GUIDELINEGEO

ANNUAL REVIEW 2018

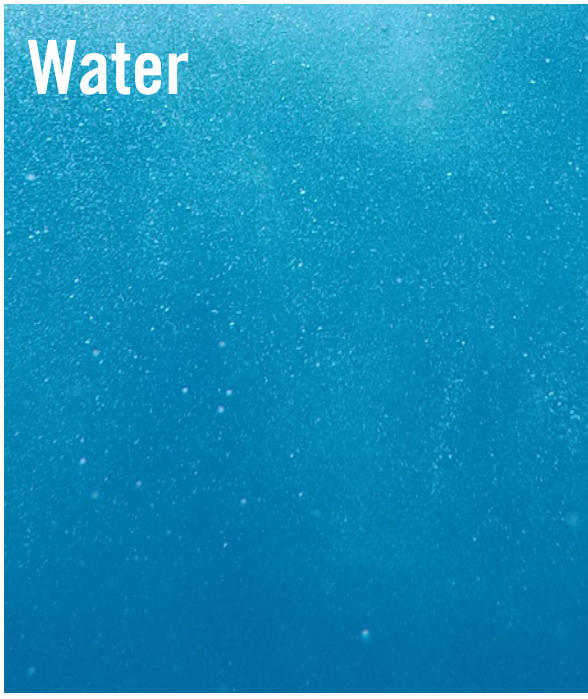
ABEM | MALÅ

COMPANY PRESENTATION

MARKET AREAS

FINANCIAL REPORTING

OTHER



Translation: The 2018 Annual Review is a translation of selected parts of the original Swedish 2018 full-length Annual Report

Cover image: The cover image shows a test flight of Guideline Geo's airborne GPR[1] solution that has been developed in close collaboration with USGS (United States Geological Survey). The combination of modern drone technology and newly developed GPR technology creates interesting opportunities for investigations of ground and groundwater conditions in areas that are difficult to access. The company observes prevailing legislation related to GPR and drone technology (UAV[2]).

[1] Ground Penetrating Radar

[2] Unmanned Aerial Vehicles

THIS IS GUIDELINE GEO

Guideline Geo develops, manufactures, markets and sells instruments and software for geophysical investigations.

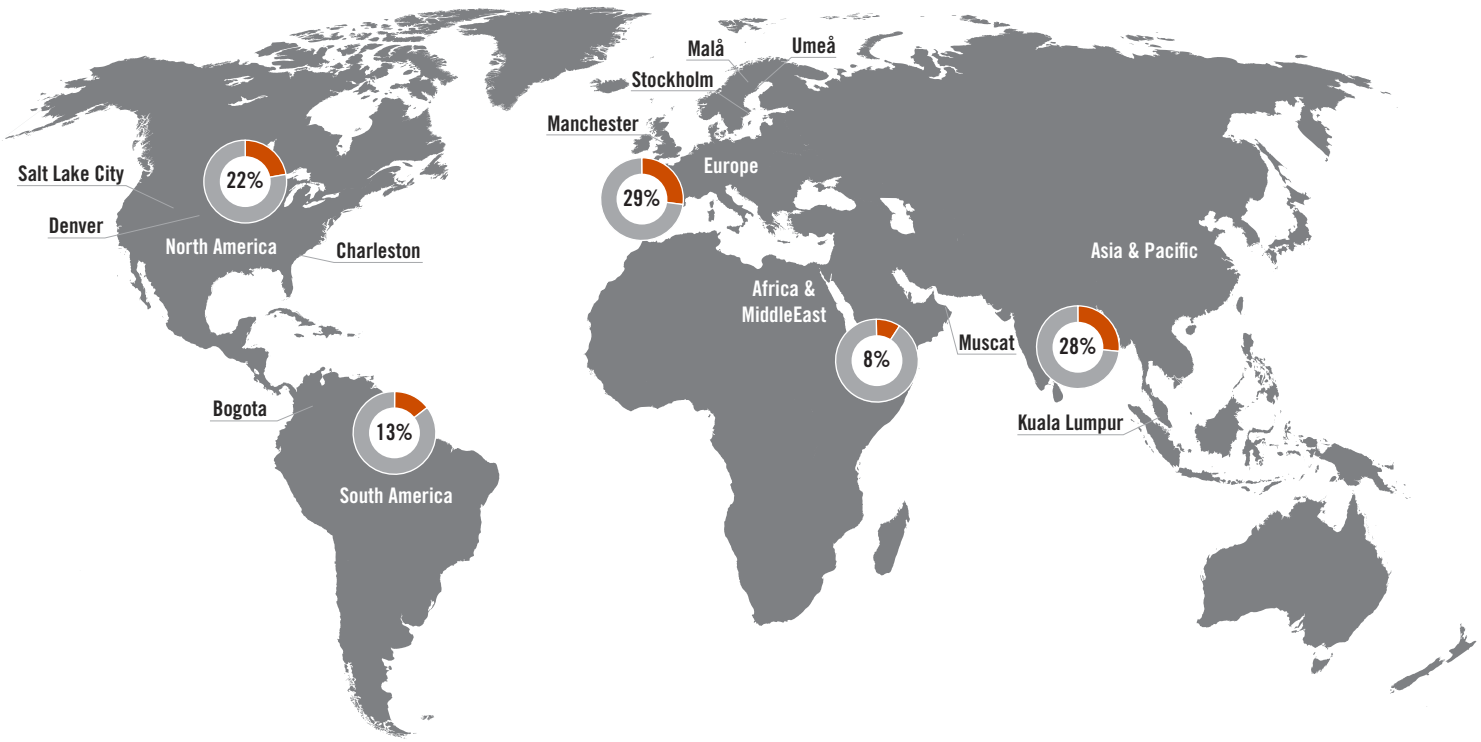
The core of the business consists of Guideline Geo's proprietary geophysical instruments with interpretation and visualisation software that are adapted for various areas of application, where detailed knowledge about ground and underground conditions is required. The company has comprehensive technical expertise, two strong global brands – MALÅ and ABEM, and a network of resellers and partners who sell the company's solutions around the globe.

The company works globally, primarily within four market areas:

Infrastructure, Environment, Water and Minerals.

Guideline Geo has the market's widest technology portfolio, with Ground Penetrating Radar (GPR), Resistivity/IP (RES/IP), Transient Electromagnetics (TEM) and Seismics (SEIS), 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 60 agents and resellers. Guideline Geo's share is listed on NGM Equity in Stockholm.

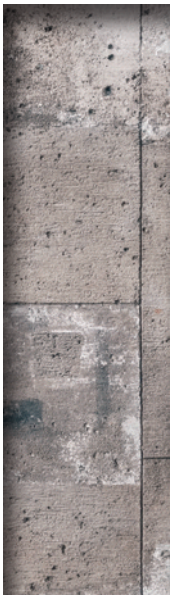


Percentage of sales and offices per geographical area

KEY FIGURES	2018	2017	2016
Net Sales, TSEK	120,461	97,964	116,645
EBITDA, TSEK	8,209	-9,158	10,168
Operating Profit/loss, TSEK	1,501	-15,729	3,577
Operating Margin	1.2%	-15.5%	2.9%
Profit/loss after tax, TSEK	484	-13,150	3,803
Earnings per share, SEK	0.04	-1.75	0.51
Operating cash flow, TSEK	7,266	-6,922	6,119
Investment in intangible assets, TSEK	8,573	4,536	5,508
Equity/assets ratio	70.1%	67.3%	75.0%
Capital employed, TSEK	162,007	136,894	138,793
Return on capital employed	1.2%	-11.1%	3.1%

Share of turnover per market area

50%



Infrastructure

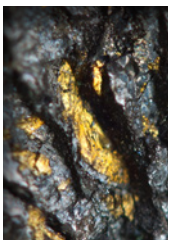
Investigation at start-up and maintenance of infrastructure

20%

Water

Mapping and investigation of water supplies

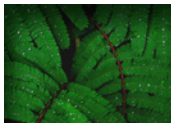
20%



Minerals

Efficient exploration

10%



Environment

Investigation of environment and geological risks

History

2018

Guideline Geo acquires exclusive rights to stationary ground-based TEM technology

2016

Guideline Geo acquires 50% of Aarhus GeoSoftware ApS

2013

The Group is consolidated under the name Guideline Geo AB

2011

Guideline Technology acquires ABEM to the Group

2007

Guideline Technology AB acquires MALÅ GeoScience

1997

MALÅ GeoScience USA Inc is established

1937

SGU (Geological Survey of Sweden) establishes an office in Malå

1923

ABEM - Aktiebolaget Elektrisk Malmletning is founded and sold the following year to the USA

A strong year and new opportunities

In 2018 Guideline Geo increased its revenues by 23% compared to the previous year by achieving sales that were at a similar level to the record-breaking year of 2015. The increase was driven by growth in all of the company's regions, with the strongest growth being created in the Americas, which is extremely pleasing given our focus on that region. The growth can primarily be explained by improved and more intensive sales work and the effects of new products, as well as better conditions for certain markets.

Fixed and semi-fixed costs increased by 4% during 2018 compared to the previous year. The cost increase is in line with our expectations, and overall the company has had good cost control during 2018.

Result and cash flow

Guideline Geo's net operating profit in 2018 improved by MSEK 17.2 compared to the previous year, and even after adjustment for items in 2017 that distort comparability, the improvement is still substantial. This improvement was primarily driven by increased sales combined with good cost control. Higher capitalisation of development costs, which is an effect of significantly increased focus on product development during 2018, has also contributed to the improved result.

Cash flow from operating activities was enhanced by MSEK 14.2, which was facilitated by the improved operating profit combined with a reduction in working capital, thanks to a lot of hard work by all concerned.

Strategy

Guideline Geo has a strategy based on profitable growth in three steps: 1) Profitable growth from existing business, 2) Expanding our offering and growing service-related business, and 3) Establishing new business opportunities based on application-oriented solutions. The steps take place simultaneously to some extent, although focus has been firmly on the first step thus far.
In accordance with our strategy, the company has implemented or commenced a number of sales-promoting measures during 2018, such as getting closer to our customers through regionalisation of resources within sales and technical customer support, signing a global distribution agreement for the visualisation software GPR-SLICE, and renewing our agency agreement as agent and local service provider for Reutech Radar Systems on the North American market with regard to safety solutions for mines. The acquisition of the rights to stationary ground-based TEM technology entails increased opportunities to actively develop the TEM technology, and it is now contributing strongly to our results. Furthermore, work has been started on increasing the company's Application focus, which facilitates more systematic and proactive sales work.

A comprehensive change to the company's product development work has been initiated during 2018, with the aim of increasing focus on software and creating more efficient business operations. This entails a changed work approach, the creation of an R&D centre in Umeå with co-located resources, and an exchange of skills and knowledge. In addition to the development of new products, interesting progress has also been made with regard to drone-based GPR solutions and software development projects have been started within AI, with the aim of further enhancing the company's products.

Furthermore, a number of measures have been implemented to increase internal efficiency at the company. Examples of such measures include a legal consolidation of wholly-owned Swedish subsidiaries and a major project involving the implementation of a harmonised and upgraded ERP solution.

Measures that further strengthen the company

A successful preferential rights issue was carried out during the first quarter of 2018. The issue generated a capital injection of MSEK 20.3 after issue costs and creates better opportunities for the company to grow its business and implement strategic activities.

During 2018 the company signed an agreement with SGU

Key events in 2018

(Geological Survey of Sweden) concerning the expansion of the existing national drill core archive in Malå and the leasing, for 10 years, of the existing drill core archive and expanded facility. The expansion project was completed as planned and was inaugurated at the beginning of 2019. The project contributes positive cash flow and further strengthens the long-standing collaboration between SGU and Guideline Geo.

Strong demand drivers and new commercial opportunities

The demand for Guideline Geo's solutions, both current and future, has several underlying drivers, for example:

- The global population growth, combined with the increasingly rapid process of urbanisation, creates the need for new construction of apartments, commercial properties and infrastructure in growing cities. This makes reliable facts and knowledge about ground conditions a strategic factor.
- The lack of clean water is now a global problem that affects the environment, people's health and conditions for productive agriculture. This imposes demanding requirements on safe and effective methods for mapping, investigation and monitoring of groundwater resources.
- Risk management of previously used land highlights the challenge of being able to investigate contaminants in the ground and other geological risks. Once again, reliable facts and knowledge about ground conditions is a strategic factor.
- Ageing infrastructure creates a major need for effective methods for the continual monitoring of maintenance needs and the avoidance of critical problems, such as sinkholes on roads and the formation of serious cracks on bridges or in tunnels.

The ongoing development work related to 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 user-friendliness and availability for more users. As a result, the company's potential market can be expanded significantly, which entails new and interesting commercial opportunities.

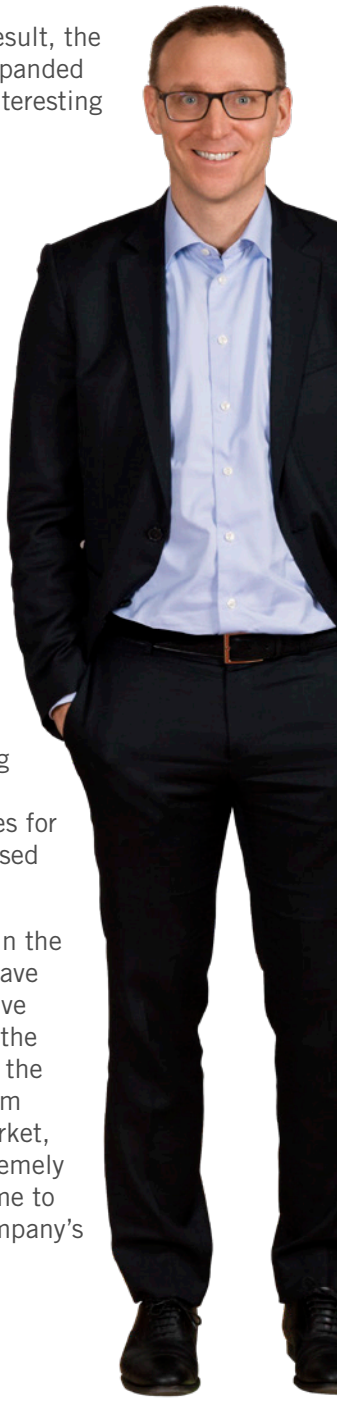
Focus moving forward

During 2019 we will continue to focus on the first step in our strategy, where there is further potential to be realised. Increased application focus, an improved collaboration model with our distributors and increased focus on using digital channels to create demand are all examples of measures that facilitate an increased market presence and increased sales.

However, we will gradually shift our focus to steps two and three in our strategy where, for example, development projects involving AI and other software projects concerning visualisation and decision support documentation are important initiatives for the facilitation of more application-based solutions.

The company has clearly taken steps in the right direction during 2018, and we have good conditions to make further positive progress in 2019. This, together with the strong underlying demand drivers and the interesting opportunities that arise from being able to broaden the existing market, means that Guideline Geo has an extremely interesting journey ahead, and leads me to continue to believe strongly in our company's future.

Mikael Nolborg
CEO
Guideline Geo AB



Consolidation of the subsidiaries **MALÅ GeoScience AB** and **ABEM Instrument AB** in the group parent company **Guideline Geo AB** and streamlining of ERP/business systems

Our market presence is enhanced through **regionalisation of resources** during the year in Oman, Latin America and the Asia-Pacific Ocean region

Quarter 3

GGEO wins an order to a government agency in Latin America amounting to MSEK 4.3

Vinnova allocates MSEK 0.5 to GGEO for research and development of **Deep Learning and AI** for automated interpretation of GPR data

An innovative **drone solution** for GPR is developed in collaboration with USGS, USA

Quarter 4

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.

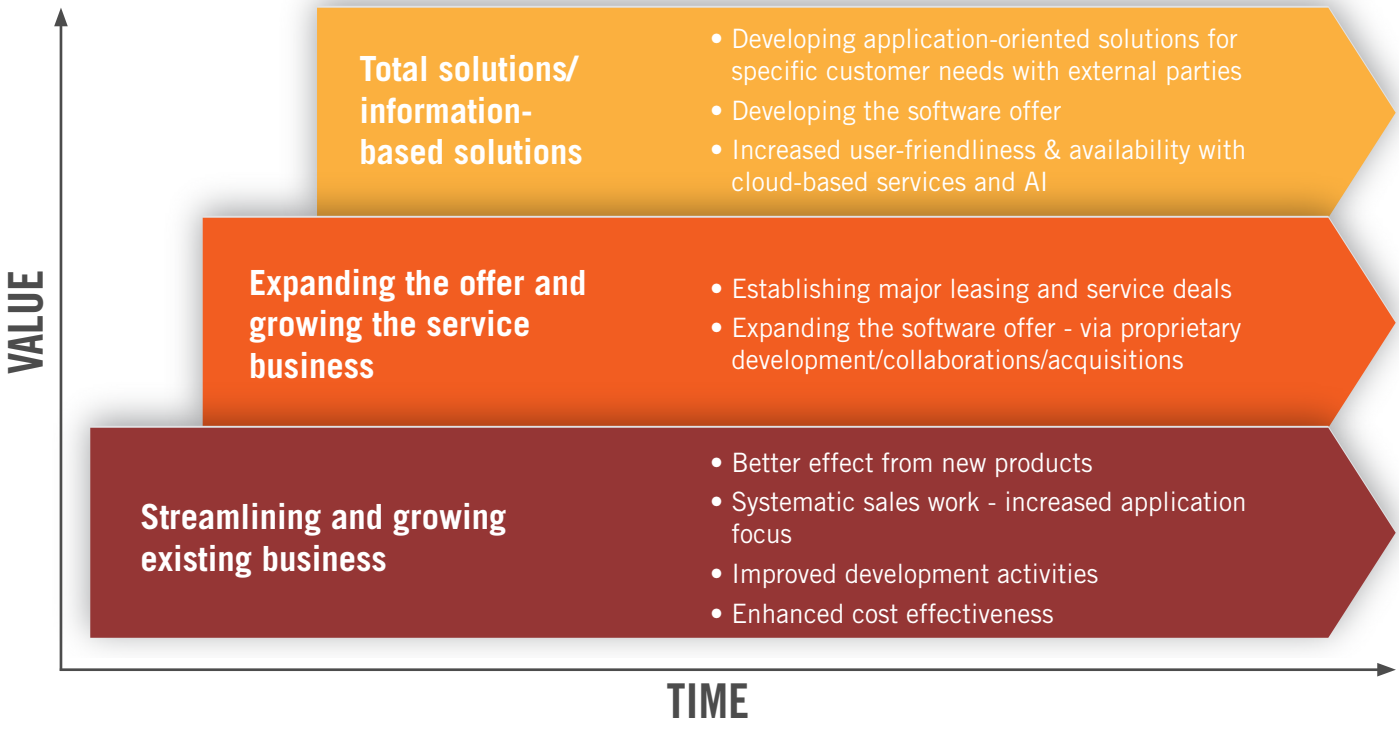
Strategy

Guideline Geo's overall strategy is based on profitable growth and aims to establish the company as a world leader and a hub for industry within the areas on which the company is focused.

The strategy is implemented in three steps, which occur simultaneously to some extent. In the first step the company will streamline and enhance its existing business by increasing our systematic sales work, improving the company's development activities and optimising cost effectiveness.

In the second step the company will develop the opportunities that exist within the service area and will expand the software offer; partly via proprietary development, and partly via collaborations and possible acquisitions.

In the third step the company will develop the offer still further and increase availability and user-friendliness through cloud-based services and AI (artificial intelligence), with focus on selected application areas.



Brands and technologies

MALÅ | ABEM

Through its four technologies and wide product portfolio, Guideline Geo covers the majority of the market's needs. The company's global brands, ABEM and MALÅ, have strong positions within their respective technologies.

MALÅ is a leading brand within the area of Ground Penetrating Radar (GPR), which includes advanced hardware with interpretation and visualisation software. The MALÅ products are primarily used within infrastructure, archaeology, research and environment, and contribute to decisions that ensure public safety, streamlining of infrastructure projects, and mapping of objects of historical value.

ABEM includes both simpler 1D solutions and advanced 4D solutions. The primary focus of the ABEM products is within water exploration, geological investigations, mineral exploration and environmental projects.

RES/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 exploration.

Guideline Geo provides solutions that range from cost-effective 1D measurements to advanced 4D imaging.

SEIS

Seismic measurements use a vibration source to measure the propagation of 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.

GPR

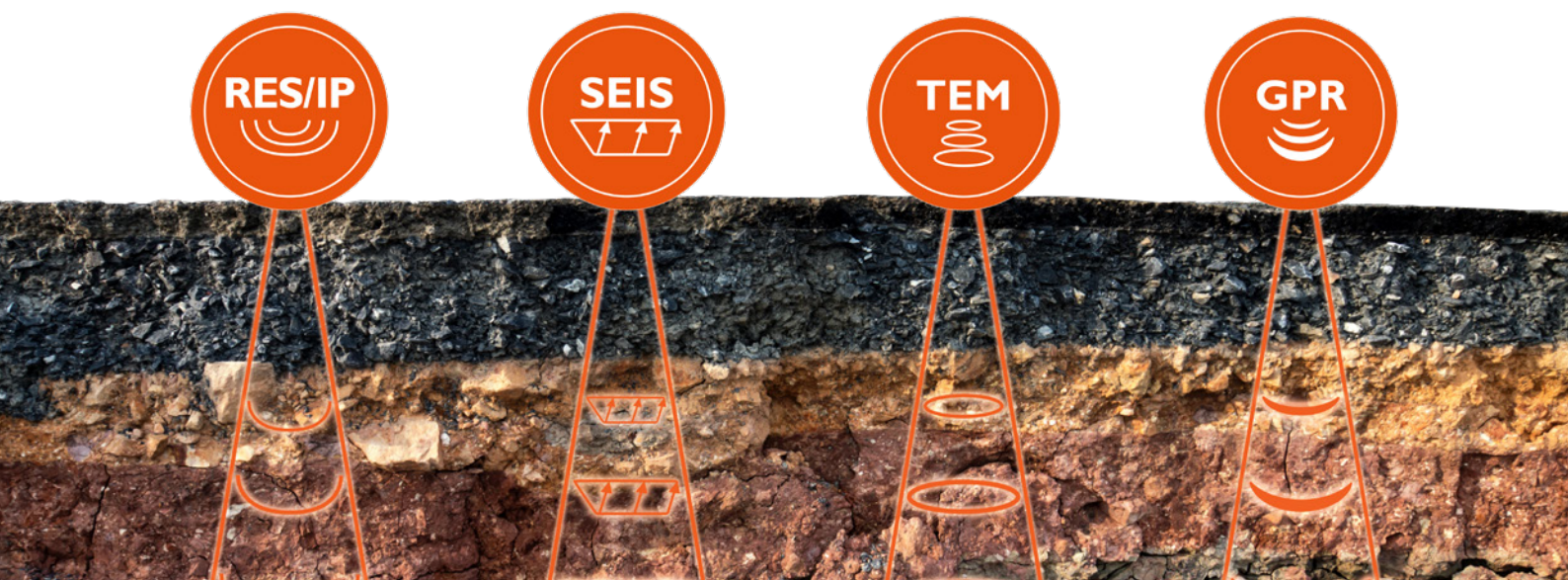
GPR - Ground Penetrating Radar is a method in which radio waves are transmitted and reflected off layers and objects in the ground. The waves are read and create an image of what exists below ground level.

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.

TEM

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



Trends and drivers

Many of society's global mega-trends are drivers for Guideline Geo's business operations, both current and future. A growing population, ageing infrastructure, water shortages, environmental impact and urbanisation are underlying societal forces that lead to challenges. Guideline Geo's solutions contribute benefit to society through needs-oriented geophysical solutions.

Focus on application areas

Mega-trends affect the arena in which Guideline Geo works, with continuously changing conditions and needs. New conditions give rise to new market actors, new collaboration partners and new customers. The company works actively to highlight geophysical solutions that go far beyond traditional geophysical contexts, which entails a broadening of user groups. New user groups lead to other requirements, for example the need for more intuitive solutions that do not presuppose a background in geophysics.

As part of its strategy, the company is implementing a clearer and more well-defined focus on application areas, in order to better meet the needs of new user groups. The company will gradually develop new solutions based on prioritised areas.

As part of the company's largest market area, Infrastructure, focus during 2018 has been on Utility Locating where a packaged[1] application solution maps the locations of pipes, cables and wires that have been installed underground. By performing a geophysical investigation prior to excavation, you avoid the risk of serious injury to individuals or serious damage to property and societal infrastructure. This facilitates more effective and safer measures.

[1] MALÅ geophysical instrument, integrated software, interpretation and visualisation software

Software

Software - better decision support for the customer

Software is an important part of Guideline Geo's customer offer. Some of the company's software solutions are integrated into the company's geophysical instruments, while others are stand-alone solutions for follow-up processing of data, which involves interpretation, analysis and visualisation of the area investigated.

In Guideline Geo's strategy, focus now and moving forward is on the development of software that is used for the actual interpretation and visualisation area, since this creates better decision support documentation for the customer and leads to increased business opportunities through broadening of user groups. Guideline Geo develops proprietary software solutions and initiates interesting collaborations with external parties, including academia.

The Group includes 50% ownership in AGS (Aarhus GeoSoftware), a leading software provider within geophysics related to Resistivity/IP and TEM (Transient Electromagnetics).

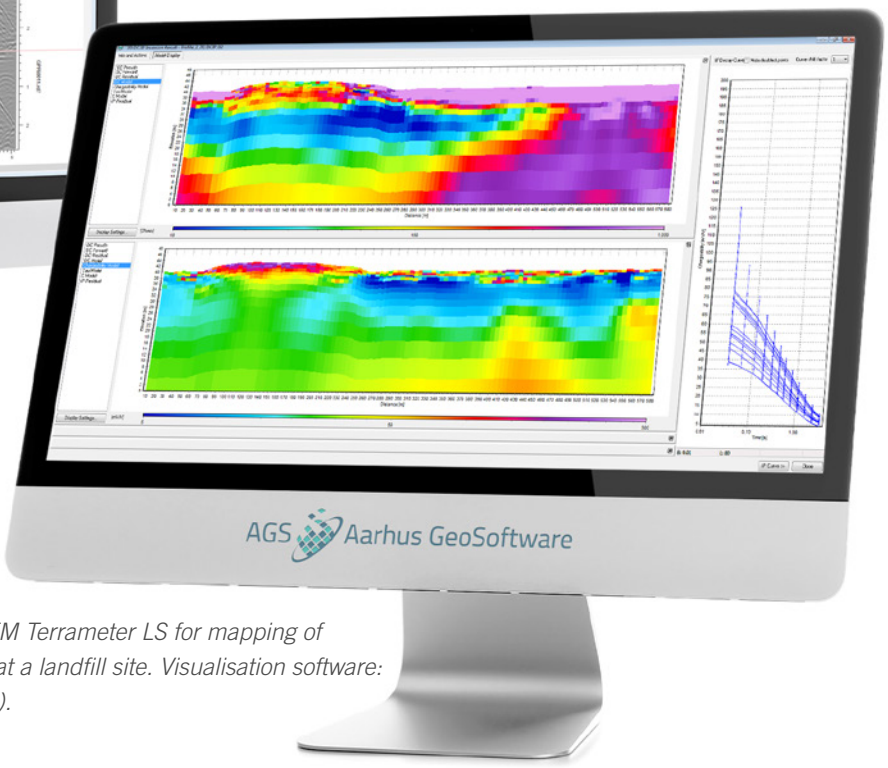
New visualisation software - developed for infrastructure underground

During 2018 the upgraded software MALÅ Object Mapper 2018 was launched. This user-friendly visualisation software has been specially developed to map and visualise infrastructure underground. The OBM software is an important part of our strategy, with increased application focus for a better customer experience. During the year, Guideline Geo was also appointed global distributor of the advanced software GPR-SLICE.

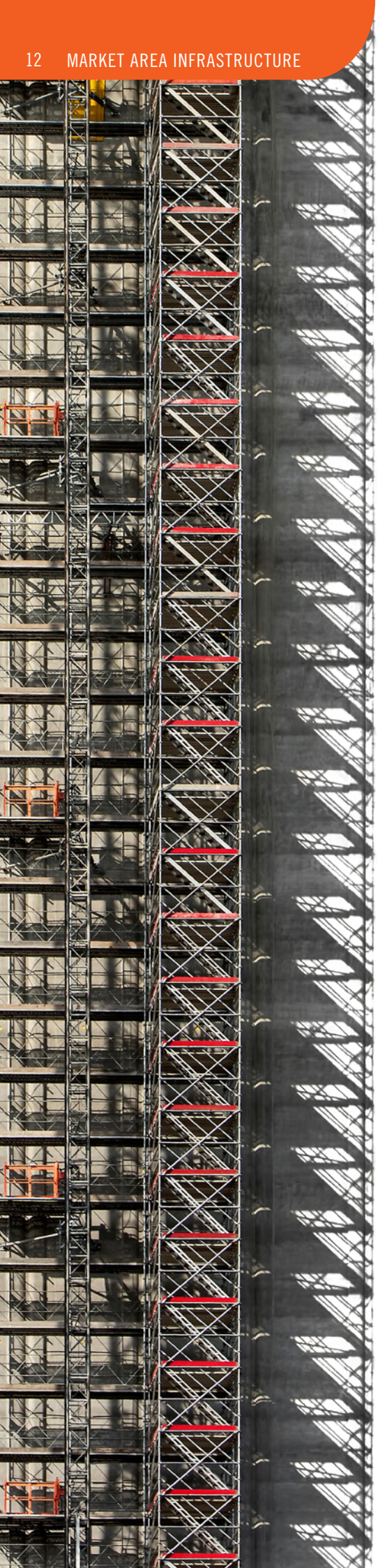
Development to the fore

Despite tough competition, Guideline Geo has been allocated Vinnova funding for research and development of the next generation of software. By utilising AI (artificial intelligence), Guideline Geo's goal is to develop methods for automated interpretation of GPR-generated data.
This ground-breaking development aims to streamline our customers' work involving mapping of ground conditions, while at the same time the project further enhances the company's competitiveness within geophysics by paving the way for new customer groups and more application-based solutions.

MALÅ Object Mapper 2018 visualisation software, with internet-based map support (Google Maps), developed for mapping of infrastructure underground.



Investigation with ABEM Terrameter LS for mapping of contamination plume at a landfill site. Visualisation software: AGS (Aarhus Software).



Infrastructure - A growing market area

Guideline Geo's largest market area

Infrastructure, which is Guideline Geo's largest market area, accounts for about 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 continue to grow.

The planet's increasingly extreme weather, with more natural disasters, is also driving an increased need for investment in infrastructure, both with regard to preventive measures and rebuilding projects[1].

Market and drivers

According to the World Bank, the population in urban environments is expected to increase by 2.3 billion between 2020-2050[2]. This entails major challenges and investments in order to achieve functioning infrastructure, with maintenance and new construction of roads, railways, electricity networks, water and drainage systems, internet, bridges and properties.

In certain countries there are regulations regarding densely populated areas that require mapping of the ground before earthworks begin, in order to prevent the potential consequences of destroyed pipes or cables.

50%

OF NET TURNOVER

Solutions

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 the formation of cracks on bridge and building structures, or by mapping the exact position of an underground pipe or fibre-optic cable, costs are reduced, along with the risk of making mistakes. 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.

MALÅ Easy Locator Pro WideRange HDR

[1] United Nations Office for Disaster Reduction

[2] United Nations, Department of Economic and Social Affairs, Population Division (2018). World Urbanization Prospects: The 2018 Revision, Online Edition.

Example of application - mapping of pipes and cables underground

Location: The Nyboda Depot in Stockholm is used for storage and maintenance of buses and subway carriages. The depot stretches over an area measuring 200x650 metres.

Problem: In conjunction with the planned construction of a new pump station within the depot, there was a lack of up-to-date ground documentation to show the existence and location of underground infrastructure. Earthworks without reliable information entail a significant risk of digging up power lines, pipes and cables. Consequently, an incorrect decision based on insufficient information could affect society's fundamental infrastructure and put both the contractor and the surrounding area at risk.

Solution: The company Astacus received an assignment from the municipal traffic authority to investigate the ground that would be affected by the pump project. Astacus performed a geophysical investigation with a MALÅ MIRA GPR system that was integrated with a vehicle solution to achieve large-scale effectiveness. The chosen 3D array solution from Guideline Geo has a capacity of 50,000 m2 per day, which allowed for an effective mapping of the 4-5,000 square metres relevant to this assignment.

Results: 3D data from the depot was gathered and processed in the processing software MALÅ rSlicer as well as in Astacus' proprietary point-based software. The geophysical investigation identified, and specified the position of, pipelines, surface water, underground pits and underground electrical shafts down to a depth of two metres. Based on the geophysical investigation, maps of the ground could be updated, and the pump project could proceed without risk of damaging underground infrastructure.
"The MIRA GPR solution meets our own and our customers' requirements, and our services are in great demand. With channel spacing of only 8 centimetres we are able to obtain very high data quality, which is a requirement if we are to be able to visualise where pipes and other objects are positioned beneath the surface".

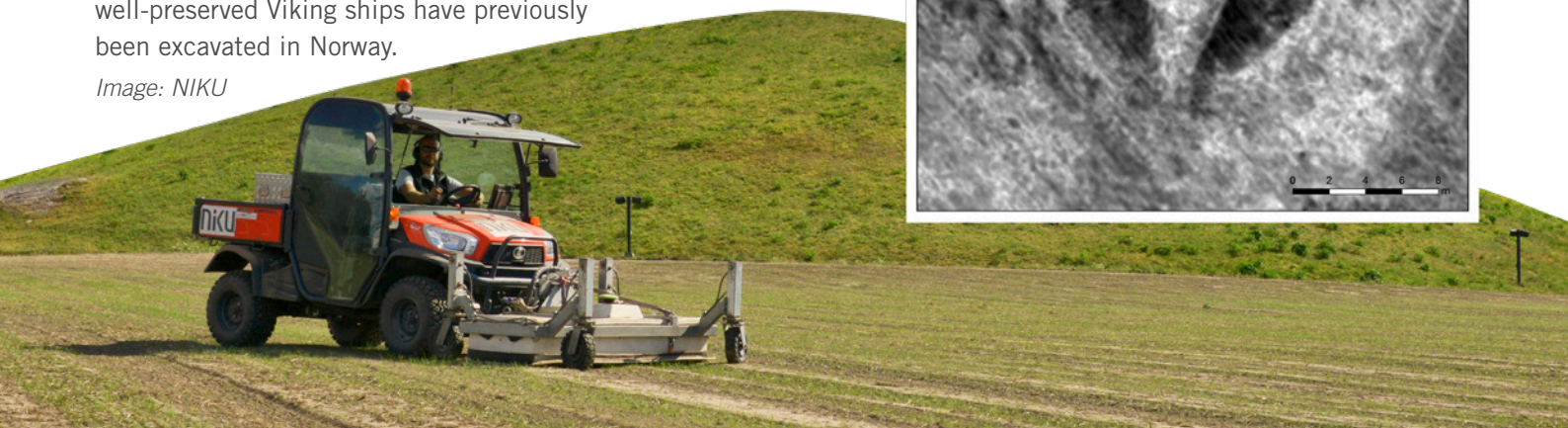
Carl Hoffstedt, CEO, Astacus AB

Viking ship discovered with MALÅ MIRA

Archaeologists from NIKU (the Norwegian Institute for Cultural Heritage Research) made a sensational archaeological discovery during 2018 – a 20 metre-long Viking ship in Østfold, Norway.

By using the MALÅ MIRA GPR solution from Guideline Geo, the ship was discovered at a depth of only 50 cm. Apart from the Viking ship itself, at least 5 long houses and 10 burial mounds were also mapped. The discovery is deemed to be of great historical value and has attracted a lot of attention around the globe, since only three well-preserved Viking ships have previously been excavated in Norway.

Image: NIKU



Water - A life-or-death market area

A global problem

Water shortages are a global problem that affect health, agriculture and the environment. 2.1 billion people lack access to clean water[1]. 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.

20%

OF NET TURNOVER

Market and drivers

A growing global population and expected climate-affecting factors mean that water shortages 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 exploration, both now and in the future. The global focus on getting to grips with the problem of contaminated and dried-up aquifers entails major annual investments for the UN/WHO as well as other global and local help organisations.

Solutions

Guideline Geo has total solutions with 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 exploration, 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 exploration within the Water market area.

[1] *Source: UNICEF.SE*

ABEM Terrameter LS 2

IMPROVED WATER EXPLORATION WITH GEOPHYSICS IN KENYA

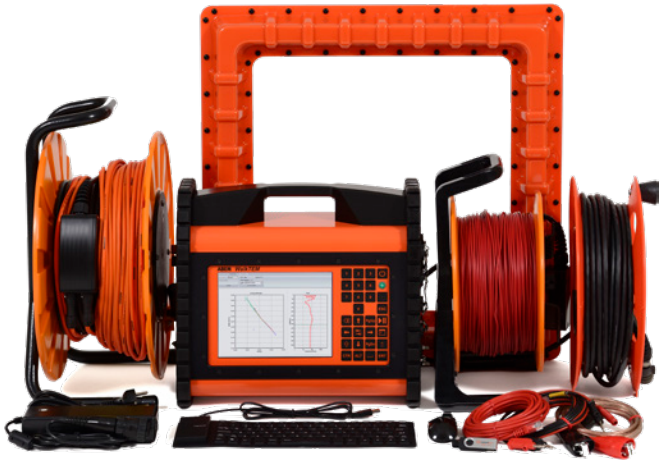
Location: Mombasa, Kajiado and Naivasha in Kenya

Background: Current methods for groundwater exploration in Kenya were felt to be ineffective according to an association of Dutch and Kenyan experts. Available conclusions and recommendations from performed projects were afflicted by ambiguities, errors and inconsistent information. Consequently, the problem of sub-standard information contributed to incorrect groundwater management, which led to unnecessary deep drilling, dry and saltwater wells, and unexploited groundwater reservoirs.

Project: The project ISGEAG[1] (Improving Sustainable Groundwater Exploration with Amended Geophysics) was initiated by a team of Kenyan and Dutch experts, whereby the application of various geophysical methods, technologies and equipment was utilised to study the best possible solutions and combinations for each geographical area and its geological conditions.

The project included various geophysical instruments from ABEM (Terrameter LS2, WalkTEM, SAS). The project's goals were to clarify limitations for each geophysical method, see which combinations lead to optimised results, and improve the interpretation of the performed measurements.

The aim of the project was for the outcome to contribute to more sustainable water exploration with simplified access to water for the poorest part of the population in urban environments, and to minimise the occurrence of water-related diseases. The project was planned to be implemented for a period of about eight months at three different locations with varied conditions in Kenya. The project's ultimate objectives have been to produce new guidelines and report formats for water exploration, and to provide training and build up local competence with increased knowledge within geophysics and related analysis for future water exploration.



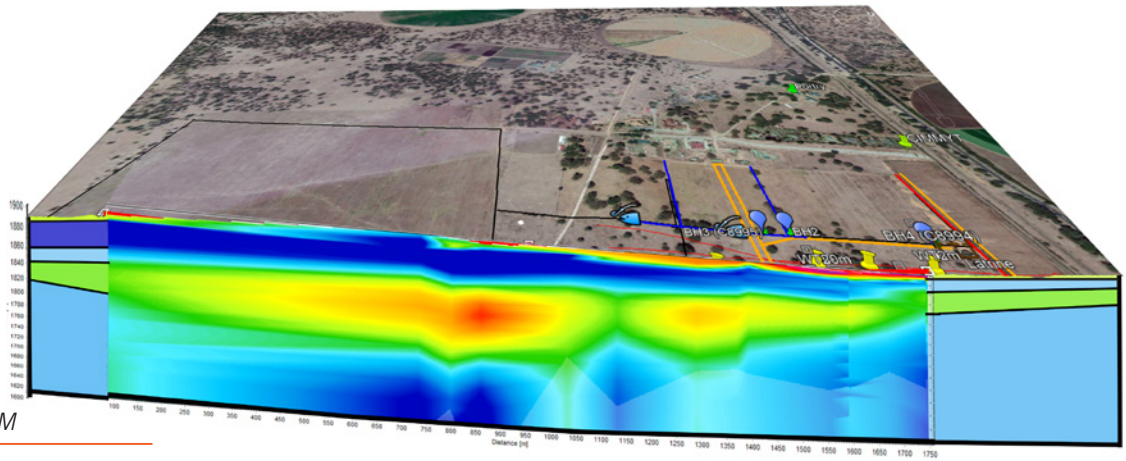
ABEM Walk TEM

"We worked on building up a concept based on reliable information and modern geophysics, which will lead to sustainable water extraction and prevent overexploitation or salinisation of wells. New generation instruments, such as the instruments and solutions from Guideline Geo, contributed to an acceleration of this process.

For example, I have worked with WalkTEM, which allows quality control and interpretation of a measurement to be performed in the field. Within a day we were able to confirm the reason for the salinisation of a school's well and the direction of the salt penetration, and we were able to make recommendations about how the situation could be improved."

- Michel Groen, hydrogeologist, geophysicist at Wiertsema and partners, The Netherlands

[1] GGEO wishes to thank the project organisation Acacia Water, SamSam WATER & KenGen, and the financier VIAWATER for the project information and image.



Aquifer boundaries in Naivasha, based on measurement with WalkTEM

Minerals - Good conditions for growth

Recovery and increased use of electronics lifts the market

Lower mineral prices during recent years have put pressure on exploration companies to find cost-effective solutions for exploration of minerals/natural resources. Guideline Geo has a customised product portfolio of ground-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 market area accounts for about 20 per cent of the company's net turnover.

Market and drivers

Access to minerals and metals is a fundamental need in a modern society. The expansion of infrastructure and a society that is increasingly focused on electronics creates a major need for minerals. An average electronics product contains 35 different minerals, which gives some indication of the potential market need.

20%

OF NET TURNOVER

The challenge of finding cost-effective exploration methods is a priority for exploration companies. Mineral assets are a limited resource. By using geophysical measurement methods, either instead of, or together with, more traditional geotechnical surveys, it is possible to achieve reduced damage through the use of non-destructive technology.

ABEM Terraloc Pro 2

Environment – Increased interest in environmental mapping

Major growth expectations

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

10%
OF NET TURNOVER

Market and drivers

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 have previously been placed way beyond the densely populated area, suddenly become land where new housing needs to be built. If the area has been used for landfill of 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. 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.
It is here that Guideline Geo can assist with solutions that provide cost-effective geophysical mapping without causing damage to the land. 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 top of the map.

Example of application – mapping environmental impact

Location: King George Island, Antarctica
Problem: Several Science Centres built in Antarctica have been anchored directly on the permafrost. With increasing global temperatures there is a risk that the permafrost will melt, which could cause instability in the island's infrastructure.

Solution: By performing geophysical investigations of the thickness of the permafrost and identifying melt zones, necessary measures can be implemented to retain stability in the infrastructure. The resistivity instrument ABEM Terrameter LS was used for 3D collection of resistivity values.

Results: The results clearly showed high resistivity values (6000 – 9000 Ohm-m), which indicates a permafrost layer at an average depth of 7 metres. The results agreed with test drilling performed in the adjacent area. Necessary measures can thus be implemented.

FINANCIAL DEVELOPMENT IN BRIEF

kSEK	GROUP 2018-01-01 2018-12-31	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
INCOME STATEMENT					
Net sales	120 461	97 964	116 645	120 476	109 880
Total earnings	125 235	101 737	122 369	126 053	116 008
Operating expenses	-124 148	-117 983	-120 226	-119 753	-115 756
EBITDA	8 209	-9 158	10 168	12 462	4 257
Operating profit/loss	1 501	-15 729	3 577	6 300	-2 765
This year's profit/loss	**483**	**-13 150**	**3 803**	**4 973**	**-3 147**
BALANCE SHEET					
Total assets	191 081	168 079	168 781	154 230	156 393
Equity	133 994	113 117	126 581	124 425	125 607
Interest-bearing liabilities	28 013	23 777	12 212	6 372	7 126
CASH FLOW					
Cash flow from operating activities	7 266	-6 922	6 119	7 431	8 586
This period's cash flow	3 771	-1 099	-2 529	-5 699	-2 466
Net investments	-26 162	-5 628	-12 251	-5 730	-5 076
KEY FIGURE					
EBITDA margin	6,6%	-9,0%	8,3%	9,9%	3,7%
Operating margin	1,2%	-15,5%	2,9%	5,0%	-2,4%
Profit margin	0,4%	-12,9%	3,1%	3,9%	-2,7%
Return on operating capital	1,3%	-14,3%	3,2%	5,6%	-2,5%
Return on capital employed	1,2%	-11,1%	3,1%	4,8%	-1,9%
Return on equity	0,4%	-11,0%	3,0%	4,0%	-2,4%
Operating capital	128 609	107 216	112 074	115 019	109 943
Capital employed	162 007	136 894	138 793	130 797	132 733
Risk-bearing capital ratio	75,7%	74,1%	79,6%	85,5%	85,9%
Interest coverage ratio	5,2	-10,6	8,1	13,2	-6,6
Debt/equity ratio	0,21	0,21	0,10	0,05	0,06
Equity/assets ratio	70,1%	67,3%	75,0%	80,7%	80,3%
Number of employees	78	82	78	75	64
DATA PER SHARE Number of shares at period end*	11 428 058	7 505 179	7 505 179	7 505 179	7 505 179
Number of outstanding shares after dilution*	11 428 058	7 505 179	7 505 179	7 505 179	7 505 179
Average number of outstanding shares before dilution*	11 428 058	7 505 179	7 505 179	7 505 179	7 505 179
Profit/loss per share before dilution**, SEK	0,04	-1,75	0,51	0,66	-0,42
Equity per share*, SEK	11,73	15,07	16,87	16,58	16,74
Dividend per share, SEK	0,00	0,00	0,00	0,30	0,30
Share price at period end*, SEK	7,90	6,90	9,45	10,80	9,15
Share quota value/nominal amount, SEK	1,00	1,00	1,00	1,00	1,00
Total share capital, SEK	11 428 058	7 505 179	7 505 179	7 505 179	7 505 179

Income statements

kSEK	GROUP 2018-01-01 2018-12-31	GROUP 2017-01-01 2017-12-31	GROUP 2018-01-01 2018-12-31	GROUP 2017-01-01 2017-12-31
OPERATING INCOME				
Net sales	120 461	97 964	114 409	13 915
Other operating income	4 774	3 773	106	51
Total income	**125 235**	**101 736**	**114 515**	**13 966**
Raw materials and consumables	-46 173	-39 625	-45 675	0
Other external expenses	-23 114	-23 699	-22 698	-6 895
Personnel expenses	-56 728	-52 624	-51 924	-12 736
Capitalized development expenses	8 573	4 536	0	0
Depreciation, amortization and impairment of tangible and intangible fixed assets	-6 707	-6 571	-4 019	-99
Profit / Loss from participations in associated companies	415	517	0	0
Total expenses	**-123 734**	**-117 466**	**-124 316**	**-19 730**
Operating profit/loss	**1 501**	**-15 729**	**-9 801**	**-5 764**
PROFIT/LOSS FROM FINANCIAL INVESTMENTS				
Financial earnings	26	0	25	0
Financial expenses	-291	-1 088	-94	-28
Profit/loss after financial items	**1 236**	**-16 817**	**-9 870**	**-5 792**
Appropriations	0	0	1 738	84
Tax	-752	3 667	72	1 176
PROFIT/LOSS FOR PERIOD	**483**	**-13 150**	**-8 060**	**-4 532**

Attributable to:		
Parent company shareholders	483	-13 150
PROFIT/LOSS FOR PERIOD	**483**	**-13 150**
Profit/loss per share before dilution, SEK	11 428 058	7 505 179
Average number of shares before and after dilution	0,04	-1,75

COMPREHENSIVE RESULT

kSEK	KONCERNEN 2018-01-01 2018-12-31	KONCERNEN 2017-01-01 2017-12-31
Profit/loss for period	483	-13 150
Items that may or have been reclassified to period result		
Translation differences	137	-314
Comprehensive result	**137**	**-314**
Comprehensive result for the period	**620**	**-13 464**
Comprehensive income for the period attributable to: Parent company shareholders	620	-13 464
COMPREHENSIVE RESULT FOR THE PERIOD	**620**	**-13 464**

Balance sheets

Group

ASSETS kSEK	GROUP 2018-12-31	GROUP 2017-12-31
FIXED ASSETS		
Intangible assets		
Capitalized development expenses	26 851	21 116
Goodwill	51 750	51 750
Tangible fixed assets		
Land and buildings	30 152	15 099
Equipment, tools, fixtures and fittings	3 024	3 537
Financial fixed assets		
Participations in associated companies	14 098	13 711
Deferred tax receivable	10 742	11 362
Total fixed assets	**136 617**	**116 574**
CURRENT ASSETS		
Inventories	20 913	23 335
Current receivables		
Accounts receivable	20 081	18 401
Other receivables	3 141	3 507
Prepaid expenses and accrued income	1 770	1 657
Cash equivalents	8 558	4 606
Total current asset	54 464	51 505
TOTAL ASSET	**191 081**	**168 079**

Balance sheet

Group

Equity and liabilities	GROUP 2018-12-31	GROUP 2017-12-31
EQUITY		
Share capital	11 428	7 505
Other contributed capita	175 774	159 440
Translation reserve	1 915	1 778
Accrued losses including this year's profit/loss	-55 123	-55 606
Total equity	**133 994**	**113 117**
UNTAXED RESERVES		
LONG-TERM LIABILITIES		
Liabilities to credit institutions	25 891	21 064
Other long-term liabilities	3 270	5 097
Provisions	350	350
Total long-term liabilities	**29 511**	**26 511**
CURRENT LIABILITIES		
Liabilities to credit institutions	2 122	2 713
Accounts payable	7 453	8 263
Other short-term liabilities	7 528	7 259
Accrued expenses and prepaid income	10 473	10 216
Total current liabilities	**27 576**	**28 451**
TOTAL EQUITY AND LIABILITIES	**191 081**	**168 079**

Balance sheets

Parent company

ASSETS kSEK	PARENT COMPANY 2018-12-31	PARENT COMPANY 2017-12-31
FIXED ASSETS		
Intangible assets		
Goodwill	49 163	0
Other intangible assets	1 528	0
TANGIBLE FIXED ASSETS		
Equipment, tools, fixtures and fittings	1 162	277
Financial fixed assets		
Participation in group companies	81 215	108 199
Participation in associated companies	12 741	12 741
Deferred tax receivables	15 566	5 305
Total fixed assets	**161 374**	**126 522**
CURRENT ASSETS		
Inventories	18 255	0
Current receivables		
Accounts receivable	11 531	78
Receiveables from group companies	19 593	23 926
Other receivables	2 511	1 159
Prepaid expenses and accrued income	1 227	1 107
Cash equivalents	5 453	1 012
Total current assets	58 571	27 282
TOTAL ASSETS	**219 945**	**153 804**

Balance sheets

Parent company

EQUITY AND LIABILITIES	MODERBOLAG 2018-12-31	MODERBOLAG 2017-12-31
Equity		
Restricted equity		
Share capital	11 428	7 505
Statutory reserve	27 462	27 462
Total restricted equity	**38 890**	**34 967**
Unrestricted equity		
Profit / Loss brought forward	-28 204	-65 192
Share premium reserve	156 651	140 317
This year's profit/loss	-8 060	-4 532
Total unrestricted equity	**120 387**	**70 593**
TOTAL EQUITY	**159 277**	**105 560**
Provisions	350	0
LONG-TERM LIABILITIES		
Other long-term liabilities	3 270	7 110
Total long-term liablitities	**3 270**	**7 110**
CURRENT LIABILITIES		
Accounts payable	7 250	2 014
Liabilities to group companies	35 558	34 407
Other short-term liabilities	6 887	2 591
Accrued expenses and prepaid income	7 353	2 122
Total current liabilities	**57 048**	**41 134**
TOTAL EQUITY AND LIABILITIES	**219 945**	**153 804**

Changes to equity

Group 2017

kSEK	SHARE-CAPITAL	OTHER CONTRIBUTED CAPITAL	STATUTORY-RESERVE	ACCUMULATED LOSSES INCL THIS YEAR'S RESULT	TOTAL EQUITY
Opening equity January 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
Accumulated total result			-314	-13 150	-14 459
Closing equity December 31 2017	**7 505**	**159 440**	**1 778**	**-55 606**	**113 117**

Group 2018

kSEK	SHARE - CAPITAL	OTHER CONTRIBUTED CAPITAL	STATUTORY - RESERVE	ACCUMULATED LOSSES INCL THIS YEAR'S RESULT	TOTAL EQUITY
Opening equity January 1 2018	7 505	159 440	1 778	-55 606	113 117
This year's profit/loss			137	483	483
Other comprehensive income			137		137
Accumulated total result			137	483	737
New share issue	3 923	17 677			21 600
Costs of new share issue		-1 343			-1 343
Closing equity 31 december 2018	**11 428**	**175 774**	**1 915**	**-55 123**	**133 994**

Changes to equity

Parent company 2017

kSEK	SHARE CAPITAL	STATUTORY RESERVE	SHARE PREMIUM RESERVE	RETAINED PROFIT/LOSS	THIS YEAR'S RESULT	TOTAL EQUITY
Opening equity 1 januari 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 31 december 2017	**7 505**	**27 462**	**140 317**	**-65 192**	**-4 532**	**105 560**

Parent company 2018

kSEK	SHARE CAPITAL	STATUTORY RESERVE	SHARE PREMIUM RESERVE	RETAINED PROFIT/LOSS	THIS YEAR'S RESULT	TOTAL EQUITY
Opening equity 1 januari 2018	7 505	27 462	140 317	-65 192	-4 532	105 560
Re-entry this year's profit/loss				-4 532	4 532	0
This year's profit/loss					-8 060	-8 060
New share issue	3 923		17 677			21 600
Costs of new share issue			-1 343			-1 343
Result of merger				41 520		41 520
Closing equity 31 december 2018	**11 428**	**27 462**	**156 651**	**-28 204**	**-8 060**	**159 277**

Cash flow statement

kSEK	GROUP 2018-12-31	GROUP 2017-12-31	PARENT COMPANY 2018-12-31	PARENT COMPANY 2017-12-31
OPERATING ACTIVITIES				
Operating profit/loss	1 501	-15 729	-9 801	-5 765
Adjustment for items not included in cash flow:				
Depreciation	6 707	6 165	3 080	99
Other non cashflow effecting items, unrealized F/X difference to US	-1 194	0	0	0
Other non cashflow effecting items, write down of inventory	0	2 550	0	0
Depreciation intangible assets, patent	0	406	0	0
Result of transferring company on merger	0	0	9 380	0
Proportion of equity in associated company	-415	-517	0	0
Unrealized exchange rate gain/loss	0	-53	0	0
Interest received	26	0	25	-7
Interest paid	-291	-1 088	-93	-21
Cash flow from operating activities before changes to operating capital	**6 335**	**-8 266**	**2 591**	**-5 694**
CASH FLOW FROM CHANGES TO OPERATING CAPITAL				
Changes to inventories	1 727	-3 247	2 313	0
Changes to operating receivables	-748	2 357	32 410	-10 130
Changes to operating liabilities	-48	2 234	-45 013	16 208
Cash flow from operating activities	**7 266**	**-6 922**	**7 699**	**384**
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of intangible assets	-10 223	-4 536	0	0
Merger of subsidaries	0	0	1 287	0
Acquisition of tangible fixed assets	-15 939	-1 075	-73	-47
Sales of inventories	0	28	0	0
Cash flow from investing activities	**-26 162**	**-5 583**	**1 214**	**-48**
CASH FLOW FROM FINANCING ACTIVITIES				
Loans raised	17 086	13 305	0	0
Amortization of liability	-14 676	-1 739	-9 331	0
New share issue	20 257	0	20 257	0
Cash flow from financing activities	**22 667**	**11 566**	**10 926**	**0**
THIS YEAR'S CASH FLOW BEFORE EXCHANGE RATE DIFFERENCES	**3 771**	**-939**	**4 441**	**336**
Exchange rate difference in cash equivalents	181	-160	0	0
THIS YEAR'S CASH FLOW	**3 952**	**-1 099**	**4 441**	**336**
Cash equivalents at start of year	4 606	5 705	1 012	676
Adjusted cash equivalents at start of year	8 558	4 606	5 453	1 012
CHANGES TO CASH EQUIVALENTS	**3 952**	**-1 099**	**4 441**	**336**

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 Royal Institute of Technology in Stockholm, 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 SwedHandling AB, Smältan Invest AB and Teconova Aktiebolag. Board member for Investment AB Chiffonjén and Malwa Forest AB. Owner, together with his wife, of Anders Gemfors Företagskonsult AB and Advino AB.

Shareholding: 590,000 shares (private and via companies)

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, roles as Production Manager within the pharmaceuticals company PolyPeptide Laboratories AB, Managing Director for Epsilon AB, and Regional Manager for ÅF AB. She has also worked as Sustainability Manager and Consultant Development Manager at Ework Group AB, where she worked with business development within sustainable development and new business areas related to the UN's new development goals. 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). She also has assignments for the UN and works voluntarily for several UN organisations, such as UN Women, SDSN Youth, EVALSDGs.
Eva is the owner and CEO of VATI of Sweden AB.

Other assignments: Board member for Willo AB. Chairman of the Board for 2022 Initiative Foundation.

Shareholding: 25,000 shares.

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, Board member and 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-based business. 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 and VR. During 2008-2010 Krister was Chief Operating Officer at Spotify, with responsibility for CFO, CTO and sales. During this period the company launched and commenced operations in 7 countries. Krister has worked within Telia Company, both within commercial management and strategic planning as manager for product development within the consumer segment for group products.
Today Krister runs Rewell Medical, which is a company within the area of medical treatment, with focus on male health.

Other assignments: Board member for Multigrid Data Centers AB.

Shareholding: 75,649 shares.

Marcus Lannerbro

Board member
Born 1975
On the Board since 2017

Background: Marcus Lannerbro 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 the IT, telecom and consultancy sectors. 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: 2,000 shares.

Kaj Möller

Board member
Born 1964
On the Board since 2018

Background: Kaj Möller has an M.Sc. from KTH Royal Institute of Technology in Stockholm 1991, with focus on Road and Water Building, and he also possesses an Exec. MBA from Stockholm School of Economics 2002.
He has spent his entire professional career working with export of services within architecture, environment and building & construction technology. During the last 20 years Kaj has held various export manager roles within the architect and technology consulting group Sweco, which is currently Europe's largest company within the sector, with 15,000 employees and offices in 14 European countries, and with annual project exports to 60 to 80 countries throughout the world. Kaj has worked with sales, negotiations, implementation, dispute resolution and completion of small and large service assignments in all parts of the world, and he is currently the Sweco Group's Export Director, as well as CEO for Sweco International AB, and he reports directly to Sweco's Group CEO. Sweco has undertaken more than 100 corporate acquisitions during the last 10 years, in relation to which Kaj has also been responsible for the migration of the export operations with regard to business planning, risk management, CSR compliance and reporting in the acquired companies. Through his long-standing experience of project exports, Kaj has also developed an extensive contact network within "public Sweden".

Other assignments: Board member for Sweco International AB.
Shareholding: 10,000 shares.

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.

Shareholding: None.

Kjell Lidén

Employee representative
Born 1987
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 StyrelseAkademien.

Other assignments: None.

Shareholding: None.

Executive management

Mikael Nolborg

CEO
Born 1976
At the company since 2017

Background: Mikael Nolborg has an MBA from Stockholm School of Economics.
He previously worked within SSAB for 9 years. There he held various management roles 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: 45,713 shares.

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 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 EHPT France and Global Controller within EHPT.

Other assignments: None.

Shareholding: 112,000 shares (his own and relatives).

Auditors

KPMG AB
Main auditor:
Per Gustafsson
Authorised Public Accountant and Partner
Born 1959
Address:
KPMG AB
Vasagatan 16
Box 382
101 27 Stockholm

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, Sweden
or via email at info@guidelinegeo.com

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GUIDELINE GEO AB
Löfströms Allé 6A
SE 172 66 Sundbyberg, Sverige
Tel: +46 8 557 613 00
E-post: info@guidelinegeo.com

MALÅ GEOSCIENCE FÖRVALTNINGS AB
Skolgatan 11
SE 939 31 Malå, Sverige
Tel: +46 8 557 613 00

GUIDELINE GEO AMERICAS INC.
1270 Drop Off Drive, Unit B
Summerville, Charleston, South Carolina
29483, USA
Tel: +1 843 852 5021