GUIDELINEGEO

ANNUAL REVIEW 2017

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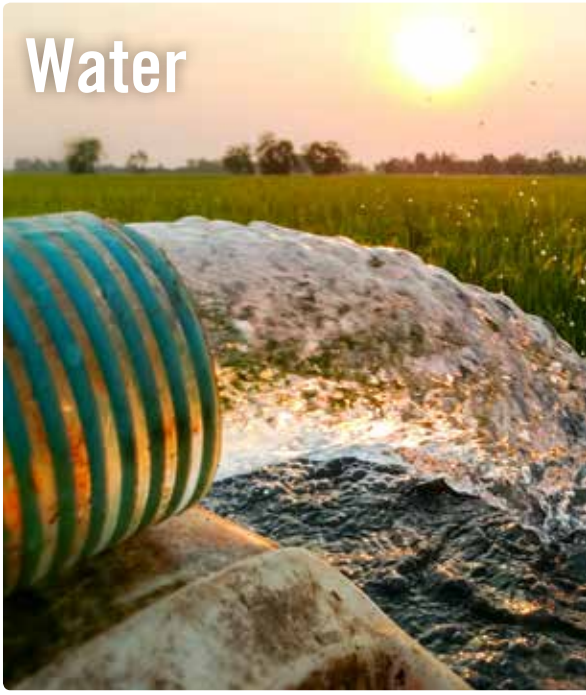

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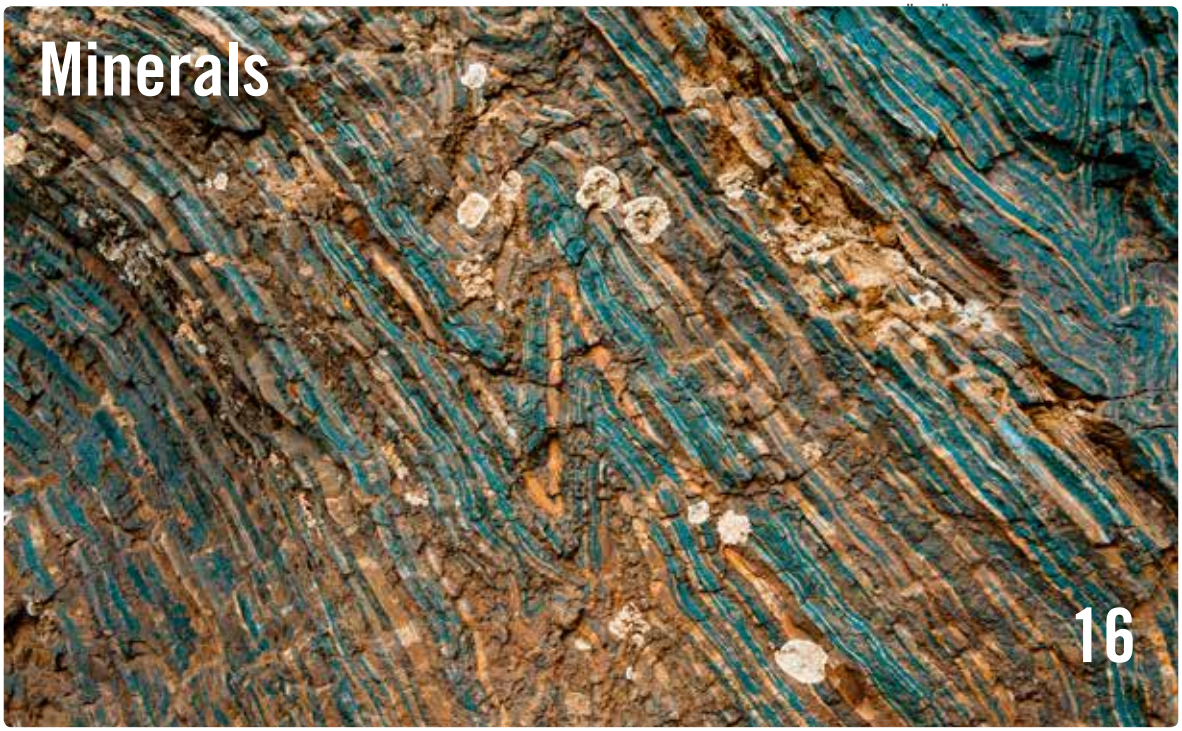


Minerals

16

14

Environment

18

Translation: The 2017 Annual Review is a translation of selected parts of the original Swedish 2017 full-length Annual Report

Cover image: The picture on the cover shows a MALÅ MIRA during mapping of potential sinkholes on a runway in Asia. This picture was the winning entry in Guideline Geo's photo competition for distributors 2017.

This is Guideline Geo

Guideline Geo develops, manufactures, markets and sells geophysical instruments for investigations below ground level. The core of the company's business consists of comprehensive technical expertise, two well-known brands – MALÅ and ABEM, and a network of resellers and partners who sell the company's equipment around the globe. The products are designed for specific assignments and are based on the company's proprietary geophysical instruments with interpretation and visualisation software for investigations and mapping within a number of business areas that require accurate knowledge about land and underground conditions. The group primarily works within four international market areas: Infrastructure, Environment, Water and Minerals. Guideline Geo has the market's widest technology portfolio, with Ground Penetrating Radar (GPR), Resistivity/IP, Transient Electromagnetics (TEM) and Seismics, which covers the majority of the market's needs and facilitates customised solutions in close collaboration with the customer. Guideline Geo has a large global network with around sixty agents and resellers.

Guideline Geo's share is listed on NGM Equity in Stockholm.

Infrastructure
Investigation at start-up and maintenance of infrastructure

Water 20 %
Mapping and investigation of water supplies

Mineral 20 %
Efficient prospecting

Environment 10 %
Investigation of environmental & geological risks

History

1923
ABEM – Aktiebolaget Elektrisk Malmletning is founded and sold the following year to the US

1929
ABEM is repurchased by the Swedish founders. The company becomes a part-owner of Swedish American Prospecting Co

1937
Sveriges Geologiska Undersökningar (SGU) establishes an office in Malå

1950s
ABEM is the largest consulting company within geophysics in Europe with approx. 300 employees

1960
ABEM is acquired by Craelius/Atlas Copco

1982
SGU is privatized and divided. One part becomes the government agency SGU, and the other part becomes Swedish Geological AB (SGAB) with approx. 500 employees

1987 1988
Atlas Copco sells ABEM to SGAB in Luleå, who merges it with its geophysics department in the new subsidiary, ABEM GeoScience AB

1992
ABEM is acquired by the Norwegian company, Dyno Industries AS

Net sales by geographic market (%)

50 %

KEY FIGURES	2017	2016	2015
Net sales, kSEK	97 964	116 645	120 476
EBITDA, kSEK	-9 158	10 168	12 462
Operating Profit/loss, kSEK	-15 729	3 577	6300
Operating Margin	-15,5%	2,9%	5%
Profit/loss after tax, kSEK	-13 150	3 803	4973
Earnings per share, SEK	-1,75	0,51	0,66
Operating cashflow	-6 922	6 119	7 432
Investment in intangible assets, kSEK	4536	5508	4947
Equity/assets ratio	67,3%	75,0%	80,7%
Capital employed, kSEK	136 894	138 793	130 797
Return on capital employed	-11,1%	3,1%	4,8%

1994 Employees in the MALÅ division of the company ABEM GeoScience AB purchase the division and form MALÅ GeoScience AB

1997 MALÅ GeoScience USA Inc etableras

2004 ABEM is sold to the Swedish company, CodeRight AB

2007 Guideline Technology AB förvärvar MALÅ GeoScience

2011 Guideline Technology acquires ABEM for the group

2013 The group is consolidated under the name Guideline Geo AB

2014 The group's vision and strategy is clarified further with focus on integrated solutions: sensors, application expertise, interpretation and visualization

2015 The company wins a number of major orders from customers active on three continents

2016 Guideline Geo acquires 50% of Aarhus GeoSoftware ApS

2017 The group's vision and strategy is clarified further

Intensive work and investment provides strong belief in the future

Guideline Geo contributes to the ability to obtain better answers to a number of current and extremely relevant societal issues. Our operations enable important decisions to be made on the basis of the best possible fact-based grounds. We provide tools and know-how that facilitate better understanding of the appearance and condition of our resources below ground level.

Strong underlying demand drivers

The lack of clean water is now a global problem that affects the environment, people's health and conditions for productive agriculture. This imposes stringent requirements on safe and effective methods for mapping, investigation and monitoring of groundwater resources. Another challenge is the ability to investigate contaminations and other geological risks. An ageing infrastructure creates a great need for effective methods for the continual monitoring of maintenance needs and the avoidance of critical problems, such as sinkholes and serious cracks in bridges or tunnels.

Reliable knowledge about ground conditions is becoming an increasingly important strategic factor in infrastructure planning throughout the world. Demand for the company's solutions, both present day and in the future, is driven by strong underlying needs. Population growth and a process of increasingly rapid urbanisation is creating an ever more comprehensive shortage of clean water, as well as major needs for the new construction of residential housing and infrastructure in growing cities. Multidimensional mapping provides effective bases for decision-making Guideline Geo has technical solutions and competence that facilitates better access to high-quality geophysical information, and together with our customers we can contribute to a better quality of life and a better environment for future generations. Guideline Geo offers non-destructive solutions for multidimensional mapping of soil and geology together with visualisation in graphic models. This means that planers and decision-makers can be offered bases for decision-making that are far superior to the information that, for example, is based on traditional soil samples.

New commercial opportunities

The ongoing development of software is an important part of Guideline Geo's long-term strategy. This work aims to establish application-oriented solutions, with increased customer benefit through enhanced user-friendliness and availability for new groups of professionals. The solutions are based on an architecture that facilitates the development of various applications with central data storage. Cloud-based services will facilitate the collection, storage, interpretation and visualisation of data. This means that Guideline Geo is creating conditions to become the hub in an ecosystem for geophysical information, and the increased availability of data creates new commercial opportunities.

Intensive work and investment during the last 24 months

Guideline Geo's operations are based on a more than ninety-year-long history within geophysical measurements and analyses, during which time a strong core competence has been built up, encompassing everything from the development and production of highly technical and robust instruments, to the marketing, sale and aftermarket support of the company's solutions and products. Even

Key events in 2017

June

Mikael Nolborg replaces Kjell Husby as CEO

Anders Gemfors becomes the new Chairman of the Board

August

The resistivity meter ABEM Terrameter LS 2 is upgraded with "100% duty cycle" - a unique IP (Induced Polarisation) function that provides increased measurement speed and data quality

October

The next generation seismograph is launched – ABEM Terraloc Pro 2 – with a wide area of application

December

GGEO wins MALÅ MIRA GPR orders on strategic markets to a total value of MSEK 2.1 for large-scale archaeology and infrastructure

so, I would like to highlight the developments that have taken place during the last 24 months, a period that has been particularly interesting and eventful for the company in a number of ways. We have experienced quarters with record sales, as well as quarters that haven't been quite as good. We have made significant investments in product development, we have acquired 50% of a leading software company within geophysics, and we have further established our contact with Aarhus University, which is a world-leading institution within hydrogeophysics. We have also obtained new, long-term, major owners in Investment AB Spiltan and Investment Aktiebolaget Chiffonjén, and have added new key competences to the company. In terms of results, 2017 was a disappointment. Albeit that the company is currently in an investment phase but, at the same time, several of the company's key markets were characterised by instability during the year, with delays in the customers' purchasing and investment processes as a consequence. However, we saw a clear improvement in sales during the fourth quarter and, based on a thorough strategy and business analysis, we have identified and commenced measures to create more growth and improve our cost-effectiveness. Consequently, we enter 2018 with distinctly better conditions and a strong belief in the future.

"Increased availability of geophysical data creates new commercial opportunities"

Continued focus on long-term shareholder values

After the new share issue that was oversubscribed during March 2018, we are continuing our work according to strategy. We shall continue to adapt and develop our products and services for both existing and new areas of application. Furthermore, the funds raised will provide Guideline Geo with improved possibilities to participate actively during the long sales processes that characterise the growing number of major deals.

The new issue, which was secured in advance to 79% of the total issue volume through subscription and guarantee commitments from major owners and management, was ultimately subscribed for approx. MSEK 25.4, which equates to a subscription rate of around 118%. The advance securing of the issue volume to such a high level, and the ultimate oversubscription rate, means that we perceive a feeling of confidence in the company's strategy. Since no overallotment took place, the company received approx. MSEK 20.2 from the new issue after related issue costs.

We welcome you to join us on our continuing journey!
Mikael Nolborg, CEO

Vision, business idea and strategy

Vision

Guideline Geo – contributes to a better, safer and more sustainable world through leading geophysical solutions. Our vision is that Guideline Geo shall be perceived as the hub for geophysical solutions based on our world-leading products, services and applications, as well as the best possible availability through our open cloud-based ecosystem.

Business idea

Guideline Geo primarily works within four market areas: Infrastructure, Environment, Water and Minerals. The business idea is to develop and offer market-leading solutions for the identification and visualisation of objects, structures and contaminations below ground level, the investigation of geology, and changes in land and structures over time. The development of solutions within geophysics is also undertaken in close collaboration with universities and other institutions.

Strategy

Guideline Geo has a strategy based on profitable growth that takes place in the following steps. The steps take place to some extent in parallel, and it is the company's overall assessment that this strategy facilitates continual growth and profitability.

Step 1: Profitable growth of existing business deals by utilising the growth platform that has been established;

- Address a number of selected new markets
- More systematic sales work, from lead generation to more use of demos and training in the sales process, and more active work with distributors
- Generate growth on new products, and continue to develop and introduce products based on customer needs through a streamlined innovation process
- Enhance cost-effectiveness through internal streamlining measures and increased focus on costs

Step 2: Expand the offer and grow the service business through selected and focused investments and measures that may include collaborations and acquisitions;

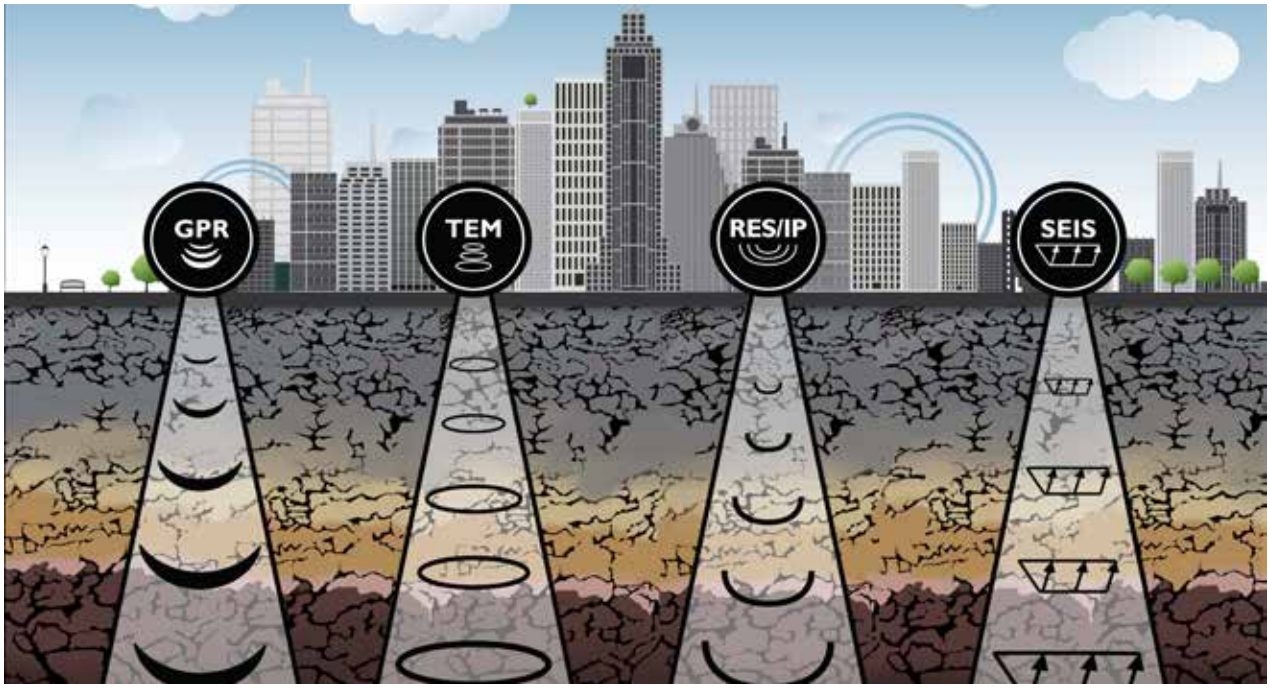
- Establish greater rental and service business through a new concept based on customer needs
- Joint product development with the customer to expedite development and facilitate new business deals
- Expand the software offer through proprietary development, collaborations and the acquisition of companies

Step 3: Establish new business deals based on application-oriented solutions for specific customer needs and cloud-based services: :

- Develop the software offer based on an architecture that supports server applications and central data storage
- Continue the development of selected application-oriented solutions together with external parties where the needs and potential are deemed to be attractive
- Continue to collaborate closely with universities and other knowledgeable authorities within Geophysics, in order to further enhance the development work, and to increase awareness of the opportunities associated with Geophysical applications

Technologies

The ability to work with different geophysical investigation needs requires a combination of hardware and software as well as various geophysical technologies. Through its four technologies and wide product portfolio, Guideline Geo covers the majority of the market's needs.



GPR- Ground Penetrating Radar

GPR - Ground Penetrating Radar is a method in which radio waves are transmitted from an antenna and are reflected off layers and objects in the ground. The waves are read by an antenna and create an image of what exists below ground level.

By providing a comprehensive range of ground penetrating radar instruments, Guideline Geo delivers solutions for a large number of different areas of use, including pipe and cable searches, measurement of wave profiles, mineral surveys, archaeology, concrete surveys, climate research and much more.

Resistivity/IP

Resistivity/IP is a geo-electrical method for measuring the ground's resistivity and chargeability properties.

Typical areas of use include groundwater and soil surveys, environmental research and mineral prospecting.

Guideline Geo provides solutions that range from cost-effective 1D measurements to advanced 3D imaging.

TEM - Transient Electromagnetics

TEM is an effective method for measuring the electrical conductivity below ground level, from a depth of just a few metres to several hundred metres.

Areas of use for TEM primarily involve groundwater and mineral surveys and environmental investigations.

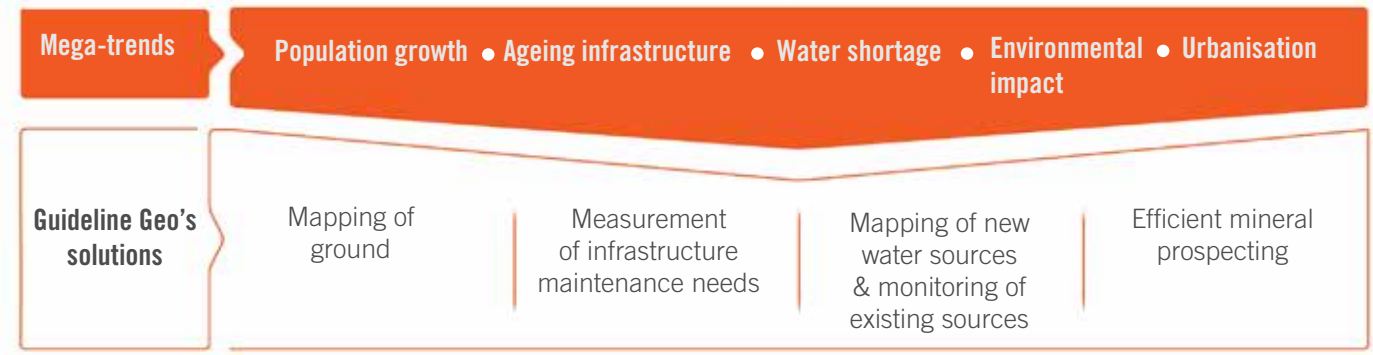
Guideline Geo is a pioneer within the development of TEM technology, which has resulted in solutions that can measure minor changes in geology with great precision and excellent depth penetration.

SEIS - Seismics

Seismic measurements use a vibration source to measure the propagation of elastic waves. The results illustrate the ground's mechanical properties.

Common areas of use include soil stability, rock quality and assessing depth to bedrock. Guideline Geo offers a seismograph that can be used for seismic investigations ranging from simple refraction measurements to complex investigations between multiple boreholes.

Driving forces



Major investment in development

Guideline Geo is strongly focused on innovation and development. Through productive collaborations with the academic world, geophysical competences are integrated to create commercial solutions. With internal competence within Ground Penetrating Radar (GPR), Resistivity/IP, Seismics and Transient Electromagnetics (TEM), continual development takes place with the aim of producing future solutions that contribute to more effective mapping within the areas of Infrastructure, Water, Environment and Minerals.

Product portfolio

Guideline Geo's brand portfolio includes ABEM and MALÅ, two well-established brands on a global market. Each brand enjoys a strong market position within their respective areas:

MALÅ

A leading brand within the area of Ground Penetrating Radar (GPR). The MALÅ programme includes advanced hardware with interpretation and visualisation software that converts the complex GPR data to an interpretable visualisation of the ground. The MALÅ products are used within infrastructure, archaeology, research and environment, and contribute to decisions that ensure public safety, streamlining of infrastructure projects, or mapping of objects of historical value.

ABEM

With measurement methods within Resistivity/IP, Transient Electromagnetics and Seismics since 1923, ABEM is characterised by a market-oriented product range for geophysical measurements within the company's focus areas. The ABEM programme includes both simpler 1D solutions and advanced 3D solutions. The primary focus of the ABEM products is within water prospecting, geological surveys, mineral prospecting and environmental projects.

AGS Aarhus GeoSoftware

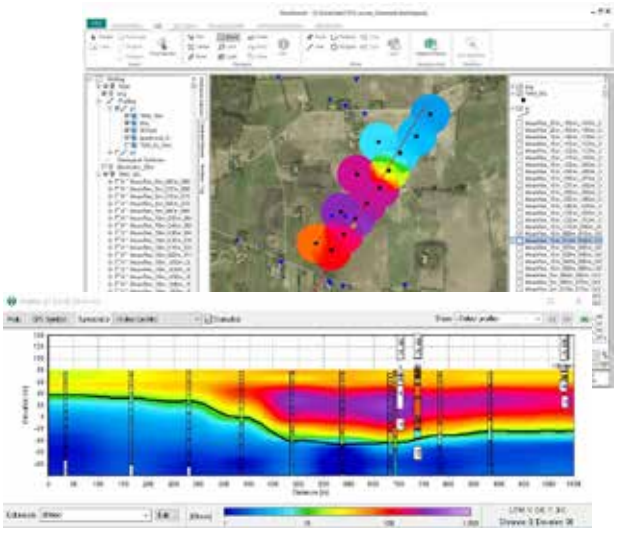
In addition, Guideline Geo has 50% ownership in Aarhus GeoSoftware, a leading, renowned software provider within geophysics related to Resistivity/IP and Transient Electromagnetics (TEM).

Software

Software is an integral part of Guideline Geo's solutions. Software is used in different steps in the solutions, i.e. collection of data, inversion, interpretation, analysis and visualisation of results.

At present, the software is either integrated into the instruments or supplied as a stand-alone product for follow-up processing on a computer.

When it comes to the development of software, focus is primarily placed on interpretation, analysis and visualisation for the creation of better bases for decision-making, which in turn facilitates an expansion of the value chain and a widening of the user base. This entails tremendous future potential for Guideline Geo.



Data from measurements performed in Aarhus, Denmark, shows the existence of a hidden accumulation of groundwater.

Infrastructure - A growing market area

Guideline Geo's largest market area

Infrastructure, which accounts for approximately 50 per cent of the company's net turnover, with Asia, Europe and North America generating the majority of the revenues. Future prospects within this area are good, as global investments in infrastructure are expected to double during the upcoming ten-year period[1]. The planet's increasingly extreme weather, with more natural disasters, is also driving an increased need for investment in infrastructure, both in terms of preventive measures and rebuilding projects[2].

Market and driving forces

The achievement of a well-functioning society requires investments in infrastructure, which means maintenance and new construction of roads, railways, electricity networks, water and drainage systems, internet, bridges and properties. In an increasingly densely populated society, Guideline Geo's solutions provide a possibility to map the infrastructure, both below ground level and in various structures, through the non-destructive technologies of ground penetrating radar (GPR), seismics and resistivity. By measuring cracking frequencies in bridges and buildings, or by mapping the exact position of a buried pipe or fibre-optic cable, costs are reduced, along with the risk of accidents. In certain countries there are regulations regarding densely populated areas that require mapping of the ground before excavation begins, in order to prevent the potential consequences of destroyed pipes or cables. The Infrastructure market area also encompasses archaeology, forensics for detection of hidden objects, and localisation of injured individuals, for example in connection with collapsed structures.

[1] PwC, supported by Oxford Economics (Capital project and infrastructure spending – Outlook 2025)

[2] United Nations Office for Disaster Reduction

MALÅ Easy Locator

EXAMPLE OF APPLICATION - MAINTENANCE & SAFETY

Location: : Airport in Malaysia - Runway
Problem: Risk for sinkholes that could be caused by karst or other land erosion with safety-related consequences.
Solution: MALÅ MIRA and Ground Penetrating Radar (GPR) was used to map the ground under the actual runway, where a previous sinkhole had been remedied. Analysis of output data facilitates preventive measures to ensure passenger safety.

EXAMPLE OF APPLICATION – ARCHAEOLOGY & WATER

Location: The Church of the Holy Sepulchre in Jerusalem, where Jesus Christ is believed to have been buried and resurrected.

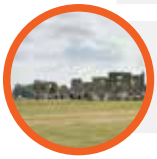
Challenge: As part of the church's restoration – the need to map underground structures (fractures, ducts and cavities) as well as any humidity zones.

Solution: The survey localised humidity/water (with ABEM Terrameter LS) as well as archaeological discoveries (with MALÅ GX) under the floor and behind the walls (tunnels, cavities, pipes). Measures for preservation of the church can thus be undertaken. After having been covered in marble for hundreds of years, the seal to the supposed Tomb of Christ was broken. The grave was found in situ (in its original location).

INFRASTRUCTURE
50 %

Maintenance
Localising buried pipes, mapping and visualisation in connection wit
maintenance of roads, bridges and tunnels, etc.
Technology: Ground Penetrating Radar (GPR)

New production & project planning
Producing bases for decision-making in relation to future infrastructure projects
Technology: Transient Electromagnetics & Resistivity/IP



Archaeology
Mapping historical remains
Technology: Ground Penetrating Radar (GPR)

Water - A life-or-death market area

A global problem

Lack of water is a global problem that affects health, agriculture and the environment. 2.1 billion people lack access to clean water[3]. Focus on finding sustainable water supplies is not just a matter of interest for developing countries - it has also intensified in Sweden and the USA, among others. Around 20 per cent of Guideline Geo's turnover stems from the Water market area.

Market and driving forces

A growing global population and expected climate-affecting factors mean that the water shortage will continue to be a challenge for the foreseeable future. Through its established technology and innovative total solutions, Guideline Geo has the conditions to be a strong operator who can contribute positively to effective water prospecting, both now and in the future. The global focus on getting to grips with the problem of contaminated and insufficient water supplies entails major annual investments by the UN/WHO as well as other global and local organisations.

Solutions

The solutions offered by Guideline Geo involve instruments and software that visualise the actual measurement data within TEM (Transient Electromagnetics) and Resistivity/IP. In Africa, resistivity equipment is primarily used for water prospecting, in order to both find new groundwater sources and monitor existing water reservoirs. Guideline Geo offers alternative solutions within Resistivity/IP – from simple 1D to scalable solutions with up to 4D measurements. Through collaboration with universities as well as its own proprietary development, Guideline Geo ensures the continual development of solutions for effective prospecting within the Water market area.

[3] *Source: UNICEF.SE*

EXAMPLE OF APPLICATION – WATER SHORTAGE

Location: Kakuma refugee camp in northern Kenya – dry borehole, which means that the borehole that was previously the area's well no longer provides the necessary water supply.

Challenge: Major overpopulation in one of the world's largest refugee camps (>190,000 refugees in a camp designed for 120,000) places major demands on the existence of a water supply to avoid catastrophic consequences. Incorrect water prospecting entails the risk of damaging a potential water vein or drilling in the wrong place.

Solution: With the help of tomographic surveys and Terrameter LS, it is possible to optimise the placement of the borehole and to assess the volume of the water source and measure its degree of refilling. Information that facilitates cost-effective and long-term water prospecting.

Localisation, mapping and monitoring of water and water sources Technology:
Resistivity/IP, Transient Electromagnetics

WATER
20 %

ABEM Terrameter LS 2

Minerals - Good conditions for growth

Recovery and increased use of electronics lifts the market

Lower mineral prices during recent years has put pressure on the prospecting companies to find cost-effective solutions for the extraction of minerals/natural resources. Guideline Geo has a customised product portfolio of land-based solutions that satisfy the need for more financially advantageous solutions. Guideline Geo is deemed to have good future development prospects within this market area. The Minerals area currently accounts for about 20 per cent of the company's net turnover.

Market and driving forces

Access to minerals and metals is a fundamental need in a modern society. The expansion of infrastructure, manufacture of vehicles, and a society that is increasingly focused on electronic aids, all help to create a major need for minerals. An average electronic product contains 35 different minerals, which gives some indication of the potential market need. The challenge of finding profitable mineral deposits and cost-effective prospecting methods is a priority for the prospecting companies. Mineral assets are a limited resource, and many of the more easily accessible mineral deposits have already been exploited. By using geophysical measurement methods, either instead of, or together with, more traditional geotechnical surveys, it is possible to achieve increased cost-effectiveness, improved reliability and reduced damage through the use of non-destructive technology.

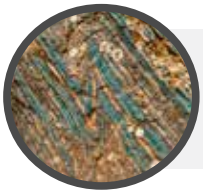
IDENTIFICATION OF MINERALS

Location: A number of areas in Vesterålen, Norway

Challenge: Perform geophysical land mapping with focus on graphite prospecting. Identify the existence of graphite, and distinguish major graphite deposits from smaller deposits.

Solution: NGU (Geological Survey of Norway) performed geophysical mappings with various complementary methods. Since graphite is an electrically conductive mineral, the Resistivity/IP (Induced Polarisation) method is suitable for the identification of major graphite deposits. By measuring the resistivity in combination with IP, the actual scope of a graphite deposit can be assessed, in order to determine whether extraction would be viable. The analysis showed that the mineralisation in this area was of limited size, although further work will be performed.

(NGU REPORT 2017.014)



Mineral prospecting
Technology: Resistivity/IP, TEM (Transient Elektromagnetics)

MINERAL
20 %

ABEM Walk TEM

Environment – Increased interest in environmental mapping

Major expectations for growth

The Environment market area currently accounts for about 10 per cent of the company's net turnover, but is expected to grow. Interest in mapping and investigations within the environmental area continues to increase. The applications range from monitoring the thickness of permafrost to monitoring gas emissions and leaks from landfills for the protection of groundwater sources.

Market and driving forces

Global population growth leads to additional investments in infrastructure, which could have a negative impact on people and the environment if the expansion is not carried out in compliance with environmental rules and regulations. When a city expands, areas of landfill, which had previously been placed way beyond the densely populated area, suddenly become land where new housing is to be built. If the area has been used for landfill of household or chemical waste, the ground may be contaminated, which could be harmful to both the environment and people's health.

A leaking landfill, regardless of whether it is active or disused, runs the risk of causing leakage all the way down to the groundwater source, which could lead to major consequences. In order to determine the actual course of events and be able to take measures as necessary, it is important to map the ground, a process Guideline Geo facilitates with geophysical measurement methods.

Measurements are often performed with Resistivity/IP or, alternatively, TEM (Transient Electromagnetics). With AGS Workbench processing and interpretation software, the results from measurements can be shown directly on the map.

The increased level of awareness regarding the protection of groundwater has led to requirements on environmental protection in conjunction with new construction on many markets – and within this area Guideline Geo can assist with solutions that provide cost-effective geophysical mapping without causing damage to the land. Surveys of ground conditions in areas that are particularly prone to natural disasters can be carried out in order to predict the risk for sinkholes or landslides, and thus be able to take appropriate measures.

Mapping contaminations in the ground

LOCATION: An industrial area near the sea in Norway.

CHALLENGE: Earlier maps regarding the ground conditions under an industrial property were out of date. There was a need to perform a correct assessment of the depth down to the bedrock under an existing industrial property. Furthermore, it was also necessary to map the exact flows of contaminated emissions out into the sea that originated from remnants in the ground under the property in question.

SOLUTION: NGI (Norwegian Geotechnical Institute) performed Resistivity/IP (Induced Polarisation) measurements with the ABEM Terrameter LS instrument to map the ground.

The recurring anomalies of similar configuration are interpreted as collections of contaminants that are transported with the water flows to the sea. However, parts of the mapped contaminants are transported downwards and follow the topography of the bedrock. The geophysical survey was then supplemented with a geotechnical survey (drilling) for further analysis.

Mapping of the environment

Technlogy: Resistivity/IP, TEM (Transient Elektromagnetics)

ENVIRONMENT

10 %

ABEM Terraloc Pro 2

Financial development in brief

kSEK	GROUP 2017-01-01 2017-12-31	GROUP 2016-01-01 2016-12-31	GROUP 2015-01-01 2015-12-31	GROUP 2014-01-01 2014-12-31	GROUP 2013-01-01 2013-12-31
INCOME STATEMENT					
Net sales	97 964	116 645	120 476	109 880	115 460
Total earnings	101 737	122 369	126 053	116 008	123 851
Operating expenses	-117 983	-120 226	-119 753	-115 756	-115 299
EBITDA	-9 158	10 168	12 462	4 257	16 311
Operating profit/loss	-15 729	3 577	6 300	-2 765	9 177
This year's profit/loss	**-13 150**	**3 803**	**4 973**	**-3 147**	**7 138**
BALANCE SHEET					
Total assets	168 079	168 781	154 230	156 393	163 813
Equity	113 117	126 581	124 425	125 607	132 251
Interest-bearing liabilities	23 777	12 212	6 372	7 126	8 606
CASH FLOW					
Cash flow from operating activitie	-6 922	6 119	7 431	8 586	5 481
This period's cash flow	-1 099	-2 529	-5 699	-2 466	-5 237
Net investments	-5 628	-12 251	-5 730	-5 076	-6 830
KEY FIGURES					
EBITDA margin	-9,0%	8,3%	9,9%	3,7%	13,2%
Operating margin	-15,5%	2,9%	5,0%	-2,4%	7,4%
Profit margin	-12,9%	3,1%	3,9%	-2,7%	5,8%
Return on operating capital	-14,3%	3,2%	5,6%	-2,5%	8,7%
Return on capital employed	-11,1%	3,1%	4,8%	-1,9%	6,6%
Return on equity	-11,0%	3,0%	4,0%	-2,4%	5,5%
Return on capital employed	107 216	112 074	115 019	109 943	112 712
Capital employed	136 894	138 793	130 797	132 733	140 857
Risk-bearing capital ratio	74,1%	79,6%	85,5%	85,9%	86,1%
Interest coverage ratio	-10,6	8,1	13,2	-6,6	16,3
Debt/equity ratio	0,21	0,10	0,05	0,06	0,07
Equity/assets ratio	67,3%	75,0%	80,7%	80,3%	80,7%
Number of employees	77	78	75	64	63
DATA PER SHARE					
Number of shares at period end*	7 505 179	7 505 179	7 505 179	7 505 179	7 505 179
Number of outstanding shares after dilution*	7 505 179	7 505 179	7 505 179	7 505 179	7 505 179
Average number of outstanding shares before dilution*	7 505 179	7 505 179	7 505 179	7 505 179	7 505 179
Profit/loss per share before dilution**, SEK	-1,75	0,51	0,66	-0,42	0,95
Equity per share*, SEK	15,07	16,87	16,58	16,74	17,62
Dividend per share, SEK	0,00	0,00	0,30	0,30	0,30
Share price at period end*, SEK *	6,90	9,45	10,80	9,15	13,00
Share quota value/nominal amount, SEK	1,00	1,00	1,00	1,00	1,00
Total share capital, SEK	7 505 179	7 505 179	7 505 179	7 505 179	7 505 179

Income statements

kSEK	KONCERNEN 2017-01-01 2017-12-31	KONCERNEN 2016-01-01 2016-12-31	MODERBOLAG 2017-01-01 2017-12-31	MODERBOLAG 2016-01-01 2016-12-31
OPERATING INCOME				
Net sales	97 964	116 645	13 915	21 529
Other operating income	3 773	5 724	51	69
Total income	**101 736**	**122 369**	**13 966**	**21 598**
Raw materials and consumables	-39 625	-45 791		
Other external expenses	-23 699	-25 711	-6 895	-8 973
Personnel expenses	-52 624	-47 640	-12 736	-13 189
Capitalized development expenses	4 536	5 508	0	0
Depreciation, amortization and impairment of tangible and intangible fixed assets	-6 571	-6 592	-99	-101
Profit / Loss from participations in associated companies	517	1 433	0	0
Total expenses	**-117 466**	**-118 792**	**-19 730**	**-22 263**
Operating profit/loss	**-15 729**	**3 577**	**-5 764**	**-665**
PROFIT/LOSS FROM FINANCIAL INVESTMENTS				
Financial earnings	0	572	0	0
Financial expenses	-1 088	-512	-28	-5
Profit/loss after financial items	**-16 817**	**3 636**	**-5 792**	**-670**
Appropriations	0	0	84	3 638
Tax	3 667	167	1 176	-624
PROFIT/LOSS FOR PERIOD	**-13 150**	**3 803**	**-4 532**	**2 344**

Attributable to:		
Parent company shareholders	-13 150	3 803
PROFIT/LOSS FOR PERIOD	**-13 150**	**3 803**
Average number of shares before and after dilution	7 505 179	7 505 179
Profit/loss per share before dilution, SEK	-1,75	0,51

OTHER COMPREHENSIVE INCOME

kSEK	GROUP 2017-01-01 2017-12-31	GROUP 2016-01-01 2016-12-31
PROFIT/LOSS FOR PERIOD	-13 150	3 803
ITEMS THAT MAY OR HAVE BEEN RECLASSIFIED TO PERIOD RESULT		
Translation differences	-314	590
Comprehensive result	**-314**	**590**
Comprehensive result for the period	**-13 464**	**4 394**
Comprehensive income for the period attributable to:		
Parent company shareholders	-13 464	4 394
COMPREHENSIVE RESULT FOR THE PERIOD	**-13 464**	**4 394**

Balance sheets

Group

Equity and liabilities kSEK	GROUP 2017-12-31	GROUP 2016-12-31
EQUITY		
Share capital	7 505	7 505
Other contributed capital	159 440	159 440
Translation reserve	1 778	2 092
Accrued losses including this year's profit/loss	-55 606	-42 455
Total equity	**113 117**	**126 582**
UNTAXED RESERVES		
LONG-TERM LIABILITIES		
Liabilities to credit institutions	21 064	8 668
Other long-term liabilities	5 097	5 097
Provisions	350	350
Total long-term liabilitiesr	**26 511**	**14 115**
CURRENT LIABILITIES		
Liabilities to credit institutions	2 713	3 543
Accounts payable	8 263	8 399
Other short-term liabilities	7 259	7 397
Accrued expenses and prepaid income	10 216	8 746
Total current liabilities	**28 451**	**28 084**
TOTAL EQUITY AND LIABILITIES	**168 079**	**168 781**

Balance sheets

Group

ASSETS kSEK	GROUP 2017-12-31	GROUP 2016-12-31
FIXED ASSETS		
Intangible assets		
Capitalized development expenses	21 115	20 435
Patent	0	406
Goodwill	51 750	51 750
Tangible fixed assets		
Land and buildings	15 099	15 721
Equipment, tools, fixtures and fittings	3 537	2 238
Financial fixed assets		
Participations in associated companies	13 711	13 180
Deferred tax receivables	11 362	7 834
Total fixed assets	**116 574**	**111 565**
CURRENT ASSETS		
Inventories	23 335	25 550
Current receivables		
Accounts receivable	18 401	20 119
Other receivables	3 507	3 889
Prepaid expenses and accrued income	1 657	1 953
Cash equivalents	4 606	5 705
Total current assets	51 505	57 216
TOTAL ASSETS	**168 079**	**168 781**

Balance sheets

Parent company

ASSETS kSEK	PARENT COMPANY 2017-12-31	PARENT COMPANY 2016-12-31
Fixed assets		
Equipment, tools, fixtures and fittings	277	328
Financial fixed assets		
Participation in group companies	108 199	100 760
Participation in associated companies	12 741	13 180
Deferred tax receivables	5 305	4 129
Total fixed assets	**126 522**	**118 397**
CURRENT ASSETS		
Current receivables		
Accounts receivables	78	16
Receiveables from group companies	23 926	20 881
Other receivables	1 159	1 057
Accrued expenses and prepaid income	1 107	1 185
Cash equivalents	1 012	676
Total current assets	27 282	23 815
TOTAL ASSETS	**153 804**	**142 212**

Balance sheets

Parent company

EQUITY AND LIABILITIES kSEK	PARENT COMPANY 2017-12-31
Equity	
Restricted equity	
Share capital	7 505
Statutory reserve	27 462
Total restricted equity	**34 967**
Unrestricted equity	
Profit / Loss brought forward	-65 192
Share premium reserve	140 317
This year's profit/loss	-4 532
Total unrestricted equity	**70 593**
TOTAL EQUITY	**105 560**
UNTAXED RESERVES	0
LONG-TERM LIABILITIES	
Other long-term liabilities	7 110
Total long-term liablitities	**7 110**
CURRENT LIABILITIES	
Accounts payable	2 014
Liabilities to group companies	34 407
Other short-term liabilities	2 591
Accrued expenses and prepaid income	2 122
Total current liabilities	**41 134**
TOTAL EQUITY AND LIABILITIES	**153 804**

Changes to equity

Group 2016

kSEK	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	STATUTORY RESERVE	ACCUMULATED LOSSES INCL. THIS YEAR'S LOSS	TOTAL EQUITY
Opening equity January 1. 2016	7 505	159 440	1 502	-44 023	124 424
This year's profit/loss				3 803	3 803
Other comprehensive income			590		590
Summa totalt resultat			590	3 803	4 393
Dividend paid				-2 060	-2 060
Repurchase of treasury shares				-177	-177
Closing equity December 31. 2016	**7 505**	**159 440**	**2 092**	**-42 456**	**126 582**

Group 2017

kSEK	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	STATUTORY RESERVE	ACCUMULATED LOSSES INCL. THIS YEAR'S RESULT	TOTAL EQUITY
Opening equity January 1. 2017	7 505	159 440	2 092	-42 456	126 582
This year's profit/loss				-13 150	-13 150
Other comprehensive income		-314		-314	
This year's comprehensive income			-314	-13 150	-14 459
Closing equity December 31. 2017	**7 505**	**159 440**	**1 778**	**-55 606**	**113 117**

Changes to equity

Parent company 2016

kSEK	SHARE-CAPITAL	STATUTORY RESERVE	SHARE PREMIUM RESERVE	RETAINED EARNINGS	THIS YEAR'S PROFIT/LOSS	TOTAL EQUITY
Opening equity January 1. 2016	7 505	27 462	140 317	-65 151	-149	109 984
Re-entry this year's profit/loss				-149	149	0
This year's profit/loss					2 344	2 344
Dividend paid				-2 060		-2 060
Repurchase of treasury shares				-177		-177
Closing equity December 31. 2016	**7 505**	**27 462**	**140 317**	**-67 537**	**2 344**	**110 091**

Parent company 2017

CAPITAL	SHARE-CAPITAL	STATUTORY RESERVE	SHARE PREMIUM RESERVE	RETAINED PROFIT/LOSS	THIS YEAR'S KAPITAL	TOTAL EQUITY
Opening equity January 1. 2017	7 505	27 462	140 317	-67 537	2 344	110 091
Re-entry this year's profit/loss				2 344	-2 344	0
This year's profit/loss					-4 532	-4 532
Closing equity December 31. 2017	**7 505**	**27 462**	**140 317**	**-65 192**	**-4 532**	**105 560**

Cash flow statement

kSEK		GROUP 2017-12-31	GROUP 2016-12-31	PARENT COMPANY 2017-12-31	PARENT COMPANY 2016-12-31
OPERATING ACTIVITIES					
Operating profit/loss		-15 729	3 576	-5 765	-665
Adjustment for items not included in cash flow:					
Depreciation		6 165	6 592	99	101
Other non cashflow effecting items, write down of inventory		2 550	0	0	0
Depreciation intangible assets, patent		406	0	0	0
Profit/loss sales of equipment		0	-127	0	0
Provisions		0	-250	0	0
Additional purchase price		0	-1 972	0	0
Proportion of equity in associated company		-517	0	0	0
Unrealized exchange rate gain/loss		-53	-491	0	0
Interest received		0	572	-7	0
Interest paid		-1 088	-512	-21	-5
Cash flow from operating activities before changes to operating capital		**-8 266**	**7 388**	**-5 694**	**-569**
CASH FLOW FROM CHANGES TO OPERATING CAPITAL					
Changes to inventories		-3 247	1 942	0	0
Changes to operating receivables		2 357	-5 389	-10 130	-7 788
Changes to operating liabilities		2 234	2 178	16 208	14 936
Cash flow from operating activities		**-6 922**	**6 119**	**384**	**6 579**
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of intangible assets		-4 536	-5 508	0	0
Acquisition of associated company	29	0	-6 651	0	-7 645
Acquisition of tangible fixed assets		-1 075	-100	-47	-19
Sales of equipment		28	8		
Cash flow from investing activities		**-5 583**	**-12 251**	**-48**	**-7 664**
CASH FLOW FROM FINANCING ACTIVITIES					
Loans raised		13 305	8 130		
Amortization of liability		-1 739	-2 290		
Dividend to shareholder		0	-2 060	0	-2 060
Repurchase of shares		0	-177	0	-177
Group contribution received		0	0	0	3 642
Cash flow from financing activities		**11 566**	**3 603**	**0**	**1 405**
THIS YEAR'S CASH FLOW BEFORE EXCHANGE RATE DIFFERENCES		**-939**	**-2 529**	**336**	**320**
Exchange rate difference in cash equivalents		-160	-33	0	0
THIS YEAR'S CASH FLOW		**-1 099**	**-2 562**	**336**	**320**
Cash equivalents at start of year		5 705	8 267	676	356
Adjusted cash equivalents at start of year		4 606	5 705	1 012	676
CHANGES TO CASH EQUIVALENTS		**-1 099**	**-2 562**	**336**	**320**

Board of Directors

Anders Gemfors

Chairman
Born 1947

On the Board since 2017

Background: Anders Gemfors is a Mining Engineer, Materials Science and Engineering from KTH, 1971. Formerly CEO of subsidiary companies within Sandvik AB and AB Sphinx-Gustavsberg. Entrepreneur and self-employed businessman as a consultant with major assignments within a number of Swedish and international industry and technology companies. Anders has been a Board member for 15 or so companies.

Other assignments: Current significant assignments include Chairman of the Board for Smältan Invest AB, Teconova Aktiebolag and Swed Handling AB. Board member for Investment AB Chiffonjén, Investment AB Vitrinen. Owner (together with his wife) of Anders Gemfors Företagskonsult AB and Advino AB. Owner via Advino AB of 27.5% of Smältan Invest AB.

Shareholding: 135 000
(private and via companies)

Daniel Nilsson

Board member
Born 1977

On the Board since 2015

Bakgrund: MBA (Masters degrees in Economics and Politics), with focus on financial economics, at Lund University 2004. Many years' experience at Sandvik AB, including, among other things, as CFO at Sandvik Mining & Construction Sverige AB, one of the group's subsidiaries. In his capacity as CFO Daniel was also a member of the company's Board. Daniel has also worked as a process specialist within economics, with the entire world as his workplace. Daniel currently runs the consultancy firm DNkonsult, with focus on bookkeeping, process optimisation and company analysis. Daniel is a member of Aktiespararna and is a strong advocate of their catchwords long-term thinking, responsible placements, transparency and a generally sound share environment.

Other assignments: None
Shareholding: 72 000

Eva Vati

Board member
Born 1976

On the Board since 2016

Background: Eva Vati is a Chemical Engineer from the Faculty of Engineering at Lund University, 1999. MBA from Copenhagen Business School, 2011. Styrelsekraft, Almi 2013. IFL Executive Education, Stockholm School of Economics 2014. Eva has considerable experience within industry related to technology, leadership, international business development and finance, including, among other things, in roles as Production Manager within the pharmaceuticals company PolyPeptide Laboratories AB, Managing Director for Epsilon AB, and Regional Manager for ÅF AB. In addition, she has been a member of a number of different Boards since 2009, and has started up a number of different industry organisations and networks. Among other things, Eva has been Chairman of the Board for MEDEA (Industry organisation for consultants within medical technology). Eva currently works as Sustainability Manager and Consultant Development Manager at Ework Group AB. She also works with business development within sustainable development, and identifies new business areas related to the UN's new development goals.

Other assignments: Board member for Willo AB.
Shareholding: 20 000 aktier.

Krister Nilsson

Board member
Born 1966

On the Board since 2016

Background: Krister Nilsson has studied computer engineering at the Faculty of Engineering at Lund University. Above all else, Krister has worked as an entrepreneur or consultant within the technology and internet sector through his own companies, or as strategic and operational support for entrepreneurs, and he has worked as CTO or CEO for a number of technology companies with internet-related business models. Krister has started up and developed a number of companies in Sweden with focus on internet development. Among other things, he started up the company Exigo, and was one of the founders of the later-to-be-listed Cell Network. Krister also has wide-ranging experience of risk capital investments in the technology sector, having been responsible for the Scandinavian operations of the British risk capital company New Media Spark. Krister has also started up and run companies in China with focus on online gambling. During 2008-2010 Krister was Chief Operating Officer at Spotify, with responsibility for CFO, CTO and sales. During this period the company went from launch preparations to 7 million users and operations in 7 countries. During the last few years Krister has worked within Telia Company, both within commercial management and strategic planning within mobile data, and as manager for product development within the consumer segment for group products.

Other assignments: Chairman of the Board for Cryex Group AB. Owner of Daltitten AB and Econflight AB. Board member for Multigrid Data Centers AB.
Shareholding: 75 649 aktier.

Marcus Lannerbro

Board member
Born 1975
On the Board since 2017

Background: Marcus has an M.Sc. from KTH Royal Institute of Technology in Stockholm 1996, with focus on electronics and marketing. Marcus graduated in Sweden but undertook parts of his studies in the USA and Canada, and he has worked internationally during large parts of his career. Marcus has extensive experience within marketing and communication and digital transformation as well as long-standing experience within strategy, product management and sales. Marcus has in-depth knowledge within IT, telecom and consultancy sector. His former employers include Ericsson, Wireless Maingate, Sierra Wireless, Friends Agenda, Microsoft and EHPT. Since 2016, Marcus has once again been working at Ericsson as Strategic Marketing Manager for a business unit with focus on digital services.

Other assignments: None
Shareholding: 775

Andreas Holmgren

Employee representative
Born 1979

On the Board since 2016

Background: Andreas Holmgren has an engineering degree within Electronics from Luleå University of Technology. He has previously worked as a production technician, customer planner and support coordinator at a subcontracting company where he oversaw the entire flow from order to production and delivery. Since 2012 he has been working as a production technician at Guideline Geo with focus on improving products and workflows and investigating quality problems. Andreas sits on the Board as the elected employee representative and has undertaken NGM's training for Board members of listed companies.

Other assignments: Chairman of the Trade Union Club, Malå branch.

Kjell Lidén

Employee representative
Born1987

On the Board since 2016

Background: Kjell Lidén is IT Manager at Guideline Geo. He has previously been the elected employee representative during the periods 2010-2012 and 2013-2014. Kjell sits on the Board as the elected employee representative and has undertaken NGM's training for Board members of listed companies, as well as Board training conducted by Styrelse Akademien.

Other assignments: None.

Shareholding: None.

Executive management

Mikael Nolborg

CEO

Born 1976

At the company since 2017

Bakgrund: Mikael Nolborg has an MBA from Stockholm School of Economics. During the last 9 years he has held various management roles within SSAB and was part of the management team for SSAB Europe, with responsibility for Market Development. Before that, Mikael worked for 6 years as a project manager and management consultant within McKinsey & Co. Mikael has extensive experience of leadership, business development and industrial marketing at a global level. Furthermore, Mikael has been responsible for the development of new business models and has successfully carried out a number of company acquisitions and led the subsequent integration work.

Other assignments: None.

Shareholding: 10 000

Mats Lundin

CFO

Born 1967

At the company since 2015

Background: Mats Lundin has an MBA from Umeå University 1993, with focus on national economics, having completed parts of his studies in Germany. Mats has worked internationally during large parts of his career, primarily within software companies in roles such as, among other things, business and operations-oriented CFO, Finance Director and Business Controller. Mats has extensive experience from his roles of working with product development and sales, and he also has solid experience from within company management and strategy. He has previously held leading international positions as Finance Director at Recall, CFO for Siemens Industry Software Nordic region, CFO for Siemens Industry Software Russia, Finance Director for France and Global Controller within EHPT.

Other assignments: Inga.

Shareholding: 112 000 (his own and relatives)

Auditors

KPMG AB
Main auditor:
Per Gustafsson
Authorised Public Accountant and Partner
Born 1959

Address:
KPMG AB
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Contact

All members of the Board and group management can be contacted via the company's address: Guideline Geo AB, Löfströms Allé 6A, 172 66 Sundbyberg
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GUIDELINEGEO

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Guideline Geo AB uses advanced technology to create practical solutions for everyday and global problems. Guideline Geo operates in four priority markets with strong global growth: Infrastructure – investigation at start-up and maintenance of existing infrastructure, Environment – mapping of environmental risks and geological hazards, Water – location and mapping of water supplies, and Minerals – efficient prospecting. Guideline Geo works with leading technologies and innovative solutions under the well-known and established brands, ABEM and MALÅ.

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