a leading market player.

Contact us

Christian Berner is always looking for high-quality companies that are a good fit for the Group. Feel free to contact us to discuss future opportunities together. CEO, Bo Söderqvist, phone +46 (0)31 33 66 910

Christian Berner's acquisition process

Financial targets

Christian Berner's financial targets are:

- Average revenue growth of at least 10 per cent per annum over a business cycle, including acquisitions.
- Average EBITA margin of 9 per cent per annum over a business cycle.
- Equity ratio of 35 per cent.
- Return on equity of 25 per cent.
- The Board aims to give shareholders a dividend that provides a good direct return and dividend growth. Christian Berner's aim is to distribute 30–50 per cent of the profit after tax. However, the company's financial position, cash flow, acquisition opportunities and outlook will be taken into account.

Christian Berner's financial targets and outcomes for 2015 to 2017 are shown in the table below.

Target	Outcome 2017 (%)	Outcome 2016 (%)	Outcome 2015 (%)
Revenue growth: ≥10%[1]	4.8	–3.7	13.2
EBITA margin: 9%	4.8	5.9	5.7
Equity ratio: 35%	50.8	50.2	49.2
Return on equity: 25%	20.9	26.1	31.1
Dividend: 30-50% (of profit after tax)	60.7	42.0	54

1) On average per year over the course of a business cycle.

A journey with profitable growth

In recent years, Christian Berner has focused on work to strengthen profitability.

3.2%

2014

At the time of listing on Nasdaq Stockholm First North, Christian Berner's EBITA margin was 3.2 per cent.

5.7%

2015

The EBITA margin for 2015 was 5.7 per cent. Work continues on cost-effectiveness and strengthening the margin in order to improve profit.

5.9%

2016

The EBITA margin for 2016 was 5.7 per cent. The cost in connection with the listing change to Nasdaq Stockholm, Small Cap, in 2017 impacted earnings negatively.

4.8%

2017

The EBITA margin for 2017 was 4.8 per cent. Earnings were negatively impacted by the development in Norway and non-recurring costs in connection with the list change.

9.0%

Target

Christian Berner's target for the EBITA margin is for it to average 9.0 per cent over a business cycle.

Sustainability work that generates value

For Christian Berner, active sustainability work is important and the company takes a holistic view, centred around good business ethics, the environment, human rights and the company's future. In addition to creating economic value for the company's stakeholders, Christian Berner also wants to contribute value creation through consideration for the environment and social responsibility.

Christian Berner Tech Trade's subsidiary Christian Berner AB in Sweden has come the farthest in the work on sustainability issues as the Group's largest company. This report therefore primarily pertains to the operations in Christian Berner AB. The Group's other subsidiaries in the markets of Denmark, Finland and Norway have begun the work on these issues, partly by implementing the components that have been successful in Sweden and partly by identifying issues that are specific to the respective companies in the different markets.

Management of sustainability issues

Christian Berner's code of conduct is the overriding steering document in the company's sustainability work. There are supporting documents for this in the form of policies, manuals and instructions. Christian Berner has among other things prepared policies for health and safety, quality and environment, as well as governance and control. In 2017, internal work continued regarding the company's policies and guidelines regarding risk and stakeholders, among others.

Christian Berner complies with the international conventions UN Global Compact, ILO and the OECD guidelines for multinational enterprises. Christian Berner AB is certified according to ISO 9001 and 14001 and the company prepared a certification to the new standards during 2017. The Group's other subsidiaries work based on the management system idea, but are not certified.

Ultimate responsibility for Christian Berner's sustainability work rests with the company's CEO. At Christian Berner AB, a further development of the sustainability work is ensured by the HR manager as well as quality and environmental managers. The operational work on the sustainability issues is distributed in the organisation. In 2017, human resources were strengthened in terms of quality, environment and health and safety. For the Group's subsidiaries in other countries, the duties are delegated in the organisation with the president of the respective company bearing the overall responsibility.

Framework for the sustainability work

Christian Berner's business model is described on pages 8-10 in this annual report. The company's primary stakeholders are comprised of employees, customers, suppliers and partners, owners and investors. In 2017, Christian Berner AB began a stakeholder analysis that lists the most important issues for the respective stakeholder in the relationship with the company. In addition to this, it states what statutory requirements exist and how the company shall follow up each issue.

Based on Christian Berner's primary stakeholders, the company also conducted a materiality analysis in 2017. The analysis identifies Christian Berner's most important issues for sustainable business. These issues have been groups in three overall areas, which form the framework for Christian Berner's sustainability work.

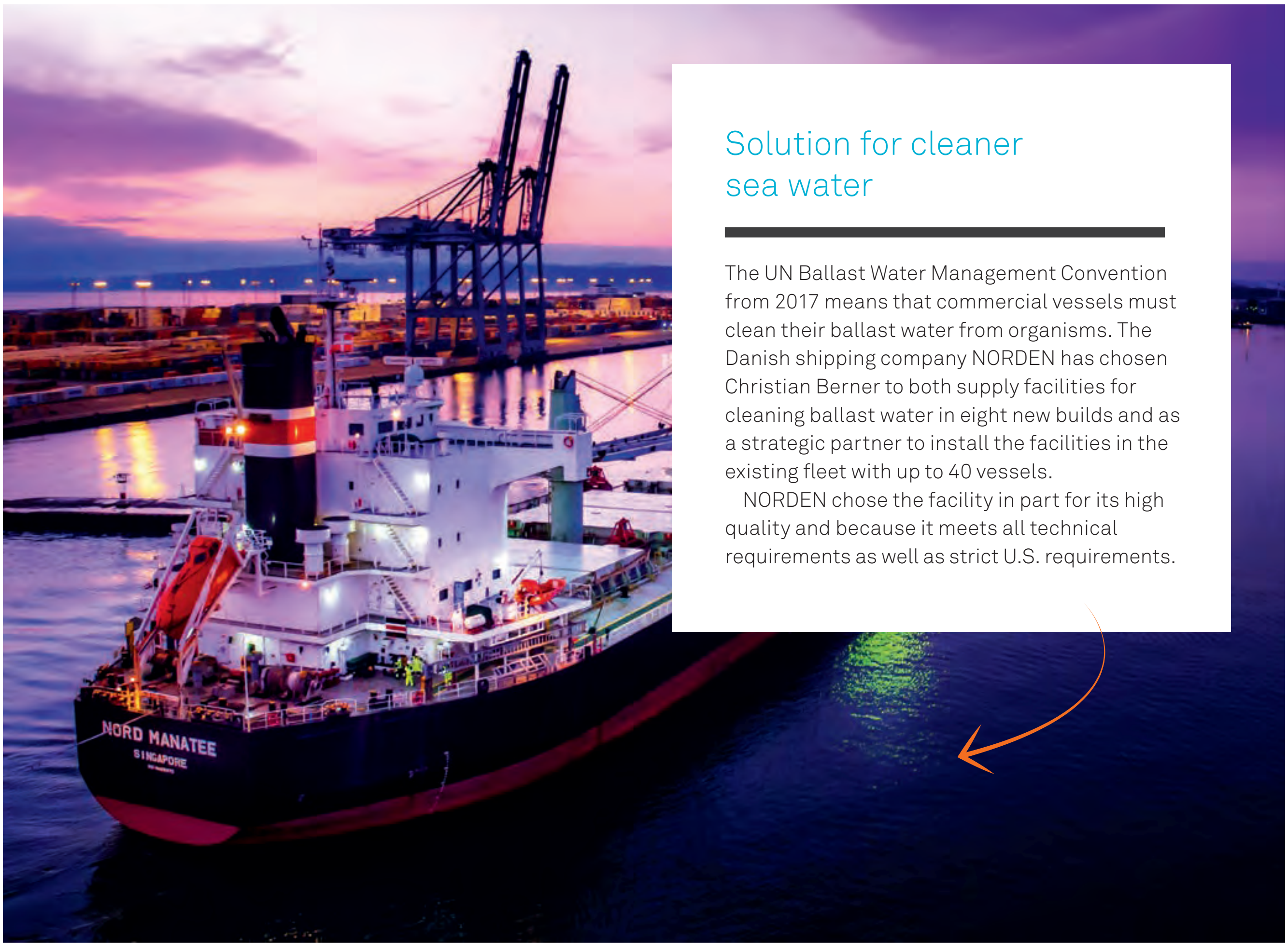
Based on this framework and the significant issues, Christian Berner began the follow-up of the Group's sustainability work. The company has worked with several of the significant issues for a long time, but has not had defined measurements for each issue. Since the materiality analysis was done in 2017, structures for data collection for indicators in the areas of human rights, the environment, social conditions and staff, as well as

Framework for Christian Berner's sustainability work

Partners for sustainable value creation:
- Financial results
- Indirect economic impact
- Environmental technology

Attractive workplace:
- Employees
- Health and safety
- Training
- Diversity

A credible partner:
- Anti-corruption
- Compliance – environment
- Supplier evaluation – social
- Supplier evaluation – environmental



Solution for cleaner sea water

The UN Ballast Water Management Convention from 2017 means that commercial vessels must clean their ballast water from organisms. The Danish shipping company NORDEN has chosen Christian Berner to both supply facilities for cleaning ballast water in eight new builds and as a strategic partner to install the facilities in the existing fleet with up to 40 vessels.

NORDEN chose the facility in part for its high quality and because it meets all technical requirements as well as strict U.S. requirements.

corruption were also not in place in the company, which is why there are few measurements to present for 2017.

The work to set up these structures, and also define which results indicators should be followed up has begun and will continue in 2018.

The fact that this is Christian Berner's first sustainability report, and as mentioned above, that the materiality analysis was done in the current year, also means that the risks linked to the significant issues have not yet been identified. This work will also continue in the future, with the establishment of structures for analysis and handling of the most important risks.

In 2018, Christian Berner will accordingly focus on continuing the work on the stakeholder dialogue, identifying more results indicators for follow-up, and beginning an analysis of risks associated with the most important issues identified in the materiality analysis.

Business partners for sustainable value creation

Christian Berner will be the leading business partner for technical solutions. Thousands of products, employees with extensive technical expertise, long experience and a high level of specialist knowledge help to create economic value for stakeholders.

Financial results

Continuous development towards a stronger Christian Berner creates value for all of the company's stakeholders. In recent years, the company successfully improved its EBITA margin.

Value is created for the company's shareholders through, among other things, the good development of the share price, as well as a dividend that gives a good direct return and dividend growth. In 2017, the dividend was 60.7 per cent of profit.

Indirect economic impact

Christian Berner creates value for both customers and suppliers by structuring and streamlining the value chain, which reduces transaction costs. Through qualified needs analysis, consulting, service and development, the company enhances the competitiveness of its customers and simplifies their daily lives. It's own manufacturing and further processing of products increases the added value for the customers.

Environmental technology

Christian Berner supports its customers with environmentally sound solutions through qualified needs analysis, consulting, service and development. The company also helps customers in their choice of resource-efficient solutions and products.

Many of Christian Berner's products and services help to reduce the environmental impact of the customers, for example by reducing the amount of chemicals and shipments, as well as environmentally damaging materials Examples include vibration-damping materials that improve the environment for residents and areas around rail lines or water treatment without chemicals.

Attractive workplace

The shortage of technical and engineering expertise increases competition for employees. To attract, retain and develop employees, it is of central importance for Christian Berner to be an attractive employer.

Employees

Christian Berner's code of conduct is a guideline for how employees must act in a professional and ethical manner in their day-to-day work. The employees are expected to work and act in accordance with the company's values with the watchwords professionalism, development, ethics and morals.

The company's recruitment process ensures that recruitment takes place in a professional manner where selection is based on qualifications and suitability for the job. Christian Berner's induction procedures for new employees are to ensure that they feel welcome and understand their role within the company.

Health and safety

Christian Berner conducts systematic work regarding the work environment and fire safety in order to identify, prevent and mitigate potential negative impact from a health and environment perspective. The main risks and the most common injuries occur in processing and production. These involve the assembly of pump boards and the cutting and processing of vibration-damping materials and plastic materials. All employees are informed of the risks that may exist and how to avoid them. Safety instructions and procedures are prepared to the extent necessary for each workplace.

Managers at Christian Berner are responsible for ensuring the well-being of their employees and working with health and safety issues in accordance with national legislation and together with the employees or their representatives. To investigate and monitor the health and safety efforts, regular employee discussions, employee surveys, health and safety inspections and health checks are done. Procedures have been drawn up for monitoring absence. Accidents and incidents are always followed up. In 2017, there were no serious accidents or incidents.

In 2017, Christian Berner AB focused on health issues. The activities done included a step-counting competition, exercise sessions and walking or running during working hours.

Training

Continuing professional development will contribute to Christian Berner's goals and strategies, both in the short term and the long term, and will help to develop the business and its employees to equip them to meet future demands and needs. In 2017, Christian Berner AB's employees completed around 800 hours of training in such areas as eco-driving and safe driving, as well as transport of dangerous goods for warehouse staff and business sales representatives. Courses were also held regarding risk assessment of chemicals from a health and safety perspective, fire safety and new ISO standards.

In addition to this, management training was provided to all managers and the management group participated in a course at Nasdaq prior to the company's listing change. Prior to the new General Data Protection Regulation (GDPR) entering into effect in 2018, a course was begun for the management group and other employees and will be intensified in the future.

Diversity

Christian Berner works on the basic principle that all people have equal worth and that there should be fair relationships between individuals and groups. Nobody should be discriminated against or subjected to offensive treatment. The company strives for diversity in terms of sex, ethnicity and social background.

Guidelines and procedures for action in the event of harassment, offensive treatment or discrimination are documented and communicated. Christian Berner's equality work is documented in the equality plan, which applies to the subsidiary in Sweden, while local legislation applies to subsidiaries in other countries.

A credible business partner

Christian Berner promotes socially and environmentally sustainable development with an environmental awareness throughout the transaction chain, from supplier to customer.

Anti-corruption

Technology trading companies such as Christian Berner have extensive business relationships with various parties. To ensure that there are no dependencies between the company and suppliers, Christian Berner has a TRACE certificate that is updated every year, for example. Christian Berner tolerates no form of fraud, bribery or similar illegal activity. The company's code of conduct specifies guidelines for entertainment and gifts, which must be characterised by openness and moderation and must always have a natural connection to the business relationship.

Compliance – environment

Christian Berner works preventively to reduce the company's environmental impact in terms of transports, business travel, energy and waste. This is followed up and the staff are trained in environmental issues. Targets have been formulated based on completed environmental aspect assessments, where activities, operations, products or services that may affect the environment are identified. Christian Berner works actively to achieve the targets, and the environmental aspect assessment is updated every year.

Based on a Group perspective, risk analyses are done of the entire business. Procedures for actions are in place in the event of environmental incidents. None of the Group's companies are involved in any environmental disputes. Christian Berner works to reduce pollution through constant improvements.

Christian Berner AB operates activities that are subject to reporting obligations under the Swedish Environmental Code. A chemicals management system is used to do risk assessments from a health and safety perspective, and to the furthest possible extent replace dangerous chemicals with less dangerous alternatives. Among other things, more environmentally and health hazardous glue was replaced with a water-soluble glue in 2017.

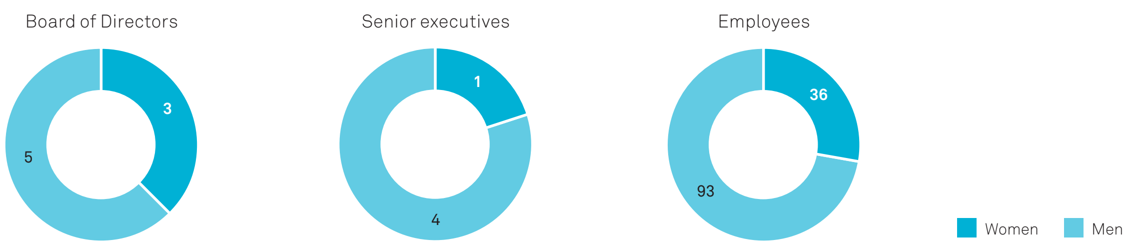
Supplier evaluation – social

Christian Berner has around 150 suppliers all over the world, but the company aims primarily to use suppliers from Europe and the USA with products characterised by the best quality. Christian Berner represents suppliers that share the company's basic ethical views and requires suppliers to have a policy for health and safety.

Supplier evaluation – environmental

Christian Berner represents suppliers that share the company's basic views of environmental issues and conduct active environmental work. Good management of natural resources and focus on preventing and reducing negative environmental impact governs the selection of suppliers, products and business partners.

Gender distribution 2017, number of women/men



Business that provides competitive advantages

Christian Berner markets and sells high-quality products, systems and services with a high technical content in selected niches on the Nordic market. Christian Berner's main competitive advantages are technical expertise, knowledge of the customer's production processes, the ability to customise products and systems, and product quality.

Strong offering on the Nordic market

Christian Berner operates mainly in product areas with high technical content and requirements for good knowledge of the customer's processes. The company also offers aftermarket service and training, among other things, which establishes a close partnership with customers. Christian Berner has stable, long-term partnerships with suppliers which, through their own product development, provide market-leading, high-quality products with a high technical content.

Christian Berner's customers on the Nordic market are active in a large number of industries, which makes the company less sensitive to the business cycle in individual industries.

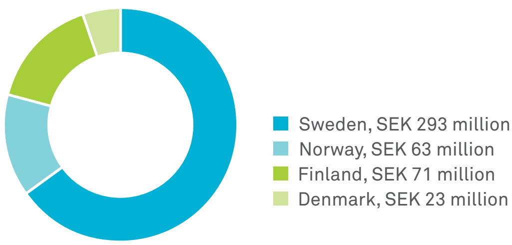
Employees with a high level of technical expertise

Governance in the Group is goal-oriented with a focus on profitability, growth, margin and tied-up capital and takes place based on a geographic distribution (Sweden, Norway, Denmark and Finland), which are the business segments used in management and reporting. Each segment (country) is then divided into the business areas Process & Environment and Materials Technology. The company clarifies this in Note 5.

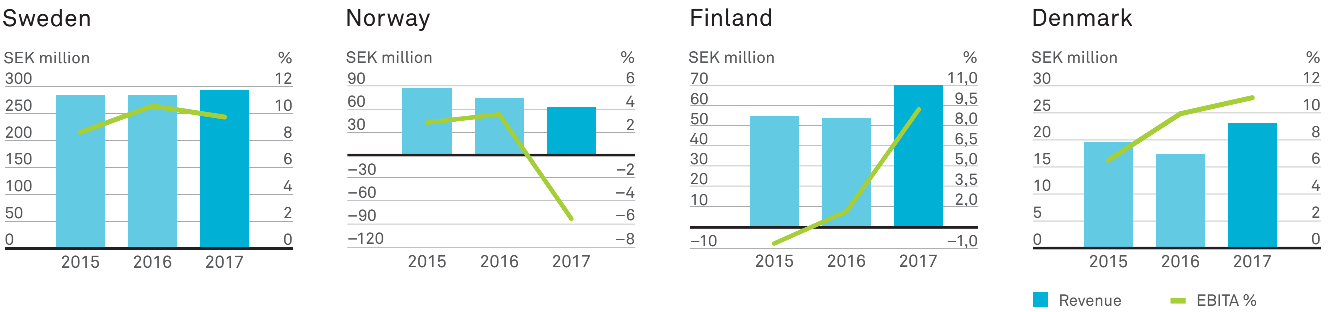
Christian Berner's sales organisation is decentralised and highly specialised. The company has a total of 80 sales representatives, the majority of whom are sales engineers with technical training. The company's sales staff are also specialised within the different product areas so as to create a competitive knowledge advantage, which is one of Christian Berner's competitive advantages.

Petter Kallin, Service Technician

Revenue by market, 2017



EBITA % and revenue by segment



Contributing to critical public investments

The Materials Technology business area focuses on the sale of technical plastics and vibration-damping and noise-reduction materials. 2017 was yet another good year for the business area with stable growth and good profitability.

Market and customers

The customers in Materials Technology are primarily in infrastructure, such as rail and trams, as well as the paper, construction and mining industries. A high level of capacity utilisation in the customer segment results in higher wear and tear and increased demand for ongoing maintenance. In addition to this, the business area's development is driven by major investment decisions, where Christian Berner's materials form part of the investment, such as railway projects and construction.

Continued stable and profitable growth

Materials Technology reported a stable and profitable growth in 2017 as well, with a good development in all geographic markets, mainly driven by a continued good investment willingness in infrastructure and the construction industry. The construction market for multi-unit housing made of timber continues to grow, where Christian Berner has an in-demand solution for removing frame noise and vibrations. Large-scale infrastructure projects, primarily within railway and tram networks, are also beneficial to the business area.

Range

Christian Berner's range within Materials Technology contributes a clear benefit to society, partly in the form of vibration damping and reduced noise levels. The products consist largely of wear goods and consumables, but also of products of an investment nature. The business area benefits from the fact that consumables and wear goods have higher margins than products of an investment nature.

Materials Technology is less sensitive to economic fluctuations than the Process & Environment business area. Being able to quickly and easily provide products and goods is a competitive advantage, which is why Christian Berner keeps large parts of the business area's products in stock. The products and solutions in Materials Technology are divided into two product areas: Technical Plastics and Vibration Technology.

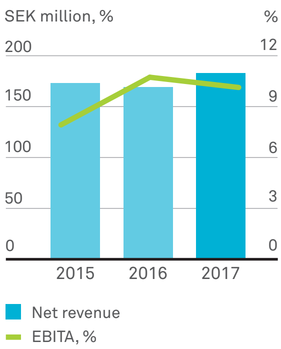
Technical Plastics

Christian Berner is a complete Nordic plastics supplier and offers everything from semi-finished goods to machined parts in high-quality plastic materials and the most common engineering plastics. The company has a broad customer base, with the key industries being the paper industry and the mining industry, alongside products for materials handling systems.

Vibration Technology

In today's society, there is an increasing need to dampen vibrations and noise. Christian Berner supplies vibration-damping materials in a range of applications to several sectors, primarily the construction industry and rail transport. In addition to vibration damping, the company's products also help to reduce the costs of operation and maintenance.

Materials Technology



40.6%

Share of net revenue

Examples of products

- Sub-ballast mats and under sleeper pads for vibration insulation
- Noise barriers
- Engineering plastics
- Vibration damping

Reducing vibrations in central Stockholm

In Stockholm's new district Stockholm Royal Seaport, homes and high-rise buildings made of timber in light constructions are being built directly above the railway. This places high demands on good vibration insulation in the new railway tunnel being built in the area, where Christian Berner has the contract to supply vibration-damping materials in the form of sub-ballast mats.

The order value is SEK 6.9 million. The sub-ballast mats are expected to reduce vibration levels by at least 24 dB.

Important events 2017

- Stable and profitable growth in all markets
- The 2016 acquisition of PlastKapTek Sverige AB was fully integrated in the business area
- Higher refinement of products, which contributed to increase sales of the service offering

Focus 2018

- Profitable growth
- More machining
- Effort to launch A-Safe, flexible collision protection
- Acquisitions

Public benefit that creates profitability

The Process & Environment business area targets customers with a need primarily for process equipment and complete technical systems. The range offered can be grouped into the areas Environmental & Process Technology, Process Equipment, Filter Technology, as well as Gas, Energy and High-Pressure Technology.

Market and customers

Christian Berner's customers in Process & Environment are spread across a large number of segments, including the paper industry, the municipal sector and the process industry. Sales are made both to large investment projects and through repeat sales. An important factor for the business area's profitability and growth is the major investment decisions that Christian Berner's customers make and implement.

The profit for the year for Process & Environment is weighed down by the negative development in Norway. In Christian Berner's other markets, the business area had a very strong year, however. There was a good investment willingness in the process industry and on the machine side.

Range

Christian Berner's range within Process & Environment provides a clear social benefit, among other things through solutions to purify drinking water by removing bacteria.

The sale of larger and more complex systems requires active sales with a high level of technical expertise. It is therefore a key competitive advantage that most of Christian Berner's staff have technical training.

Environmental & process technology

Within environmental & process technology, Christian Berner offers individual components, whole systems and a wide range of services within instrumentation and analysis, dosing pumps and disinfection systems. The company's solutions help to provide bacteria-free drinking water for millions of people, among other things.

Process equipment

To help achieve an optimal manufacturing process, Christian Berner provides products, machinery and equipment based on the needs and specifications of the customer. The areas covered are packaging and filling, fluid technology and powder and drying technology.

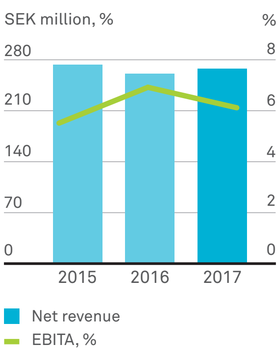
Filter technology

Christian Berner is a complete filter provider, with the market's widest range from leading manufacturers, and is able to help customers with all kinds of fluid filtration. The benefits are many, including reduced volumes of waste, lower energy consumption and little to no fluid losses.

Gas, energy & high-pressure technology

Christian Berner offers high-quality products manufactured by market-leading companies in high-pressure pumps for industrial high-pressure water applications. The company also supplies steam turbines, turbo compressors and aspirators, for example in order to recover steam, transport gas and create a vacuum.

Process & Environment

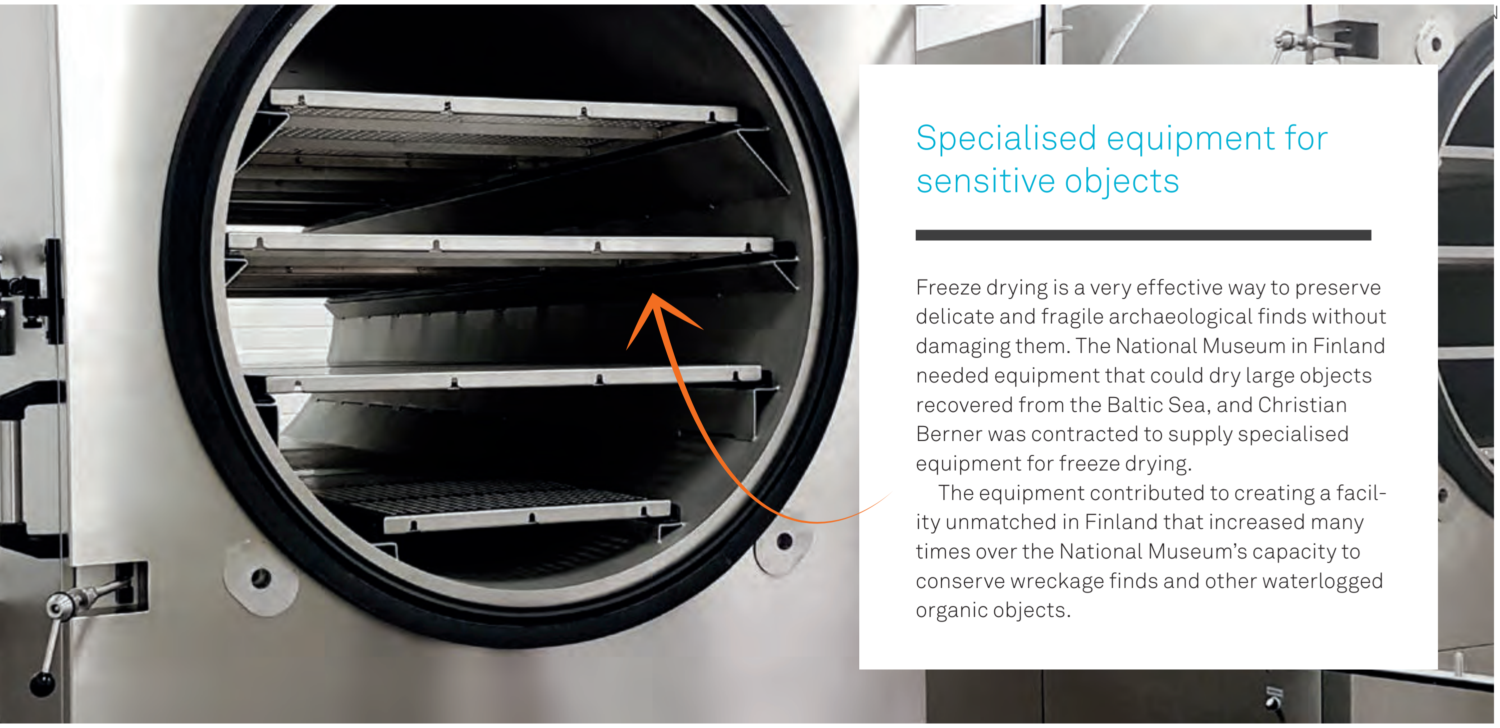


59.4%

Share of net revenue

Examples of products

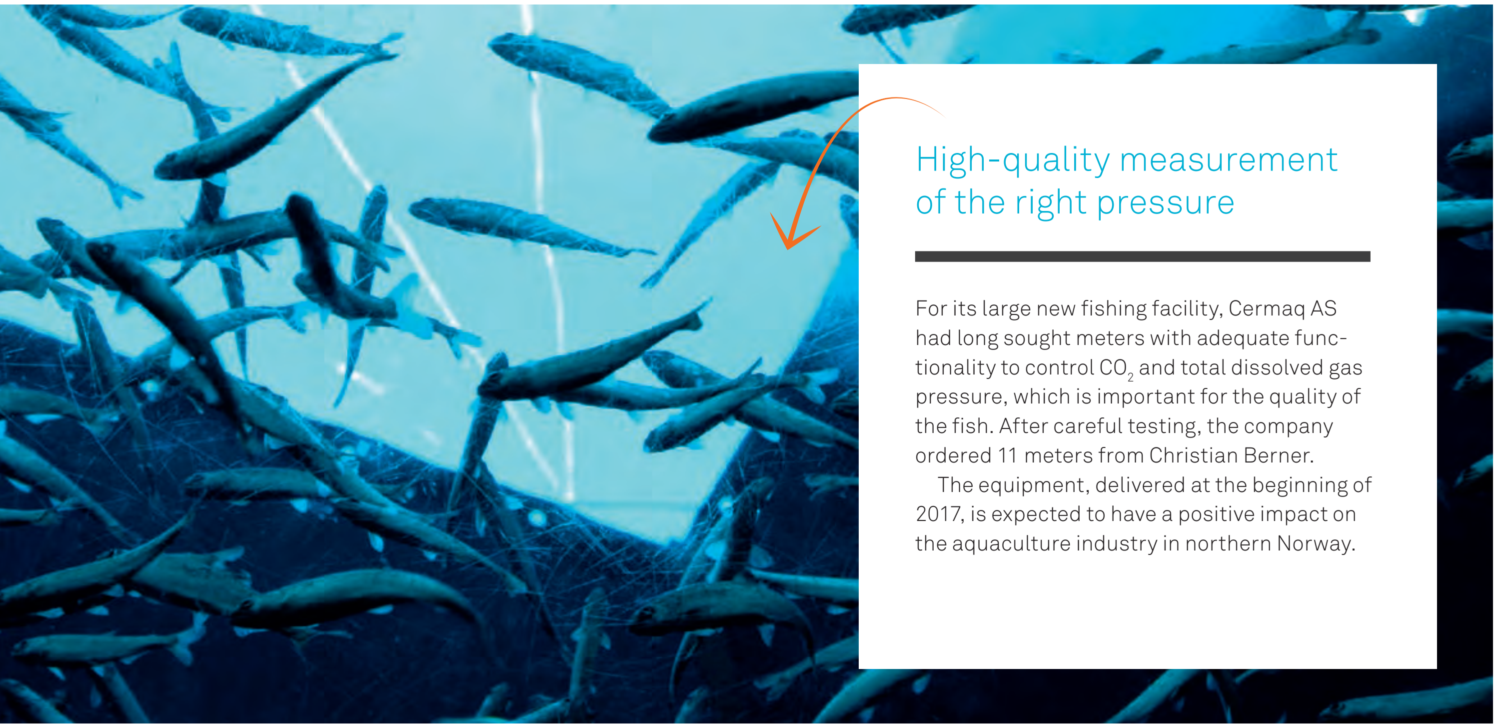
- Dosing pumps
- Disinfection systems
- Filters for water purification
- High-pressure pumps
- UV equipment
- Steam turbines



Specialised equipment for sensitive objects

Freeze drying is a very effective way to preserve delicate and fragile archaeological finds without damaging them. The National Museum in Finland needed equipment that could dry large objects recovered from the Baltic Sea, and Christian Berner was contracted to supply specialised equipment for freeze drying.

The equipment contributed to creating a facility unmatched in Finland that increased many times over the National Museum's capacity to conserve wreckage finds and other waterlogged organic objects.



High-quality measurement of the right pressure

For its large new fishing facility, Cermaq AS had long sought meters with adequate functionality to control CO_2 and total dissolved gas pressure, which is important for the quality of the fish. After careful testing, the company ordered 11 meters from Christian Berner.

The equipment, delivered at the beginning of 2017, is expected to have a positive impact on the aquaculture industry in northern Norway.

Important events 2017

- The 2016 acquisition of Fillflex AB was fully integrated in the business area
- Strong development in all markets except Norway
- Stronger offering through new products and suppliers for the cleaning of ballast water, among other things
- More sales of the service range through greater refinement of products

Focus 2018

- Profitable growth
- More system sales
- Strengthening the offering
- New products/suppliers
- Acquisitions

Message from the Chairman

"Regardless of a political unwillingness and uncertainty, the commercial forces will push through the necessary sustainable solutions. Not necessarily because they have to. It's simply the most profitable," said Johan L. Kuylenstierna from the Stockholm Environment Institute at a seminar arranged by Swedbank in Berlin this autumn. I share this view completely.

We at Christian Berner Tech Trade have for many years conducted business operations that aim to create a better environment and sustainable solutions. During the year, we delivered several large projects in vibration technology for rail traffic. The solutions provide quieter cities and reduced maintenance. Our leading technology in water management and treatment creates possibilities for municipalities and businesses throughout the Nordic region to recycle and produce potable water in the Nordic region.

These are a few examples of the sustainable and environmentally friendly solutions we sell and engineer. We do so to contribute what we can for a better society. And we do so because it is commercially successful.

The future is bright for this approach. The investments in the technology we support are growing strongly. Sustainability is not a trend. It is a prerequisite for our children and grandchildren to be able to live a decent life.

This is why we see strong growth in the future and possibilities for acquisitions. At the beginning of 2018, we acquired Zander & Ingeström AB, a company with a history similar to Christian Berner Tech Trade. For many years, I have spoken with the former main owner Johan de Geer about a coordination between the companies. That we have now had an opportunity to acquire the company feels completely natural and strengthens us through a broader offering, customer circle and technical know-how. We are also gaining more skilled employees.

For this same reason, I chose to increase my involvement in Christian Berner Tech Trade in connection with the ownership of the main owner, since the beginning 120 years ago, the Berner family was refined this autumn. It is simply a profitable business to, over time, invest in and run sustainable and environmentally oriented companies.

And not trying to contribute to a future for the next generation is out of the question.

Joachim Berner
Chairman of the Board and main owner
through Gårdaverken AB

"the acquisition of Zander & Ingeström AB strengthens us through a broader offering, customer circle and technical know-how."

Corporate governance report

Corporate governance

Good corporate governance is concerned with ensuring that the company is managed as sustainably, responsibly and effectively as possible. The overall objective is to increase the value for the shareholders and thereby meet the shareholders' requirements on invested capital. Central external and internal governance instruments for the company are the Swedish Companies Act, the Swedish Corporate Governance Code, Nasdaq Stockholm's Rule Book for Issuers, the Articles of Association adopted by the Annual General Meeting, the Board's rules of procedure, instructions for the Board's committees and the instructions to the CEO with associated instructions for financial reporting and policies established by the Board. The Board of Directors of Christian Berner Tech Trade AB is responsible for the company's organisation and management. The CEO is responsible for ensuring that operating management takes place in accordance with the Board's guidelines.

Shareholders

The company is a Swedish public limited company and has been listed on Nasdaq Stockholm since 31 March 2017 as a part of the Small Cap segment. The code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. The company complies with the code since listing on Nasdaq Stockholm and applies Nasdaq Stockholm's Rule Book for Issuers. In the corporate governance report, which will be prepared for the first time for the 2017 financial year, the company does not, however, need to explain deviations resulting from failure to comply with regulations whose application has not come into effect during the period covered by the corporate governance report. However, the company does not currently expect to report any deviation from the Code in the corporate governance report.

Share capital and shareholders

Christian Berner Tech Trade AB is a public company. It has total share capital of SEK 0.63 million distributed across a total of 18,759,398 shares, divided into 1,250,000 class A shares and 17,509,398 class B shares, all of which have a par value of SEK 0.03. All class A shares entitle the holder to ten (10) votes at the General Meeting and all class B shares entitle the holder to one (1) vote at the General Meeting.

The number of shareholders at 31 December 2017 was 1,469 (972). The ten largest shareholders (including Christian Berner Tech Trade's treasury shares) had a total shareholding of 85.1 (92.3) per cent of the total shares and 90.7 (95.2) per cent of the votes. See the table of the 10 largest shareholders on page 32.

Nomination Committee

The task of Christian Berner's Nomination Committee is to prepare proposals ahead of the upcoming Annual General Meeting with regard to the chair of the meeting, the Board fees, auditors' fees, Board of Directors, Chairman of the Board, auditors and Nomination Committee. The Nomination Committee shall consist of three members appointed one each by the three largest shareholders in terms of votes at the time of the Annual General Meeting. If a shareholder declines to appoint a member, the right to appoint the member shall pass to the next-largest shareholder in terms of votes. If the member's association to the shareholder which nominated the member ceases, or if the member for any other reason leaves the Nomination Committee, the shareholder that nominated the member has the right to replace this member on the Nomination Committee. If a shareholder who has appointed a member to the Nomination Committee disposes of a significant portion of its shares in the company before the work of the Nomination Committee is concluded, the member appointed by this shareholder shall, if the Nomination Committee so decides, step down and be replaced by a new member appointed by the largest shareholder in terms of votes who is not already represented on the Nomination Committee. The Nomination Committee appoints a chair from among its members, who must not be the Chairman of the Board. The Nomination Committee ahead of the 2018 Annual General Meeting consists of Johan Lannebo (chair), Joachim Berner and Fabian Hielte.

Nomination Committee's work

The members confirmed that there are no conflicts of interest that affect their assignment. The Nomination Committee reviewed the results of the Board evaluation conducted in 2017. The Nomination Committee also received information from the Chairman of the Board regarding the work in the Board, the Audit Committee and the company's finance function. The Nomination Committee thereby received documentation to assess if the Board's composition is satisfactory and the need for competence and experience in the Board. The shareholders had the opportunity to submit proposals and opinions to the Nomination Committee prior to the 2018 Annual General Meeting. No remuneration has been paid by Christian Berner Tech Trade AB to the members of the Nomination Committee for their work.

The Nomination Committee's proposals for the 2018 Annual General Meeting are presented by the convening notice for the AGM and on the company's website, christianberner.com.

General Meeting

According to the Swedish Companies Act (2005:551), the General Meeting is the highest decision-making body of the company. The Annual General Meeting must be held within six months of the end of the financial year. The Annual General Meeting of Christian Berner usually takes place in April in Mölnlycke. At the Annual General Meeting, the shareholders exercise their right to vote on key issues, such as the adoption of the income statement and balance sheet, the appropriation of the company's profit or loss, the approval of discharge from liability for the members of the Board of Directors and the CEO, the election of members of the Board of Directors and auditors, as well as the remuneration of the Board of Directors and auditors. In addition to the Annual General Meeting, Extraordinary General Meetings may be convened. According to the Articles of Association, notice of General Meetings shall be given through an announcement in "Post- och Inrikes Tidningar" (the Swedish Official Gazette) and by publishing the notice on the company's website. At the same time as giving notice, the company shall announce in "Göteborgs-Posten" and "Dagens Industri" that notice has been given. At the Annual General Meeting of 24 April 2017, resolutions were made on the usual matters, including the appropriation of the company's profit, determination of the fees to be paid to the Board of Directors and the auditors, the number of Board members, the election of the Board of Directors, Chairman of the Board and auditors, as well as principles for the composition of the Nomination Committee. Minutes from the Annual General Meeting are available on Christian Berner Tech Trade's website christianberner.com. The 2018 Annual General Meeting will be held on 23 April 2018 in Mölnlycke.

Right to participate in the General Meeting

Shareholders who wish to participate in the discussions at the General Meeting must be entered in the share register maintained by Euroclear Sweden five weekdays before the meeting and must also register with the company their intention to participate in the General Meeting no later than the date indicated in the notice convening the meeting. This date cannot be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must be no earlier than the fifth weekday before the General Meeting. Shareholders can attend general meetings in person or be represented by a proxy and may also be assisted by a maximum of two people.

It is usually possible for shareholders to register for the General Meeting in a number of ways, as specified in the notice convening the meeting. Shareholders are entitled to vote on behalf of all the shares held by the shareholder.

Auditors

In order to examine the company's annual report and accounts as well as the management of the Board of Directors and the Chief Executive Officer, a registered accounting firm is appointed as the auditor at the Annual General Meeting. At the 2017 Annual General Meeting, the registered accounting firm Öhrlings PricewaterhouseCoopers AB (Skånegatan 1, 411 40 Gothenburg) was elected as the auditor for the period until the next Annual General Meeting. Authorised Public Accountant Michael Bengtsson is the auditor in charge. The auditors have participated in the Board meeting to present PwC's audit process and to give the Board members an opportunity to ask questions without the presence of management. The auditors also participated in the Audit Committee meetings. The auditors' fees are as stated in Note 8.

Board of Directors

The Board of Directors is the highest decision-making body of the company after the General Meeting. Under the Swedish Companies Act, the Board of Directors is responsible for the company's management and organisation, which means that the Board of Directors is responsible, among other things, for:

- establishing targets and strategies,
- ensuring procedures and systems are in place for the follow-up and control of the company's operations and the risks associated therewith,
- ensuring that there is a satisfactory control of the company's compliance to laws and other rules that apply to the company's operations and its compliance to internal guidelines,
- continuously monitoring the company's results and financial position,
- ensuring that the annual report and interim reports are prepared on time,
- appointing the company's CEO and,
- ensuring that the company's communication is characterised by openness and is correct, relevant and reliable.

The Board members are usually elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the company's Articles of Association, the Board of Directors must consist of at least three members and at most seven members and no deputies. The Chairman of the Board is elected by the Annual General Meeting and has specific responsibility for the management of the work of the Board of Directors and for the work of the Board of Directors being well organised and carried out in an effective manner. The Board of Directors follows written rules of procedure, which are revised annually and adopted at the constituent Board meeting each year. The rules of procedure govern, among other things, the Board's work and functions and the division of work between the Board members and the Chief Executive Officer. At the constituent Board meeting, the Board of Directors also adopts instructions for the Chief Executive Officer, including financial reporting. According to the rules of procedure currently in force, after the constituent meeting following the Annual General Meeting, the Board of Directors must meet on at least four scheduled occasions during the financial year. In addition to these Board meetings, further Board meetings may be convened to discuss issues that cannot be deferred to an ordinary Board meeting. Aside from the Board meetings, the Chairman of the Board and the Chief Executive Officer maintain an ongoing dialogue with regard to the management of the company.

			Independent in relation to			
Name	Position	Member since	The company and company management	Major shareholders	Audit Committee	Remuneration Committee
Joachim Berner	Chairman of the Board	2013	Yes	No	—	
Anders Birgersson	Board member	2009	Yes	Yes	—	
Malin Domstad	Board member	2015	Yes	Yes		
Lars Gatenbeck	Board member	2014	Yes	Yes	—	
Charlotta Utterström	Board member	2011	Yes	Yes		
Kerstin Gillsbro	Board member	2016	Yes	Yes		

* Function performed by the Board of Directors as a whole.

The company's Board of Directors currently comprises six ordinary members elected by the Annual General Meeting and two employee representatives as well as two deputy employee representatives. The Board of Directors consists of three women and three men. The company's Chief Executive Officer is not a member of the Board of Directors. In accordance with the Code, all Board members are independent in relation to the company and the company's management. All Board members, with the exception of the Chairman of the Board Joachim Berner, are also independent in relation to the company's major shareholders.

Board work

The overall task of the Board of Directors is to set the company's overall goals and strategy. The issues for the Board of Directors' work primarily concerns strategy work, follow-up and control of the company's operations and risks, value creation and control of the company's compliance with external and internal rules. The Board of Directors' follow-up of the company's compliance with internal and external rules is based partly on the reported results of the company's self-assessment process and partly on the risk-based mapping the company does annually (see table below). During the year, the Board of Directors held seven Board meetings.

Internal control

Self-assessment process

According to the policy, an assessment of internal control and its effectiveness must be performed annually by the finance department. The Group's Chief Financial Officer is responsible for presenting the results of this assessment to the Audit Committee and the Board of Directors. Christian Berner has Group-wide monitoring, where subsidiaries, business areas and functions must monitor the effectiveness of the controls and report back to the finance department.

Risk mapping

To ensure a good overview of the risks that the operation is exposed to, the company works in a structured manner to identify, analyse, value and handle risks in accordance with the process established prior to the listing on Nasdaq Stockholm. Within the scope of Christian Berner Tech Trade AB's risk management process, a number of risk areas have been identified. These are analysed and evaluated regularly by Group management. The company's CFO leads this work together with the company's controller. Significant risks and uncertainties are presented below together with the steps that can be taken to handle the risk.

Risks and uncertainties

RISKS	MANAGEMENT
Economic developments and market trends	
Christian Berner's business is dependant on the customers' purchases and investments and is affected by economic fluctuations.	The effect of the economic fluctuations is reduced by the company being active in many different industries and geographic areas. The two different business areas also have an equalising effect.
Structural changes at the customer	
Globalisation and rapid technological development are driving structural changes in the customer chain, which may result in a fall in demand for Christian Berner's services, for example through mergers and relocation.	As a strategic partner and adviser of manufacturers and customers, Christian Berner is able to organise, structure and streamline the decision-making process. This leads to increased efficiency for both the company's customers and suppliers. By offering technical solutions that lower costs and reduce environmental impact, the company creates added value for its customers.
Competitive situation	
Change and consolidation among companies in the technology trading industry affects the level of competition. There is a risk that suppliers will go directly to the customer or to a competitor.	Christian Berner has long-term relationships with leading suppliers. Christian Berner is an attractive business partner, which helps the company maintain its leading position. Its stable, long-term relationships with leading suppliers in various niches enable Christian Berner to provide its customers with high-quality, technologically advanced products.
Ability to recruit and retain staff	
Christian Berner is dependent upon its employees, who in many cases are highly trained. Being able to recruit and retain qualified staff is important in order to secure the level of expertise at the company.	Christian Berner works actively with continuing professional development and employee satisfaction at the company. Employee surveys are conducted annually.
Acquisitions and Goodwill	
Costs in connection with acquisitions may be higher than calculated and positive effects on income may take longer than anticipated. Goodwill impairment is also a risk, as is integration risk.	Christian Berner has documented previous experience of successful acquisitions and carries out thorough preliminary work.
Financial risks	
For a description of the financial risks of the Group and the parent company,	see Note 3.
Suppliers	
As an intermediary between the supplier and the customer, Christian Berner is dependent on the suppliers fulfilling their obligations.	Christian Berner has long-term relationships with leading suppliers, where quality is of the utmost importance.

Evaluation of the Board of Directors

The Board of Directors is evaluated every year with the aim of both developing the Board work and creating a basis for the Nomination Committee's evaluation of the Board's composition. The evaluation of the Board in 2017 took place by the members completing a questionnaire that was then compiled into a report to the Board. From the Board's evaluation, it was apparent that the Board work went well and that opinions from earlier evaluations were taken into account, but there is room for certain other improvements, including in the areas of a supply of talent and digitalisation strategy. The evaluation also showed that the composition of the group's expertise and experience is well composed.

Board fees

The Nomination Committee presents proposals for resolutions at the General Meeting concerning Board fees. Board fees are not paid for positions on the boards of subsidiaries. Board members who are employed within the Group do not receive any separate remuneration for Board work. The Board fees for the 2017 financial year are presented in Note 7. At the 2017 Annual General Meeting, it was resolved, according to the Nomination Committee's proposal, that a fee of SEK 300,000 would be paid to the Chairman of the Board for the coming year and a fee of SEK 130,000 per Board member would be paid to other Board members who are not employed in the Group. Remuneration will be paid for the work of Board members on the Audit Committee established by the Board of Directors in the amount of SEK 60,000 for the Chairman of the Audit Committee and SEK 30,000 for the other two members of the Audit Committee. Information on the Board fees for 2017 is in 2017 in Note 7 for the Group. The Nomination Committee's proposal on Board fees to the 2018 Annual General Meeting are presented by the convening notice for the Board Meeting.

Audit Committee

The company has an Audit Committee consisting of three members: Joachim Berner, Anders Birgersson and Chairman of the Committee Lars Gatenbeck. The Audit Committee must, without this affecting the general responsibilities and duties of the Board of Directors, among other things, monitor the company's financial reporting, monitor the effectiveness of the company's internal controls, self-assessment process and risk management, keep itself informed about the auditing of the annual accounts and consolidated financial statements, review and monitor the impartiality and independence of the auditor and in doing so pay particular attention to whether the auditor provides the company with services other than auditing services, and support the Nomination Committee in preparing proposals for the Annual General Meeting's election of auditors. All members of the Audit Committee are independent in relation to the company and the company's management. Anders Birgersson and Lars Gatenbeck are also independent in relation to the company's major shareholders. During the year, the Audit Committee held four meetings.

Remuneration Committee

The Board of Directors of Christian Berner has decided not to establish a separate remuneration committee. The Board of Directors as a whole deals with issues such as those concerning principles for remuneration and other terms of employment for the company's Chief Executive Officer and senior executives. The Board of Directors must also monitor and evaluate the application of guidelines for the remuneration of senior executives that by law are to be decided by the Annual General Meeting.

CEO and management group

The Chief Executive Officer is Bo Söderqvist. The Chief Executive Officer reports to the Board of Directors and is responsible for the company's routine administration and day-to-day operations. The division of work between the Board of Directors and the Chief Executive Officer is specified in the rules of procedure for the Board of Directors and the instructions for the Chief Executive Officer. The Chief Executive Officer may make the decisions required for the development of the business, within the parameters of the Swedish Companies Act and the business plan, budget and instructions for the Chief Executive Officer stipulated by the Board of Directors, as well as other guidelines and instructions which the Board of Directors may issue. The Chief Executive Officer must take the necessary steps to ensure that the company's accounts are fully compliant with the law and that asset management is conducted in a satisfactory manner. The Board of Christian Berner has drawn up instructions for the Chief Executive Officer, which must be adopted annually at the Board meeting immediately following each Annual General Meeting. According to the instructions for financial reporting, the Chief Executive Officer is ultimately responsible for financial reporting at the company and must consequently ensure that the Board of Directors receives adequate information in order to enable the Board to continuously monitor the company's financial position. The Chief Executive Officer must keep the Board of Directors continuously informed about the development of the company's operations, the net revenue trend, the company's profit and financial position, liquidity and credit position, important business events and any other event, circumstance or situation that may be deemed of significance to the company's shareholders. Together with CEO Bo Söderqvist, Christian Berner Tech Trade's Group management is comprised of the CFO and the presidents of the subsidiaries in Denmark, Finland and Norway. The Group management meets regularly and addresses issues that, among other matters, concern corporate governance, reporting and strategy. In addition, Group management assists the CEO in carrying out decisions by the Board of Directors.

Remuneration of senior executives

The salaries of the Chief Executive Officer and senior executives are determined by the Board. The Annual General Meeting has not decided on any guidelines for the remuneration of senior executives. Further information is provided in Note 7.

Internal control of financial reporting

Internal control at Christian Berner comprises internal control and risk management with regard to both operations and financial reporting. The aim is to ensure that financial reporting at all times gives a true and fair view of the Group's financial position and to secure the company's financing and overall capital structure. Internal control also aims to manage identified risks and processes in operations.

Control environment

The Board of Directors has ultimate responsibility for internal control and governance in relation to financial reporting. The Board of Directors annually adopts specific documents that instruct and support the work of the management and other employees to ensure that reporting is complete and accurate and gives a true and fair view. The Board of Directors and the management also define decision-making paths, responsibility paths and powers. These documents mainly comprise the Board of Directors' rules of procedure, the Chief Executive Officer's instructions and the finance policy, authorisation instruction, delegation structure and finance handbook. According to the finance policy, Christian Berner has established minimum requirements for internal control, in order to ensure an adequate internal control environment. These requirements specify the minimum expected level of governance and control that must be in place in all the company's business processes. According to the policy, an assessment of the level of internal control and the effectiveness of the controls must be performed annually by the finance department. The Group's Chief Financial Officer is responsible for presenting the results of this assessment to the Audit Committee and the Board of Directors. Christian Berner has Group-wide monitoring, where subsidiaries, business areas and functions must monitor the effectiveness of the controls and report back to the finance department.

Risk assessment

Christian Berner evaluates the risks in the business both on an ongoing basis and annually and these are managed by the Board of Directors and the management through follow-up contact and discussions. The Audit Committee, which works according to specially adopted rules of procedure, is responsible for securing the processes for risk assessment and risk management with regard to financial reporting.

Control activities

Christian Berner's monitoring and control of the objectives of the company are carried out on an ongoing basis by the management. Monitoring by the Board of Directors takes place primarily via the Audit Committee and the external auditors review selected elements of the internal control and report to the Audit Committee. The financial reports of subsidiaries are monitored on an ongoing basis at Group level. There is also a reporting structure from the subsidiaries to the CEO on an ongoing basis and monthly Group management meetings are also held.

Information and communication

Information and communication are a significant and important part of the implementation of internal control at Christian Berner. An information policy has been adopted that covers the provision of information, both the disclosure of insider information and other information, crisis management, rumours, etc. The company's financial calendar contains a schedule of when the annual reports and quarterly reports are to be published. The CEO is responsible for and ensures that information is disclosed and communicated to the relevant persons and parties.

Monitoring

Christian Berner's Board of Directors and management have an ongoing dialogue, through which the financial situation and the established strategies are monitored. These issues are also discussed at every Board meeting and the Board members receive information monthly about financial reporting and operational reports.

Financial reporting and monitoring

In accordance with the relevant legislation and stock exchange rules, as well as other regulations in force at any given time, the company strives to regularly provide accurate, reliable and up-to-date financial information. Financial information is published regularly in the form of interim reports and year-end reports, annual reports and press releases containing news and significant events that may affect the share price. The company's Chief Financial Officer is responsible for reporting risks in accordance with the company's finance policy. When deemed appropriate and in connection with quarterly reports, the CFO shall prepare a simple financial report for the Board of Directors containing details of the structure of investments and the portfolio, futures contracts agreed and information that is otherwise considered to be of interest and significance from a risk management perspective. The CEO and CFO shall together provide financial reports in written and oral form at Board meetings and monthly, or on request during the month, provide clear written information and reports on significant events and financial outcome. Financial reporting must include, among other things, the consolidated income statement, balance sheet, changes in equity, statement of cash flows, key performance indicators and liquidity. It must also contain an analysis of deviations from the Board's established budget/forecast and a comparison with the outcome for the corresponding period in the previous year.

Auditor statement on corporate governance report

To the General Meeting of shareholders of Christian Berner Tech Trade AB (publ), corp. ID no. 556026-3666

Assignment and division of responsibilities

It is the Board of Directors that is responsible for the corporate governance report for the year 2017 on pages 21-25 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Review's focus and scope

Our review has been conducted in accordance with FAR's statement RevU 16 Auditor's review of the corporate governance report. This means that our review of the corporate governance report has another focus and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinions.

Opinions

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6 Section 6 Paragraph 2 Items 2-6 of the Annual Accounts Act and Chapter 7 Section 31 Paragraph 2 of the same act are consistent with the annual accounts and consolidated accounts and are in compliance with the Annual Accounts Act.

Mölnlycke, 23 March 2018
Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

Auditor statement on the statutory sustainability report

To the General Meeting of shareholders of Christian Berner Tech Trade AB (publ), corp. ID no. 556026-3666

Assignment and division of responsibilities

It is the Board of Directors that is responsible for the sustainability report for the year 2017 on pages 12-14 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Review's focus and scope

Our review has been conducted in accordance with FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our review of the sustainability report has another focus and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinion.

Opinions

A sustainability report has been prepared.

Mölnlycke, 23 March 2018
Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

Board of Directors

Joachim Berner

Born 1962. Chairman of the Board of Directors since 2014 (Board member since 2013 and from 1989 to 2008). Member of the Audit Committee.

Education: Fil. mag. in Economics, MBA, from the School of Business, Economics and Law at the University of Gothenburg.

Other current positions: Industrial advisor to Accendo Capital, Segulah and Capman. CEO of Christian Berner Invest AB. Chairman of the Boards of Gårdaverken AB, Christian Berner Invest AB, Berner Fastighets AB, Mitt i TopCo AB and Seafire Capital (Publ). YA Holding AB, Eniro AB (publ), njuice AB and Teknoma Oy.

Shareholding in Christian Berner Tech Trade: 1,250,000 class A shares and 8,214,651 class B shares through Christian Berner Invest AB.

Anders Birgersson

Born 1958. Board member since 2009. Member of the Audit Committee.

Education: Graduate Engineer in Mechanical Engineering from Chalmers University of Technology and Business Administration at the University of Skövde.

Other current positions: President, CEO and Board member of VBG Group AB. Member of the Boards of Elos Medtech AB and Sparbanken Lidköping AB.

Shareholding in Christian Berner Tech Trade: 3,818 class B shares.

Malin Domstad

Born 1970. Board member since 2015.

Education: BSc Industrial Automation at the University of Skövde.

Other current positions: Chief Purchasing Officer at Kongsberg Automotive AB.

Shareholding in Christian Berner Tech Trade: 1,200 class B shares.

Lars Gatenbeck

Born 1956. Board member since 2014. Chairman of the Audit Committee.

Education: Dr. Med. at Karolinska Institutet, Master of Science in Medicine at Karolinska Institutet.

Other current positions: Industrial advisor to EQT. Chairman of the Boards of Life Medical Sweden AB, Life Equity Group Holding AB and Akademikliniken Group Holding AB. Deputy Chairman of the Boards of Industrifonden Foundation, member of the Boards of Tunstall Health Care Group Ltd., Dataflow Group PTY, Cancerföreningen and the Silviahemmet Foundation. Trustee of the King Gustav V Jubilee Foundation.

Shareholding in Christian Berner Tech Trade: 16,364 class B shares.

Charlotta Utterström

Born 1972. Board member since 2011.

Education: Graduate in Economics from the School of Business, Economics and Law at the University of Gothenburg.

Other current positions: CEO of Certaincy AB.

Shareholding in Christian Berner Tech Trade: 1,309 class B shares.

Kerstin Gillsbro

Born 1961. Board member since 2016.

Education: Graduate Engineer in Civil Engineering from the Faculty of Engineering at Lund University.

Other current positions: CEO of Jernhusen AB. Board member of Stena Fastigheter AB. Member of the Boards of Green Building Council and JBS (Swedish Railway Industry's collaboration forum).

Shareholding in Christian Berner Tech Trade: –

Kurt Olofsson

Born 1952. Employee representative since 2004.

Education: Mechanical engineer.

Other current positions: Technical Sales Representative for Process Facilities in the Process & Environment business area at Christian Berner AB, Chairman of the Local Union Chapter at Christian Berner AB.

Shareholding in Christian Berner Tech Trade: –

Sohrab Moshiri

Born 1985. Employee representative since 2015.

Education: Graduate Engineer in Chemical Engineering from the Swedish Royal Institute of Technology.

Other current positions: Technical Sales Representative for Steam, Gas & Energy Technology in the Process & Environment business area at Christian Berner AB.

Shareholding in Christian Berner Tech Trade: –

Auditor

Registered public accounting firm, PWC AB, company identity number 556029-6740.
Chief Auditor, Michael Bengtsson, born 1959.
Michael Bengtsson is an authorised public accountant and a member of FAR.

Management

Bo Söderqvist

Born 1963. CEO since 2010 and President of Christian Berner AB since 2010.

Education: Leadership training at the Swedish Institute of Management, Krauthammer International and Håkan Frödén Coaching & Communication. Training in steel and metal at SSAB Borlänge and Inexa. Sales training at BE-skolan.

Other current positions: Chairman of the Boards of Christian Berner AB, Christian Berner Oy, AS Christian Berner and Christian Berner AS.

Shareholding in Christian Berner Tech Trade: 200,000 class B shares.

Torbjörn Gustafsson

Born 1976. CFO since 2018.

Education: MSc in Economics at Lund University.

Other current positions: Member of the Boards of Christian Berner AB, A/S Christian Berner, Christian Berner AS and Christian Berner Oy.

Torbjörn Gustafsson, employed since February 2018, replaced Anna Boqvist who resigned from her position as the CFO in November 2017.

Herman Thon

Born 1970. President of Christian Berner AS since 2017.

Education: Leadership training from the Norwegian Defence University College, MSc in Marketing from Kristiania University College, MBA from the Norwegian School of Economics (NHH).

Other current positions: Board member of Christian Berner AS.

Erik Thorup

Born 1963. President of A/S Christian Berner since 2008.

Education: Graduate Engineer in Mechanical Engineering from the Technical University of Denmark and Bachelor's degree in Business Administration, International Business, from the Copenhagen Business School.

Other current positions: Board member of A/S Christian Berner.

Shareholding in Christian Berner Tech Trade: 2,182 class B shares.

Henrik Westerholm

Born 1970. President of Christian Berner Oy since 2006.

Education: Engineer in Machine Automation at the Institute of Technology in Helsinki.

Other current positions: Board member of Christian Berner Oy.

Shareholding in Christian Berner Tech Trade: 8,727 class B shares.

Change of listing marked 2017

During the year, Christian Berner Tech Trade carried out a listing change to Nasdaq Stockholm's main list. The listing change was important as it provides better conditions for more institutional ownership, and has also entailed a greater interest in the company in general. During the year, a share buyback was also initiated.

The Stockholm stock exchange rose by 6 per cent in 2017. The Christian Berner share developed worse than the market as a whole and declined by 15 per cent to a price of SEK 16.50. Since the listing in 2014, the Christian Berner share has generated a total return of 72 per cent (price trend + reinvested dividend). In the same period, the comparative index Stockholm Benchmark GI provided a total return of 41 per cent.

In 2017, 4.7 million shares were traded at a total value of SEK 88.1 million. This is equivalent to a turnover rate of 32 per cent. On average, there were 25 trades in Christian Berner's share on each trading day of the year.

Ownership structure

Christian Berner has a total of 1,469 (972) shareholders, which is an increase that can largely be attributed to the better conditions resulting from the listing change during the year. Christian Berner Invest AB was the largest single owner in Christian Berner at year-end and held 43.8 per cent of the capital and 27.4 per cent of the votes in Christian Berner. During the year, Gårdaverken AB acquired all 1,250,000 class A shares in Christian Berner Tech Trade AB from Christian Berner Invest AB, corresponding to 6.7 per cent of the capital and 41.7 per cent of the votes. After the end of the financial year, Christian Berner Invest AB dissolved the joint holding company ownership of shares in Christian Berner Tech Trade AB. The holding company thereby distributed all class B shares in CBTT AB to the holding company's shareholders. After these transactions, Gårdaverken AB is now the single largest owner with a voting majority.

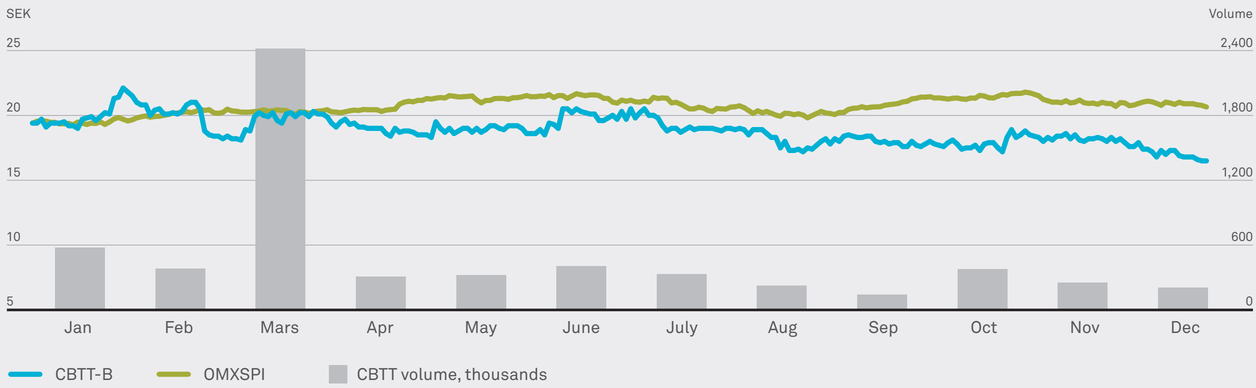
Share buyback and dividend

During the year, the Board of Directors decided to use the authorisation provided by the AGM for a buyback and transfer of own shares. The purpose of the share buyback is to provide greater flexibility in corporate acquisitions. In 2017, Christian Berner bought back 398,727 shares.

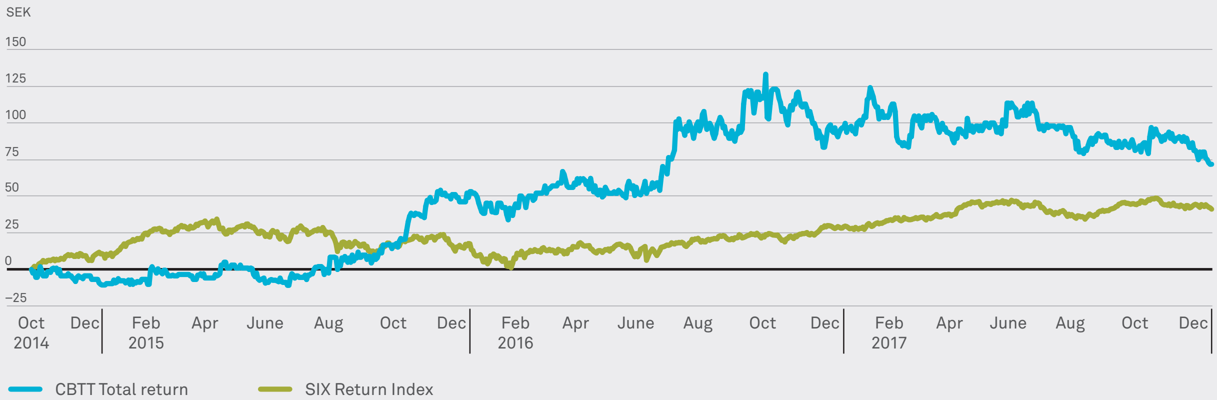
Christian Berner's aim is for the dividend to be 30–50 per cent of the profit after tax. The Board's proposed dividend for 2017 is SEK 0.5 per share, which corresponds to 61 per cent of the company's profit.

Christian Berner Tech Trade AB was listed on Nasdaq Stockholm on 31 March 2017.

Price trend 2017



Total return since listing



Shareholders	Class A shares	Class B shares	Shares	% of capital	% of votes
Gårdaverken AB	1,250,000		1,250,000	6.7%	41.7%
Christian Berner Invest AB	–	8,214,651	8,214,651	43.8%	27.4%
Lannebo Micro Cap	–	2,068,580	2,068,580	11.0%	6.9%
Ernström Kapitalpartner AB	–	1,900,000	1,900,000	10.1%	6.3%
Second Swedish National Pension Fund	–	850,000	850,000	4.5%	2.8%
AMF Aktiefond småbolag	–	650,000	650,000	3.5%	2.2%
Christian Berner Tech Trade (treasury holdings)	–	398,727	398,727	2.1%	1.3%
Grenspecialisten förvaltning AB	–	246,000	246,000	1.3%	0.8%
Bo Söderqvist	–	200,000	200,000	1.1%	0.7%
BPSS LUX/FIM/LU FD/CA TA/UCITS	–	–	186,811	1%	0.6%
Others	–	2,981,440	2,981,440	15.9%	9.9%
Total	**1,250,000**	**17,509,398**	**18,759,398**	**100.0%**	**100.0%**

Directors' report

The Board of Directors and CEO of Christian Berner Tech Trade AB (publ), company registration number 556026-3666, with its registered office in Mölnlycke, hereby submit the annual report and consolidated financial statements for the 2017 financial year.

Operations

Christian Berner was founded in 1897 and is today one of the leading technology trading companies in the Nordic region. Christian Berner markets and sells high-quality components, systems and services with a high technical content from leading international manufacturers to industries and the public sector throughout the Nordic region. It also provides consultation, analysis of the customer's technical requirements, development, installation and service.

The Group operates within a number of geographic segments, with the subsidiaries in each country constituting a separate profit centre. Christian Berner's products include technical products within the Process and Environmental Technology business area, such as filtration and process technology, UV equipment and industrial equipment, and within the Materials Technology business area materials to reduce vibration and noise, as well as plastics. By offering technical solutions that lower costs and reduce environmental impact, the company creates added value for its customers.

Net revenue and profit

The 2017 financial year remained stable. Group companies in Sweden and Denmark continued to develop positively. Norway showed a weak development and during the year, a new president began the work of turning the negative earnings trend. Finland showed a very large earnings improvement with a profitable operation in line with the Group's targets.

The Group's net revenue for the year amounted to SEK 449.5 (429.1) million, accounting for a growth of 4.8 per cent, which is below the Group's growth target. This was mainly because Norway was encumbered by a continued weak offshore market and personnel changes in the Process and Environment business area and deliveries in Sweden postponed to 2018. Operating profit was SEK 20.2 (23.8) million, including SEK 4.3 million relating to expenses for the company's planned change of listing. EBITA was SEK 21.5 (25.1) million, corresponding to an EBITA margin of 4.8 (5.9) per cent. The order intake for the year grew by 4.7 per cent to SEK 451.5 (431.2) million.

Sweden had a revenue growth of 3.5 per cent, SEK 293.2 (283.4) million in 2017. The order intake increased by 6.6 per cent to SEK 303.8 (284.9) million. Sweden enjoyed a positive profit trend during the year, with operating profit for the business totalling SEK 27.2 (28.6) million. EBITA was SEK 28.5 (29.9) million, 4.5 per cent lower than the previous year. This was primarily the result of postponed sales in the Materials Technology business area and a lower coverage ratio in the same area and higher staff costs in the form of a new HR manager. Process & Environment had an EBITA that was lower than the previous year, which was primarily due to higher staff costs. Materials Technology had an EBITA that was lower than the previous year due to deliveries that were postponed to 2018. The Swedish company returned an EBITA margin of 9.7 (10.5) per cent. The two acquisitions made in the previous year were integrated during the year in the Swedish company. Fillflex AB was integrated in the Process & Environment business area and will strengthen Christian Berner's position in liquid filling on the Nordic market. PlastKapTek Sverige AB, which processes and supplies plastic, from semi-manufactured to finished products, was integrated in the Materials Technology business area. The acquisition strengthens Christian Berner's position in processed plastic products on the Nordic market, where there is demand for more finished parts, meaning that machining is increasing in strategic importance.

Danish operations had another year with a strong result. Net revenue grew by 32.7 per cent compared with the previous year and amounted to SEK 23.1 (17.4) million. Order intake increased by 21.9 per cent. The company provided an operating profit and EBITA of SEK 2.6 (1.7) million, which is a growth of 48.6 per cent. The stronger earnings came from the Process & Environment business area, which was successful in Ballast Water Systems, which is a new and exciting area for the company. Profitability in Denmark is at a stable level and the EBITA margin was 11.1 (9.9) per cent. Ongoing sales continued along a positive trend during the year.

Norway had a challenging year in 2017 with many challenges on the market. Net revenue for the year amounted to SEK 62.6 (74.3) million and order intake decreased by 20.0 per cent. There was an operating loss and negative EBITA for the year of SEK –3.6 (2.6) million. This was due partly to lower sales in Powder in the Process & Environment business area and a declining offshore market in plastic sales in the Materials Technology business area. During the year, a new president took office during the year and made several changes that will contribute to turning the negative development trend for Norway. The changes have entailed higher costs in the short term, but are contributing to long-term savings.

Finland had an incredibly strong year with net revenue that grew by 30.6 per cent to SEK 70.5 (54.0) million. Operating profit and the EBITA for the year increased to SEK 6.5 (0.9) million, corresponding to an EBITA margin of 9.3 (1.7) per cent. The order intake had a growth of 35.1 per cent. It was sales of vibration-damping material for the construction industry, within the Materials Technology business area, that delivered particularly good results and helped to ensure that the business is now profitable. The product areas in the Process & Environment business area also had strong growth during the year.

Financial position

Return

Return on equity after financial items for the past 12 month period amounted to 20.9 (26.1) per cent.

Cash flow

Cash flow from operating activities was SEK 24.1 (14.8) million. The change in working capital compared with the previous year is primarily attributable to negative impact on the cash flow with regard to an increase in stock and higher tax payments. A positive effect on cash flow was noted with regard to a change in operating receivables and operating liabilities. Cash flow from investing activities amounted to SEK –3.5 (–19.1) million where the major different was because no acquisitions were made in 2017 in contrast to the previous year. Cash flow from financing activities accounted for SEK –20.9 (–3.1) million and included a dividend of SEK 9.4 (9.4) million as well as a buyback of shares for SEK 7.4 (0) million.

Equity ratio

The equity ratio at 31 December was 50.8 (50.2) per cent.

Employees
At the end of the year the Group had 129 (129) employees and the average number of employees during the year was 129 (133).

Environmental impact
Christian Berner acts responsibly and active sustainability work is therefore important for the company. Christian Berner takes a holistic view, centred around good business ethics, the environment, human rights and the company's future. Christian Berner complies with the international conventions UN Global Compact, ILO and the OECD guidelines for multinational enterprises. The business comprises trading, distribution and a limited amount of processing. The Group's impact on the environment is limited and relates primarily to the transport of goods, business travel and waste management. The subsidiaries of CBTT operate activities that require a permit under the Swedish Environmental Code. None of the Group's companies are involved in any environmental disputes.

Research and development
The company invests resources in producing customised solutions for customers and partners as well as its own brands. The company does not carry out any pure research. Development costs consist of operating expenses.

Transactions with related parties
There were no transactions between Christian Berner and related parties that had a significant impact on the financial position and results. See Note 27 of this annual report.

Parent company
The main tasks of the parent company are to take responsibility for management, business development, acquisitions, financing and analysis. The parent company's internal net revenue for the financial year was SEK 14.1 (12.3) million and profit/loss after net financial items was SEK –3.7 (–7.6) million. The parent company's financial non-current assets mainly comprise shares in subsidiaries. At 31 December, there were 3 (3) employees. The finance department was further strengthened by the company employing a controller to increase the competence in IFRS and reporting in the company. The company's CFO resigned on 30 November 2017. A new CFO took office on 1 February 2018. During the year, the company implemented the planned listing change from First North to the regulated market Small Cap at Stockholm Nasdaq.

Events after the end of the financial year
Christian Berner Tech Trade AB signed an agreement to acquire all the shares of Zander & Ingeström AB on 16 February 2018. Zander & Ingeström AB (http://zeta.se) is one of Sweden's leading companies in pump and heating technology, working with customers in the processing, paper, water/power and mining industries.

In 2017, the company's revenue amounted to SEK 124 million and it had an operating profit of SEK 16.4 million. At the end of 2017, the company had 24 employees. The purchase price was SEK 125 million on a debt-free basis and financing takes place through loans and shares. An additional purchase sum of a maximum of SEK 15 million may become payable based on the 2018 earnings.

Possession will be transferred on 1 March 2018. Zander & Ingeström AB will continue its activities as an independent company within Christian Berner's Process & Environment business area in Sweden. Lars-Olof Larsson, President of Zander & Ingeström AB, will be part of the Group management team. The acquisition is expected to have a positive impact on Christian Berner Tech Trade's earnings per share on an annual basis.

If the acquisition would have taken place as per 1 January 2017, this would have affected net revenue positively for the year of 2017 by SEK 124 million and net revenue would have totalled SEK 573 million for the Group. The operating profit would have been positively impacted by SEK 16.4 million to total SEK 36.4 million for the Group for 2017. Payment was made on 1 March 2018 in an amount of SEK 125 million in total. Of this amount, SEK 70 million consists of recently raised acquisition loans, SEK 8.1 million pertains to payment through a share buyback and SEK 46.9 million is paid through equity.

The acquisition calculation for the purchase will be presented in the quarterly report for the first quarter of 2018, which will be published on 23 April 2018.

The company employed Torbjörn Gustafsson as a new CFO and he took office on 1 February 2018.

Outlook
Christian Berner currently sees no indications of any general change in the demand situation compared with 2017. The ambition is to generate growth in 2018 through organic growth as well as through acquisitions and to take further steps towards achieving the financial targets.

Appropriation of earnings, SEK thousands

The following is at the disposal of the Annual General Meeting:	
Retained earnings	52,574
Profit for the year	13,722
Total	66,296

The Board of Directors proposes	
Dividend of SEK 0.50 per share	9,380
To be carried forward	56,916
Total	66,296

Proposed dividend resolution
The Board proposes that a dividend be paid totalling SEK 9,380,000, which is equivalent to SEK 0.50 per share.

The Board proposes that the dividend payment be made immediately after the Annual General Meeting.

It is the opinion of the Board that the proposed dividend is justifiable considering the demands that the nature, scope and risks of the business place on the size of the equity and the company's consolidation requirements, liquidity and financial position in general. This opinion should be viewed against the background of the information contained in the annual report. The company management is not planning any significant changes to the existing business, such as major investments, sales or liquidation. For more information about the company's financial position and performance, refer to the following income statement and balance sheet and the related supplementary information.

Consolidated statement of comprehensive income

SEK thousands	Note	**2017**	2016
Operating income			
Net revenue	5	449,607	429,121
Other operating income	6	388	536
Total operating income		**449,995**	**429,657**
Goods for resale		–262,536	–251,007
Other external costs	8, 9, 27	–46,558	–43,414
Staff costs	7	–116,227	–107,197
Depreciation of property, plant and equipment and amortisation of intangible assets	14, 15	–4,497	–4,224
Total operating expenses		**–429,817**	**–405,842**
Operating profit/loss		**20,177**	**23,815**
Financial income	10, 11	177	274
Financial expenses	10, 11	–434	–375
Net financial result		**–257**	**–101**
Profit/loss before tax		**19,920**	**23,714**
Income tax	12	–4,473	–5,182
Profit/loss for the year		**15,448**	**18,532**
Other comprehensive income			
Items that can be transferred to profit and loss for the year			
Translation differences on translation of foreign subsidiaries		332	783
Other comprehensive income for the year, net after tax		**332**	**783**
Total comprehensive income for the year		**15,779**	**19,315**

The profit for the year and the total comprehensive income are entirely attributable to the parent company's shareholders

Earnings per share	Note	**2017**	2016
Earnings per share before dilution (SEK)	13	0.84	0.99
Earnings per share after dilution (SEK)	13	0.84	0.99

Consolidated statement of financial position

SEK thousands	Note	31/12/2017	31/12/2016
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	14	14,844	15,594
Distribution rights	14	4,825	6,115
Trademarks	14	3,000	3,000
Total intangible assets		**22,669**	**24,709**
Property, plant and equipment			
Machinery and equipment	15	12,310	10,608
Total property, plant and equipment		**12,310**	**10,608**
Financial assets			
Other non-current receivables	16	179	174
Total financial assets		**179**	**174**
Deferred tax assets	21	2,375	3,184
Total non-current assets		**37,533**	**38,675**
Current assets			
Inventories			
Finished goods and goods for resale		21,822	19,631
Advance payments to suppliers		1,659	376
Total inventories, etc.		**23,481**	**20,007**
Current receivables			
Trade receivables	16, 17	56,734	60,981
Current tax assets		72	–
Other current receivables		2,410	3,421
Prepaid expenses and accrued income	18	2,124	3,126
Cash and cash equivalents	19	64,538	64,983
Total current receivables		**125,878**	**132,510**
Total current assets		**149,359**	**152,517**
TOTAL ASSETS		**186,891**	**191,192**

SEK thousands	Note	31/12/2017	31/12/2016
EQUITY AND LIABILITIES			
Equity			
Share capital		625	625
Other capital contributions		41,228	41,228
Reserves		422	90
Retained earnings (incl. profit/loss for the year)		52,687	53,978
Total equity		**94,962**	**95,921**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	16, 20	10,724	12,331
Deferred tax liabilities	21	1,961	2,189
Total non-current liabilities		**12,685**	**14,520**
Current liabilities			
Liabilities to credit institutions	16, 20	4,369	5,616
Advance payments from customers		4,240	1,747
Trade payables	22	30,234	27,943
Current tax liabilities		–	4,500
Other current liabilities		15,007	14,140
Accrued expenses and prepaid income	23	25,394	26,804
Total current liabilities		**79,244**	**80,751**
Total liabilities		**91,929**	**95,270**
TOTAL EQUITY AND LIABILITIES		**186,891**	**191,192**

Consolidated statement of changes in equity

SEK thousands	Note	Share capital	Other capital contributions	Reserves	Retained earnings including profit/ loss for the year	Total equity
Opening equity, 01/01/2016		**625**	**41,228**	**–693**	**44,826**	**85,986**
Profit/loss for the year		–	–	–	18,532	18,532
Other comprehensive income						
Translation differences for the year		–	–	783	–	783
Total comprehensive income				**783**	**18,532**	**19,315**
Transactions with shareholders						
Dividend					–9,380	–9,380
Closing equity, 31/12/2016		**625**	**41,228**	**90**	**53,978**	**95,921**
Opening equity, 01/01/2017		**625**	**41,228**	**90**	**53,978**	**95,921**
Profit/loss for the year		–	–	–	15,448	15,448
Other comprehensive income for the year						
Translation differences for the year		–	–	332	–	332
Total comprehensive income		**–**	**–**	**332**	**15,448**	**15,779**
Transactions with shareholders						
Dividend		–	–	–	–9,380	–9,380
Buyback of own shares		–	–	–	–7,358	–7,358
Closing equity, 31/12/2017		**625**	**41,228**	**422**	**52,687**	**94,962**

Equity is attributable in its entirety to the shareholders in the parent company, Christian Berner Tech Trade AB.

Consolidated statement of cash flows

SEK thousands	Note	**2017**	2016
Cash flow from operating activities			
Operating profit/loss		20,177	23,815
Adjustment for non-cash items	24	4,884	3,700
Interest paid and similar items		–434	–89
Interest received		177	274
Income tax paid/refunded		–8,459	–3,960
Cash flow from operating activities before changes in working capital		**16,345**	**23,740**
Cash flow from changes in working capital			
Increase/decrease in inventories		–3,475	677
Increase/decrease in operating receivables		6,578	–4,753
Increase/decrease in operating liabilities		4,606	–4,894
Total change in working capital		**7,709**	**–8,970**
Cash flow from operating activities		**24,054**	**14,770**
Cash flow from investing activities			
Acquisition of subsidiaries, less acquired funds		–1,431	–18,434
Acquisition of property, plant and equipment		–2,073	–1,648
Disposal of property, plant and equipment		24	970
Acquisition of financial non-current assets		–5	–8
Cash flow from investing activities		**–3,485**	**–19,120**
Cash flow from financing activities			
Loans raised, parent company		–	10,000
Loans raised		–	1,365
Repayment of loans	24	–2,000	–3,026
Dividend		–9,380	–9,380
Buyback of own shares		–7,358	–
Payment for finance leases	24	–2,165	–2,020
Cash flow from financing activities		**–20,903**	**–3,061**
Cash flow for the period		**–334**	**–7,411**
Cash and cash equivalents at the start of the period		64,983	71,699
Exchange difference in cash and cash equivalents		–110	695
Cash and cash equivalents at end of year		**64,538**	**64,983**

Notes – Group

Amounts are in thousands of Swedish kronor (SEK ‘000) unless otherwise indicated.

NOTE 1 General information

The parent company Christian Berner Tech Trade AB (publ) and its subsidiaries (together the Group) market, sell and supply components, systems and services with a high technical content. The range includes high-quality products, consultancy services, system solutions, installation, services and processing for customers in industry and the public sector. The products come from around 150 suppliers who in most cases are leaders in their respective niches. The Group has operations in Sweden, Norway, Finland and Denmark, with the largest market being Sweden.

The parent company is a limited liability company registered in Sweden and with its registered office in Mölnlycke. The postal address of the head office is Box 88, SE-435 22 Mölnlycke, Sweden, and the visiting address is Designvägen 1, Mölnlycke, Sweden.

The Board of Directors approved the year-end report on 21 February 2018. The consolidated statement of comprehensive income and the consolidated statement of financial position, as well as the parent company's income statement and balance sheet, will be submitted for adoption at the Annual General Meeting on 23 April 2018.

All amounts are reported in thousands of Swedish kronor (SEK ‘000), unless otherwise indicated. The figures in brackets relate to the previous year.

NOTE 2 Summary of significant accounting principles

The significant accounting principles applied in the preparation of these consolidated financial statements are described below. These principles have been applied consistently to all the years presented, unless otherwise stated.

2.1 Basis for preparation of the reports

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Corporate Groups, and International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. Assets and liabilities are valued at historical cost.

All reports prepared in compliance with IFRS require the use of a number of significant accounting estimates. Furthermore, the management is required to make certain assessments upon application of the Group's accounting principles. Those areas that involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant for the consolidated financial statements are indicated in Note 4.

2.1.1 Changes in accounting principles and disclosures

Changed accounting principles and disclosures

There are no new IFRS or statements adopted by the EU that are applicable to Christian Berner Tech Trade or have a material effect on the Group's position and performance in 2017.

New and amended standards and interpretations that have been issued, but have not yet come into force

A number of new standards and interpretations come into effect for financial years beginning after 1 January 2016, which have not been applied in the preparation of these financial statements. Below is a preliminary assessment of the impact of the standards considered relevant to the Group:

IFRS 9 “Financial Instruments” addresses the classification, measurement and recognition of financial assets and liabilities. It replaces those parts of IAS 39 that deal with the classification and measurement of financial instruments. IFRS 9 retains a mixed measurement approach, but simplifies this approach in some respects. There will be three measurement classifications for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. How an instrument is classified depends on the company's business model and the instrument's characteristics. Investments in equity instruments are to be recognised at fair value through profit or loss, but there is also an option to recognise the instrument at fair value through other comprehensive income on initial recognition. There is then no reclassification to profit or loss on the disposal of the instrument. There is no change to the classification and measurement of financial liabilities, except in cases where a liability is recognised at fair value through profit or loss based on the fair value alternative.

This standard must be applied to financial years that begin on 1 January 2018. The Group's assessment after a completed review of the standard is that the introduction of IFRS 9 “Financial Instruments” will not entail any material impact on the consolidated financial statements in the transition period beyond the expanded disclosure requirement set by the standard.

IFRS 15 “Revenue from Contracts with Customers” specifies how revenue is to be recognised. The principles on which IFRS 15 is based will provide the users of financial statements with more useful information about the company's revenue. The increased disclosure requirements mean that information must be provided about the type of revenue, the date of settlement, uncertainties relating to revenue recognition and cash flow attributable to the company's customer contracts. Under IFRS 15, revenue must be recognised when the customer gains control over the good or service sold and is able to use and obtain the benefits of the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction contracts and the related SIC and IFRIC. IFRS 15 becomes effective on 1 January 2018. The Group completed work in 2017 to evaluate the effects this standard will have on the Group's results and financial position. The project included a review of the sale of goods and services with the aim of identifying the separate performance commitments in the Group's various sales flows. Altogether, the Group's assessment is that the introduction of the standard will not have any effect on the Group's revenue recognition in the transition period beyond the expanded disclosure requirement set by the standard. The Group applies the “modified retrospective approach”.

IFRS 16 “Leases”. In January 2016, the IASB published a new lease standard that will replace IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires assets and liabilities relating to all leases, with some exceptions, to be recognised on the balance sheet. This recognition is based on the view that the lessee has a right to use an asset for a specific period of time and at the same time an obligation to pay for that right. Recognition by the lessor will essentially remain unchanged.

The standard applies to financial years beginning on or after 1 January 2019. According to the Group's preliminary assessment, IFRS 16 means that the Group's operating leases relating to machinery, vehicles and office premises will be recognised on the balance sheet as rights to use an asset. Corresponding amounts will initially be recognised as financial liabilities. Company management's current assessment is that the standard will have a material impact on the Group's balance sheet. There is currently no precise calculation, but rather the obligations regarding operating leases as per 31 December 2017 are being prepared. At 31 December 2016, the undiscounted amount of payment obligations for operating leases was SEK 68.2 million.

None of the other IFRS or IFRIC interpretations that have not yet entered into force are expected to have any significant impact on the Group.

2.2 Consolidation

2.2.1 Basic accounting principles

Subsidiaries

Subsidiaries are all companies (including structured companies) over which the Group has a controlling influence. The Group controls a company when it is exposed or entitled to a variable return from its holdings in the company and is able to influence the return through its influence over the company.

Subsidiaries are included in the consolidated financial statements as of the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which the controlling influence ceases.

The purchase method is used for reporting the Group's business combinations. The purchase price for the acquisition of a subsidiary is the fair value of the transferred assets, the liabilities assumed by the Group to the former owners of the acquired company and the shares issued by the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Costs associated with acquisitions are expensed as they arise.

Goodwill is initially measured as the amount by which the total purchase price and any fair value of non-controlling interests at the date of acquisition exceeds the fair value of identifiable net assets acquired. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is recognised directly in profit and loss.

Intra-Group transactions, balance sheet items, and income and expenses from transactions between Group companies are eliminated. Gains and losses resulting from intra-Group transactions that are recognised in assets are also eliminated.

Note 2 cont.

Where applicable, the accounting principles of subsidiaries have been amended to guarantee a consistent application of the Group's principles.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. Within the Group, this function has been identified as the CEO, who makes strategic decisions.

2.4 Translation of foreign currency

Functional currency and reporting currency

The different units of the Group have the local currency as their functional currency, as the local currency has been defined as the currency used in the primary economic environment in which the unit mainly operates. Swedish kronor (SEK), the functional currency of the parent company and the reporting currency of the Group, 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 that apply on the transaction date. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currencies at closing date rates are recognised in operating profit.

Foreign exchange gains and losses relating to loans and cash and cash equivalents are recognised in the income statement as financial income or expenses.

Translation of foreign Group companies

The results and financial position of all Group companies with a functional currency different to the reporting currency are translated to the Group's reporting currency. The assets and liabilities on each balance sheet are translated from the functional currency of the foreign operation to the Group's reporting currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. The income and expenses in each income statement are translated to Swedish kronor at the average exchange rate prevailing at each transaction date. Translation differences arising on the translation of foreign operations are recognised in other comprehensive income.

2.5 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the purchase price exceeds the fair value of identifiable assets, liabilities and contingent liabilities of the acquired company.

Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate possible impairment. Goodwill is recognised at cost less accumulated impairment losses. On the sale of a unit, the carrying amount of goodwill is included in the gain/loss arising.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management. Goodwill is monitored at operating segment level. The carrying amount of goodwill is compared with the recoverable amount, which is the higher of the value in use and the fair value less selling expenses.

Distribution rights

Distribution rights acquired separately are recognised at cost. Distribution rights acquired through a business combination are recognised at fair value at the acquisition date. Distribution rights have a definable useful life and are recognised at cost less accumulated amortisation. Amortisation is applied straight-line in order to allocate the cost of distribution rights over their estimated useful life of 10 years.

Trademarks

The cost of the trademark has been measured as the profit contribution for six months to a year and has been recognised on the balance sheet under trademarks. Trademarks are considered to have an indefinite useful life.

2.6 Property, plant and equipment

Property, plant and equipment is recognised at cost less depreciation. Cost includes expenses that can be directly attributed to the acquisition of the asset.

Additional expenses are added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost of the asset can be reliably measured. The carrying amount of a replaced part is removed from the balance sheet. All other repairs and maintenance are recognised as costs in the income statement in the period in which they occur.

Straight-line depreciation is applied as follows:

Equipment	10 years
Machinery, vehicles	5–7 years
Computer equipment	5 years

Residual values and useful lives of assets are tested at the end of each reporting period and adjusted where required. The carrying amount of an asset is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on the sale of property, plant and equipment are determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognised in other operating income or other operating expenses in profit and loss.

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets that are not ready for use are not amortised, but are tested annually for impairment. Assets that are amortised are assessed for a reduction in value whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment is made in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. When assessing the impairment requirement, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units). For assets, other than financial assets and goodwill, which have previously been impaired, a test is carried out on each balance sheet date to ascertain whether a reversal should be made.

2.8 Inventories

Inventories consist of finished goods and goods for resale. Inventories are recognised at the lower of cost and net realisable value. The cost is determined using the weighted average prices for each homogeneous group of products.

2.9 Financial instruments

Financial instruments are included in various balance sheet items and are described below. A financial instrument is any form of agreement that gives rise to a financial asset at one company and a financial liability or an equity instrument at another company.

2.9.1 Classification

The Group classifies its financial assets and liabilities in the following categories: loan receivables and trade receivables, and other financial liabilities. The classification depends on the purpose for which the financial asset or liability was acquired.

Loan receivables and trade receivables

Loan receivables and trade receivables are financial assets that do not constitute a derivative, that have fixed payments or payments that can be determined and that 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. The Group's "loan receivables and trade receivables" consist of other non-current assets (to the extent this relates to deposits), trade receivables, receivables from Group companies, cash and cash equivalents and the financial instruments recognised under other current receivables and accrued receivables.

Other financial liabilities

The Group's current and non-current liabilities to credit institutions, current and non-current liabilities to Group companies, trade payables and the element of other current liabilities and accrued liabilities that relates to financial instruments

Note 2 cont.

are classified as other financial liabilities. Non-current liabilities have an expected maturity of more than one year, while current liabilities have a maturity of less than one year.

2.9.2 Recognition and measurement

Financial instruments are recognised initially at fair value plus transaction costs. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership to another party. Financial liabilities are removed from the balance sheet when the obligation in the agreement has been fulfilled or has otherwise expired.

Loan receivables and trade receivables, as well as other financial liabilities, are recognised after the time of acquisition at amortised cost using the effective interest method. Trade receivables have a short expected maturity and are measured without discounting at the amount originally invoiced less estimated risk of loss. Trade payables also have a short expected maturity and are measured without discounting at the nominal amount.

2.9.3 Offsetting financial instruments

Financial assets and liabilities are offset and recognised net on the balance sheet only when there is a legal right to offset the recognised amounts and the intention is to settle them as a net amount or simultaneously realise the asset and settle the liability.

2.9.4 Impairment of financial instruments

Assets recognised at amortised cost

At the end of each reporting period, the Group assesses whether there is objective evidence of a need for the impairment of a financial asset or group of financial assets. A financial asset or group of financial assets requires impairment and is written down only if there is objective evidence of a need for impairment as a result of one or more events occurring after the initial recognition of the asset where this event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

The impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount is written down and the impairment amount is recognised in consolidated profit and loss under "other external costs" or under net financial items, depending on the financial asset that is impaired. If the need for impairment decreases in a subsequent period and this decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment is reversed in consolidated profit and loss under "other external costs" or under net financial items, depending on the financial asset that was impaired.

2.10 Trade receivables

Trade receivables are financial instruments that consist of amounts due from customers for goods and services sold in operating activities. If payment is expected within one year or less, they are classified as current assets.

2.11 Cash and cash equivalents

Cash and cash equivalents are a financial instrument and include bank deposits on both the balance sheet and the statement of cash flows.

2.12 Trade payables

Trade payables are financial instruments and relate to obligations to pay for goods and services acquired in operating activities. If payment is expected to be made within one year, they are classified as current liabilities.

Trade payables are initially recognised at fair value and subsequently at amortised cost by applying the effective interest method.

2.13 Liabilities to credit institutions

Borrowing is a financial instrument and is recognised initially at fair value, net of transaction costs. Borrowing is subsequently recognised 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.

Borrowing is classified as current liabilities unless the Group has an unconditional right to postpone payment of the debt for at least 12 months after the end of the reporting period.

2.14 Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of previous events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

If there are a number of similar obligations, an assessment is made of the probability of an outflow of resources being required to settle this group of obligations as a whole. A provision is reported even if the probability of an outflow relating to a particular item in this group of obligations is small.

The provisions are valued at the present value of the amount expected to be required in order to settle the obligation. A discount rate before tax that reflects a current market assessment of the time-related value of money and the risks associated with the provision is used here. The increase in the provision relating to the passage of time is recognised as an interest expense.

2.15 Current and deferred taxes

The tax expense for the period comprises current and deferred tax. The current tax expense is calculated on the basis of the tax regulations enacted or substantively enacted at the balance sheet date in the countries where the parent company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised in accordance with the balance sheet method for all temporary differences between the tax values of assets and liabilities and their carrying amounts in the consolidated financial statements. Temporary differences are not recognised in consolidated goodwill. Deferred income tax is calculated using the tax rates that apply or have been announced at the balance sheet date and which are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets on loss carryforwards are recognised to the extent it is probable that future taxable profit will be available against which the loss can be utilised.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and tax liabilities, the deferred tax assets and tax liabilities relate to taxes charged by the same tax authority and relate to either the same tax subject or a different tax subject and there is an intention to settle the balances through net payments.

2.16 Employee remuneration

Pension obligations

The Group has both defined benefit and defined contribution pension plans. The defined benefit plans consist of ITP 2 plans (see below for a more detailed description). A defined contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits relating to the employees' service in current or previous periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions are paid. The contributions are recognised as a cost in the profit and loss for the year at the rate they are earned by employees providing service to the company during a period. Prepaid contributions are recognised as an asset to the extent that the Group may benefit from a cash refund or a reduction in future payments.

In some parts of the Group, there are staff in Sweden who are covered by an ITP 2 plan. The ITP 2 plan's defined benefit pension obligations for old-age and family pension are secured through an insurance policy at Alecta. According to a statement of the Swedish Financial Reporting Board (UFR 3 Classification of ITP plans financed by insurance at Alecta) this is a multi-employer defined benefit plan. For this period, the company has not had 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 at Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit old-age and family pension is individually calculated and is dependent, among other things, on salary, pension previously earned and expected remaining period of service.

2.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or that will be received and is equivalent to the amounts received for goods sold less discounts, returns and value-added tax.

The Group recognises revenue when the amount can be measured reliably, it is probable that future economic benefits will accrue to the company and specific criteria have been met for each of the Group's activities as described below.

Sale of goods

The Group sells technical components, materials and advanced equipment. Sales of goods are recognised when a Group company has delivered the product to a customer. Delivery is not considered to have taken place until the products have been dispatched to the specified location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the contract of sale, the conditions for acceptance have expired or the Group has objective evidence that all criteria for acceptance have been fulfilled.

Sale of services

The Group sells services in the form of consultancy, analysis, development, installation and service. Revenue from the sale of services is recognised in the period in which the services are performed. Revenues are calculated by determining the degree of completion of the specific transaction based on the proportion of the services performed in relation to the total services to be performed.

2.18 Interest income

Interest income is recognised using the effective interest method. When the value of a receivable in the category of loan receivables and trade receivables has fallen, the Group reduces the carrying amount to its recoverable amount, which is the estimated future cash flow, discounted at the original effective interest rate for the instrument, and continues to recognise the discounting effect as interest income. Interest income on impaired loan receivables and trade receivables is recognised at the original effective interest rate.

2.19 Dividend income

Dividend income is recognised when the right to receive payment has been established.

2.20 Dividends to the parent company's shareholders

The dividend paid to the parent company's shareholders is reported as a liability in the consolidated financial statements in the period when the dividend was approved by the parent company's shareholders.

2.21 Leases

The Group has leases that are classified as operating leases and finance leases. Operating leases are leases where a significant portion of the risks and benefits of ownership is retained by the lessor. Finance leases are those where the economic risks and benefits associated with ownership have essentially been transferred to the Group. The Group acts solely as a lessee and its leases relate mainly to vehicles, machinery and property. The leases for vehicles and machinery have been classified as finance leases.

When recognising a finance lease, the asset is recognised as a non-current asset on the Group's balance sheet and is valued initially at the lower of the leased asset's fair value and the present value of the minimum lease payments under the contract. Variable charges are expensed in the periods in which they are incurred.

2.22 Statement of cash flows

The statement of cash flows has been prepared using the indirect method. The reported cash flow solely comprises transactions that resulted in the inflow and outflow of funds.

NOTE 3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to various financial risks: market risk (primarily currency risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial results. The Group uses derivative financial instruments to hedge certain risk exposures. However, the Group does not apply hedge accounting.

Risk management is handled by a central finance department in accordance with the finance policy established by the Board. Group Finance identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

a) Market risk

Currency risk

The Group operates internationally and is exposed to currency risks, primarily with regard to the euro (EUR) and the Norwegian krone (NOK). Currency risk arises from future business transactions, recognised assets and liabilities, and net investments in foreign operations.

Currency risk arises when future business transactions are denominated in a currency that is not the functional currency of the unit. Sales take place primarily in each unit's functional currency, which means that trade receivables are not exposed to exchange rate fluctuations to any significant extent.

The Group's purchases of goods take place in EUR in most cases.

The Group's risk management policy is to hedge significant anticipated cash flows (mainly purchases of goods) in foreign currency. Futures contracts are entered into in order to hedge the risk of purchasing in EUR. All contracts relate to EUR and mature within 12 months. The Group does not apply hedge accounting and at the turn of the year there were outstanding futures contracts in the Group valued at SEK 0.0 (0.0) million.

In terms of transaction risk, the Group is primarily exposed to fluctuations in the EUR/SEK exchange rate. The sensitivity of profits to fluctuations in exchange rates results primarily from trade payables in these currencies.

The table below shows the impact on profit after tax for the Group in the event of a reasonable possible change in these currencies, with all other variables remaining constant. There is no additional impact on equity. For further information, see Notes 17 and 22.

In light of the above, a change in the value of the SEK by 2 per cent relative to other currencies would have an insignificant effect on profit related to financial instruments as of the balance sheet date.

	2017	2016
EUR/SEK +/–2 %	75/–75	39/–39
NOK/SEK +/–4 %	268/–268	370/–370

The Group has a number of holdings in foreign operations, the net assets of which are exposed to currency risks. The Group has chosen not to hedge the currency exposure arising from the net assets of the Group's foreign operations as it is considered insignificant.

The table below illustrates the translation risk by showing how a reasonable possible change in the currency of respective foreign operations, all other variables remaining constant, would affect the translation difference in other comprehensive income, which is reported in the "Reserves" item in equity.

	2017	2016
EUR/SEK +/–2 %	73/–73	63/–63
NOK/SEK +/–4 %	9/–9	154/–154
DKK/SEK +/–2 %	52/–52	28/–28

b) Interest risk

The Group's interest risk arises from long-term borrowing. Borrowing at variable interest rates exposes the Group to interest risk with regard to cash flow. The Group's exposure to the variable interest rate during the year was significant, which is why no risk management measures have been implemented. In 2017 and 2016, the Group's borrowing at variable interest rates was in SEK and NOK.

The table below shows the impact on consolidated profit after tax of a reasonable possible change in the interest rate on borrowing in SEK, all other variables remaining constant. All effects on profit refer to the impact of higher/lower interest expenses for borrowing at variable interest rates. There is no additional impact on equity.

	2017	2016
25 basis points higher/lower	48/–48	63/–63

The effect on profit is greater for 2017 as the Group's borrowing was higher at the end of this reporting period.

c) Credit risk

Credit risk is managed at Group level, with the exception of credit risk relating to outstanding trade receivables. Each Group company is responsible for examining and analysing the credit risk of each new customer before the standard terms of payment and delivery are offered. Credit risk arises from cash and cash equivalents, derivative instruments and deposits with banks and financial institutions, including outstanding receivables and agreed transactions. Individual risk limits are set based on internal or external credit assessments in accordance with the limits set by the Group management. The use of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses due to non-payment by these counterparties. For further information, see Note 17.

d) Liquidity risk

Cash flow forecasts are drawn up by the Group's operating companies and aggregated by Group Finance. Group Finance carefully monitors rolling forecasts of the Group's liquidity reserve to ensure that the Group has sufficient cash to meet the needs of operating activities. The current levels of cash flow and liquidity mean there is no requirement for further borrowing. At 31 December 2017, the Group's cash and cash equivalents total SEK 64,538,000, compared with total borrowing of SEK 15,093,000.

Temporary liquidity surpluses may be invested, besides bank deposits, in treasury bills or commercial papers with a K1 rating or equivalent international rating, with a maximum maturity of 360 days.

The table below provides an analysis of the Group's non-derivative financial liabilities, distributed by the contractual time to maturity at the balance sheet date. The amounts presented in the table are the contractual, undiscounted cash flows.

Note 3 cont.

	Less than 3 months	Between 3 months and 1 year	1–2 years	2–5 years	More than 5 years
At 31 December 2017					
Liabilities to credit institutions	500	1,500	2,000	3,500	–
Liabilities to credit institutions for finance leases	603	1,580	1,216	4,194	–
Trade payables	30,234	–	–	–	–
Accrued trade payables	8,246	–	–	–	–
At 31 December 2016					
Liabilities to credit institutions	1,989	1,583	2,082	5,622	–
Liabilities to credit institutions for finance leases	496	1,322	1,123	352	–
Trade payables	22,943	–	–	–	–
Accrued trade payables	7,490	–	–	–	–

3.2 Capital management

The Group's objective with regard to the capital structure is to safeguard the Group's ability to continue its operations so it can continue to generate a return for its shareholders and benefits for other stakeholders and to maintain an optimum capital structure in order to keep capital costs down.

In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's dividend policy of a 30–50 per cent dividend on profit after tax secures the company's target equity ratio. According to Christian Berner's financial targets, the company must have an equity ratio of 35 per cent.

NOTE 4 Significant accounting estimates and assessments

4.1 Significant accounting estimates and assessments

Estimates, assumptions and assessments are made in the application of the accounting principles in the preparation of the annual accounts and consolidated financial statements. These affect the amounts recognised for assets, liabilities, revenue, expenses and supplementary information. Estimates and assumptions are based on historical experience, other relevant factors and future expectations and are reviewed regularly. The actual outcome may therefore differ from the estimates and assumptions made. At 31 December 2016, there are not considered to be any estimates and assumptions that involve a significant risk of a material adjustment to the carrying amounts of assets and liabilities over the next financial year.

Impairment testing of goodwill

The Group tests goodwill for impairment every year, in accordance with the accounting principle described in Note 2.7. The recoverable amounts for cash-generating units have been established by calculating the value in use. Certain estimates must be made in these calculations. For details of these estimates, as well as assessments of how reasonable possible changes to key assumptions would affect the calculation of the recoverable amounts, see Note 14.

At 31 December 2017, goodwill amounted to SEK 14,844,000 (15,594,000).

NOTE 5 Segment information

The CEO is the Group's chief operating decision-maker. The company management has determined the operating segments based on the information processed by the CEO and used as a basis for allocating resources and assessing performance. The CEO assesses operations from both a geographic perspective and a business area perspective. As the geographic perspective has been judged to be superior to the product area perspective, Christian Berner has four operating segments: Sweden, Norway, Finland and Denmark. The business areas are described in more detail at the end of this note. The CEO assesses the performance of the operating segments primarily on the basis of EBITA. This measure is earnings before interest, taxes and amortisation, including goodwill impairment.

Revenue

Sales between segments take place on market terms. The revenue from external parties that is reported to the CEO is measured in the same way as in the company's external financial reporting.

	2017			2016		
	Segment revenue	Sales between segments	Revenue from external customers	Segment revenue	Sales between segments	Revenue from external customers
Sweden	303,155	−9,909	293,246	287,450	4,086	283,364
Norway	62,662	–	62,662	74,302	–	74,302
Finland	70,567	–	70,567	54,018	–	54,018
Denmark	23,132	–	23,132	17,437	–	17,437
Total	**459,516**	**−9,909**	**449,607**	**433,207**	**4,086**	**429,121**

Note 5 cont.

Net revenue is broken down as follows:

	2017	2016
Products	425,960	404,427
Services	23,647	24,694
Total	**449,607**	**429,121**

The breakdown of results by segment is made on the basis of EBT. The measure mainly used by the CEO to evaluate the segments, however, is EBITA. EBITA is reconciled against earnings before tax as follows:

EBITA	2017	2016
Sweden	28,535	29,892
Norway	–3,568	2,628
Finland	6,544	913
Denmark	2,574	1,733
Group as a whole[1]	–12,617	–10,061
Total	**21,467**	**25,105**
Amortisation of intangible assets	–1,290	–1,290
Net financial items	–257	–101
Profit/loss before tax	**19,920**	**23,714**

1) Group as a whole relates to unallocated expenses with respect to the parent company.

Depreciation of property, plant and equipment

	2017	2016
Sweden	–2,998	–2,547
Norway	–67	–215
Finland	–126	–151
Denmark	–16	–21
Total	**–3,207**	**–2,934**

Revenue from external customers by country, based on customer location

	2017	2016
Sweden	268,317	264,235
Norway	64,717	80,835
Finland	71,445	54,346
Denmark	22,203	17,943
Germany	5,140	473
Poland	5,102	4,061
China	38	104
Netherlands	833	394
Estonia	1,308	2,730
France	114	548
Lithuania	106	229
Malaysia	1,041	1,067
Belgium	2,216	3
Switzerland	1,467	813
Austria	374	214
Japan	1,073	–
Other countries	4,113	1,126
Total	**449,607**	**429,121**

The Group has a large number of customers, with the largest accounting for no more than 1% (1%) of sales.

Non-current assets, other than financial instruments and deferred tax assets, are distributed by country as follows:

	2017	2016
Sweden	26,789	27,577
Norway	115	156
Finland	439	542
Denmark	41	65
Total	**27,385**	**28,340**

Investments are distributed by country as follows:

	2017	2016
Sweden	3,441	23,716
Norway	33	70
Finland	11	91
Denmark	–	–
Total	**3,485**	**23,877**

Business areas

Christian Berner consists of four segments, which represent both the company's geographic distribution and its reporting structure (Sweden, Norway, Denmark and Finland). Each segment (country) is then divided into the business areas Process & Environment and Materials Technology. The Process & Environment business area includes the sale of process equipment and complete systems, with sales primarily in large investment projects but also in ongoing maintenance. The Materials Technology business area includes the sale of vibration-damping and noise-reduction materials, as well as plastics.

The tables below show the net revenue and EBITA for each business area. The "Group" item refers to unallocated expenses, such as consolidated annual accounts and stock exchange-related costs.

Net revenue by business area

	2017	2016
Process & Environment	267,026	260,950
Materials Technology	182,581	168,171
Total	**449,607**	**429,121**

EBITA by business area

	2017	2016
Process & Environment	16,290	18,093
Materials Technology	18,358	18,045
Group as a whole	–13,181	–11,034
Total	**21,467**	**25,105**

NOTE 6 Other operating income

	2017	2016
Rental income	–	–
Gains on the sale of machinery/equipment	387	449
Recovered bad debts	1	2
Other income	–	85
Total	**388**	**536**

NOTE 7 Average number of employees, salaries and other remuneration

All employees (excluding external Board members)	2017	2016
Salaries and other remuneration	73,550	70,909
Social security expenses	19,478	18,536
Pension costs – defined contribution plans	8,267	4,124
Pension costs – defined benefit plans	4,812	6,733
Total remuneration of employees	**106,107**	**100,302**

The Group has both defined benefit and defined contribution pension plans.

In defined contribution plans, the Group's obligation is limited to fixed contributions, which are paid to a separate legal entity. As indicated in Note 2.16, the ITP 2 plan's defined benefit pension obligations are reported as a defined contribution plan. The Group's share of total savings premiums for ITP 2 at Alecta amounts to 0.02075% (0.01724%) at 31/12/2017.

The Group's share of the total number of active insured in ITP 2 amounts to 0.01203% (0.01225%) at 31/12/2017. The expected premiums for the upcoming financial year for insurance policies signed with Alecta total SEK 3,492,000 (2,798,000).

At 31/12/2016, Alecta's surplus in the form of the collective funding level was 148%. 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 actuarial calculation assumptions, which do not comply with IAS 19.

All employees (including external Board members)	2017		2016	
	Board members and other senior executives	Other employees	Board members and other senior executives	Other employees
Salaries and other remuneration	7,689	65,203	5,604	**62,744**
Bonuses	559	1,119	930	**1,631**
Pension costs	2,090	10,988	1,362	**9,495**
Social security expenses	2,048	17,751	1,492	**17,044**
Group total	**12,386**	**95,061**	**9,388**	**90,914**

Remuneration of senior executives	**2017** (2016)											
Remunerations and benefits	Basic salary/ Board fee		Variable remuneration		Other benefits		Pension costs		Other remuneration		Total	
Chairman of the Board	330	(330)	–	(–)	–	(–)	–	(–)	28	(23)	**358**	(353)
Anders Birgersson	160	(130)	–	(–)	–	(–)	–	(–)	–	(–)	**160**	(130)
Charlotta Utterström	130	(100)	–	(–)	–	(–)	–	(–)	3	(3)	**133**	(103)
Lars Gatenbeck	190	(160)	–	(–)	–	(–)	–	(–)	13	(50)	**203**	(210)
Malin Domstad	130	(100)	–	(–)	–	(–)	–	(–)	3	(7)	**133**	(107)
Kerstin Gillsbro	130	(67)	–	(–)	–	(–)	–	(–)	22	(10)	**152**	(77)
Niclas Berner Wolf	–	(33)	–	(–)	–	(–)	–	(–)	–	(–)	–	(33)
CEO	1,641	(1,521)	–	(445)	90	(92)	1,090	(588)	19	(24)	**2,840**	(2,670)
Other senior executives (Group management 4 people)	5,028	(4,093)	559	(485)	417	(546)	1,156	(774)	66	(34)	**7,226**	(5,932)
Total	**7,739**	(6,534)	**559**	(930)	**507**	(638)	**2,246**	(1,362)	**154**	(151)	**11,205**	(9,615)

The Group rented art from the Chairman of the Board during the period. See also Note 27 Related-party transactions.

Pensions

The retirement age for the CEO is 65. The pension premium is to amount to 35% of the pensionable salary. The pensionable salary is the basic salary.

The retirement age for other senior executives is 65. The pension agreement states that the pension premium is to amount to 10–35 % of the pensionable salary.

Severance pay

A period of notice of six months from either side applies between the company and the CEO. Upon termination, the Group applies a severance pay of six monthly salaries.

A period of notice of six months from either side applies between the company and other senior executives. Upon termination, the Group applies no severance pay.

Average number of employees distributed by country	2017		2016	
	Number	Of which men	Number	Of which men
Sweden	89	63	86	60
Norway	16	12	19	12
Finland	20	15	20	16
Denmark	4	3	4	3
Group total	**129**	**93**	**129**	**91**

Gender distribution of Board members and senior executives (including subsidiaries)	2017		2016	
	Number	Of which men	Number	Of which men
Board members	21	14	21	14
CEO and other senior executives	5	4	5	4

Note 7 cont.

NOTE 8 Auditors' fees

	2017	2016
PWC		
Audit assignment	786	719
Audit activities in addition to the audit assignment	113	99
Tax advice	43	99
Other services	325	1,397
Total	**1,267**	**2,314**
Auditors' fees to others	27	–
Group total	**1,294**	**2,314**

NOTE 9 Operating leases

The Group leases machinery, vehicles and office premises under non-cancellable operating leases. The lease terms vary from 3 to 5 years. Only tenancy agreements for office premises have a period of 3 to 10 years. Most of the leases can be extended at the end of the term of the lease for a fee at the market rate. The total future minimum lease payments for non-cancellable operating leases are as follows:

	2017	2016
Within 1 year	12,113	11,093
1–5 years	38,110	33,843
More than 5 years	16,499	23,253
Total	**66,722**	**68,189**

NOTE 10 Financial income and expenses

	2017	2016
Other interest income	175	209
Foreign exchange gains	–	16
Other financial income	2	49
Total financial income	**177**	**274**
Interest expense on liabilities to credit institutions excluding finance leases	–112	–95
Interest expense on liabilities to credit institutions for finance leases	–202	–266
Foreign exchange losses	–46	–1
Other financial expenses	–75	–15
Total financial expenses	**–434**	**–375**
Net financial items	**–257**	**–101**

NOTE 11 Foreign exchange differences

Foreign exchange differences have been recognised in the statement of comprehensive income as follows:

	2017	2016
Goods for resale	–531	774
Financial items - net (Note 10)	–46	16
Total	**–577**	**791**

NOTE 12 Income tax

	2017	2016
Current tax		
Current tax on profit/loss for the year	–3,751	–5,098
Adjustments for previous years	–135	110
Total current tax	**–3,886**	**–4,988**
Deferred tax (Note 22)		
Occurrence and reversal of temporary differences	228	265
Deferred tax attributable to loss carryforward	–815	–459
Total deferred tax	**–587**	**–194**
Total income tax	**–4,473**	**–5,182**

The income tax on pre-tax profit differs from the theoretical amount that would have been produced from the use of the tax rate in Sweden for profit at the consolidated companies as described below:

	2017	2016
Profit/loss before tax	**19,920**	**23,714**
Income tax calculated using the tax rate in Sweden (22%)	–4,383	–5,217
Effect of foreign tax rates	188	–63
Tax effect of:		
Non-deductible expenses	–386	–59
Non-taxable income	280	47
Adjustment for current tax of previous years	–135	110
Change due to a changed tax rate	–37	
Tax expense	**–4,473**	**–5,182**

NOTE 13 Earnings per share

Before and after dilution

Earnings per share before dilution is calculated by dividing the profit attributable to the parent company's shareholders by a weighted average number of ordinary shares outstanding during the period. In 2017, shares were repurchased that were held as treasury shares at 31 December 2017. No shares were repurchased during the corresponding period in 2016. No dilution effects have adjusted the weighted average number of ordinary shares outstanding for the periods, therefore earnings per share after dilution is the same as earnings per share before dilution.

	2017	2016
Profit attributable to the parent company's shareholders	15,448	18,532
Class A shares with 10 votes each	1,250	1,250
Class B shares with 1 vote each	17,509	17,509
Total	**18,759**	**18,759**
Treasury shares	399	0
Weighted average number of ordinary shares outstanding (thousands)	18,360	18,759
Earnings per share	0.84	0.99

Every share has a par value of SEK 0.03.

NOTE 14 Intangible assets

Cost, financial year 2016	Distribution rights	Goodwill	Trademarks	Total
Opening carrying amount	7,405	225	–	7,630
Exchange differences				–
Purchases		15,369	3,000	18,369
Reclassifications				–
Sales and disposals				–
Amortisation	–1,290			–1,290
Impairment				–
Closing carrying amount	**6,115**	**15,594**	**3,000**	**24,709**
At 31 December 2016				
Cost	12,900	15,594	3,000	31,494
Acc. impairment and amortisation	–6,785	–	–	–6,785
Carrying amount	**6,115**	**15,594**	**3,000**	**24,709**
Financial year 2017				
Opening carrying amount	6,115	15,594	3,000	24,709
Adjustment of preliminary acquisition calculation		–750		
Exchange differences				–
Purchases				–
Reclassifications				–
Sales and disposals				–
Amortisation	–1,290			–1,290
Closing carrying amount	**4,825**	**14,844**	**3,000**	**22,669**
At 31 December 2017				
Cost	12,900	14,844	3,000	30,744
Acc. impairment and amortisation	–8,075	–	–	–8,075
Carrying amount	**4,825**	**14,844**	**3,000**	**22,669**

* Goodwill has arisen through acquisitions. SEK 12.4 million from the 2016 acquisition of Fillflex AB and SEK 2.3 million from the acquisition of Plastkaptek AB the same year. SEK 0.2 million pertains to the acquisition of Satron AB in 2008. Each acquired subsidiary constitutes a cash-generating unit.

** Trademarks have arisen through the acquisition in 2016 of Fillflex AB, which constitutes a cash-generating unit.

Impairment testing of goodwill

Goodwill is monitored by the management, based on the operating segment to which the Group has allocated the operations. Goodwill arising through acquisitions is allocated entirely to the Sweden operating segment as below and this is therefore the group of cash-generating units at which goodwill is tested.

Goodwill by segment and cash-generating unit	2017	2016
Sweden	14,844	15,594

The recoverable amount for this CGU has been determined by calculating the value in use. These calculations are made using estimated future cash flows before tax, based on financial budgets approved by the company management that cover a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate as below.

2017	Sweden
Long-term growth rate (%)	2.0
Discount rate before tax (%)	9.5

Significant assumptions made when calculating the value in use are annual volume growth and related profit trend, long-term growth rate and a market return on equity (WACC). It is the assessment of the management that the annual volume growth for each CGU over the five-year forecast period is a significant assumption. Assumptions have been made about the gross margin, cost level, working capital requirements and investment required.

The sales volume in each period is the main reason for the development of income and expenses. The annual volume growth is based on the management's experience and on previous results, as well as the management's expectations of market trends. The long-term growth rate used corresponds to the long-term inflation expectations in Sweden. The growth rate is also not considered to exceed the long-term growth rate for the market in which the CGU concerned operates. The discount rate applied is indicated before tax. A sensitivity analysis has been performed and a change of one percentage point, which is considered to be a reasonable deviation, from the significant assumptions indicated above would not result in the carrying amount exceeding the value in use.

NOTE 15 Property, plant and equipment

Machinery and equipment	2017	2016
Cost at 1 January	**28,359**	
Cost	–17,751	26,246
Acc. impairment and amortisation		–15,763
Carrying amount	**10,608**	**10,483**
Financial year		
Opening carrying amount	10,608	10,483
Exchange differences	8	112
Purchases	5,970	4,502
Purchases through acquisitions	–	1,007
Reclassifications	–	–
Sales and disposals	–1,069	–2,547
Depreciation	–3,207	–2,949
Closing carrying amount	**12,310**	**10,608**
At 31 December		
Cost	31,218	28,359
Depreciation	–18,908	–17,751
Carrying amount	**12,310**	**10,608**

NOTE 16 Financial instruments by category

	31/12/2017 Loan receivables and trade receivables	31/12/2016 Loan receivables and trade receivables
Assets on the balance sheet		
Other non-current receivables	179	174
Trade receivables	56,734	60,981
Cash and cash equivalents	64,538	64,983
Total	**121,451**	**126,138**

	Other financial liabilities	Other financial liabilities
Liabilities on the balance sheet		
Liabilities to credit institutions	15,093	17,947
Trade payables	35,696	27,943
Accrued expenses and prepaid income	8,246	7,510
Total	**59,035**	**53,400**

NOTE 17 Trade receivables

SEK million	31/12/2017	31/12/2016
Trade receivables	57,265	62,981
Provisions for doubtful receivables	–531	–2,000
Trade receivables, net	**56,734**	**60,981**
Overdue trade receivables where impairment requirements are not considered to exist	10,728	7,075

Age distribution of trade receivables	31/12/2017	31/12/2016
Trade receivables not yet due	46,006	53,905
1–30 days	9,802	7,002
31–60 days	1,473	785
> 60 days	–17	1,289
of which provisioned	–531	–2,000
Total	**56,734**	**60,981**

Age analysis of trade receivables with impairment requirement	31/12/2017	31/12/2016
1–12 months	–531	–1,452
> 12 months	–	–549

Recognised amounts by currency for trade receivables	31/12/2017	31/12/2016
SEK	29,694	30,986
EUR	15,724	15,184
NOK	7,114	10,504
DKK	2,490	3,071
USD	111	42
GBP	297	180
CHF	253	988
JPY	1,050	26
Total	**56,734**	**60,981**

Changes to the provisions for doubtful receivables	2017	2016
At 1 January	2,000	385
Provisions for doubtful receivables	573	1,695
Receivables written off during the year as uncollectable	–431	–92
Unused amounts reversed	–1,560	–
Effect of changes in exchange rates	–51	12
At 31 December	**531**	**2,000**

NOTE 18 Prepaid expenses and accrued income

	31/12/2017	31/12/2016
Prepaid rent	204	33
Prepaid leases	16	122
Prepaid insurance policies	166	894
Other items	1,737	2,077
Total	**2,124**	**3,126**

NOTE 19 Cash and cash equivalents

Cash and cash equivalents, both on the balance sheet and in the cash flow statement, consist of:

	31/12/2017	31/12/2016
Cash	8	9
Bank deposits*	64,530	64,974
Total	**64,538**	**64,983**

*Excl. unused overdraft facilities.

Bank overdraft facility

The Group has an approved bank overdraft facility in the currencies SEK, NOK and EUR totalling SEK 18,463,000 (18,449,000). Of the approved bank overdraft facility, SEK 0 (SEK 0) was utilised at 31 December 2017.

NOTE 20 Liabilities to credit institutions

Non-current	31/12/2017	31/12/2016
Liabilities to credit institutions (excl. finance leases)	5,500	7,500
Liabilities to credit institutions for finance leases	5,224	4,831
Liabilities to Group companies	–	–
Total non-current borrowing	**10,724**	**12,331**
Current		
Liabilities to credit institutions (excl. finance leases)	2,000	3,470
Liabilities to credit institutions for finance leases	2,369	2,146
Liabilities to Group companies	–	–
Other liabilities	–	–
Total current borrowing	**4,369**	**5,616**
Total borrowing, Group	**15,093**	**17,947**
Recognised amounts by currency		
SEK	15,093	17,947
NOK	–	–
	15,093	**17,947**

Liabilities to credit institutions for finance leases

	31/12/2017	31/12/2016
Gross liabilities for finance leases – minimum lease payments	**43,100**	**42,735**
Within 1 year	2,192	1,688
1–5 years	468	1,383
More than 5 years	–	–
Future financial expenses for finance leases	177	222
Present value of finance lease liabilities	7,416	6,755

Information about fair value

The carrying amount essentially corresponds to the fair value with regard to non-current borrowing, where the interest rate is variable and the margin unchanged at the balance sheet date compared with the date when the loan was initially recognised. For other financial liabilities, and assets, the fair value is deemed to correspond to the carrying amount, particularly where these items are short term in nature.

NOTE 21 Deferred income tax

Deferred tax assets and liabilities are distributed as follows:

	31/12/2017	31/12/2016
Deferred tax assets		
– deferred tax assets to be utilised after more than 12 months	–	–
– deferred tax assets to be utilised within 12 months	2,375	3,184
Deferred tax liabilities		
– deferred tax liabilities to be paid after more than 12 months	–1,934	–2,189
– deferred tax liabilities to be paid within 12 months	–27	–
Deferred tax liabilities (net)	**414**	**995**

Deferred tax assets are recognised for tax loss carryforwards or other deductions to the extent it is probable that they can be utilised against future taxable profits. All loss carryforwards in the Group are currently expected to be utilised in the future. Christian Berner has recognised deferred tax assets for loss carryforwards in Denmark and Norway, as it is considered probable that these loss carryforwards can be utilised against future profits. Of the loss, SEK 0 (5,214,000) is due between 2018 and 2025. Deferred tax on non-current assets refers to the difference between the tax residual values and the carrying residual values. Changes in deferred tax assets and liabilities during the year, without taking into account offsets made within the same tax jurisdiction, are shown below:

The gross change in relation to deferred taxes is as follows:

	2017	2016
Opening balance	**995**	**1,754**
Exchange differences	6	95
Recognised in profit or loss	–587	–194
Tax attributable to components in other comprehensive income (Note X)	0	–
Tax recognised in equity	0	–660
Closing balance	**414**	**995**

Deferred tax assets	Loss carryforwards
At 1 January 2016	**3,594**
Recognised in profit or loss	–459
Recognised in other comprehensive income	–
Foreign exchange differences	50
At 31 December 2016	**3,185**
Recognised in profit or loss	–815
Foreign exchange differences	6
At 31 December 2017	**2,375**

Deferred tax liabilities	Temporary differences, intangible assets and property, plant and equipment
At 1 January 2016	**–1,840**
Recognised in profit or loss	265
Increase as a result of business combinations	660
Foreign exchange differences	46
At 31 December 2016	**2189**
Recognised in profit or loss	–228
Foreign exchange differences	0
At 31 December 2017	**1961**

NOTE 22 Trade payables

	31/12/2017	31/12/2016
Trade payables	30,234	27,952

Age distribution trade payables	31/12/2017	31/12/2016
Trade payables not yet due	28,836	25,131
1–30 days	1,084	2,645
31–60 days	27	24
> 60 days	288	143
Total	**30,234**	**27,943**

Recognised amounts by currency for trade receivables are as follows:

	31/12/2017	31/12/2016
SEK	6,551	6,706
EUR	19,473	17,199
NOK	406	1,246
DKK	689	286
USD	237	115
GBP	2,131	1,285
CHF	747	1,050
JPY	–	56
Total	**30,234**	**27,943**

NOTE 23 Accrued expenses and prepaid income

	31/12/2017	31/12/2016
Accrued salaries	2,263	3,218
Accrued travel expenses	213	228
Accrued holiday pay	9,324	10,206
Accrued social security expenses	3,030	3,570
Accrued payroll tax	1,995	1,697
Accrued interest	10	20
Other accrued liabilities	312	376
Accrued trade payables	8,246	7,490
Total	**25,394**	**26,804**

NOTE 24 Adjustment for non-cash items

	2017	2016
Depreciation and amortisation of non-current assets	4,497	4,224
Capital gains from sale/disposal of non-current assets	–	–449
Other adjustments/provisions	387	–75
Total	**4,884**	**3,700**

Specification of cash flow effect on liabilities in financing activities	Liabilities to credit institutions for acquisition loans	Liabilities to credit institutions for finance leases
Opening balance	**9,500**	**6,977**
Cash flow	–2,000	–2,165
Purchases	–	3,936
Sales and disposals	–	–1,154
Closing balance	**7,500**	**7,594**

The table above presents the change in the Group's debt/equity ratio the cash flow of which is recognised in financing activities in accordance with new disclosure requirements in IAS7.

NOTE 25 Pledged assets

	31/12/2017	31/12/2016
Floating charges	26,857	26,611
Total	**26,857**	**26,611**

NOTE 26 Contingent liabilities

	31/12/2017	31/12/2016
Guarantees	49,084	54,128
Warranties	15,616	15,384
Total	**64,700**	**69,512**

NOTE 27 Related parties

Christian Berner Invest AB (registered in Sweden) owns 43.8% of Christian Berner Tech Trade's shares at 31/12/2017. A direction decision was made by the Board of Christian Berner Invest on 6 September 2017 to dissolve the joint holding company ownership regarding shares in Christian Berner Tech Trade AB. The direction decision means that at the holding company's AGM in spring 2018 all of the holding company's class B shares in Christian Berner Tech Trade AB will be allocated pro rata to the holding company's shareholders. At the same time, Gårdaverken entered a binding agreement to acquire a further 1,027,195 class B shares, which will be taken into possession in spring 2018. In connection with the above transactions, Joachim Berner, through Gårdaverken, will continue to be the main owner of Christian Berner Tech Trade. At 31/12/2017, Gårdaverken AB owns all class A shares and accordingly has the largest share of the votes and 6.7% of the total shares. Lannebo Micro Cap owns 11.0% of the total shares as of the same date. Ernstöm Kapitalpartner AB owns 10.1%. The remaining part of the shares have a wide distribution.

Purchase of services	2017	2016
Rent of art from the Chairman of the Board	102	102
Total	**102**	**102**

The services recognised as above have been purchased on normal business terms on a commercial basis. Information on the remuneration of senior executives is provided in Note 7.

NOTE 28 Events after the end of the reporting period

Christian Berner Tech Trade AB signed an agreement to acquire all the shares of Zander & Ingeström AB on 16 February 2018. Zander & Ingeström AB (http://zeta.se) is one of Sweden's leading companies in pump and heating technology, working with customers in the processing, paper, water/power and mining industries.

In 2017, the company's revenue amounted to SEK 124 million and it had an operating profit of SEK 16.4 million. At the end of 2017, the company had 24 employees. The purchase price was SEK 125 million on a debt-free basis and financing takes place through loans and shares. An additional purchase sum of a maximum of SEK 15 million may become payable based on the 2018 earnings.

Possession will be transferred on 1 March 2018. Zander & Ingeström AB will continue its activities as an independent company within Christian Berner's Process & Environment business area in Sweden. Lars-Olof Larsson, President of Zander & Ingeström AB, will be part of the Group management team. The acquisition is expected to have a positive impact on Christian Berner Tech Trade's earnings per share on an annual basis.

If the acquisition would have taken place as per 1 January 2017, this would have affected net revenue positively for the year of 2017 by SEK 124 million and net revenue would have totalled SEK 573 million for the Group. The operating profit would have been positively impacted by SEK 16.4 million to total SEK 36.4 million for the Group for 2017. Payment was made on 1 March 2018 in an amount of SEK 125 million in total. Of this amount, SEK 70 million consists of recently raised acquisition loans, SEK 8.1 million pertains to payment through a share buyback and SEK 46.9 million is paid through equity.

The acquisition calculation for the purchase will be presented in the quarterly report for the first quarter of 2018, which will be published on 23 April 2018.

The company employed Torbjörn Gustafsson as a new CFO and he took office on 1 February 2018.

Parent company income statement

SEK thousands	Note	2017	2016
OPERATING INCOME			
Net revenue	3, 17	14,072	12,351
Total		**14,072**	**12,351**
Operating expenses			
Purchased services	17	–6,197	–5,248
Other external costs	5	–9,676	–9,035
Staff costs	4	–10,269	–8,198
Total operating expenses		**–26,142**	**–22,481**
Operating profit/loss		**–12,070**	**–10,130**
Profit from participations in Group companies	6	8,460	2,610
Interest and similar income	6, 7	–	24
Interest and similar expenses	6, 7	–119	–55
Total profit/loss from financial items		**8,341**	**2,579**
Profit/loss before tax		**–3,729**	**–7,551**
Appropriations	8	19,000	19,200
Tax on profit for the year	9	–1,549	–1,990
PROFIT/LOSS FOR THE YEAR		**13,722**	**9,659**

The parent company has no items recognised as other comprehensive income, therefore total comprehensive income is the same as profit/loss for the year.

Parent company balance sheet

SEK thousands	Note	2017	2016
ASSETS			
Non-current assets			
Financial assets			
Shares in Group companies	10	84,179	84,929
Total financial assets		**84,179**	**84,929**
Total non-current assets		**84,179**	**84,929**
Current assets			
Current receivables			
Receivables from Group companies	17	8,460	2,610
Other receivables		517	733
Prepaid expenses	11	125	896
Total current receivables		**9,102**	**4,239**
Cash and bank balances	12	23,242	34,612
Total current assets		**32,344**	**38,851**
TOTAL ASSETS		**116,523**	**123,780**

SEK thousands	Note	**2017**	2016
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		625	625
Revaluation reserve		37,000	37,000
Statutory reserve		1	1
Total restricted equity		**37,626**	**37,626**
Non-restricted equity			
Retained earnings		52,574	59,653
Profit for the year		13,722	9,659
Total non-restricted equity		**66,296**	**69,312**
Total equity		**103,922**	**106,938**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	14	5,500	7,500
Liabilities to Group companies	14	840	840
Total non-current liabilities		**6,340**	**8,340**
Current liabilities			
Liabilities to credit institutions	14	2,000	2,000
Trade payables	15	420	925
Current tax liabilities		792	1,594
Other current liabilities		305	1,026
Accrued expenses and prepaid income	16	2,744	2,957
Total current liabilities		**6,261**	**8,502**
TOTAL EQUITY AND LIABILITIES		**116,523**	**123,780**

Parent company statement of changes in equity

	Restricted equity			Non-restricted equity		
SEK thousands	Share capital	Revaluation reserve	Statutory reserve	Share premium reserve	Retained earnings incl. profit/loss for the year	Total
Opening equity, 01/01/2016	**625**	**37,000**	**1**	**41,228**	**27,804**	**106,658**
Profit/loss for the year plus comprehensive income	–	–	–	–	9,659	9,659
Total	**625**	**37,000**	**1**	**41,228**	**37,463**	**116,317**
Transactions with shareholders						
Dividend	–	–	–	–	−9,380	−9,380
Closing equity, 31/12/2016	**625**	**37,000**	**1**	**41,228**	**28,084**	**106,938**
Opening equity, 01/01/2017	**625**	**37,000**	**1**	**41,228**	**28,084**	**106,938**
Profit/loss for the year plus comprehensive income	–	–	–	–	13,722	13,722
Total	**625**	**37,000**	**1**	**41,228**	**41,806**	**120,660**
Transactions with shareholders						
Dividend	–	–	–	–	−9,380	−9,380
Buyback of own shares	–	–	–	–	−7,358	−7,358
Closing equity, 31/12/2017	**625**	**37,000**	**1**	**41,228**	**25,068**	**103,922**

Parent company statement of cash flows

SEK thousands	**2017**	2016
Cash flow from operating activities		
Operating profit/loss	–12,070	–10,130
Adjustment for non-cash items	0	–
Interest received and similar items	–	24
Interest paid and similar items	–119	–56
Income tax paid	–2,352	–3,321
Cash flow from operating activities before changes in working capital	**–14,541**	**–13,483**
Change in other current receivables	990	4,295
Change in other current operating liabilities	–691	3,938
Total change in working capital	**299**	**8,233**
Cash flow from operating activities	**–14,242**	**–5,250**
Cash flow from investing activities		
Acquisition of subsidiaries	–	–19,389
Dividends received	2,610	1,787
Group contribution received	19,000	19,200
Cash flow from investing activities	**21,610**	**1,598**
Cash flow from financing activities		
Loans raised	–	10,000
Repayment of loans	–2,000	–500
Dividend paid	–9,380	–9,380
Buyback of own shares	–7,358	
Cash flow from financing activities	**–18,738**	**120**
Decrease/increase in cash and cash equivalents		
Cash flow for the year	–11,370	–3,532
Exchange difference in cash and cash equivalents	–	–
Cash and cash equivalents at start of year	34,612	38,144
Cash and cash equivalents at end of year	**23,242**	**34,612**

Notes – Parent Company

NOTE 1 General information

Christian Berner Tech Trade AB (publ) (the parent company) is responsible for the Group's business development, acquisitions, financing, management and analysis.

The parent company is a limited liability company registered in Sweden and with its registered office in Mölnlycke. The postal address of the head office is Box 88, SE-435 22 Mölnlycke, Sweden, and the visiting address is Designvägen 1, Mölnlycke, Sweden.

Unless otherwise stated, all amounts are reported in thousands of Swedish kronor (SEK '000s).

NOTE 2 Summary of the parent company's significant accounting principles

The annual accounts for the parent company have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Assets and liabilities are valued at historical cost. Where the parent company applies accounting principles other than the Group's accounting principles as described in Note 2 to the consolidated financial statements, this is indicated below.

All reports prepared in compliance with RFR 2 require the use of a number of significant accounting estimates. Furthermore, the management is required to make certain assessments upon application of the parent company's accounting principles. Those areas that involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant for the annual accounts are indicated in Note 4 of the consolidated financial statements.

For information about financial risks, see Note 3 of the consolidated financial statements.

Presentation

The income statement and balance sheet are presented in accordance with the form of presentation prescribed in the Swedish Annual Accounts Act. The statement of changes in equity also uses the same presentation format as the Group, but must include the columns indicated in the Swedish Annual Accounts Act. This also results in the use of different terms compared with the consolidated financial statements, primarily in relation to financial income and expenses and equity.

Shares in subsidiaries

Shares in subsidiaries are recognised at cost, less any impairment. Cost includes acquisition-related costs and any additional consideration.

Where there is an indication that shares in subsidiaries have decreased in value, their recoverable amount is calculated. If this is lower than the carrying amount, impairment is applied. Impairment is reported in the item "Earnings from shareholdings in Group companies".

Shareholder contributions and Group contributions

Group contributions made by the parent company to subsidiaries and Group contributions received by the parent company from subsidiaries are recognised as appropriations. Shareholder contributions made are recognised as an increase in the carrying amount of the shareholding and at the recipient company as an increase in equity.

Financial instruments

IAS 39 is not applied at the parent company and financial instruments are valued at cost. In subsequent periods, financial assets that are acquired with the intention of them being held in the short term will be recognised in accordance with the lowest value principle at the lower of cost and market value.

On every balance sheet date, the parent company assesses whether there is any indication of impairment in any of the financial non-current assets. Impairment takes place if the decrease in value is deemed to be permanent. The impairment of interest-bearing financial assets reported at amortised cost is calculated as the difference between the asset's carrying amount and the present value of the management's best estimate of future cash flows discounted by the asset's original effective interest rate. The impairment amount for other financial non-current assets is calculated as the difference between the carrying amount and the higher of the fair value less selling expenses and the present value of future cash flows (based on the management's best estimate).

NOTE 3 Distribution of net revenue

Net revenue comes entirely from the sale of Group-wide services.

NOTE 4 Remuneration of employees and the Board

	2017		2016	
	Board members and other senior executives	Other employees	Board members and other senior executives	Other employees
Salaries and other remuneration	3,603	1,041	3,273	677
Bonuses	201	50	594	79
Pension costs	1,445	511	882	317
Social security expenses	1,588	487	1,230	236
Group total	**6,837**	**2,089**	**5,979**	**1,309**

	2017		2016	
Gender distribution of Board members and senior executives	Number at the balance sheet date	Of which men	Number at the balance sheet date	Of which men
Board members	8	5	8	5
CEO and other senior executives	2	1	2	1
Total	**10**	**6**	**10**	**6**

The company has defined benefit pension plans through ITP 2.

As indicated in Group Note 2.16, the ITP 2 plan's defined benefit pension obligations are also reported as a defined contribution plan, in other words the company's obligation is limited to fixed contributions, which are paid to a separate legal entity. The company's share of total savings premiums for ITP 2 at Alecta amounts to 0.00263 % at 31/12/2017 (0.00163% at 31/12/2016). The company's share of the total number of active insured in ITP 2 amounts to 0.00043% at 31/12/2017 (0.00062% at 31/12/2016). The expected premiums for the upcoming financial year for insurance policies signed with Alecta total SEK 285,000 (243,000). At 31/12/2016, Alecta's surplus in the form of the collective funding level was 148%. 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 actuarial calculation assumptions, which do not comply with IAS 19. See Group Note 7 for individual details for the Board of Directors and the CEO, as well as the terms applicable to termination of employment, pensions and pension obligations.

NOTE 5 Auditors' fees

	2017	2016
PWC		
Audit assignment	175	175
Audit activities in addition to the audit assignment	28	–
Tax advice	23	–
Other services	325	1,304
Total	**551**	**1,479**

NOTE 6 Financial items

	2017	2016
Anticipated dividends from subsidiaries	8,460	2,610
Foreign exchange gains on receivables from subsidiaries	–	23
Other financial income	–	1
Total interest income and similar items	**8,460**	**2,634**
Interest expenses on liabilities to credit institutions	71	44
Foreign exchange losses	46	5
Other financial expenses	2	7
Total interest expenses and similar items	**119**	**56**
Total financial items – net	**8,341**	**2,578**

NOTE 7 Foreign exchange differences – net

Foreign exchange differences were recognised in the income statement as follows:

	2017	2016
Financial items – net (Note 6)	46	18
Total	**46**	**18**

NOTE 8 Appropriations

	2017	2016
Group contributions received	19,000	19,200
Total	**19,000**	**19,200**

NOTE 9 Tax on profit for the year

	2017	2016
Current tax		
Current tax on profit/loss for the year	1,400	1,990
Adjustments for previous years	149	–
Total current tax	**1,549**	**1,990**

The income tax on pre-tax profit differs from the theoretical amount that would have been produced from the use of the tax rate for the parent company as described below:

	2017	2016
Profit/loss before tax	**15,271**	**11,648**
Income tax calculated using the tax rate in Sweden (22%)	–3,360	–2,563
Tax effect of:		
Non-taxable dividend	1,861	573
Adjustment for current tax of previous years	–149	–
Other non-taxable income	134	–
Non-deductible expenses	–35	–
Total recognised tax	**–1,549**	**–1,990**

NOTE 10 Holding and investments in subsidiaries

	31/12/2017	31/12/2016
Opening cost	**84,929**	**65,540**
Adjustment of preliminary acquisition calculation	–750	–
Capital contributions	–	–
Acquisition of subsidiaries	–	19,389
Closing accumulated cost	84,179	84,929
Closing carrying amount	**84,179**	**84,929**

Name	Corp. ID no.	Registered office and country of registration and operation	No. of shares	Proportion of ordinary shares held directly by the parent company (%)	Proportion of ordinary shares held by non-controlling interests (%)	Carrying amount, 31/12/2017	Carrying amount, 31/12/2016
Christian Berner AB	556049-5235	Mölnlycke, SE	10,000	100	0	63,761	50,000
Christian Berner AS	910542788	Oslo, NO	1,000	100	0	4,375	4,375
Christian Berner OY	48788	Vanda, FI	20	100	0	5,676	5,676
A/S Christian Berner	7066	Lyngby, DK	513	100	0	4,649	4,649
A-filter AB	556065-0409	Mölnlycke, SE	6,000	100	0	720	720
Satron Instruments Process & Miljö AB	556473-1783	Säffle, SE	1,000	100	0	120	120
PlastKapTek Sverige AB	556799-6391	Partille, SE	1,000	100	0	2,829	3,350
Fillflex AB	556281-4102	Västra Frölunda, SE	1,000	100	0	2,049	16,039
						84,179	**84,929**

NOTE 11 Prepaid expenses and accrued income

	31/12/2017	31/12/2016
Prepaid rent	–	52
Other items	125	844
Total	**125**	**896**

NOTE 12 Cash and cash equivalents

	31/12/2017	31/12/2016
Bank deposits	23,242	34,612
Total	**23,242**	**34,612**

NOTE 13 Proposed appropriation of profit/loss

The following profits are at the disposal of the Annual General Meeting:	31/12/2017	31/12/2016
Retained earnings	52,574	59,653
Profit for the year	13,722	9,659
	66,296	**69,312**
The Board of Directors proposes that this profit be appropriated of as follows:		
SEK 0.50 (0.50) per share to be distributed to shareholders	9,380	9,380
To be carried forward	56,916	59,932
	66,296	**69,312**

NOTE 14 Borrowing

	31/12/2017	31/12/2016
Non-current		
Liabilities to credit institutions	5,500	7,500
Liabilities to Group companies	840	840
Total non-current borrowing	**6,340**	**8,340**
Current		
Liabilities to credit institutions	2,000	2,000
Total current borrowing	**2,000**	**2,000**
Total borrowing	**8,340**	**10,340**

NOTE 15 Trade payables

	31/12/2017	31/12/2016
Trade payables, SEK	420	777
Trade payables, NOK	–	152
Currency adjustment to trade payables	–	–4
Total trade payables	**420**	**925**

NOTE 16 Accrued expenses and prepaid income

	31/12/2017	31/12/2016
Accrued salaries	1,594	1,954
Accrued social security expenses	973	903
Other accrued liabilities	176	101
Total	**2,743**	**2,958**

NOTE 17 Related parties

Christian Berner Invest AB (registered in Sweden) owns 43.8% of Christian Berner Tech Trade's shares at 31/12/2017. A direction decision was made by the Board of Christian Berner Invest on 6 September 2017 to dissolve the joint holding company ownership regarding shares in Christian Berner Tech Trade AB. The direction decision means that at the holding company's AGM in spring 2018 all of the holding company's class B shares in Christian Berner Tech Trade AB will be allocated pro rata to the holding company's shareholders. At the same time, Gårdaverken entered a binding agreement to acquire a further 1,027,195 class B shares, which will be taken into possession in spring 2018. In connection with the above transactions, Joachim Berner, through Gårdaverken, will continue to be the main owner of Christian Berner Tech Trade. At 31/12/2017, Gårdaverken AB owns all class A shares and accordingly has the largest share of the votes and 6.7% of the total shares. Lannebo Micro Cap owns 11.0% of the total shares as of the same date. Ernstöm Kapitalpartner AB owns 10.1%. The remaining part of the shares have a wide distribution.

Purchases from and sales to subsidiaries

Sales to Group companies constitute 100% (100%) of the parent company's net revenue, and purchases from Group companies constitute 23% (21%) of the parent company's purchases.

Sales to subsidiaries consist of corporate administrative services. Purchases from subsidiaries consist of Group-wide expenses for onward debiting. The services are purchased on normal business terms on a commercial basis.

Liabilities to shareholders	31/12/2017	31/12/2016
At beginning of year	**–**	**–**
Dividend approved by the AGM	9,380	9,380
Amortised amount	–9,380	–9,380
At year-end	**–**	**–**

NOTE 18 Pledged assets

	31/12/2017	31/12/2016
Shares in subsidiaries	19,389	19,389
Total	**19,389**	**19,389**

NOTE 19 Contingent liabilities

	31/12/2017	31/12/2016
Guarantees	49,084	54,128
Guarantee commitments to the benefit of subsidiaries	15,616	15,385
Total	**64,700**	**69,513**

NOTE 20 Events after the end of the reporting period

With regard to event after the end of the financial year, refer to the Group's Note 29.

The Board of Directors and the CEO warrant that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and provide a true and fair picture of the financial position and result of the Group. The annual accounts have been prepared in accordance with good accounting practice and provide a true and fair picture of the financial position and result of the parent company.

The Directors' Report for the Group and the parent company provides a true and fair overview of the development of the business, financial position and results of the Group and the parent company and describes significant risks and uncertainties faced by the parent company and the companies forming part of the Group.

Mölnlycke, 23 March 2018

Joachim Berner
Chairman of the Board

Bo Söderqvist
Chief Executive Officer

Kerstin Gillsbro
Board Member

Anders Birgersson
Board Member

Charlotta Utterström
Board Member

Lars Gatenbeck
Board Member

Malin Domstad
Board Member

Sohrab Moshiri
Employee representative

Kurt Olofsson
Employee representative

Our audit report was submitted on 23 March 2018.
Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

Definitions

Christian Berner Tech Trade AB has reviewed the terminology for alternative key performance indicators on the basis of the new guidelines of the European Securities and Markets Authority (ESMA). No changes to the key performance indicators are considered necessary as a result of this.

Description of financial performance indicators not contained in IFRS

Non-IFRS performance indicators*	Description	Reason for use of indicator
Net revenue growth*	Increase in the net revenue as a percentage of the total revenue of the previous year	Indicator of the company's growth relative to the previous period, which illustrates the company's trend and enables the underlying driving forces to be tracked
EBITA*	Earnings before impairment of goodwill and impairment and amortisation of other intangible assets that arose in connection with business combinations and equivalent transactions	As a manufacturing company, EBITA is an important indicator of the company's profitability before interest, taxes and impairments
EBITA margin*	EBITA as a percentage of net revenue.	The EBITA margin illustrates the company's profit generation before interest, taxes and amortisation, relative to operating income. A performance indicator that is appropriate for companies such as Christian Berner
Operating profit/loss*	Operating profit/loss before financial items and taxes	Operating profit/loss gives an overall picture of the company's profit generation in its operating activities
Operating margin*	Operating profit/loss before financial items and taxes, as a percentage of operating income	The operating margin is a traditional comparison indicator that illustrates the company's profit generation relative to operating income
Net financial items*	The difference between financial income and financial expenses	Net financial items shows the difference between financial income and financial expenses
Profit/loss for the period	Profit after tax	Profit/loss for the period: this indicator is relevant because it is the profit for the period that the Board of Directors decides to distribute to shareholders or reinvest in the company.
Total assets	The company's total assets	Total assets indicates the company's total assets that are at the disposal of the company in order to generate returns for shareholders
Equity ratio*	Equity as a percentage of total assets	A traditional indicator showing financial risk, expressed as the proportion of adjusted equity that is financed by the shareholders
Return on equity*	Profit/loss after financial items as a percentage of average equity	Shows the return on the shareholders' invested capital, from the perspective of the shareholders
Cash flow for the period	Total of the cash flow from operating activities, cash flow from investing activities and cash flow from financing activities	The cash flow for the period is an indicator of how much cash and cash equivalents the company generates or loses in each period
Number of shares at close of period*	The number of outstanding shares at the end of the reporting period	The number of shares in the company is important, as it forms the basis of the calculation of earnings per share
Average equity*	The average of the total of opening equity for the period added to closing equity for the period	Average equity is a more conventional comparison indicator and is used as a component in a number of other key performance indicators

* Derivation of alternative performance measures	**2017**	2016
EBITA	21,467	25,105
Amortisation of intangible assets	–1,290	–1,290
Operating profit/loss	**20,177**	**23,815**
EBITA	21,467	25,105
Net revenue	449,607	429,121
EBITA margin	**4.8%**	**5.9 %**
Operating profit/loss	20,177	23,815
Net revenue	449,607	429,121
Operating margin	**4.5 %**	**5.5 %**
Equity	94,962	95,921
Total assets	186,891	191,192
Equity ratio	**50.8 %**	**50.2 %**
Profit/loss before tax	19,920	23,714
Average equity	95,442	90,954
Return on equity	**20.9 %**	**26.1 %**

Audit report

To the General Meeting of shareholders of Christian Berner Tech Trade AB (publ), corp. ID no. 556026-3666

Statement on the annual accounts and consolidated financial statements

Opinions

We have audited the annual accounts and consolidated financial statements for Christian Berner Tech Trade AB (publ) for 2017. The company's annual accounts and consolidated financial statements are included on pages 33–59 of this document.

It is our opinion that the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and provide in all material respects a true and fair view of the financial position of the parent company at 31 December 2017 and of its financial result and cash flow for the year in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and provide in all material respects a true and fair view of the financial position of the Group at 31 December 2017 and of its financial result and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual accounts and the consolidated financial statements.

We therefore recommend that the General Meeting adopt the consolidated income statement and balance sheet and parent company income statement and balance sheet.

Our opinions in this statement on the annual accounts and consolidated financial statements are consistent with the content of the supplementary report submitted to the parent company's and Group's Audit Committee in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility under these standards is described in further detail in the section entitled "The auditor's responsibility". We are independent in relation to the parent company and the Group, in accordance with generally accepted auditing standards in Sweden, and we have also fulfilled our professional ethical responsibility in accordance with these requirements. This includes, based on the best of our knowledge and conviction, that no prohibited services as referred to in Article 5.1 of the Audit Regulation (537/2014) have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We consider the audit evidence we have obtained to be adequate and appropriate to form the basis for our opinion.

Our audit approach

We structured our audit by determining the materiality level and assessing the risk of material misstatements in the financial statements. We paid particular attention to the areas where the CEO and Board made subjective judgements, such as important accounting estimates made based on assumptions and forecasts of future events, which are uncertain by nature. As in all audits, we also took into account the risk that the Board and the CEO neglect internal control, and among other things have considered if there is evidence of systematic deviations that have given rise to a risk of material misstatements as a result of improprieties.

We adapted our audit to carry out an appropriate review with the aim of being able to express an opinion on the financial statements as a whole, considering the Group's structure, accounting processes and controls and the industry within which the Group is active.

Christian Berner Tech Trade markets and sells components, systems and services with a high technical content in selected niches to industry. The Group consists of nine companies in four countries. Since its stock exchange listing in 2014, the Group has grown, partly through acquisitions, by an average of 3.6 per cent per year. The single largest subsidiary in the Group is Christian Berner AB. Besides this company, all companies in the Group are individually small operations in relation to the Group as a whole. The most significant items in the subsidiaries are inventories and trade receivables.

To ensure that we in the audit of the Group have a common focus on material areas, and that we obtain a high degree of coverage of the Group's net revenue, we in the Group team allocated the respective subsidiaries one of three audit scopes. These scopes vary from no audit (non-material company or no requirement of a statutory audit) to a so-called full audit, which entails continuous review during the autumn with a focus on internal control, a summary review as of 30 September and a year-end closing review. Through this approach, we as Group auditors obtain adequate coverage from subsidiaries in scope when we submit this audit report. A statutory audit is also done of all subsidiaries in the Group that are subject to such a requirement under the country's legislation.

The strong decentralised management model that Christian Berner Tech Trade applied means that great responsibility rests with the subsidiary management teams in terms of establishing and maintaining good internal control. Within the Christian Berner Tech Trade Group, there is an annual procedure for self-assessment of internal control where the companies complete a form for evaluation of internal control. Responses received are compiled and evaluated by the parent company's finance department and the business area controllers. As a supplement to this, we perform a validation of selected questions in the self-assessment in the scope of the audit.

At a Group level, areas are reviewed such as impairment testing of goodwill, review of actuarial calculations for material pension plans and review of acquisition calculations.

Our audit is conducted continuously over the year. In 2017, in connection with the interim reports for the third quarter and the year-end report, we reported our most significant observations to Group management and the Board of Directors. Regarding the third-quarter interim report, we submitted a summary review report.

Materiality

The scope and focus of our audit was influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are viewed as material if they individually or together can reasonably be expected to affect the financial decisions the users make based on the financial statements.

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

Particularly significant area	How our audit took into account the particularly significant area
Measurement of inventories The Group's inventories amount to SEK 23.5 million at 31 December 2017, which forms a material item on the balance sheet where its existence and measurement is important. The obsolescence reserves are governed by a set obsolescence model. *See Note 2.8 Inventories in the annual report.*	In the audit, we mapped and assessed the companies' inventory processes including procedures for valuation and obsolescence assessment to obtain an understanding of the risks and controls. We also participated in stock-taking and reviewed pricing of articles in the inventories. We reviewed the obsolescence models in the subsidiaries against Christian Berner Tech Trade's overall accounting principles and considering the company's operations, system support, inventory turnover rate and other relevant factors. Based on our review, we have not identified any material observations for the audit as a whole regarding Christian Berner Tech Trade's inventory valuation.
Measurement of trade receivables Trade receivables amount to SEK 56.7 million at 31 December 2017, which forms a material item on the balance sheet where its existence and measurement is important. Here too, there are elements of management assessment with regard to measurement of doubtful trade receivables and an assessment of credit risk. For these reasons, the measurement of trade receivables has been deemed to be a particularly important area in our audit. *See Note 3 Financial risk management and Note 17 Trade receivables in the annual report.*	The sales process, with controls attributable to credit assessment, follow-up and monitoring of overdue receivables and measurement of doubtful trade receivables, constitutes an important process to focus on in the audit. In the year-end closing review, we had a particular focus on the review of reserves for doubtful receivables, where we decided on the choice of model for reservations and management assessments regarding material credit risks or customers with payment difficulties. We also conducted a payment follow-up to confirm the existence of trade receivables. Based on our review, we have not identified any material observations for the audit as a whole regarding Christian Berner Tech Trade's measurement of trade receivables.

Particularly significant areas

Areas of particular significance to the audit are those that in our professional opinion were the most significant to the audit of the annual accounts and consolidated financial statements for the period in question. These areas are addressed within the scope of the audit of, and in our opinion on, the annual accounts and consolidated financial statements as a whole, but we make no separate statements regarding these areas.

Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual accounts and consolidated financial statements and is found on pages 1–20 and 62–65. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated financial statements does not cover this other information and we do not express any form of confirming statement regarding this other information.

In connection with our audit of the annual accounts and consolidated financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. 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.

Based on the work performed concerning this information, if we 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 CEO

It is the Board of Directors and the CEO that are responsible for the preparation of the annual report and consolidated financial statements and that they provide a true and fair view according to the Annual Accounts Act and, with regard to the consolidated financial statements, according to International Financial Reporting Standards (IFRS) as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they deem necessary for the purpose of preparing annual accounts and consolidated financial statements that are free from material misstatement, whether due to irregularities or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They indicate, where applicable, whether there are any circumstances that may affect the ability to continue operations and to apply the going concern assumption. The going concern assumption is not applied, however, if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no other realistic alternative than to do so.

The Board's Audit Committee shall, without it affecting the Board's responsibility and duties otherwise, monitor the company's financial reporting, among other things.

The auditor's responsibility

Our aim is to obtain reasonable assurance about whether the annual accounts and consolidated financial statements are free from material misstatement, whether due to irregularities or error, and to submit an audit report containing our opinion. Reasonable assurance is a high level of certainty, but is no guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will uncover a material misstatement, should one exist. Misstatements can occur as a result of irregularities or error and are considered material if, individually or together, they may reasonably be expected to affect the financial decisions made by the user on the basis of the annual accounts and consolidated financial statements.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements is available on the website of the Supervisory Board of Public Accountants: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the audit report.

Statement on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the Board of Directors' and the CEO's management of Christian Berner Tech Trade AB (publ) for 2017 and the proposed appropriation of the company's profit or loss.

We recommend that the General Meeting appropriate the profit as proposed in the Directors' Report and discharge from liability the members of the Board of Directors and the CEO in respect of the financial year.

Basis for opinion

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility under these standards is described in further detail in the section entitled "The auditor's responsibility". We are independent in relation to the parent company and the Group, in accordance with generally accepted auditing standards in Sweden, and we have also fulfilled our professional ethical responsibility in accordance with these requirements.

We consider the audit evidence we have obtained to be adequate and appropriate to form the basis for our opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriation of the company's profit or loss. The dividend proposal includes, among other things, an assessment of whether the dividend is justifiable in relation to the demands that the nature, scope and risks of the business of the company and the Group place on the size of the equity, consolidation requirements, liquidity and financial position in general of the company and the Group.

The Board of Directors is responsible for the company's organisation and the management of the company's affairs. This includes continuously monitoring the financial situation of the company and the Group and ensuring that the company is organised such that accounting, asset management and the company's financial circumstances are otherwise controlled in a satisfactory manner. The Chief Executive Officer must perform routine administration tasks according to the guidelines and instructions of the Board of Directors and, among other things, take the necessary measures to ensure that the company's accounts are fully compliant with the law and that asset management is conducted in a satisfactory manner.

The auditor's responsibility

Our aim with regard to the audit of the administration, and therefore our opinion on discharge from liability, is to obtain audit evidence to enable us to assess with reasonable assurance whether any Board member or the CEO has in any material respect:

- taken any action or been guilty of any negligence that may result in liability to the company
- in any other way acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our aim with regard to the audit of the proposed appropriation of the company's profit or loss, and therefore our opinion on this, is to assess with reasonable assurance whether the proposal is compliant with the Swedish Companies Act.

Reasonable assurance is a high level of certainty, but is no guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always uncover actions or negligence that may result in liability to the company or establish that a proposed appropriation of the company's profit or loss is not compliant with the Swedish Companies Act.

A more detailed description of our responsibility for the auditing of the administration can be found on the website of the Swedish Supervisory Board of Public Accountants: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the audit report.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was elected as Christian Berner Tech Trade AB (publ)'s auditor by the Annual General Meeting on 24 April 2017 and has been the company's auditor since 17 November 2006.

Mölnlycke, 23 March 2018

Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

Annual General Meeting and reporting dates

23 April 2018
Annual General Meeting 2018
The Annual General Meeting will be held at the head office in Mölnlycke, Sweden on 23 April 2018, at 4:00 p.m.

23 April 2018
Interim report for the first quarter 2018

20 August 2018
Interim report for the second quarter 2018

22 October 2018
Interim report for the third quarter 2018

21 February 2019
Year-end report 2018

Contact details

Investor relations
Bo Söderqvist +46-31-33 66 910

CHRISTIAN BERNER TECH TRADE AB (publ)
Corp. ID no.: 556026-3666
Box 88, SE-435 22 Mölnlycke, Sweden
Visiting address: Designvägen 1, SE-435 33 Mölnlycke, Sweden
Tel +46 31 33 66 900
E-mail: info@christianberner.com
www.christianberner.com

Christian Berner AB
Tel. +46 31 33 66 900

A/S Christian Berner Denmark
Tel. +45 7025 4242

Christian Berner AS Norway
Tel. +47 23 34 84 00

Christian Berner Oy Finland
Tel. +358 9 2766 830

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