Annual Report 2016

CHRISTIAN BERNER

Expect more

"2016 was another successful year, with strong results and increased profitability as well as two acquisitions."

Bo Söderqvist
CEO, Christian Berner Tech Trade AB

Contents

Year in brief

- Total net revenue for 2016 as a whole was SEK 429.1 (445.5) million.
- Operating profit was SEK 23.8 (24.1) million, including costs for planned change of listing of SEK 4.4 million.
- EBITA was SEK 25.1 (25.4) million.
- The EBITA margin increased to 5.9 (5.7) per cent.
- Order intake was SEK 431.2 (430.9) million.
- Earnings per share before and after dilution was SEK 0.99 (1.20).
- Cash flow from operating activities before changes to working capital totalled SEK 23.7 (26.2) million. Total cash flow for the year was SEK –7.4 (24.2) million.
- The Board proposes a dividend of SEK 0.50 (0.50) per share.

5.9%

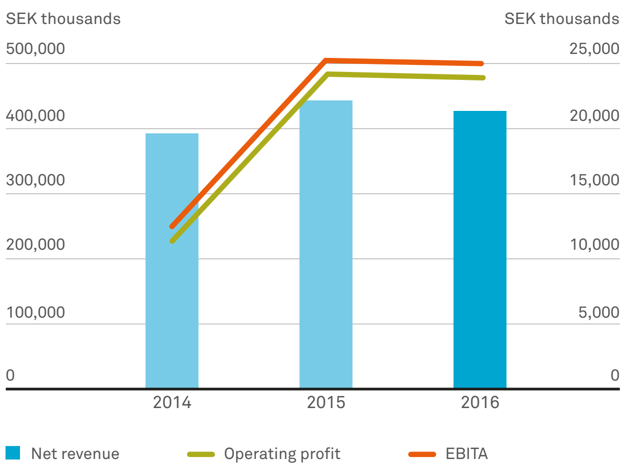
Improved profitability

KPIs

SEK THOUSANDS	**2016**	2015
Net revenue	429,121	445,553
Net revenue growth	–3.7%	13.2%
EBITA	25,105	25,388
EBITA margin	5.9%	5.7%
Operating profit/loss	23,815	24,098
Operating margin %	5.5%	5.4%
Net financial items	–101	10
Profit/loss for the period	18,532	22,485
Total assets	191,192	174,807
Earnings per share (SEK)	0.99	1.20
Equity ratio, %	50.2%	49.2%
Return on equity, %	26.1%	31.1%
Cash flow	–7,411	24,244
Number of shares at close of period	18,759	18,759

For definition of key performance indicators, see page 55.

Net revenue and operating profit



Leading partner for technical solutions

Buying technical components, materials and advanced equipment is a process that often involves many decisions. With nearly 120 years of experience as a strategic 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.

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 in selected niches on the Nordic market. It also provides consultation, analysis of the customer's technical requirements, development, installation and service.

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.

Creates value for customers and suppliers

Christian Berner also has its own manufacturing, as well as further product processing, 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.

Christian Berner's main strengths and competitive advantages

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. Its stable, long-term relationships with leading suppliers in various niches enable Christian Berner to provide its customers with high-quality, technologically advanced products.

Creates value for the customer

In areas where we are beginning to 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 environmental benefits, the company's technical solutions also create economic benefits for customers, including through greater efficiency and lower raw material costs.

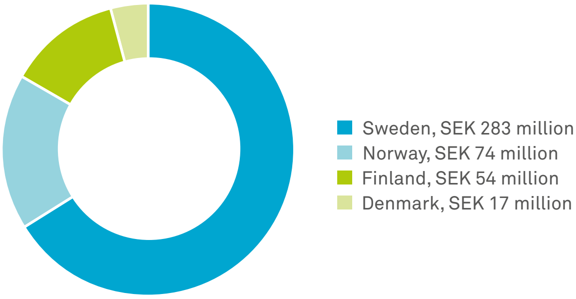
Market – selected niches in the Nordic region

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. The company is active on both these sub-markets in a number of selected niches.

The Group is managed on the basis of a geographical 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 provides details of this in Note 5.

Revenue by market, 2016
SEK million



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. The business areas are partly run on the basis of different business logic with different business models and they complement one another well, which creates clear benefits, in particular from a business cycle perspective.

Materials Technology

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

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

Process & Environment

Process & Environment includes Christian Berner's operational areas that focus on customers with a need primarily for process equipment and technical systems. The business area's customers are spread across a large number of segments, including the paper industry, the public sector and the process industry. The range offered within Process & Environment 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. It is therefore a key competitive advantage that most of Christian Berner's staff have technical training.

Strong results and increased profitability

2016 was another successful year for Christian Berner, with strong results and continued improvement in profitability. The two acquisitions we made during the year and our ongoing work to continue the development of the company have further strengthened Christian Berner's position.

The brand is based on three fundamental qualities

1. **We know what we're doing**
2. **We're on your side**
3. **We give you more**
   Expect more is a sign to customers and suppliers that we really understand what they need help with.

Christian Berner continued its business development during 2016 with the production of a new brand strategy with a new visual identity. You can see some of the results of this work in the annual report you are now reading. Perhaps the most important result of this work, however, is the promise that we make to our stakeholders, which is summed up in the motto "Expect more". By this, we mean that we can and will do more, and that you can expect more of Christian Berner in the future.

Improved margins

It is pleasing to report that the positive trend the company has enjoyed for several years continued in 2016. The Group's EBITA result was SEK 25.1 million, with an EBITA margin of 5.9 per cent, despite the costs of the planned change of listing and major investments in developing the company's new brand strategy. Excluding the costs for the change of listing, profit was SEK 29.5 million and the EBITA margin was 6.9 per cent. These are levels we have never achieved before, but we want to do even better. In 2016, Christian Berner revised its financial targets and we are now aiming for an EBITA margin of 9 per cent.

All companies in the Group contributed to this result. In terms of profitability, Sweden reported an EBITA margin of 10.5 per cent for 2016, which is an excellent result. Denmark also enjoyed a positive trend, with an EBITA margin of 9.9 per cent. The company's other markets, Norway and Finland, underperformed however, with an EBITA margin of 3.5 per cent for Norway and 1.7 per cent for Finland, which indicates that we have potential to further improve our profitability.

"We acquired two companies during 2016 that are a good fit for Christian Berner."

Acquisitions that strengthen the company's business areas

Our Process & Environment business area developed positively in 2016, with several interesting projects. One of these is the order for new headbox sheets from BillerudKorsnäs, which confirms Christian Berner's long tradition and strong offering to the Nordic paper mills. Another exciting event that took place last year was our acquisition of Fillflex AB, which will complement the business area's range.

Materials Technology continued the stable profitable growth this business area has enjoyed for several years. In this business area we contribute to quieter cities and in 2016 SL entrusted us to supply materials for rail damping on the Roslagsbanan and Saltsjöbanan railways. The company's offering within Materials Technology was also strengthened during the year through the acquisition of PlastKapTek Sverige AB.

We are pleased that during the course of the year we have been able to acquire two companies that are a good fit for Christian Berner and which have great potential on all of our markets. Our aim is to increase the rate of acquisition in the future and we are always evaluating quality companies that can strengthen our position on our various markets.

Continued focus on sales and cost-effectiveness

One disappointing result in 2016 was the company's revenue, which totalled SEK 429 million, which can mainly be explained by the negative trend in the offshore industry that affected our operations in Norway. Our exposure in Norway is mostly to land-based industry, but this was also negatively affected by the downturn in offshore.

The fall in net revenue makes the company's results and profitability even more pleasing. It shows that over time we have developed a cost-effective operation, which provides the basis for continued profitable growth in the future. We must continue to be cost-effective but grow at the same time, with the priority being growth of the existing organisation. In 2017, we will focus specifically on increasing our sales of the company's range of services and on further strengthening our offering with new products and suppliers.

Expect more creates value

Our customers, suppliers, employees, shareholders and other stakeholders can expect even more value from their partnership with Christian Berner in the future. This places a requirement on us not just to continue doing what we do well, but to develop it and add even more. It is essential that we understand our customers' needs at our company and that we help them find the best solution and create value for them. This is vital for our success and also develops us as a company.

In order to do this, we need well-trained employees with a high level of technical expertise. We also need to have a drive, commitment and enthusiasm to develop the very best solutions for our customers. I am proud to say that these are all things we have at Christian Berner. We are therefore equipped for 2017, a year when we will continue our work to create value for our stakeholders through profitable growth. We are also looking forward to the company's planned change of listing during the first quarter, which will allow us to develop further as a company.

Finally, I would like to say a big thank you to all our employees, customers and suppliers for the strong commitment they have shown and for their excellent cooperation throughout the year.

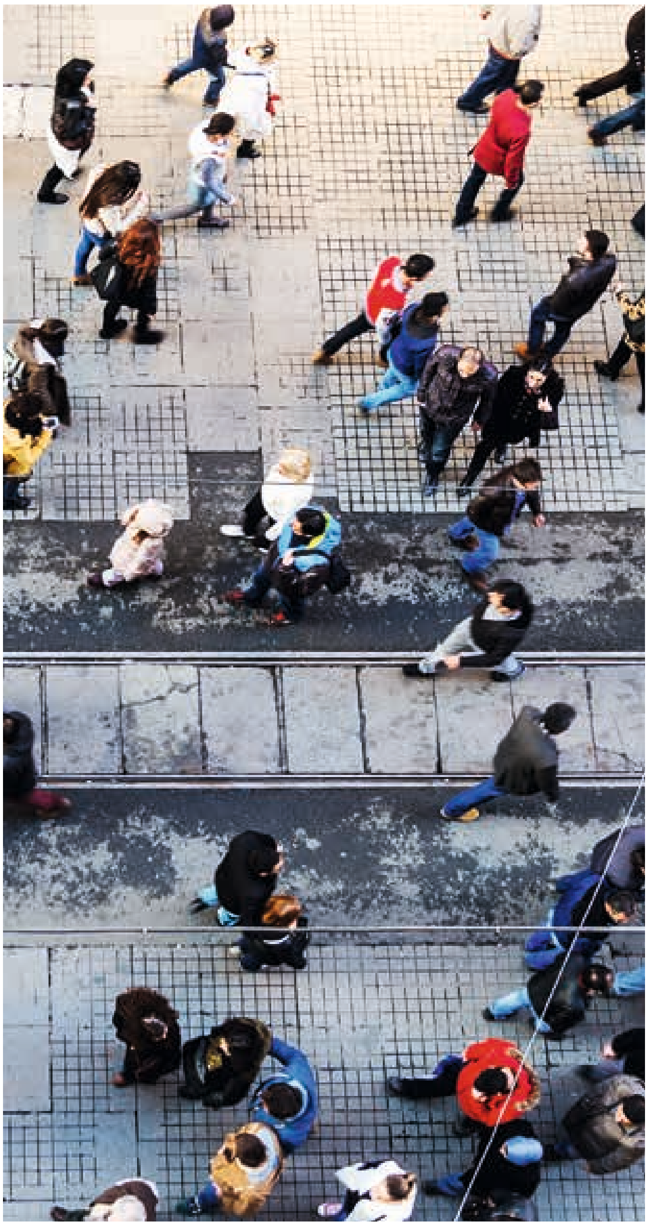
Bo Söderqvist
CEO, Christian Berner Tech Trade AB

Priorities for 2017

- Continued profitable growth
- Increased sales of the company's range of services
- Stronger offering through new products and suppliers
- Change of listing to Nasdaq Stockholm, Small Cap during the first quarter
- Acquisitions

Growth-generating trends and driving forces

The single most important driving force for a technology trading company is the underlying economic situation on its respective geographical 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.



Solutions to global challenges

Christian Berner's customers are affected by 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 digitised world.

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 the environment 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 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 servicing and maintenance.

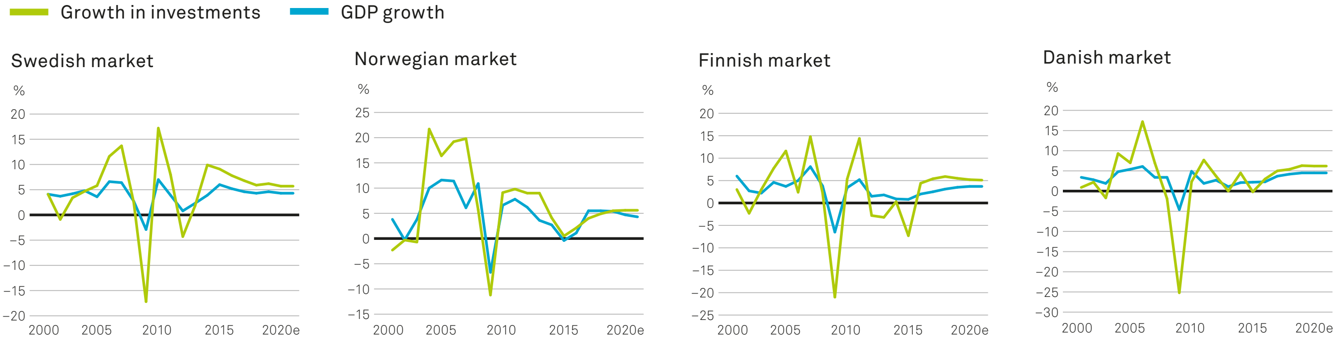
Increased urbanisation

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 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.

Trends on our geographical markets

The underlying economic situation on Christian Berner's geographical 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, therefore, GDP growth and investments in Sweden, Norway, Finland and Denmark are important driving forces for the company's development.



The figures above show GDP growth and gross investment growth for the period 2001–2020e. Source: IMF

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 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 as well as complementary services.

Fewer suppliers means 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 geographical 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 consolidation is also helping to increase opportunities for suppliers to offer leading products. This in turn means improved competitiveness for Christian Berner's range.

Peter Nobelius, Technical sales representative, Christian Berner AB

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 partner for technical solutions.

Increasing value in the value chain

As a technology trading company, Christian Berner Tech Trade creates value for both customers and suppliers by structuring and streamlining the value chain. This reduces transaction costs in the value chain. A market without a technology trading company as an intermediary, strategic partner and adviser has resource-intensive contacts and high transaction costs. Markets where Christian Berner does act as an intermediary, strategic partner and adviser on the other hand, have simpler purchasing and sales processes.

Christian Berner's position as a strategic partner between the manufacturer and the end customer enables it to promote and extend the company's share of the value chain, for example by carrying out manufacturing and assembly 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.

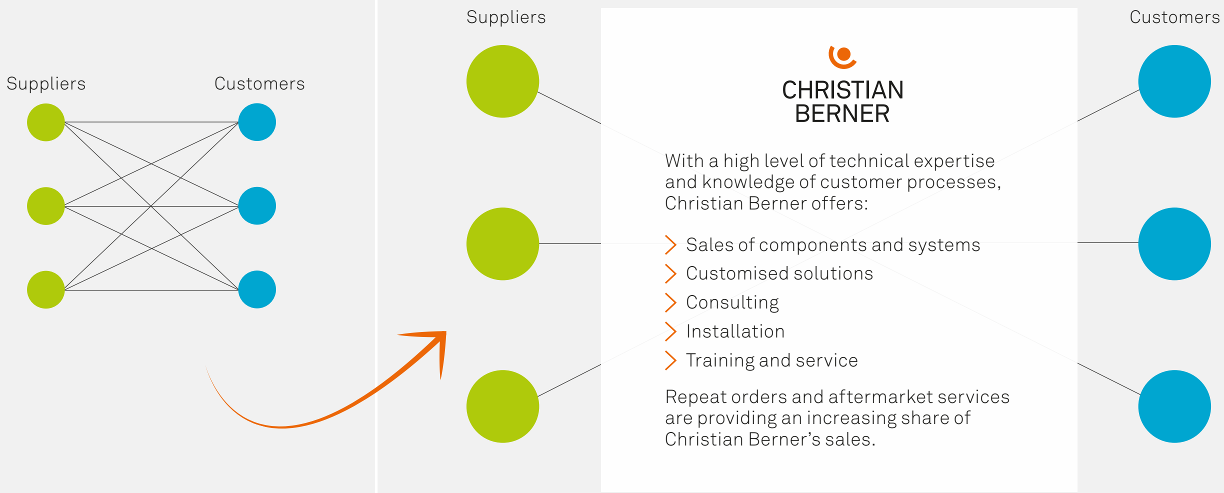
In recent years, Christian Berner has increased the proportion of ongoing sales. At the same time, the company avoids business involving high volumes at low quality. The high level of technical expertise in the company's sales organisation and the cooperation with leading quality suppliers enables Christian 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 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 simplifies the purchasing and sales processes in the market and also provides technical knowledge and service.



Clear strategy for growth organically and through acquisitions

Christian Berner has a clear growth strategy. 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.

Continuous business development and growth are strategic tools that Christian Berner can use to create higher barriers to entry on the company's markets. As Christian Berner grows, the risk also reduces of suppliers establishing their own sales organisations on the markets where the company operates.

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.

In order to strengthen organic growth in the future, the priority areas are increasing sales of services and focusing on environmental technology.

Focus on increasing sales of services

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 company continuously works on value-added sales, among other things by clarifying what Christian Berner offers in terms of consulting, processing, installation, system solutions and service. This enables the company to support customers throughout the process, from advice to continuous service.

Christian Berner will be carrying out a number of activities in 2017 in order to further develop and clarify the company's sales of services. The company's managers and other employees will be involved in this work, the aim of which is to increase the proportion of sales of services such as consulting and advice in order to contribute to increased growth with continued profitability.

Christian Berner as an owner

Hello Wladyslaw Poreba! Your company, PlastKapTek Sverige AB, is Christian Berner's latest acquisition. What do you think are the benefits of being part of the company?

"We are right in the middle of the integration process at the moment and I think Christian Berner has a good approach to looking after us as an acquired company. It gives you a feeling of confidence to be part of a stable company with a clear focus on continued development that has already had a positive impact on cooperation with our suppliers and customers. The salespeople at Christian Berner have a great deal of knowledge about plastic, which means that together we will be able to look after our customers even better in the future. My aim was to find an owner that wanted to develop our company further and I am convinced that Christian Berner will do this," concludes Wladyslaw Poreba, general manager at PlastKapTek Sverige AB.


Wladyslaw Poreba

The acquisition process

Identification

An acquisition target is identified using a structured process. Christian Berner has built up an extensive network over time, which provides a good picture of the range of potential acquisition candidates.

Evaluation

The acquisition target is evaluated on the basis of a number of specific criteria, such as market position, financial position and management. Due diligence is also carried out.

Negotiations

The aims of this phase can be summarised as ensuring:
- That the acquisition can be made on terms that create value.
- The continued commitment of key personnel.
- That the potential acquisition's main suppliers agree to the acquisition.

Implementation

On acquisition, a structured review is made of the acquired company, with a focus on integrating it into the corporate structure of Christian Berner. The company is then integrated into the subsidiary in the respective country.

Focus on environmental technology

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. 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.

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.

Growth through acquisitions

Acquisitions are a key part of Christian Berner's long-term growth strategy. Over the past nine years, Christian Berner has completed seven acquisitions and the company continues to analyse a number of potential acquisition candidates. In 2016, the company acquired Fillflex AB and PlastKapTek Sverige AB. The acquisitions made must strengthen and advance the company's position within priority areas by bringing new products and new knowledge and so 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.

The acquisition process

Christian Berner aims to increase the rate of acquisitions it makes in the future and in this respect has developed an acquisition process for the analysis, execution and implementation of acquisitions. The acquisition process aims to structure the acquisition proceedings and ensure the quality of the acquisitions made.

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. Christian Berner focuses on acquiring companies with a net revenue of around SEK 20–100 million.

Contact us

Christian Berner is always looking for quality companies that are a good fit for the Group and where Christian Berner as an owner can help to develop the business. Feel free to contact us to discuss future opportunities together.

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Financial targets

Christian Berner has clearly formulated financial targets for the business. In 2016, the Board of Directors of Christian Berner decided to revise the company's financial targets. For the previous targets, see the Directors' Report on page 22. The target for EBITA margin replaced the previous EBITDA target, while the targets for growth and return on equity were also increased. Christian Berner's current 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.

The revised financial targets better illustrate the next level of Christian Berner's development, with an even clearer focus on growth together with continued prioritised work to strengthen profitability. The new financial targets also make sector comparison easier.

Christian Berner's financial targets and outcomes for 2016 and 2015 are shown in the table below.

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

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

The profitable growth journey continues

In recent years, Christian Berner has focused on work to strengthen profitability. This has resulted in the company establishing a new level of profitability.

3.2%

2014

At the time of listing on the 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 5.9 per cent. The costs associated with the planned change of listing were SEK 4.4 million (1%).

9.0%

Target

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

Active sustainability work for continued value creation

Christian Berner carries out active sustainability work. In addition to creating economic value for customers, suppliers and shareholders, the company also wants to contribute value creation through consideration for the environment and social responsibility.

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.

Sustainability issues are governed by Christian Berner's code of conduct, policies, manuals and instructions. In order to ensure the further development of the company's sustainability work, Christian Berner in Sweden has an HR, quality and environmental manager and the operational work is spread across the organisation. At the Group's companies in other countries, these tasks are delegated within the organisation. Ultimate responsibility for the company's sustainability work lies with Christian Berner's Group President.

With a focus on Christian Berner's primary stakeholders – employees, customers, suppliers, shareholders and the capital market, as well as the rest of society – the company began work in 2016 to produce a materiality analysis. The aim was to identify Christian Berner's most important issues for responsible business that creates value. The issues identified by this work are described below, along with a report on Christian Berner's work in these areas.

"A long-term approach is central to Christian Berner's ethos and the company has been creating value for its stakeholders since it was founded in 1897."

Economic value creation

Christian Berner will be the leading partner for technical solutions. The company is home to thousands of products, employees with extensive technical expertise, long experience and a high level of specialist knowledge, and this helps to create economic value for stakeholders.

Financial results

A long-term approach is central to Christian Berner's ethos and the company has been creating value for its stakeholders since it was founded in 1897. With a strong income statement and balance sheet, Christian Berner is targeting many more years of value creation for the company's stakeholders.

Continuous development towards a stronger Christian Berner creates value for all of the company's stakeholders. In recent years, Christian Berner has successfully improved its EBITA margin, which in 2016 was 5.9 per cent. In 2016, the company acquired Fillflex AB and PlastKapTek Sverige AB. These acquisitions create growth and profitability and aid the further development of Christian Berner.

Value is created for Christian Berner's shareholders through, among other things, the good development of the share price, as well as by targeting a dividend that gives a good direct return and dividend growth. Christian Berner's share price rose by 24 per cent in 2016. The same year, the dividend was 42 per cent of profit, which was in the upper part of the target range.

Indirect economic impact

As a technology trading company, Christian Berner Tech Trade creates value for both customers and suppliers by structuring and streamlining the value chain, which reduces transaction costs. Christian Berner also creates value for customers by 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 manufacturing, as well as further product processing, which helps to create increased added value for customers.

Anti-corruption

As strategic partners and advisers to manufacturers and customers, technology trading companies such as Christian Berner have extensive business relationships with various parties. Christian Berner has 150 suppliers all over the world, but the company aims primarily to use suppliers from Europe and the USA, as these usually supply the best-quality products on the market. In order to meet the requirements of major suppliers, Christian Berner has a TRACE certificate. This certificate is updated once a year and ensures that there are no dependent relationships between the company and suppliers.

Christian Berner's operations must be conducted in accordance with good business practice and maintain a high level of ethical integrity in everything the company does. No form of fraud, bribery or similar illegal activity by employees, business partners or suppliers is tolerated. Christian Berner'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.

Environmental value creation

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

Environmental technology

Christian Berner supports its customers with environmentally sound solutions through qualified needs analysis, consulting, service and development. Christian Berner helps customers in their choice of resource-efficient solutions and products. Many of the company's products, goods and services help to reduce the environmental impact of the company's customers, for example by reducing the quantities of chemicals and shipments, as well as the reduced use of environmentally damaging materials.

These can include, for example, vibration-damping materials that improve the environment for those living near rail lines or process equipment that helps to reduce energy consumption in their production.

Compliance – environment

Christian Berner AB operates activities that are subject to reporting obligations under the Swedish Environmental Code. None of the Group's companies are involved in any environmental disputes. Christian Berner works to reduce pollution through constant improvements, with legislation and official regulations applied as the minimum requirement in operations.

Christian Berner AB is certified in accordance with ISO 14001. The company's internal environmental work is based on the commitment and participation of its employees, who take personal environmental responsibility for their part of the business. Christian Berner's environmental aspect assessment is updated annually, when activities, operations, products or services that may affect the environment are identified.

Christian Berner AB has performed an environmental review and identified waste, chemicals and business travel/goods transport as priority environmental areas. The company will work on these environmental areas for a three-year period, based on measurable environmental targets and activities drawn up in order to achieve these targets.

Supplier evaluation – social and environmental

Christian Berner represents suppliers who share the company's values with regard to quality, the environment and ethics. By working with suppliers who carry out active environmental work, Christian Berner can help to reduce and prevent the environmental impact of both the company and the suppliers.

Else-Britt Carlsson, Technical inside sales representative, Christian Berner AB

Social value creation

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 company's employees are expected to work and act in accordance with the company's values, with the watchwords being business acumen, development, ethics and morals. These are the basis for Christian Berner's operations and these watchwords must permeate the entire organisation.

The shortage of technical and engineering expertise is generating increased competition for attractive employees. It is important for Christian Berner to be an attractive employer in order to be able to attract, retain and develop employees. The company has developed a recruitment process that ensures the right person is recruited to the right position and that recruitment takes place in a professional manner, with selection based on qualifications and suitability for the job. New employees must feel welcome and understand their role within the company and this is ensured by Christian Berner's induction procedures for new employees.

Health and safety

Christian Berner must have a good, safe and secure physical and psychosocial working environment. The main risks and the most common injuries occur in the company's processing and production. These involve the assembly of pump boards and the cutting and processing of vibration-damping materials and plastic materials.

The overall aim of Christian Berner's health and safety work is for the business to be characterised by a good working environment that promotes job satisfaction, as well as a long-term and sustainable working life. This is done by creating a workplace that is physically, mentally and socially healthy and that promotes development for all employees, where the risk of work injuries and work-related ill health is prevented.

Health and safety issues must be a natural part of the company's activities and work on these must be carried out together, with all employees responsible for their own involvement. All employees must be informed of the risks that may exist, as well as how to avoid them. Safety instructions and procedures for identifying, preventing and mitigating the effects of accidents, incidents and ill health must be provided to the extent necessary for each workplace.

Managers at Christian Berner are responsible for ensuring the well-being of their employees and they must work with health and safety issues in accordance with national legislation and together with the employees or their representatives. In order to examine and monitor health and safety work, there are regular employee discussions, employee surveys, health and safety inspections and health checks. Procedures have been drawn up for monitoring long-term and short-term absence. Accidents and incidents are always followed up. In 2016, there were no serious accidents or incidents.

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.

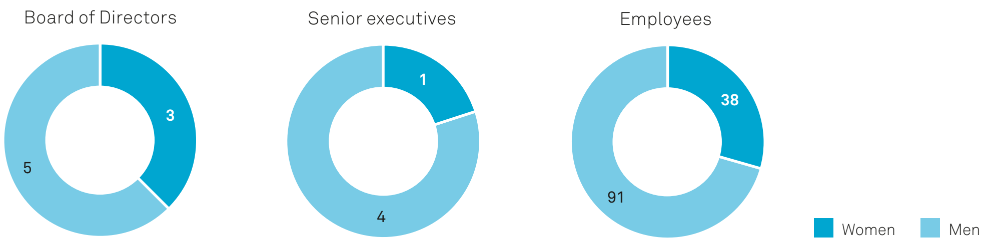
Both managers and employees have a responsibility for identifying continuing professional development needs. In 2016, Christian Berner's employees spent a total of 1,800 hours training. In 2017, the company intends to repeat the structured continuing professional development that has been provided at Christian Berner's business school.

Diversity and equality

Christian Berner works on the basic principle that all people have equal worth and that there should be fair relationships between individuals and groups. There must be no discrimination or victimisation on the basis of ethnicity, religion, physical or mental disability, age, gender, sexual orientation or for any other reason. The company strives for diversity in terms of sex, ethnicity and social background.

Guidelines and procedures for action in the event of harassment, victimisation 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.

Gender distribution 2016, number of women/men



Business that provides competitive advantages

Christian Berner markets and sells high-quality components, 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 niches 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.

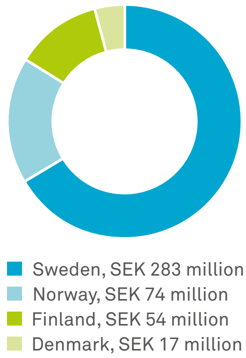
Christian Berner operates on the Nordic market and has operations in Sweden, Norway, Finland and Denmark. The company's customers on these markets operate in a large number of industries. The industries which Christian Berner prioritises are often characterised by a high degree of automation, high distribution costs and/or large initial investment.

Employees with a high level of technical expertise

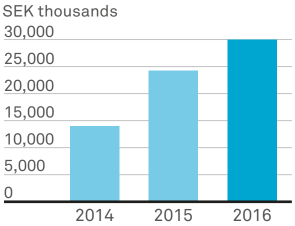
Christian Berner's operations are organised into two business areas: Process & Environment and Materials Technology. The management of Christian Berner is target-oriented, with a focus on profitability, growth, margin and tied-up capital.

Christian Berner's sales organisation is decentralised and highly specialised. The company has a total of 80 sales staff, 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.

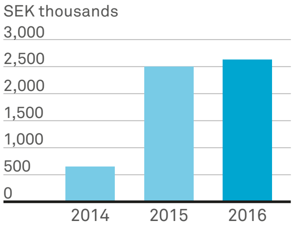
Revenue by market, 2016



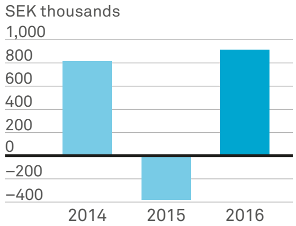
EBITA, Sweden



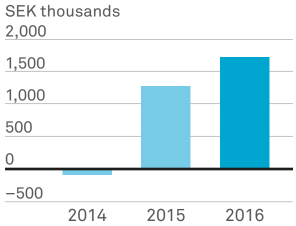
EBITA, Norway



EBITA, Finland



EBITA, Denmark



Contributes to socially important investments

The Materials Technology business area focuses on the sale of materials, such as plastics, and vibration-damping and noise-reduction materials. The business area increased its profitability in 2016. PlastKapTek Sverige AB was also acquired during the year, which helps to develop the range of finished parts.

Market and customers

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

Continued profitable growth

Materials Technology has enjoyed stable and profitable growth for many years. 2016 was no exception, with an EBITA margin of 10.7 per cent and net revenue of SEK 168 million. This favourable trend was driven primarily by a strong market with a good willingness to invest in infrastructure and in the construction industry.

The strong increase in the construction of multi-occupancy housing made from wood is a development that benefits Materials Technology. Large-scale infrastructure projects, primarily within railway and tram networks, are also beneficial to Christian Berner's business area.

In 2016, PlastKapTek Sverige AB was acquired, which complements Materials Technology's range. The acquisition is a good fit for Christian Berner and has the potential to develop further within the Group through an increased presence on all Nordic markets.

Range

Christian Berner's products and solutions within Materials Technology are divided into two areas: Technical Plastics and Vibration Technology. Christian Berner's range within the business area provides a clear social benefit, among other things through solutions to reduce vibrations and noise levels in towns and cities.

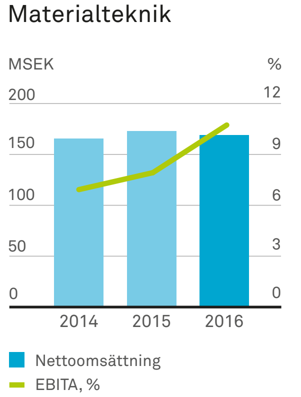
The product areas consist largely of wear goods and consumables, but also of products of an investment nature, primarily for the construction industry and infrastructure projects. The business area benefits from the fact that consumables and wear goods have higher margins than products of an investment nature. One competitive advantage within Materials Technology is being able to supply products and goods quickly and easily, which is why Christian Berner keeps large parts of the business area's products in stock.

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 construction, industry and rail transport. In addition to vibration damping, the company's products also help to reduce the costs of operation and maintenance.



The acquisition of PlastKapTek Sverige AB provides increased expertise and flexibility

Christian Berner's customers are increasingly demanding finished parts for their production process. In order to satisfy this demand, the company saw a need to be able to offer more machining.

Having been one of the company's suppliers for many years, PlastKapTek Sverige AB became part of Christian Berner in September 2016. The acquisition gave Christian Berner access to extensive experience and a high level of expertise in the processing of plastics, as well as flexible, modern machinery. The range of plastics has been expanded with discs, pipes, poles, profiles and sheeting, as well as accessories.

Social benefit that generates profitability

The Process & Environment business area includes Christian Berner's operational areas that focus on customers with a need primarily for process equipment and technical systems. The business area had a successful 2016, with increased profitability. Fillflex AB was also acquired during the year, further strengthening the business area's position.

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. Christian Berner's largest market within Process & Environment is Sweden, followed by Norway. Sales are made both to large investment projects and through repeat sales of ongoing maintenance. An important factor for the business area's profitability and growth is the major investment decisions that Christian Berner's customers make and implement.

Improved profitability

Process & Environment has previously had difficulty achieving the company's profitability target, but in 2016 the business area showed positive development. The EBITA margin was 6.9 per cent in 2016, with net revenue of SEK 260 million.

Process & Environment reported strong sales in Sweden to the packaging, food and process industries in 2016. In Norway, the business area benefited from a good market for land-based industry. Denmark remained on a stable trend, while Finland, in contrast, had a difficult year.

In 2016, Christian Berner acquired Fillflex AB, strengthening the company's range in Process & Environment. Like the company's other acquisition during the year, Fillflex is a good fit for Christian Berner and has the potential to develop further within the Group through an increased presence on all Nordic markets.

Range

Christian Berner's products and solutions within Process & Environment are in demand for both large-scale investment projects and ongoing maintenance. The company's range within the business area provides a clear social benefit, among other things through solutions to purify drinking water by removing bacteria.

The larger part of the business area's product areas is of an investment nature, making customers' major investment decisions a key factor for profitability and growth within Process & Environment. 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.

Christian Berner's range within the Process & Environment business area can be grouped into four different areas: environmental & process technology, process equipment, filter technology, as well as gas, energy and high-pressure technology.

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.

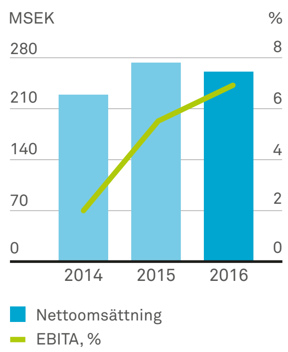
Filter technology

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 and high-pressure technology

Christian Berner offers 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 & Miljö



Stronger in liquid filling after the acquisition of Fillflex AB

It has long been Christian Berner's aim to strengthen its position in liquid filling and packaging on the Nordic market. When the opportunity arose to acquire Fillflex AB, it was a welcome addition to the existing customer offering.

Fillflex's business concept is to develop and manufacture flexible filling machines for liquids and viscous products in the food, pharmaceuticals and hygiene industries, as well as for chemical products. Fillflex was integrated into Christian Berner at the end of 2016.

Continued strong trend and dividend

Christian Berner Tech Trade continued to create value for shareholders in 2016, both through a positive share price trend and a good dividend The company intends to apply for listing on Nasdaq Stockholm during the first quarter of 2017.

Christian Berner Tech Trade has been listed on Nasdaq Stockholm, First North since October 2014. The company's share has enjoyed a positive trend from the outset, and in 2016 the share price rose by 24.4 per cent. This is better than the index for First North, which last year rose by 12.0 per cent.

In 2016, 5.2 million shares were traded at a total value of SEK 49.7 million. This is equivalent to a turnover rate of 30 per cent. On average, there were 26 trades in Christian Berner's share on each trading day of the year.

Good dividend

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 2016 is SEK 0.5 per share, which corresponds to 50 per cent of the company's profit.

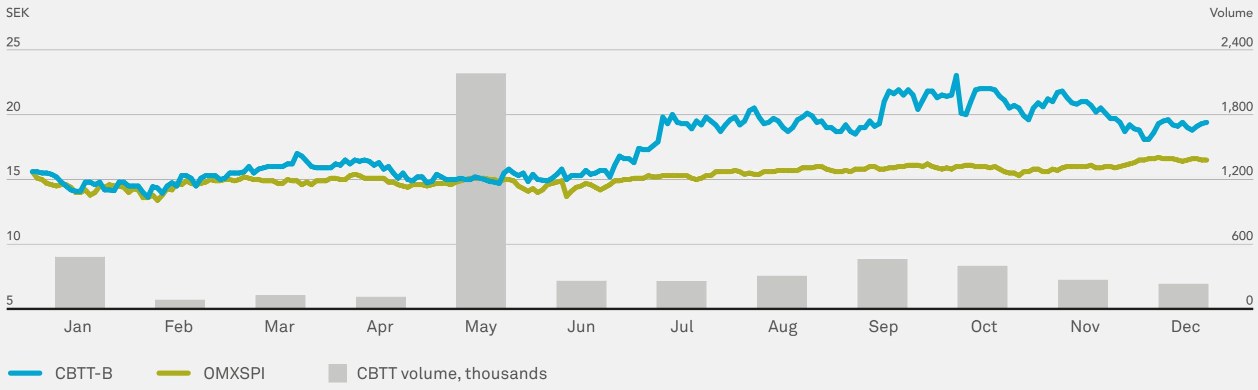
Ownership

Christian Berner has a total of 972 shareholders, with the largest being Christian Berner Invest AB, Ernström Kapital AB and Lannebo Micro Cap.

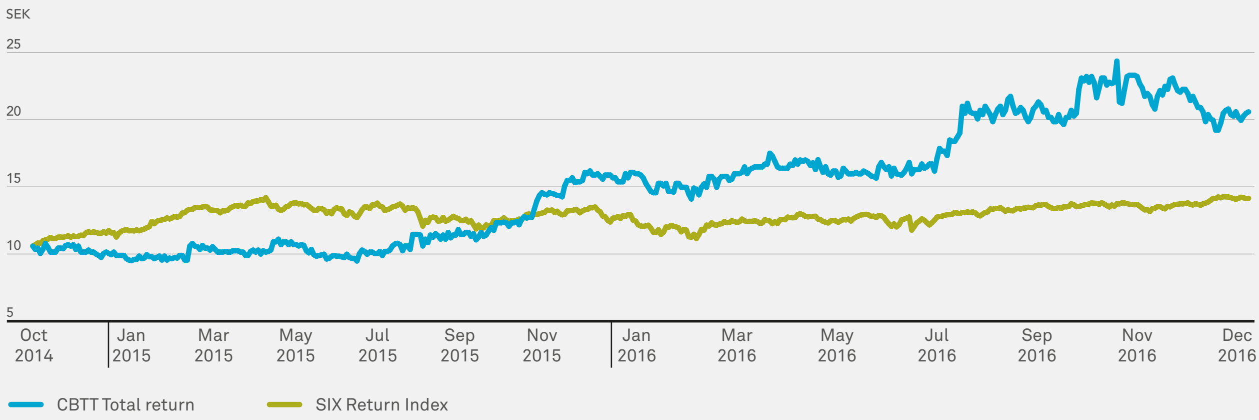
Change of listing in 2017

Christian Berner is planning for listing on Nasdaq Stockholm, Small Cap. This change of listing is part of the company's efforts to create further conditions for continued growth and development. It also creates the conditions for Christian Berner to achieve a broader reach on the capital market and appeal to new and more investors. The change of listing will also improve general awareness of Christian Berner and the company's position in the industry. The aim is for the listing to take place in the first quarter of 2017.

Price trend 2016



Total return since listing



Shareholder	Class A shares	Class B shares	Shares	Share of capital	Share of votes
Christian Berner Invest AB	1,250,000	10,264,651	11,514,651	61.4%	75.9%
Ernström Kapital AB		2,061,753	2,061,753	11.0%	6.9%
Lannebo Micro Cap		2,047,511	2,047,511	10.9%	6.8%
AMF Aktiefond småbolag		650,000	650,000	3.5%	2.2%
Grenspecialisten förvaltning AB		246,000	246,000	1.3%	0.8%
Försäkringsaktiebolaget, Avanza Pension		235,099	235,099	1.3%	0.8%
Bo Söderqvist		200,000	200,000	1.1%	0.7%
BPSS LUX/FIM/LU FD/CA TA/UCITS		153,811	153,811	0.8%	0.5%
Granit småbolag		129,974	129,974	0.7%	0.4%
Gerald Engström		71,837	71,837	0.4%	0.2%
Others		1,448,762	1,448,762	7.7%	4.8%
	1,250,000	**17,509,398**	**18,759,398**	**100%**	**100%**

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 2016 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. In addition, it also provides consultation, analysis of the customer's technical requirements, development, installation and service. The Group operates within a number of geographical 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 business climate during the 2016 financial year was stable, on the whole, and the Group achieved a good result with improved profitability. The Group's companies in Sweden and Denmark continued to develop positively, although the trend in Norway was weak. Results improved in Finland, where operations were profitable. The companies acquired by the Group have enabled it to strengthen its position on all of the company's Nordic markets.

The Group's net revenue for the year was SEK 429.1 (445.5) million, which is 3.7 per cent lower than in 2015, primarily as a result of Norway being affected by a continued weak offshore market. In 2016, acquired businesses made a contribution to net revenue of SEK 7.2 million. Operating profit was SEK 23.8 (24.1) million, including SEK 4.4 million relating to expenses for the company's planned change of listing. EBITA was SEK 25.1 (25.4) million, corresponding to an EBITA margin of 5.9 (5.7) per cent. The order intake for the year was at a similar level to the previous year at SEK 431.2 (430.9) million.

Sweden had revenue of SEK 283.4 (283.4) million in 2016. The order intake increased by 2.8 per cent to SEK 284.9 (277.2) million. Sweden enjoyed a positive profit trend during the year, with operating profit for the business totalling SEK 28.6 (23.1) million. EBITA was SEK 29.9 (24.4) million, an increase in income of 23.0 per cent, which was generated from both business areas. Process & Environment achieved an increase in EBITA of 20 per cent, which was largely the result of a more effective sales organisation, while Materials Technology had growth in EBITA of 23 per cent, which came from sales growth. The Swedish company returned an EBITA margin of 10.5 (8.6) per cent. Two companies were acquired in Sweden during the course of the year and these were consolidated in the accounts from their respective dates of acquisition, 1 July and 1 September. Fillflex AB is integrated in the Process & Environment business area and will strengthen Christian Berner's position in liquid filling on the Nordic market. It also complements the company's existing business, thereby creating good conditions for growth within filling and packaging. PlastKapTek Sverige AB, which processes and supplies plastic, from semi-manufactured to finished products, is 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. The two acquisitions contributed SEK 7.2 million to net revenue and SEK 0.9 million to profit in 2016.

Danish operations delivered a strong result for 2016. Net revenue was lower than the previous year, at SEK 17.4 (19.7) million, while the company returned an operating profit and an EBITA result of SEK 1.7 (1.3) million. These strong results came from the Materials Technology business area. The Process & Environment business area experienced a weaker year. Profitability in Denmark is at a stable level and the EBITA margin was 9.9 (6.5) per cent. There remains some uncertainty on the market, with some investments postponed, which has an impact on the Process & Environment business area, while ongoing sales have continued along a positive trend.

For Norway, 2016 has been a challenging year, with a declining offshore market that has primarily affected sales of plastics. Net revenue for the year was SEK 74.3 (87.5) million. Operating profit and the EBITA result increased to SEK 2.6 (2.5) million, corresponding to an EBITA margin of 3.5 (2.8) per cent. The Process & Environment business area enjoyed a good profit trend thanks to increased sales of process and production equipment, while the Materials Technology business area fell back as a result of the declining oil and offshore sector.

Finland's net revenue was lower than the previous year, at SEK 54.0 (55.0) million. The operating profit and EBITA result for the financial year was SEK 0.9 (-0.4) million, which was an improvement of SEK 1.3 million compared with the previous year and corresponds to an EBITA margin of 1.7 (-0.7) per cent. Sales of vibration-damping material for the construction industry, within the Materials Technology business area, delivered particularly good results and helped to ensure that the business is now profitable. The business in Lohja, which provides servicing for paper machines within the Materials Technology business area, also enjoyed a positive profit trend during the year.

FINANCIAL POSITION

During the year, the company revised its financial targets upwards, with an EBITA margin of 9 per cent replacing the previous EBITDA target of 8 per cent and the growth target increasing from 7 per cent to 10 per cent, while finally the return on equity target was adjusted upwards from 20 per cent to 25 per cent.

Return

Return on equity after financial items for the last 12-month period was 26.1 (31.1) per cent.

Cash flow

Cash flow from operating activities was SEK 12.7 (35.8) million. The change in working capital compared with the previous year is mainly explained by the tax payments and staff bonus payments that were made during the first quarter of the year. The company also had a large proportion of trade payables received in the fourth quarter, which were due for payment. Cash flow from investing activities totalled SEK –19.1 (–0.6) million, where SEK -18.4 million relates to the acquired companies. Cash flow from financing activities accounted for SEK –1.0 (–10.9) million and included a dividend of SEK 9.4 (4.7) million as well as acquisition loans raised.

Equity ratio

The equity ratio at 31 December was 50.2 (49.2) per cent.

EMPLOYEES

At the end of the year the Group had 133 employees and the average number of employees during the year was 129 (125). Nine employees joined the Group during the financial year through acquisitions.

IMPLEMENTATION OF CODE OF CONDUCT

In 2016, Christian Berner Tech Trade launched its code of conduct, which includes consideration for the environment, health and safety, business ethics, employee relations and human rights. The code applies to all employees and the subsidiaries are tasked with implementing it, supported by the Group controllers.

GUIDELINES FOR REMUNERATION

The remuneration principles for senior executives state that the remuneration of the CEO and other members of senior management can consist of a basic salary, variable remuneration, pension and other benefits. The adopted guidelines for the remuneration of senior executives are described in note 2.16 and note 7 of this annual report.

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.

RISKS AND UNCERTAINTIES

RISKS	MANAGEMENT
Economic developments and market trends	
Christian Berner's operations are dependent on customers' purchases and investments and are affected by economic fluctuations.	The impact of economic fluctuations is reduced through the company operating in several different industries and geographical 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 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 welfare 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	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.

ACQUISITIONS

Two businesses were acquired during the financial year. Christian Berner Tech Trade AB acquired all the shares in Fillflex AB in July 2016. Fillflex AB manufactures flexible filling machines for liquids and viscous products in the food, pharmaceuticals and hygiene industries, as well as for chemical products. Fillflex AB has expertise and proprietary technology that complement Christian Berner's existing range in liquid filling and packaging. The company has five employees and its headquarters are in Västra Frölunda. In 2015, it had annual revenue of SEK 14.6 million. The company will be incorporated in the Process & Environment business area.

On 1 September 2016, the company acquired PlastKapTek Sverige AB, which has been a business partner of Christian Berner for many years and which processes and supplies plastic, from semi-manufactured to finished products. Its customers are in the engineering and manufacturing industry, the boat industry and the advertising industry. The company has five employees and its headquarters are in Partille. In 2015/2016, it had annual revenue of SEK 6.1 million. The company is thereby strengthening its position in processed plastic products on the Nordic market. The company will be incorporated in the Materials Technology business area.

An acquisition analysis for the acquired businesses can be found in note 28.

PARENT COMPANY

The main tasks of the parent company are to take responsibility for business development, acquisitions, financing, management and analysis. The parent company's internal net revenue for the financial year was SEK 12.3 (10.0) million and profit after net financial items was SEK –7.6 (–0.9) million. The parent company's financial non-current assets mainly comprise shares in subsidiaries. During the year, the parent company acquired shares in two new companies. The number of employees at 31 December was 3 (0), who last year were employed at the Swedish subsidiary. During the year, the company worked on preparations for its planned change of listing from First North to Small Cap.

CORPORATE GOVERNANCE

The company is a Swedish public limited company. Prior to its listing on Nasdaq First North, the corporate governance of the Company was formally based on Swedish law, as well as internal rules and regulations. Since its shares were accepted for trading on Nasdaq First North, the Company has largely complied with the Swedish Code of Corporate Governance (the "Code"). The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and must be applied in full from the first Annual General Meeting held the year after listing. Once listed on Nasdaq Stockholm, the Company will apply Nasdaq Stockholm's regulations for issuers as well as the Code and any deviations from the Code and the chosen alternative solution and the reasons for this will be described and explained in the corporate governance report (in accordance with the "comply or explain" principle). 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. The Company does not currently expect to report any deviations 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 363.9 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 19.4. 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 2016 was 972 (370). The ten largest shareholders between them had a total shareholding of 92.3 (92.7) per cent of the shares and 95.2 (95.4) per cent of the votes. See the table of the 10 largest shareholders on page 21.

Under Chapter 6, Section 2 a of the Swedish Annual Accounts Act, listed companies must disclose information about specific circumstances that may affect the opportunities for the company to be taken over through a public offer for the shares in the company. There are no such circumstances at Christian Berner Tech Trade AB.

General Meeting

According to the Swedish Companies Act (2005:551), the General Meeting is the highest executive body of the Company. 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. The Annual General Meeting must be held within six months of the end of the financial year. 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" 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 28 April 2016, decisions 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 Election Committee.

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 working days 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 five working days 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.

Board of Directors

The Board of Directors is the highest executive body of the Company after the General Meeting. Under the Swedish Companies Act, the Board of Directors is responsible for the Company's administration 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 evaluating the targets set, continuously monitoring the Company's results and financial position and evaluating the operational management. The Board of Directors is also responsible for ensuring that the annual report and interim reports are prepared in a timely manner. The Board of Directors also appoints the Company's Chief Executive Officer. 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, to the extent it is elected by the Annual General Meeting, consist of at least three members and no more than seven members and no deputies. According to the Code, the Chairman of the Board must be elected by the Annual General Meeting and have 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, Board practice, functions and 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. 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 deputies. 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.

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 Election 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.

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.

Remuneration of the Board of Directors and senior executives
Principles

The Annual General Meeting decides on the fees for the Board of Directors. Board fees are not paid for positions on the Board at subsidiaries. Board Members who are employed within the Group do not receive any separate remuneration for Board work. The salaries of the Chief Executive Officer and senior executives are determined by the Chairman of the Board. The Annual General Meeting has not decided on any guidelines for the remuneration of senior executives.

Board of Directors

The Board fees for the 2016 financial year are as indicated in note 7. At the 2016 Annual General Meeting, it was decided 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 100,000 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.

Election Committee

The task of Christian Berner's Election 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 Election Committee. The Election 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 Election Committee, the shareholder that nominated the member has the right to replace this member on the Election Committee. If a shareholder who has appointed a member to the Election Committee disposes of a significant portion of its shares in the Company before the work of the Election Committee is concluded, the member appointed by this shareholder shall, if the Election 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 Election Committee. The Election Committee appoints a chair from among its members, who must not be the Chairman of the Board. The Election Committee ahead of the 2017 Annual General Meeting consists of Johan Lannebo (chair), Joachim Berner and Fabian Hielte.

			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 of Directors	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.

Chief Executive Officer and other senior executives

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 take 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 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 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.

Auditing

In order to examine the Company's annual report and accounts as well as the administration of the Board of Directors and the Chief Executive Officer, one or two auditors (or a registered audit firm), with or without deputy auditors, is appointed at the Annual General Meeting. At the 2016 Annual General Meeting, the registered audit firm Öhrlings PricewaterhouseCoopers AB (Skånegatan 1, 411 40 Gothenburg) was elected as the auditor for the period until the next Annual General Meeting. Magnus Götenfelt (born 1963) is the Chief Auditor. Magnus Götenfelt is an authorised public accountant and a member of FAR (the industry association for authorised public accountants). The auditors' fees are as stated in note 8.

Policy documents

In order to specify and codify the Company's internal guidelines, as well as guidelines in relation to shareholders and other external stakeholders, a number of policy documents have been drawn up which address key areas. These include a finance policy, IT policy, health and safety policy, travel policy and policy for corporate governance. The Company has also adopted an information policy and an insider policy, which are described in more detail below. The information policy specifies which people at the Company are entitled to publish information and also when and how such information is to be provided. The official spokesperson for the company is the Group President, as well as the company's Chief Executive Officer. Those other than the Group President who are permitted to speak about overall company matters on behalf of the Group are the Chairman of the Board and the Chief Financial Officer. The insider policy specifies which people are to be considered persons with an insider position under law. The policy clarifies the content of the EU Market Abuse Regulation, the Swedish Market Abuse Act and the Swedish Act concerning Reporting Obligations for Certain Holdings of Financial Instruments, what applies to persons with an insider position and how they and their relatives must act with regard to reporting transactions to the Swedish Financial Supervisory Authority and the Company etc. The insider policy also contains information about the regulations relating to the Company's obligation to maintain a register of persons with an insider position and an insider list (log book) as well as what applies during periods when there is a trading ban. The Company maintains a log book and follows procedures for this in accordance with the EU Market Abuse Regulation and the Swedish Act concerning Reporting Obligations for Certain Holdings of Financial Instruments.

Internal control

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 Group President 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 Group President 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. The Chief Financial Officer shall, when deemed appropriate and in connection with quarterly reports, prepare a simple financial report for the Board of Directors (or the Audit Committee) 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 Chief Executive Officer and Chief Financial Officer 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 and 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.

EVENTS AFTER THE END OF THE FINANCIAL YEAR
A press release was issued after the end of the reporting period stating that the CEO of the Group's Norwegian company, Christian Berner AS, would be leaving his position during spring 2017. No other significant events occurred for the company after the balance sheet date of 31 December 2016.

OUTLOOK
Christian Berner currently sees no indications of any general change in the demand situation compared with 2016. Despite the prevailing uncertainty in the wider economy, it is still hoped that 2017 will continue to see development in a positive direction. The ambition is to generate growth in 2017 through organic growth as well as through acquisitions and to take further steps towards achieving the financial targets.

APPROPRIATION OF EARNINGS, SEK THOUSAND

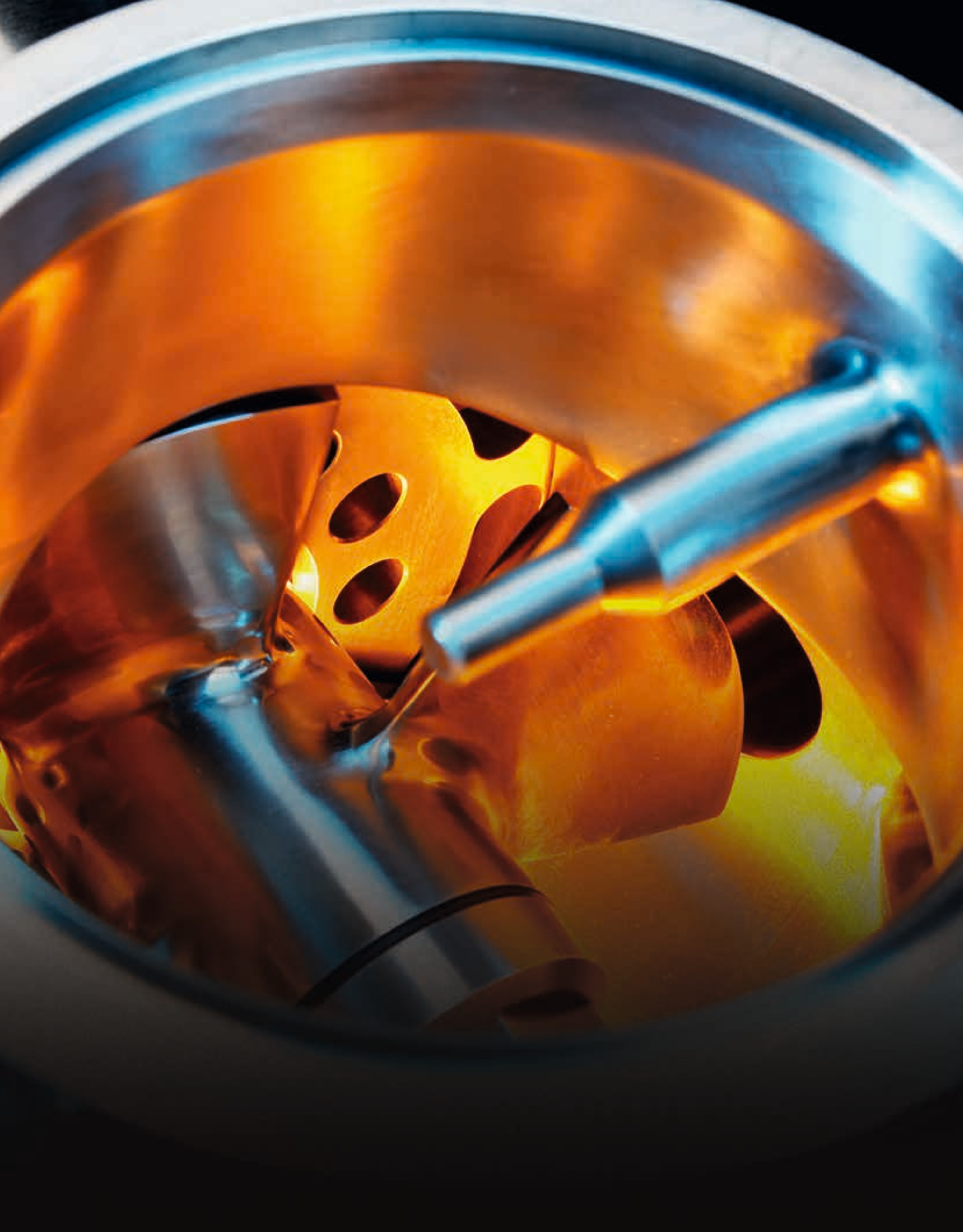
The following is at the disposal of the Annual General Meeting:	
Retained earnings:	59,653
Profit for the year	9,659
Total	69,312

The Board of Directors proposes	
Dividend of SEK 0.50 per share	9,380
Carried forward to new account	59,932
Total	69,312

Proposed decision on profit sharing
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 in relation to 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 results and financial position, see the following income statement and balance sheet and the related supplementary information.



Vacuum process mixer

Consolidated statement of comprehensive income

SEK thousands	Note	**2016**	2015
Operating income			
Net revenue	5	429,121	445,553
Other operating income	6	536	1,188
Total operating income		**429,657**	**446,741**
Goods for resale		−251,007	−276,168
Other external costs	8, 9, 27	−43,414	−39,538
Staff costs	7	−107,197	−102,560
Depreciation/write-down of property, plant and equipment and intangible assets	14, 15	−4,224	−4,557
Total operating expenses		**−405,842**	**−422,643**
Operating profit/loss		**23,815**	**24,098**
Financial income	10, 11	274	427
Financial expenses	10, 11	−375	−417
Net financial items		**−101**	**10**
Pre-tax profit/loss		**23,714**	**24,108**
Income tax	12	−5,182	−1,624
Profit/loss for the year		**18,532**	**22,485**
Other comprehensive income			
Items that can be transferred to profit and loss for the year			
Translation differences from the translation of foreign subsidiaries		783	−791
Other comprehensive income for the year, net after tax		**783**	**−791**
Total comprehensive income for the year		**19,315**	**21,694**

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

Earnings per share	Note	**2016**	2015
Earnings per share before dilution (SEK)	13	0.99	1.20
Earnings per share after dilution (SEK)	13	0.99	1.20

Consolidated statement of financial position

SEK thousands	Note	31/12/2016	31/12/2015
ASSETS			
Non-current assets			
Intangible non-current assets			
Goodwill	14	15,594	225
Distribution rights	14	6,115	7,405
Trademarks	14	3,000	–
Total intangible non-current assets		**24,709**	**7,630**
Property, plant and equipment			
Machinery and equipment	15	10,608	10,483
Total property, plant and equipment		**10,608**	**10,483**
Financial assets			
Other non-current receivables	16	174	166
Total financial assets		**174**	**166**
Deferred tax assets	21	3,184	3,594
Total non-current assets		**38,675**	**21,873**
Current assets			
Inventories, etc.			
Finished goods and goods for resale		19,631	19,101
Advance payments to suppliers		376	1,583
Total inventories, etc.		**20,007**	**20,684**
Current receivables			
Trade receivables	16, 17	60,981	55,849
Other current receivables		3,421	2,321
Prepaid expenses and accrued income	18	3,126	2,381
Cash and cash equivalents	19	64,983	71,699
Total current receivables		**132,510**	**132,251**
Total current assets		**152,517**	**152,935**
TOTAL ASSETS		**191,192**	**174,807**

SEK thousands	Note	31/12/2016	31/12/2015
EQUITY AND LIABILITIES			
Equity			
Share capital		625	625
Other capital contributions		41,228	41,228
Reserves		90	–693
Retained earnings (incl. profit/loss for the year)		53,978	44,826
Total equity		**95,921**	**85,986**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	16, 20	12,331	5,087
Deferred tax liabilities	21	2,189	1,840
Total non-current liabilities		**14,520**	**6,927**
Current liabilities			
Liabilities to credit institutions	16, 20	5,616	2,349
Advance payments from customers		1,747	3,728
Trade payables	22	27,943	34,436
Current tax liabilities		4,500	4,037
Other current liabilities		14,140	12,026
Accrued expenses and prepaid income	23	26,804	25,318
Total current liabilities		**80,751**	**81,893**
Total liabilities		**95,270**	**88,820**
TOTAL EQUITY AND LIABILITIES		**191,192**	**174,807**

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, 01/01/2015		**625**	**41,228**	**98**	**27,231**	**69,182**
Correction to reporting of bonus share issue 2014					−200	−200
Adjusted opening equity, 01/01/2015		**625**	**41,228**	**98**	**27,031**	**68,982**
Profit/loss for the year		–	–	–	22,485	22,485
Other comprehensive income						
Translation differences for the year		–	–	−791	–	−791
Total other comprehensive income		**–**	**–**	**−791**	**–**	**−791**
Total comprehensive income				**−791**	**22,485**	**21,694**
Transactions with shareholders						
Dividend					−4,690	−4,690
Closing equity, 31/12/2015		**625**	**41,228**	**−693**	**44,826**	**85,986**
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 other comprehensive income		**–**	**–**	**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**

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	**2016**	2015
Cash flow from operating activities			
Operating profit/loss		23,815	24,098
Adjustment for non-cash items	24	3,700	3,785
Interest paid		–89	–272
Interest received		274	427
Income tax paid/refunded		–3,960	–1,828
Cash flow from operating activities before changes in working capital		**23,740**	**26,210**
Cash flow from changes in working capital			
Increase/decrease in inventories		677	1,448
Increase/decrease in operating assets		–6,773	–5,038
Increase/decrease in operating liabilities		–4,894	13,208
Total change in working capital		**–10,990**	**9,618**
Cash flow from operating activities		**12,750**	**35,828**
Cash flow from investing activities			
Acquisition of subsidiaries		–18,434	–
Acquisition of property, plant and equipment		–1,648	–1,136
Disposal of property, plant and equipment		970	377
Acquisition of financial non-current assets		–8	–166
Disposal of financial non-current assets		–	273
Cash flow from investing activities		**–19,120**	**–652**
Cash flow from financing activities			
Loans raised, parent company		10,000	–
Loans raised		1,365	0
Repayment of loans		–3,026	–6,242
Dividend		–9,380	–4,690
Cash flow from financing activities		**–1,041**	**–10,932**
Cash flow for the period		**–7,411**	**24,244**
Cash and cash equivalents at the start of the period		71,699	47,993
Exchange difference in cash and cash equivalents		695	–538
Cash and cash equivalents at end of year		**64,983**	**71,699**

Notes – Group

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

NOTE 1 General information

Christian Berner Tech Trade AB (the parent company) and its subsidiaries (together the Group) market, sell and supply components, systems and services with a high technical content. The range includes 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 head office is Box 88, SE-435 22 Mölnlycke, Sweden, and the visiting address is Designvägen 1, Mölnlycke, Sweden.

The Board of Directors approved these financial statements on 22 February 2017. The consolidated statement of comprehensive income and the consolidated statement of financial position, as well as the parent company's statement of income and balance sheet, will be submitted for adoption at the Annual General Meeting on 24 April 2017.

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

NOT 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 for the Christian Berner Tech Trade (publ) group ("Christian Berner") 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 disclosure requirements

There are no new IFRS standards or interpretations adopted by the EU that apply to Christian Berner Tech Trade or have a significant effect on the results and financial position of the Group for 2016.

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 for 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 option. This standard applies to financial years beginning on or after 1 January 2018. Earlier application is permitted. The Group's preliminary assessment is that the introduction of IFRS 9 could mainly affect the Group's financial position and results on the basis of the possible need to adjust the impairment model with regard to financial receivables (trade receivables), in order to fulfil the requirements of IFRS 9 in relation to expected credit losses and forward-looking macro-economic factors. In 2017, the Group will begin work to evaluate the impact of the introduction of this standard, which includes an assessment and possible adjustment of the impairment model.

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. Early application is permitted. The Group began work in 2016 to evaluate the effects this standard will have on the Group's results and financial position. The Group has performed an initial analysis in order to identify areas where there may be a potential difference and this forms the basis for continued implementation work in 2017. The primary areas addressed in the initial analysis relate to the reporting of return rights, combined agreements, amended agreements and the allocation of transaction prices to identified performance undertakings. The initial assessment on the basis of this analysis is that IFRS 15 should have very limited impact, if any, on future financial reports. The Group will perform a detailed evaluation during the coming year and cannot rule out more areas being identified that may affect the financial reports. The Group will apply IFRS 15 from 1 January 2018 and intends to apply IFRS 15 retroactively, in other words with conversion of the comparison year 2017.

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. Early application is permitted, provided that IFRS 15 Revenue from Contracts with Customers is also applied. The EU has not yet adopted this standard. 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. Lease costs for the 2016 financial year were SEK 11.4 million. At 31 December 2016, the undiscounted amount of payment obligations for operating leases was SEK 68.2 million. The application of IFRS 16 would mean, however, that a lower amount should be recognised as a liability and as an asset because parts of the lease may relate to servicing and because the future payment obligations must also be discounted. For more information about the company's lease commitments, including the maturity structure, see note 9.

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

Note 2 cont.

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. 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 as financial income or financial 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 depreciation. 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 impairment. Impairment is performed on a straight-line basis 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. The trademark is 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 forms of repairs and maintenance are recognised as expenses in profit and loss in the period in which they are incurred.

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 written down immediately 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 written down but are tested annually for impairment. Assets that are written down are assessed for a reduction in value whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. A write-down is made of 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 need for write-down, assets are grouped at the lowest levels at which are there separate identifiable cash flows (cash-generating units). For assets, other than financial assets and goodwill, which have previously been written down, 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 – general

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.

Note 2 cont.

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 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 reduces in a subsequent period and this reduction 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 is a financial instrument and includes, both on the balance sheet and in the statement of cash flows, bank deposits.

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

Trade payables are recognised initially 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.

The CEO has a pension solution in the form of an endowment policy pledged for pension obligations. The asset is a financial instrument measured at fair value through profit and loss (see section 2.9 above). The liability, i.e. the pension obligation, has the same value as the asset plus additional special payroll tax. The obligation is reported net in the consolidated financial statements.

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 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.

2.21 Dividends
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.

2.22 Statement of cash flows
The statement of cash flows has been prepared using the indirect method. The reported cash flow comprises solely 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 (Group Finance) 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 and NOK/SEK exchange rates. 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.

	2016	2015
EUR/SEK +/- 2%	39/–39	10/–10
NOK/SEK +/- 4%	370/–370	236/–236

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.

	2016	2015
EUR/SEK +/- 2%	63/–63	60/–60
NOK/SEK +/- 4%	154/–154	140/–140
DKK/SEK +/- 2%	28/–28	27/–27

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 not significant, which is why no risk management measures have been implemented. In 2016 and 2015, 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.

	2016	2015
25 basis points higher/lower	75/–75	0/0

The effect on profit is greater for 2016 as the Group's borrowing was higher at the end of this reporting period.

b) 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.

c) 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 31/12/2016, the Group's cash and cash equivalents total SEK 64,983,000, compared with total borrowing of SEK 17,947,000.

Note 3 cont.

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 indicated in the table are the contractual, undiscounted cash flows.

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.

	Less than 3 months	Between 3 months and 1 year	1–2 years	2–5 years	More than 5 years
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	27,943	–	–	–	–
Accrued expenses and accrued income	7,490	–	–	–	–
At 31 December 2015					
Liabilities to credit institutions	33	74	83	84	–
Liabilities to credit institutions for finance leases	565	1,748	1,060	517	–
Trade payables	33,795	641	–	–	–
Accrued expenses and accrued income	4,379	–	–	–	–

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, other than the following, 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 the end of the year, goodwill totalled SEK 15,594,000 (SEK 225,000).

The purchase price of PlastKapTek Sverige AB, which was acquired on 1 September 2016, includes a profit share estimated at SEK 0.7 million.

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 geographical perspective and a business area perspective. As the geographical 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.

	2016			2015		
	Segment revenue	Sales between segments	Revenue from external customers	Segment revenue	Sales between segments	Revenue from external customers
Sweden	287,450	4,086	283,364	285,984	2,591	283,393
Norway	74,302		74,302	87,521		87,521
Finland	54,018		54,018	54,951		54,951
Denmark	17,437		17,437	19,688		19,688
Total	**433,207**	**4,086**	**429,121**	**448,144**	**2,591**	**445,553**

Note 5 cont.

Net revenue is broken down as follows:

	2016	2015
Products	404,427	430,160
Services	24,694	15,393
Total	**429,121**	**445,553**

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	2016	2015
Sweden	29,892	24,379
Norway	2,628	2,477
Finland	913	–380
Denmark	1,733	1,277
Group as a whole[1)]	–10,061	–2,366
Total	**25,105**	**25,388**
Amortisation of intangible non-current assets	–1,290	–1,290
Net financial items	–101	10
Pre-tax profit/loss	**23,714**	**24,108**

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

Depreciation of property, plant and equipment

	2016	2015
Sweden	–2,547	–2,894
Norway	–215	–167
Finland	–151	–183
Denmark	–21	–23
Total	**–2,934**	**–3,267**

Revenue from external customers by country, based on customer location

	2016	2015
Sweden	264,235	270,956
Norway	80,835	87,770
Finland	54,346	52,560
Denmark	17,943	19,856
Germany	473	896
Poland	4,061	2,958
China	104	508
Netherlands	394	1,006
Estonia	2,730	4,693
France	548	563
Lithuania	229	108
Malaysia	1,067	2,241
Other countries	2,156	1,438
Total	**429,121**	**445,553**

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:

	2016	2015
Sweden	27,577	9,543
Norway	156	622
Finland	542	705
Denmark	65	82
Total	**28,340**	**10,951**

Investments are distributed by country as follows:

	2016	2015
Sweden	23,716	4,418
Norway	70	67
Finland	91	91
Denmark	0	0
	23,877	**4,576**

Business areas

Christian Berner consists of four segments, which represent both the company's geographical 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

	2016	2015
Process and Environment	260,950	273,421
Materials Technology	168,171	172,132
Total	**429,121**	**445,553**

EBITA by business area

	2016	2015
Process and Environment	18,093	14,955
Materials Technology	18,045	13,581
Group as a whole	–11,034	–3,147
Total	**25,105**	**25,388**

NOTE 6 Other operating income

	2016	2015
Rental income	–	46
Gains on the sale of machinery/equipment	449	366
Recovered bad debts	2	0
Other income	85	776
Total	**536**	**1,188**

NOTE 7 Employee remuneration, etc.

	2016	2015
Salaries and other remuneration	70,909	68,655
Social security expenses	18,536	17,817
Pension costs – defined contribution plans	4,124	1,460
Pension costs – defined benefit plans	6,733	8,686
Total remuneration to employees	**100,302**	**96,618**

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 0.01724% at 31/12/2016. The Group's share of the total number of active insured in ITP 2 amounts to 0.01225% at 31/12/2016. The expected premiums for the coming financial year for insurance policies signed with Alecta total SEK 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.

	2016		2015	
Salaries, other remuneration and social security expenses	Salaries and other remuneration (of which bonuses)	Social security expenses (of which pension costs)	Salaries and other remuneration (of which bonuses)	Social security expenses (of which pension costs)
Board members, CEO and other senior executives	6,534	2,854	6,452	2,691
of which	(930)	(1,362)	(791)	(1,274)
Other employees	64,375	26,539	62,203	25,272
of which	(1,631)	(9,495)	(1,711)	(8,872)
Group total	**70,909**	**29,393**	**68,655**	**27,963**

Average number of employees distributed by country

	2016		2015	
	Number	Of which male	Number	Of which male
Sweden	86	60	81	56
Norway	19	12	20	13
Finland	20	16	20	16
Denmark	4	3	4	3
Group total	**129**	**91**	**125**	**88**

Gender distribution of Board members and senior executives in the Group (incl. subsidiaries)

	2016		2015	
	Number	Of which male	Number	Of which male
Board members	21	13	21	14
CEO and other senior executives	5	4	5	4

Note 7 cont.

Remuneration of senior executives

	Basic salary/ Board fees	Variable remu- neration	Other benefits	Pension costs	Other remu- neration	Total
Remuneration and other benefits, 2016						
Chairman of the Board of Directors	330	–	–	–	23	353
Anders Birgersson	130	–	–	–	–	130
Charlotta Utterström	100	–	–	–	3	103
Lars Gatenbeck	160	–	–	–	50	210
Malin Domstad	100	–	–	–	7	107
Kerstin Gillsbro	67	–	–	–	10	77
Nicolas Berner Wolf	33	–	–	–	–	33
CEO	1,521	445	92	588	24	2,670
Other senior executives (4 people)	4,093	485	546	774	34	5,932
Total	**6,534**	**930**	**638**	**1,362**	**151**	**9,615**
Remuneration and other benefits, 2015						
Chairman of the Board of Directors	300	–	–	–		300
Other Board members (same fee for all members)	697					697
CEO	1,554	459	71	539	8	2,631
Other senior executives (4 people)	4,107	332	329	735	53	5,556
Total	**6,658**	**791**	**401**	**1,274**	**61**	**9,184**

Nicolas Berner Wolf, Board member up to and including 28 April 2016, and Kerstin Gillsbro, new Board member from 28 April 2016, have both received remuneration based on the period of duty.

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 will amount to 35% of the pensionable salary. The pensionable salary is the basic salary.

An endowment policy was taken out for the CEO for the 2013 financial year. The Group's pension liability corresponded to the fair value of the endowment policy plus additional special payroll tax on the pension obligation. The endowment policy and the pension liability were reported net on the balance sheet. Special payroll tax was recognised in the item "Accrued expenses and prepaid income". The endowment policy was ended and settled in 2016. The pension liability at 31 December 2016 was therefore SEK 0 (31 December 2015: SEK 200,000).

The retirement age for other senior executives is 65. The pension agreement states that the pension premium will amount to 10–25% of the pensionable salary. The endowment policy was ended and settled in 2016.

Severance pay

A notice of period of six months from either side applies between the company and the CEO. On termination of employment, the Group applies severance pay of six months.

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

NOTE 8 Auditors' fees

	2016	2015
PWC		
Audit assignment	529	473
Auditing activities in addition to the audit assignment	99	74
Tax advice	99	34
Other services	1,397	315
Total	**2,124**	**897**

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 3–11 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:

	2016	2015
Within 1 year	11,093	11,434
1–5 years	33,843	35,037
More than 5 years	23,253	29,753
Total	**68,189**	**76,224**

NOTE 10 Financial income and expenses

	2016	2015
Other interest income	209	284
Foreign exchange gains	16	50
Other financial income	49	93
Total financial income	**274**	**427**
Interest expense on liabilities to credit institutions (excluding finance leases)	–95	–100
Interest expense on liabilities to credit institutions for finance leases	–266	–164
Foreign exchange losses	–1	–145
Other financial expenses	–15	–8
Total financial expenses	**–375**	**–417**
Net financial items	**–101**	**–10**

NOTE 11 Foreign exchange differences – net

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

	2016	2015
Goods for resale	774	–105
Financial items – net (note 10)	16	–95
Total	**791**	**–200**

NOTE 12 Income tax

	2016	2015
Current tax		
Current tax on profit/loss for the year	–5,098	–5,018
Adjustments for previous years	110	
Total current tax	**–4,988**	**–5,018**
Deferred tax (note 22)		
Occurrence and reversal of temporary differences	265	–288
Deferred tax attributable to loss carryforward	–459	3,683
Total deferred tax	**–194**	**3,395**
Total income tax	**–5,182**	**–1,624**

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:

	2016	2015
Pre-tax profit/loss	**23,714**	**24,108**
Income tax calculated using the tax rate in Sweden (22%)	–5,217	–5,304
Effect of foreign tax rates	–63	–132
Tax effect of:		
Non-deductible expenses	–59	–186
Non-taxable income	47	305
Tax loss carryforward for which no deferred tax asset was previously reported	–	3,683
Adjustment for current tax of previous years	110	9
Tax expense	**–5,182**	**–1,624**

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. No repurchased shares have been held as treasury shares by the parent company during the period.

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.

	2016	2015
Profit attributable to the parent company's shareholders	18,532	22,485
Weighted average number of ordinary shares outstanding (thousands)	18,759	18,759
Earnings per share	0.99	1.20

NOTE 14 Intangible assets

	Distribution rights	Goodwill*	Trade-marks**	Total
Cost at 1 January 2015				
Cost	12,900	225	–	13,125
Acc. impairment and amortisation	–4,205	–	–	–4,205
Carrying amount	**8,695**	**225**	**–**	**8,920**
Financial year 2015				
Opening carrying amount	8,695	225	–	8,920
Amortisation	–1,290	–	–	–1,290
Closing carrying amount	**7,405**	**225**	**–**	**7,630**
At 31 December 2015				
Cost	12,900	225	0	13,125
Acc. impairment and amortisation	–5,495	–	0	–5,495
Carrying amount	**7,405**	**225**	**–**	**7,630**
Financial year 2016				
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**

* Goodwill has arisen through acquisitions. SEK 12.4 million from the acquisition in 2016 of Fillflex AB and SEK 3 million from the acquisition of PlastKapTek AB in the same year. SEK 0.2 million relates 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	2016	2015
Sweden	15,594	225

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.

2016	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
Cost at 1 January 2015	
Cost	29,033
Acc. depreciation	–18,307
Carrying amount	**10,726**
Financial year 2015	
Opening carrying amount	10,726
Exchange differences	–313
Purchases	4,575
Reclassifications	–
Sales and disposals	–1,238
Depreciation	–3,267
Closing carrying amount	**10,483**
At 31 December 2015	
Cost	26,246
Depreciation	–15,763
Carrying amount	**10,483**
Financial year 2016	
Opening carrying amount	10,483
Exchange differences	112
Purchases	4,502
Reclassifications	1,007
Sales and disposals	–2,547
Depreciation	–2,949
Closing carrying amount	**10,608**
At 31 December 2016	
Cost	28,359
Depreciation	–17,751
Carrying amount	**10,608**

The Machinery and equipment item includes leased assets held by the Group under finance leases at the following amounts:

Finance leases	**31/12/2016**	31/12/2015
Cost – capitalised finance leases	10,628	11,194
Accumulated depreciation	–3,651	–4,032
Carrying amount	**6,977**	**7,162**

The Group leases vehicles and production equipment under non-cancellable leases. The lease terms vary from 3 to 5 years.

NOTE 16 Financial instruments by category

31/12/2016	Loan receivables and trade receivables	Total
Assets on the Balance Sheet		
Other non-current receivables	174	174
Trade receivables	60,981	60,981
Cash and cash equivalents	64,983	64,983
Total	**126,138**	**126,138**

31/12/2015	Loan receivables and trade receivables	Total
Assets on the Balance Sheet		
Other non-current receivables	166	166
Trade receivables	55,849	55,849
Cash and cash equivalents	71,699	71,699
Total	**127,714**	**127,714**

31/12/2016	Other financial liabilities	Total
Liabilities on the Balance Sheet		
Liabilities to credit institutions	17,947	17,947
Trade payables	27,943	27,943
Accrued expenses and prepaid income	7,510	7,510
Total	**53,400**	**53,400**

31/12/2015	Other financial liabilities	Total
Liabilities on the Balance Sheet		
Liabilities to credit institutions	7,436	7,436
Trade payables	34,436	34,436
Accrued expenses and prepaid income	4,379	4,379
Total	**46,251**	**46,251**

NOTE 17 Trade receivables

	31/12/2016	31/12/2015
Trade receivables	62,981	56,234
Less: provisions for doubtful receivables	–2,000	–385
Trade receivables – net	**60,981**	**55,849**

The fair value of trade receivables corresponds to their carrying amount, as the discounting effect is not significant. At 31 December 2016, adequate trade receivables amounted to SEK 60,981,000 (31 December 2015: SEK 55,849,000) for the Group.

At 31 December 2016, trade receivables totalling SEK 7,076,000 (31 December 2015: SEK 5,114,000) were past due but without there being considered any need for impairment for the Group. The receivables past due relate to a number of customers who have not previously had payment difficulties.

Age distribution of trade receivables	31/12/2016	31/12/2015
Trade receivables not yet due	53,905	50,735
1–30 days	7,002	4,451
31–60 days	785	521
>60 days	1,289	527
of which provisioned	–2,000	–385
Total	**60,981**	**55,849**

Age analysis of trade receivables with impairment requirement	31/12/2016	31/12/2015
1–12 months	1,451	28
>12 months	549	357

Recognised amounts by currency for trade receivables are as follows:

	31/12/2016	31/12/2015
SEK	30,986	30,091
EUR	15,184	15,766
NOK	10,504	8,501
DKK	3,071	697
USD	42	37
GBP	180	407
CHF	988	351
JPY	26	
Total	**60,981**	**55,849**

Changes to the provisions for doubtful receivables are as follows:

	2016	2015
At 1 January	385	750
Provisions for doubtful receivables	1,695	1,580
Receivables written off during the year as uncollectable	–92	–1,431
Unused amounts reversed	–	–465
Effect of changes in exchange rates	13	–49
At 31 December	**2,000**	**385**

NOTE 18 Prepaid expenses and accrued income

	31/12/2016	31/12/2015
Prepaid rent	33	106
Prepaid leases	122	–
Prepaid insurance policies	894	879
Other items	2,077	1,396
Total	**3,126**	**2,381**

NOTE 19 Cash and cash equivalents

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

	31/12/2016	31/12/2015
Cash	9	29
Bank deposits*	64,974	71,670
Total	**64,983**	**71,699**

*Excl. unused overdraft facilities.

Bank overdraft facility

The Group has an approved bank overdraft facility in the currencies SEK, NOK and EUR totalling SEK 18,449,000 (SEK 18,245,000). Of the approved bank overdraft facility, SEK 0 (SEK 0) was utilised at 31 December 2016.

NOTE 20 Liabilities to credit institutions

Non-current	31/12/2016	31/12/2015
Liabilities to credit institutions (excl. finance leases)	7,500	168
Liabilities to credit institutions for finance leases	4,831	4,919
Total non-current borrowing	**12,331**	**5,087**
Current		
Liabilities to credit institutions (excl. finance leases)	3,470	106
Liabilities to credit institutions for finance leases	2,146	2,243
Total current borrowing	**5,616**	**2,349**
Total borrowing, Group	**17,947**	**7,436**
Recognised amounts by currency		
SEK	17,947	7,161
NOK	–	275

Liabilities to credit institutions for finance leases

Gross liabilities for finance leases – minimum lease payments	31/12/2016	31/12/2015
Within 1 year	1,688	2,163
1–5 years	1,383	1,475
More than 5 years	–	–
Future financial expenses for finance leases	222	252
Present value of finance lease liabilities	6,755	6,910

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:

	31/12/2016	31/12/2015
Deferred tax assets		
– deferred tax assets to be utilised after more than 12 months	–	800
– deferred tax assets to be utilised within 12 months	3,184	2,794
Deferred tax liabilities		
– deferred tax liabilities to be paid after more than 12 months	–2,189	–1,840
Deferred tax liabilities (net)	**995**	**1,754**

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

	2016	2015
Opening balance	**1,754**	**–1,534**
Exchange differences	95	–89
Recognised in profit and loss (Note 12)	–194	3,377
Increase as a result of business combinations	–660	–
Closing balance	**995**	**1,754**

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 Finland, as it is considered probable that these loss carryforwards can be utilised against future profits. Of the loss, SEK 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:

Deferred tax assets	Loss carry-forward	Total
At 1 January 2015	**–**	**–**
Recognised in profit and loss	3,683	3,683
Foreign exchange differences	–89	–89
At 31 December 2015	**3,594**	**3,594**
Recognised in profit and loss	–459	–459
Foreign exchange differences	50	50
At 31 December 2016	**3,184**	**3,184**

Deferred tax liabilities	Temporary differences, intangible non-current assets and property, plant and equipment	Total
At 1 January 2015	**–1,534**	**–1,534**
Recognised in profit and loss	–306	–306
At 31 December 2015	**–1,840**	**–1,840**
Recognised in profit and loss	265	265
Increase as a result of business combinations	–660	–660
Foreign exchange differences	46	46
At 31 December 2016	**–2,189**	**–2,189**

NOTE 22 Trade payables

	31/12/2016	31/12/2015
Trade payables	27,973	34,436

Age distribution of trade payables	31/12/2016	31/12/2015
Trade payables not yet due	25,131	33,603
1–30 days	2,645	737
31–60 days	24	72
>60 days	143	24
Total	**27,943**	**34,436**

Recognised amounts by currency for trade payables are as follows:

	31/12/2016	31/12/2015
SEK	6,706	11,130
EUR	17,199	16,265
NOK	1,246	2,598
DKK	286	925
USD	115	204
GBP	1,285	2,097
CHF	1,050	1,217
JPY	56	–
Total	**27,943**	**34,436**

NOTE 23 Accrued expenses and prepaid income

	31/12/2016	31/12/2015
Accrued salaries	3,218	3,461
Accrued travel expenses	228	189
Accrued holiday pay	10,206	9,557
Accrued social security expenses	3,570	2,880
Accrued payroll tax	1,697	1,646
Accrued interest	20	–
Other accrued liabilities	376	3,205
Accrued trade payables	7,490	4,379
Total	**26,804**	**25,318**

NOTE 24 Adjustment for non-cash items

	31/12/2016	31/12/2015
Depreciation and amortisation of non-current assets	4,224	4,557
Capital gains from sale/disposal of non-current assets	–449	–366
Other adjustments	–75	–406
Total	**3,700**	**3,785**

NOTE 25 Pledged assets

	31/12/2016	31/12/2015
Floating charges	26,611	26,538
Total	**26,611**	**26,538**

NOTE 26 Contingent liabilities

	31/12/2016	31/12/2015
Guarantees	54,128	60,496
Warranties	385	686
Total	**54,513**	**61,182**

NOTE 27 Related parties

Christian Berner Invest AB (registered in Sweden) owns 61.4% of the parent company's shares and has a controlling influence over the Group. Ernström Kapitalpartner AB owns 11.0% and Lannebo Micro Cap owns 10.9% of the capital. The remaining 16.7% of the shares have a wide distribution. Christian Berner Invest AB is also the parent company of the largest Group containing Christian Berner Tech Trade AB. The party that has ultimate control over the Group is Christian Berner Invest AB.

The following transactions have taken place with related parties:

Purchase of services	2016	2015
Hire of art from the Chairman of the Board	102	102
Rental of property	–	1,309
Total	**102**	**1,411**

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 Acquisition of Fillflex AB and PlastKapTek Sverige AB

Christian Berner Tech Trade AB completed the acquisition of Fillflex AB on 1 July 2016. Christian Berner Tech Trade AB acquired all the shares in Fillflex from Mofus AB by paying a cash consideration for the shares. The total purchase price was SEK 16.0 million. The acquisition was partly financed through a loan from SEB. The transaction costs relating to the acquisition totalled SEK 0.3 million and are recognised under external costs in the statement of comprehensive income. Fillflex AB manufactures flexible filling machines for liquids and viscous products in the food, pharmaceuticals and hygiene industries, as well as for chemical products. The company has five employees and its headquarters are in Västra Frölunda. In 2015, it had annual revenue of SEK 14.6 million.

Fillflex AB has expertise and proprietary technology that complement Christian Berner's existing range in liquid filling and packaging. In the final acquisition analysis, the surplus value has been attributed to the trademark and the remainder to goodwill. The trademark has been deemed to have an indefinite useful life. The surplus value attributed to goodwill consists of the expertise, experience and know-how contributed by the staff of the acquired company. The acquisition of Fillflex AB has had an effect for 2016 since the time of acquisition on the net revenue of the Christian Berner Tech Trade Group of SEK 5.6 million and on profit of SEK 1.0 million. Fillflex AB reports revenues of SEK 11.3 million for the financial year, with a net profit of SEK 2.1 million. Fillflex AB forms part of Christian Berner Sweden's Process & Environment business area.

Value based on acquisition analysis, SEK thousands

	Carrying amount	Fair value adjustment	Fair value
Goodwill		12,348	12,348
Trademark		3,000	3,000
Inventories	1,550	–20	1,530
Other current assets	2,446	–44	2,402
Current liabilities	–2,582		–2,582
Deferred tax liability		–660	–660
Total	**1,414**	**14,624**	**16,038**
Change in consolidated cash and cash equivalents			–16,038

Note 28 cont.

Christian Berner Tech Trade AB completed the acquisition of PlastKapTek Sverige AB on 1 September 2016. Christian Berner Tech Trade AB acquired all the shares in PlastKapTek Sverige AB from Konsultkaptek AB by paying a cash consideration for the shares. The total purchase price was SEK 3.3 million. The acquisition was partly financed through a loan from SEB. The transaction costs relating to the acquisition totalled SEK 0.2 million and are recognised under external costs in the statement of comprehensive income.

PlastKapTek Sverige AB has been a business partner of Christian Berner for many years and it processes and supplies plastic, from semi-manufactured to finished products. Its customers are in the engineering and manufacturing industry, the boat industry and the advertising industry. The company has five employees and its headquarters are in Partille. In 2015/2016, it had annual revenue of SEK 6.1 million. The company is thereby strengthening its position in processed plastic products on the Nordic market.

The market is demanding more finished parts, so machining is increasing in strategic importance. With the acquisition of PlastKapTek Sverige AB, the company is gaining access to extensive experience and a high level of expertise in the processing of plastics, as well as flexible, good-quality machinery. In the acquisition analysis, the surplus value has been attributed to goodwill. The purchase price includes a profit share estimated at SEK 0.7 million in the acquisition analysis. The additional consideration is based on the established annual accounts at 30/04/2017. To the extent that the profit after tax exceeds SEK 0.7 million, this shall accrue to the vendor as additional consideration. The maximum amount cannot be determined. The surplus value attributed to goodwill consists of the expertise, experience and know-how contributed by the staff of the acquired company.

The acquisition of PlastKapTek Sverige AB has had an effect for 2016 since the time of acquisition on the net revenue of the Christian Berner Tech Trade Group of SEK 1.6 million and on profit of SEK 0.0 million. PlastKapTek Sverige AB reports revenues of SEK 5.8 million for the financial year, with a net profit of SEK 0.5 million. PlastKapTek Sverige AB forms part of Christian Berner Sweden's Materials Technology business area.

Value based on acquisition analysis, SEK thousands

	Carrying amount	Fair value adjustment	Fair value
Goodwill		3,021	3,021
Machinery	1,007	–	1,007
Other current assets	1,023	–	1,023
Cash and cash equivalents	203	–	203
Non-current liabilities	–1,077	–	–1,077
Current liabilities	–827	–	–827
Total	**329**	**3,021**	**3,350**
Contingent additional consideration			–750
Cash and cash equivalents at Plastkaptek			–203
Change in consolidated cash and cash equivalents			–2,397

NOTE 29 Events after the end of the reporting period

A press release was issued after the end of the reporting period stating that the CEO of the Group's Norwegian company, Christian Berner AS, would be leaving his position and the company during spring 2017. No other significant events occurred for the company after the end of the reporting period.

Parent company income statement

SEK thousands	Note	**2016**	2015
OPERATING INCOME			
Net revenue	3, 17	12,351	10,050
Total		**12,351**	**10,050**
Operating expenses			
Purchased services	17	−5,248	−10,050
Other external costs	5	−9,192	−2,703
Staff costs	4	−8,041	–
Total operating expenses		**−22,481**	**−12,753**
Operating profit/loss		**−10,130**	**−2,703**
Earnings from shareholdings in Group companies	6	2,610	1,787
Interest and similar income	6, 7	24	47
Interest and similar expenses	6, 7	−56	−32
Net financial items		**2,578**	**1,802**
Pre-tax profit/loss		**−7,552**	**−901**
Appropriations	8	19,200	12,000
Tax on profit/loss for the year	9	−1,990	−2,048
PROFIT/LOSS FOR THE YEAR		**9,659**	**9,050**

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	2016	2015
ASSETS			
Non-current assets			
Financial assets			
Shares in Group companies	10	84,929	65,540
Total financial assets		**84,929**	**65,540**
Total non-current assets		**84,929**	**65,540**
Current assets			
Current receivables			
Receivables from Group companies	17	2,610	6,787
Other receivables		733	924
Prepaid expenses	11	896	–
Total current receivables		**4,239**	**7,711**
Cash and bank balances	12	34,612	38,144
Total current assets		**34,612**	**38,144**
TOTAL ASSETS		**123,780**	**111,395**

SEK thousands	Note	**2016**	2015
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		625	625
Revaluation fund		37,000	37,000
Statutory reserve		1	1
Total restricted equity		**37,626**	**37,626**
Non-restricted equity			
Retained earnings		59,653	59,983
Profit for the year		9,659	9,050
Total non-restricted equity		**69,312**	**69,033**
Total equity		**106,938**	**106,659**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	14	7,500	–
Liabilities to Group companies	14	840	840
Total non-current liabilities		**8,340**	**840**
Current liabilities			
Liabilities to credit institutions	14	2,000	–
Trade payables	15	925	–
Current tax liabilities		1,594	2,925
Other current liabilities		1,026	270
Accrued expenses and prepaid income	16	2,958	701
Total current liabilities		**8,503**	**3,896**
TOTAL EQUITY AND LIABILITIES		**123,780**	**111,395**

Parent company statement of changes in equity

	Restricted equity			Non-restricted equity		
SEK thousands	Share capital	Revaluation fund	Statutory reserve	Share premium account	Retained earnings incl. profit/loss for the year	Total
Opening equity, 01/01/2015	**625**	**37,000**	**1**	**41,228**	**23,444**	**102,298**
Profit/loss for the year plus comprehensive income					9,050	9,050
Total	**625**	**37,000**	**1**	**41,228**	**32,495**	**111,349**
Transactions with shareholders						
Dividend					−4,690	−4,690
Closing equity, 31/12/2015	**625**	**37,000**	**1**	**41,228**	**27,805**	**106,659**
Opening equity, 01/01/2016	**625**	**37,000**	**1**	**41,228**	**27,805**	**106,659**
Profit/loss for the year plus comprehensive income					9,659	9,659
Total	**625**	**37,000**	**1**	**41,228**	**37,463**	**116,318**
Transactions with shareholders						
Dividend					−9,380	−9,380
Closing equity, 31/12/2016	**625**	**37,000**	**1**	**41,228**	**28,084**	**106,938**

Parent company statement of cash flows

SEK thousands	**2016**	2015
Cash flow from operating activities		
Operating profit/loss	–10,130	–2,703
Adjustment for non-cash items	–	–
Interest received and similar items	24	47
Interest paid and similar items	–56	–32
Income tax paid	–3,321	–886
Cash flow from operating activities before changes in working capital	**–13,483**	**–3,574**
Change in other current receivables	4,295	–4,321
Change in other current operating liabilities	3,938	84
Total change in working capital	**8,233**	**–4,237**
Cash flow from operating activities	**–5,250**	**–7,811**
Cash flow from investing activities		
Acquisition of subsidiaries	–19,389	–
Dividends received	1,787	857
Group contribution received	19,200	12,000
Cash flow from investing activities	**1,598**	**12,857**
Cash flow from financing activities		
Loans raised	10,000	–
Repayment of loans	–500	–
Dividend paid	–9,380	–4,690
Cash flow from financing activities	**120**	**–4,690**
Decrease/increase in cash and cash equivalents		
Cash flow for the year	–3,532	336
Cash and cash equivalents at start of year	38,144	37,808
Cash and cash equivalents at end of year	**34,612**	**38,144**

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 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). Figures in brackets refer to the comparison year.

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 Employee remuneration, etc.

	2016		2015	
	Salaries and other remuneration (of which bonuses)	Social security expenses (of which pension costs)	Salaries and other remuneration (of which bonuses)	Social security expenses (of which pension costs)
Salaries, other remuneration and social security expenses				
Board members, CEO and other senior executives	3,867	2,112	758	238
of which	(594)	(882)	(0)	(0)
Other employees	756	553	–	–
of which	(79)	(317)	(0)	(0)
Total	**4,623**	**2,665**	**758**	**238**

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 0.00163% at 31/12/2016. The company's share of the total number of active insured in ITP 2 amounts to 0.00062% at 31/12/2016. The expected premiums for the coming financial year for insurance policies signed with Alecta total SEK 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.

	2016		2015	
	Number at the balance sheet date	Of which male	Number at the balance sheet date	Of which male
Gender distribution of Board members and senior executives				
Board members	8	5	8	6
CEO and other senior executives	2	1	2	1
Total	**10**	**6**	**10**	**7**

NOTE 5 Auditors' fees

	2016	2015*
PWC		
Audit assignment	75	–
Auditing activities in addition to the audit assignment	–	–
Tax advice	–	–
Other services	1,304	–
Total	**1,379**	**–**

* In 2015, the parent company's audit fees were invoiced to another company in the Group.

NOTE 6 Financial items

	2016	2015
Anticipated dividends from subsidiaries	2,610	1,787
Interest income on bank deposits	–	44
Foreign exchange gains on receivables from subsidiaries	23	–
Other financial income	1	3
Total interest income and similar items	**2,634**	**1,834**
Interest expenses on liabilities to credit institutions	44	–
Foreign exchange losses	5	32
Other financial expenses	7	–
Total interest expenses and similar items	**56**	**32**
Total financial items – net	**2,578**	**1,802**

NOTE 7 Foreign exchange differences – net

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

	2016	2015
Financial items – net (note 6)	18	–32
Total	**18**	**–32**

NOTE 8 Appropriations

	2016	2015
Group contributions received	19,200	12,000
Total	**19,200**	**12,000**

NOTE 9 Tax on profit/loss for the year

	2016	2015
Current tax		
Current tax on profit/loss for the year	–1,990	–2,048
Total current tax	**–1,990**	**–2,048**
Total recognised tax	**–1,990**	**–2,048**

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:

	2016	2015
Pre-tax profit/loss	**11,648**	**11,099**
Income tax calculated using the tax rate in Sweden (22%)	–2,563	–2,442
Tax effect of:		
Non-taxable dividend	573	393
Total recognised tax	**–1,990**	**–2,048**

NOTE 10 Holdings and investments in subsidiaries

	31/12/2016	31/12/2015
Opening cost	**65,540**	**65,540**
Acquisition of subsidiaries	19,389	–
Closing cumulative cost	84,929	65,540
Closing carrying amount	**84,929**	**65,540**

Name	Co. reg. no.	Registered office and country of registration and operation	Number of shares	Proportion of ordinary shares held directly by the parent company (%)	Proportion of ordinary shares held by non-controlling interests (%)	Carrying amount 31/12/2016	Carrying amount 31/12/2015
Christian Berner AB	556049-5235	Mölnlycke, SE	10,000	100	0	50,000	50,000
Christian Berner AS	910542788	Oslo, NO	1,000	100	0	4,375	4,375
Christian Berner OY	48788	Vantaa, 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	Gothenburg, 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	3,350	0
Fillflex AB	556281-4102	Västra Frölunda, SE	1,000	100	0	16,039	0
						84,929	**65,540**

NOTE 11 Prepaid expenses and accrued income

	31/12/2016	31/12/2015
Prepaid rent	52	–
Other items	844	–
Total	**896**	**–**

NOTE 12 Cash and cash equivalents

	31/12/2016	31/12/2015
Bank deposits	34,612	38,144
Total	**34,612**	**38,144**

NOTE 13 Proposed appropriation of profit/loss

The following profits are at the disposal of the Annual General Meeting:	31/12/2016	31/12/2015
Retained earnings	59,653	59,983
Profit for the year	9,659	9,050
	69,312	**69,033**
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
Carried forward to new account	59,932	59,653
	69,312	**69,033**

NOTE 14 Borrowing

	31/12/2016	31/12/2015
Non-current		
Liabilities to credit institutions	7,500	
Liabilities to Group companies	840	840
Total non-current borrowing	**8,340**	**840**
Current		
Liabilities to credit institutions	2,000	
Total current borrowing	**2,000**	**–**
Total borrowing	**10,340**	**840**

NOTE 15 Trade payables

	31/12/2016	31/12/2015
Trade payables, SEK	777	
Trade payables, NOK	152	
Value adjustment to trade payables	–4	–
Total	**925**	**–**

NOTE 16 Accrued expenses and prepaid income

	31/12/2016	31/12/2015
Accrued salaries	1,954	701
Accrued social security expenses	903	
Other accrued liabilities	101	–
Total	**2,958**	**701**

NOTE 17 Related parties

Christian Berner Invest AB (registered in Sweden) owns 61.4% of the parent company's shares and has a controlling influence over the Group. Ernström Kapitalpartner AB owns 11.0% and Lannebo Micro Cap owns 10.9% of the capital. The remaining 16.7% of the shares have a wide distribution. Christian Berner Invest AB is also the parent company of the largest Group containing Christian Berner Tech Trade AB. The party that has ultimate control over the Group is Christian Berner Invest AB.

The following transactions have taken place with related parties:

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 21% (79%) 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.

	31/12/2016	31/12/2015
Liabilities to shareholders		
At beginning of year	**–**	**–**
Dividend approved by the AGM	9,380	4,690
Amortised amount	–9,380	–4,690
At year-end	**–**	**–**

Information on the remuneration of senior executives is provided in note 4.

NOTE 18 Pledged assets

	31/12/2016	31/12/2015
Shares in subsidiaries	19,389	
Total	**19,389**	**–**

NOTE 19 Contingent liabilities

	31/12/2016	31/12/2015
Guarantees	54,128	60,496
Guarantee commitments to the benefit of subsidiaries	385	686
Total	**54,513**	**61,182**

NOTE 20 Events after the end of the reporting period

No significant events have occurred since the end of the reporting period.

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 net revenue as a percentage of the previous year's revenue	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 interest, taxes and amortisation	As a manufacturing company, EBITA is an important indicator of the Company's profitability before interest, taxes and amortisation
EBITA margin*	Earnings before interest, taxes and amortisation, relative to operating income	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 key performance indicators	**2016**	2015
EBITA	25,105	25,388
Amortisation of intangible assets	–1,290	–1,290
Operating profit/loss	**23,815**	**24,098**
EBITA	25,105	25,388
Net revenue	429,121	445,553
EBITA margin	**5.9%**	**5.7%**
Operating profit/loss	23,815	24,098
Net revenue	429,121	445,553
Operating margin	**5.5%**	**5.4%**
Equity	95,921	85,986
Total assets	191,192	174,807
Equity ratio	**50.2%**	**49.2%**
Pre-tax profit/loss	23,714	24,108
Average equity	90,954	77,584
Return on equity	**26.1%**	**31.1%**

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, 22 February 2017

Joachim Berner
Chairman of the Board of Directors

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 22 February 2017.
Öhrlings PricewaterhouseCoopers AB

Magnus Götenfelt
Authorised public accountant

Audit report

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

Report on the annual accounts and consolidated financial statements

Opinion

We have audited the annual accounts and consolidated financial statements for Christian Berner Tech Trade AB (publ) for 2016. The company's annual accounts and consolidated financial statements are included on pages 22–56 of this document.

It is our opinion that the annual accounts and 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 parent company at 31 December 2016 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 2016 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 statement of comprehensive income and the consolidated statement of financial position, as well as the parent company's statement of income and balance sheet.

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.

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

The Board of Directors' and Chief Executive Officer's responsibility

Responsibility for preparing annual accounts which give a true and fair view pursuant to the Swedish Annual Accounts Act and consolidated financial statements which give a true and fair view pursuant to IFRS, as adopted by the EU, and the Swedish Annual Accounts Act, rests with the Board of Directors and the Chief Executive Officer. The Board of Directors and the Chief Executive Officer 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 the preparation of the annual accounts and consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the ability of the company and of the Group to continue operations. 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 Chief Executive Officer intend to liquidate the company, cease operations or have no other realistic alternative than to do so.

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 more detailed description of our responsibility for the auditing of annual accounts and consolidated financial statements can be found on the website of the Swedish Supervisory Board of Public Accountants: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the audit report.

Report on other statutory and regulatory requirements

Opinion

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the Board of Directors' and the Chief Executive Officer's administration of Christian Berner Tech Trade AB (publ) for 2016 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 Chief Executive Officer 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.

The Board of Directors' and Chief Executive Officer's responsibility

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 Director or the Chief Executive Officer 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/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the audit report.

Gothenburg, 22 February 2017
Öhrlings PricewaterhouseCoopers AB

Magnus Götenfelt
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 Board of Gårdaverken AB, Christian Berner Invest AB, Berner Fastighets AB, Mitt i TopCo AB and Seafire Capital (Publ). Board Member of NHST Media Group AS (publ), YA Holding AB, Eniro AB (publ), njuice AB and Teknoma Oy.

Previous positions (last five years): Chairman of the Board of Forma Publishing Group AB, Swereco Group AB, Lautex Oy, Family Business Network Sweden Service AB and Nordkom AB. Board Member of Sensia Hälsovård AB, Proffice Mediakompetens AB, Talentum Oyj (publ), the Swedish Public Employment Service, the Swedish Pensions Agency and Riksteatern.

Shareholding in Christian Berner Tech Trade: 1,250,000 class A shares and 10,264,651 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: CEO, President and Board Member of VBG Group AB. Board Member of Elos Medtech AB and Sparbanken Lidköping AB.

Previous positions (last five years): Board Member of KMT Precision Grinding 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.

Previous positions (last five years): Deputy Chief Purchasing Officer at Volvo Cars AB.

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

Lars Gatenbeck

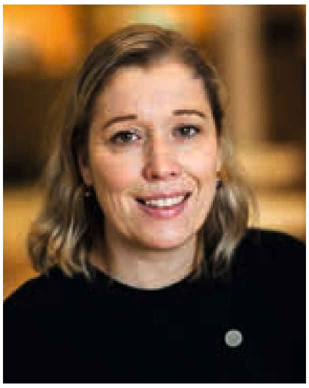
Born 1956. Board Member since 2014. Chairman of the Audit Committee.

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

Other current positions: Industrial advisor to EQT. CEO of Life Equity Group Holding AB and Life Equity Advisors AB. Chairman of the Board of Life Medical Sweden AB, Life Equity Group Holding AB, Life Equity Advisors AB, Akademikliniken HJ AB, Akademikliniken HJ Holding AB, Akademikliniken Group Holding AB and Akademikliniken Top Holding AB. Board Member of Dataflow Group PTY, Industrifonden, Cancerföreningen and stiftelsen Silviahemmet. Trustee of the King Gustav V Jubilee Foundation.

Previous positions (last five years): CEO and Chairman of the Board of H&B Capital Advisors AB and H&B Sweden AB. Chairman of the Board of Memira Holding AB, CellaVision AB and Swecare AB. Board Member of Aleris Group AB, Aleris Holding AB, Sirela Sweden AB and Sweden Care Institute. Partner in Life Equity and Ventures – Nordic HB.

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.

Previous positions (last five years): Business Area Manager for Alten Sverige 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.

Previous positions (last five years): Board Member of Balco AB.

Shareholding in Christian Berner Tech Trade: –

Kurt Olofsson

Born 1952. Employee representative since 2004.

Education: Mechanical engineer.

Other current positions: –

Previous positions (last five years): –

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: –

Previous positions (last five years): –

Shareholding in the Company: –

Auditor

Audit firm PWC AB, company registration number 556029-6740.
Chief Auditor, Magnus Götenfelt (born 1963).
Magnus Götenfelt is an authorised public accountant and a member of FAR.

Management

Bo Söderqvist

Born 1963. CEO since 2010 and CEO 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 Board of Christian Berner AB, Christian Berner Oy, AS Christian Berner and Christian Berner AS.

Previous positions (last five years): –

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

Anna Boqvist

Born 1973. CFO since 2012.

Education: Training in Education at Lund University and training in Business Administration at Lund University and Kalmar University, General Electric US GAAP Course, General Electric Advanced Financial Management Course (Analysis), training in consolidated reporting and IFRS at FAR Akademi AB.

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

Previous positions (last five years): Controller at GE Healthcare

Shareholding in Christian Berner Tech Trade: 21,818 class B shares

Nicolai Lenschow

Born 1956. CEO of Christian Berner AS since 1990.

Education: Graduate Engineer from the Norwegian Institute of Technology.

Other current positions: Chairman of the Board of Brødr Jakobsens Slipp AS and Olav Lenschow AS.

Previous positions (last five years): –

Shareholding in Christian Berner Tech Trade: 5,455 class B shares.

Erik Thorup

Born 1963. CEO 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: –

Previous positions (last five years): –

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

Henrik Westerholm

Born 1970. CEO 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.

Previous positions (last five years): Board Member of Fastighetsbolaget Gränsfogdegränden 1 a i Vanda and Fastighetsbolaget Tarragränden 1 i Lojo.

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

Annual General Meeting and reporting dates

24 April 2017
Annual General Meeting 2017
The Annual General Meeting will be held at the head office in Mölnlycke on 24 April 2017, at 4 pm.

24 April 2017
Interim report for the first quarter 2017

21 August 2017
Interim report for the second quarter 2017

19 October 2017
Interim report for the third quarter 2017

22 February 2018
Year-end report 2017

Contact details

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