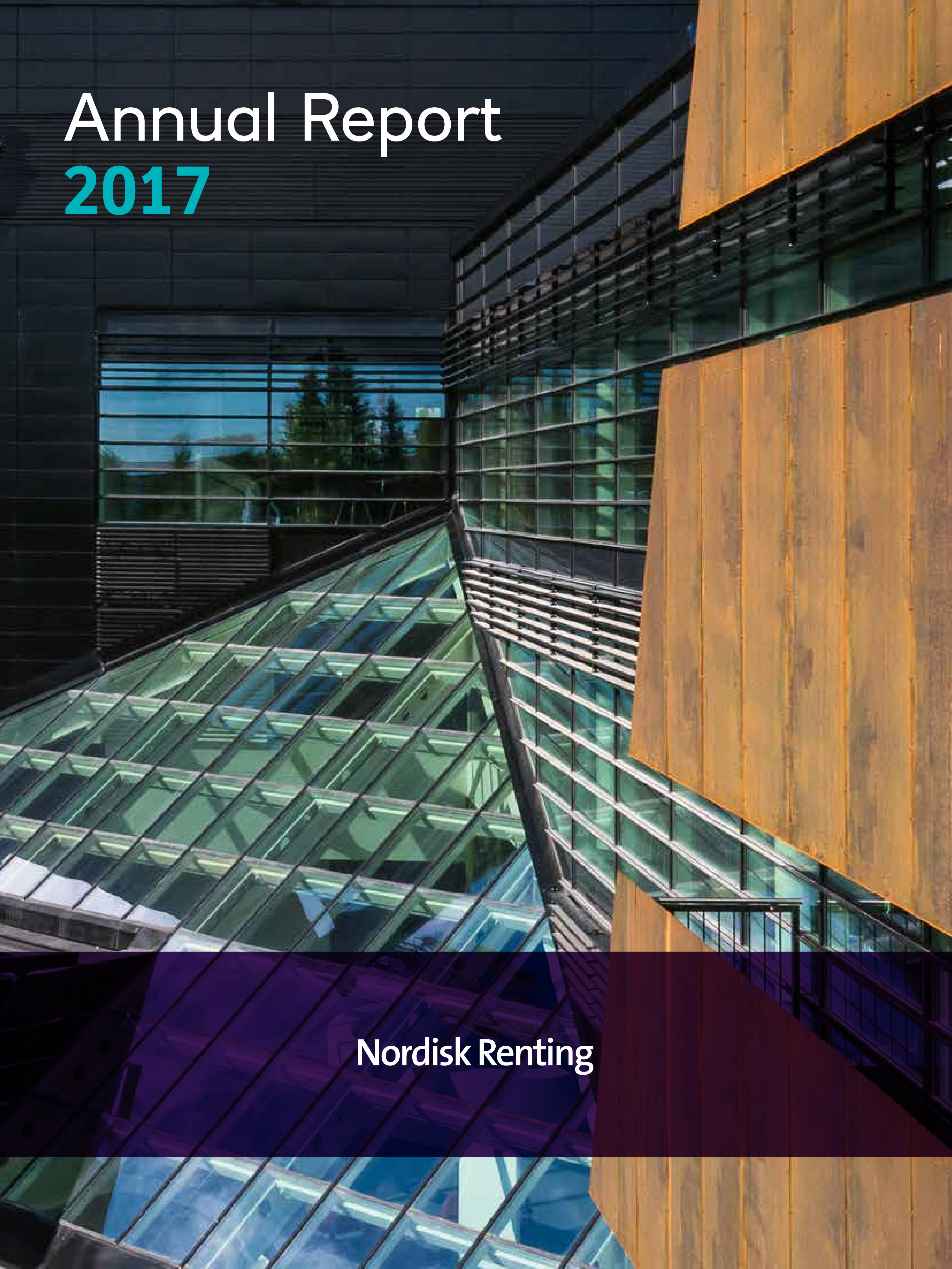
Annual Report 2017



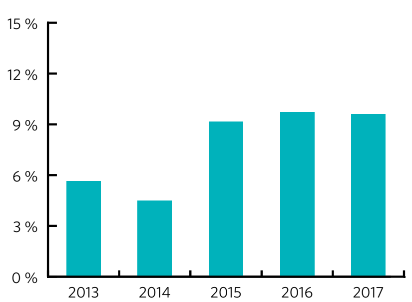
Nordisk Renting

Five-year review (Group)

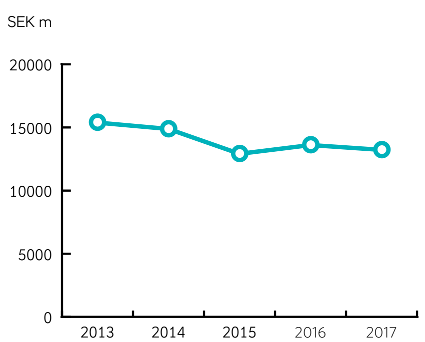
(SEK m)	2017	2016	2015[4]	2014[4]	2013[4]
Net sales	934	873	948	1,342	1,166
Operating profit/loss	555	581	611	1,009	870
Profit after financial items	314	296	373	416	506
Balance sheet total	13,224	13,606	12,913	14,880	15,383
Equity ratio [1]	17.5%	26.0%	36.7%	34.6%	34.8%
Return on equity [2]	8.8%	6.8%	2.9%	5.8%	7.6%
Return on total assets [3]	4.3%	4.8%	5.0%	5.0%	5.6%
Return on equity (adjusted)	–	–	6.2%		
Average number of employees	19	17	19	15	16

[1] Adjusted equity/Balance sheet total.
[2] Profit for the year/Average adjusted equity. Figures for 2015 have been adjusted for a one-off Group contribution of MSEK 220.
[3] (Profit after financial items with interest expenses added back/Average balance sheet total.
[4] Figures for 2013–2015 have not been restated in accordance with IFRS.

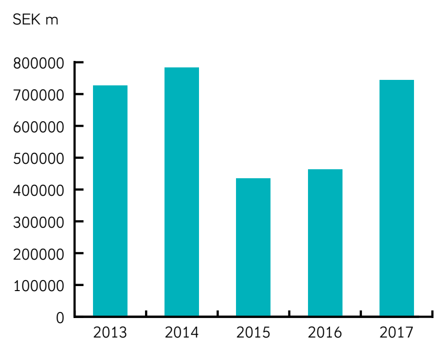
C/I ratio



Balance sheet total



Cash flow, operating activities



Business concept and customers

Nordisk Renting's business concept is to offer structured leasing of properties to financially strong private and public sector business partners in the Nordic countries with a strategic interest in long-term collaborations. Nordisk Renting's product enables the customer to release capital from existing properties and secure funding for refurbishments and new constructions, while maintaining operational control and control over ownership through call options. Nordisk Renting offers both operating and finance leases.

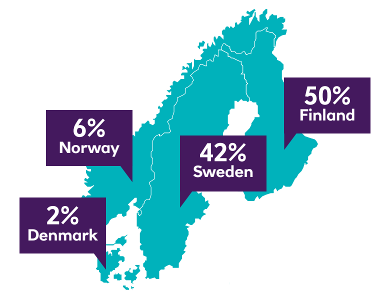
The Group's customers mainly comprise large Nordic companies as well as states, municipalities, county authorities, and other public sector entities.

The year in brief

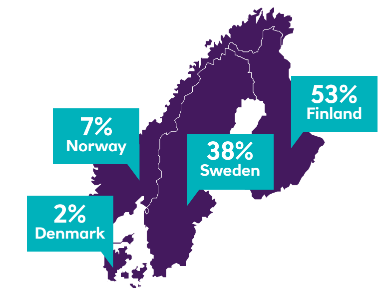
- The Group's net sales increased during the year to MSEK 934 (873), primarily due to an expanded property portfolio.
- Profit after financial items of MSEK 314 (296) increased by MSEK 18. This is primarily explained by a lower gross profit of MSEK -16, higher net interest income of MSEK +80, lower profit due to fewer divestments, MSEK -33, and the acquisition of the remaining equity in associated companies, MSEK -9.
- Cash flow from operating activities amounted to MSEK 745 (464).
- Non-current liabilities increased by MSEK 93. The Group's liquid assets on 31 December 2017 amounted to MSEK 468 (485) and unutilised overdraft facilities totalled MSEK 250 (491).
- Equity decreased to MSEK 2,309 (3,543) as a result of the company's capital structure review during 2015 and 2016. The equity ratio amounted to 18.2 per cent (26.7) including minority shares and to 17.5 per cent (26.0) excluding minority shares. The modified capital structure and continued strong profits have increased return on equity to 8.76 per cent (6.80).
- This is the Group's first annual report in accordance with IFRS.
- To support digitalisation of the operation, a review and upgrade of the company's IT systems has begun.

About the business

Employees by gender



Net sales by country



Portfolio value by country

Customers by sector

Public sector	23%
Trade/Commerce	21%
Banking & finance	16%
Industry	13%
Construction	10%
Telecom	7%
Aviation & automotive	7%
Hotel & catering	3%

Chairman's summary

THE PAST YEAR at Nordisk Renting has been one characterised by change, development and initiated growth. We have focused on strengthening our organisation with a continued focus on our employees. We have steadily increased our presence on the market. Rapid digital development is here to stay, and Nordisk Renting has begun a far-reaching process to renew and develop its technical platform, working methods and systems so that we can offer our customers even better service in the future.

WHILE FOCUSING ON growing and forging new contacts, we have been careful to maintain the good relations we already have, relations based on mutual trust built up over years of working well and successfully together.

These business relationships are thriving and are constantly renewed as we increase our activity, our customer focus and our endeavour to adapt our solutions with time and provide long-term support for our customers.

THE NATWEST BRAND (National Westminster Bank) was introduced into the bank's operations across Western Europe in 2017, thereby replacing RBS (Royal Bank of Scotland). Nordisk Renting's operations are not affected by this change. Relations with the parent company have been consolidated over the past year, and Nordisk Renting has the bank's full support in terms of future growth and cooperation.

OUR UNIQUE BUSINESS CONCEPT remains strong. We offer our customers bespoke, flexible solutions which enable them to release capital from strategically important properties, while they retain control over the property and can purchase it at a predetermined price while the agreement is in place. We have everything in place to grow, thanks to our strong local presence of knowledgeable, dedicated personnel who are passionate about what they do. We also have the firm support of our larger corporate group to continue developing and expanding.

I look forward to more exciting developments in our operations.

Lars Linder-Aronson
Chairman of the Board

Comment from the CEO

I CAN LOOK BACK ON the last year with a great sense of pride. We have been through some inspiring, challenging times and have passed many milestones in our efforts to develop and grow our operations.

Our organisation has grown and we now have a more knowledgeable and more close-knit team than ever before, proactively working across Nordic borders to achieve ever more customer-focused results, supported by the wider corporate group and the Structured Finance division to which we belong.

We have focused heavily on listening to our customers, both through surveys and by maintaining ongoing dialogue. We are increasingly striving to structure our solutions to our customers' specific needs, and are working with customers to adapt these solutions as their needs change.

THE ASPECTS THAT ATTRACT our customers remain our long-term approach, our stability, and their ability to retain control over the costs and ownership of the property, as well as their operational activities. Some decide to exercise their call option, others prefer to renegotiate the agreement terms while the lease is still running, and in some cases it falls to us to appropriate the residual value at the end of the lease.

The new lease for the Brødrene Dahl service and distribution centre in Skien, Norway, and the extension of IF's lease agreement for its Turku office are good examples of how we work with our customers to identify new solutions as a natural part of our long-term association.

We also had the opportunity during the year to sign a lease agreement with the Municipality of Norrköping, which has chosen the beautiful old 'Lithografen' building as an accessible office location for its social welfare department.

THANKS IN PART TO an expanded portfolio, our net profit increased by 6.1 per cent. Our return on equity increased to 8.8 per cent.

Cash flow from operating activities rose to MSEK 745, an increase of a full 61 per cent. The 2017 annual report is the first since we chose to switch to IFRS reporting. By applying IFRS in our accounting policies we follow internationally standardised accounting rules and can thereby provide even greater transparency.

I look forward to the year ahead with a sense of anticipation and confidence.

Caroline Bertlin
President and CEO

The Board of Directors and CEO of Nordisk Renting AB hereby submit the annual financial statements and consolidated financial statements for the financial year 1 January – 31 December 2017.

Administration Report

Nature and focus of the operation

Nordisk Renting's business concept is to offer structured leasing of properties to financially strong private and public sector business partners in the Nordic countries with a strategic interest in long-term collaborations. Nordisk Renting's product enables the customer to release capital from existing properties and secure funding for refurbishments and new constructions, while maintaining operational control and control over ownership through call options. Nordisk Renting offers both operating and finance leases.

The Group's customers mainly comprise large Nordic companies as well as states, municipalities, county authorities, and other public sector entities.

In order to offer the most competitive business solutions, Nordisk Renting conducts its business operations with limited risk exposure. This presupposes agreements with financially strong customers and business partners, often in combination with a call option to buy, enabling the customer to retain control over the property and benefit from any future growth in value. Ongoing management of the properties is carried out either by the customer or by another external party.

Nordisk Renting is headquartered in Stockholm but also has offices and personnel in Helsinki.

Owners

Nordisk Renting AB is a wholly-owned subsidiary of Strand European Holdings AB, reg. no. 556643-7785, based in Stockholm.

Strand European Holdings AB is part of the National Westminster Bank Plc group, reg. no. SC 929027, which is part of The Royal Bank of Scotland Plc group, reg. no. SC 90312, based at 36 St Andrew Square, Edinburgh EH2 2YB, UK.

Significant events during the financial year

Nordisk Renting entered into an agreement with Brødrene Dahl (part of the Saint Gobain group) to acquire a logistics property in Skien, Norway, with a value of MNOK 42.

A new agreement was signed with the Municipality of Norrköping regarding offices in an existing property. Agreements with the Municipality of Älvdalen, the Municipality of Härnösand and IF, Espoo, Finland, were renegotiated and extended. An agreement on additional finance was signed with Posti Group, Orimattila, Finland.

During the year, an agreement with SEB was renegotiated, which means that the rental relationship for the larger part of the property ceases at the mid-point of the year. A new long-term lease with SEB relating to a data centre and associated office areas begins to apply from 1 July 2018. Work on renting out the property is in progress.

The agreement with KPA has been renegotiated and ceases during 2018 and, in conjunction with this, an agreement has been reached on the financial conditions for the end of the agreement. The property is expected to continue to be fully utilised.

Properties with a book value of MSEK 68 (353) were sold. Of the 4 (5) divestments carried out during the year, 2 (3) were carried out under option agreements.

Financial Summary

Five-year overview of the Group's operation, position and financial results

	2017	2016	2015[4]	2014[4]	2013[4]
Net sales	934	873	948	1,342	1,166
Operating profit/loss	555	581	611	1,009	870
Profit after financial items	314	296	373	416	506
Balance sheet total	13,224	13,606	12,913	14,880	15,383
Equity ratio [1]	17.5%	26.0%	36.7%	34.6%	34.8%
Return on equity [2]	8.76%	6.80%	2.9%	5.8%	7.6%
Return on total assets [3]	4.3%	4.8%	6.2%	5.0%	5.6%
Average number of employees	19	17	19	15	16

(1) Adjusted equity / Balance sheet total.
(2) Profit/loss for the year / Average adjusted equity. Figures for 2015 have been adjusted for a one-off Group contribution of MSEK 220.
(3) (Profit after financial items with interest expenses added back)/Average balance sheet total.
(4) Figures for 2013-2015 have not been restated in accordance with IFRS.

Group profit

Net sales increased during the year to MSEK 934 (873) as a consequence of new and renegotiated agreements in 2016, MSEK 36, and a lump-sum payment divided into periods in accordance with an agreement on the termination of the agreement with KPA, MSEK 11.

Changes in the value of investment properties burdened profit by MSEK -226 (-156). Operational leases which are recognised as investment properties are valued according to a cash-flow model. For more information on valuation, see note 13.

Gross profit decreased during the year to MSEK 614 (630) as an effect of the above changes in profit/loss.

The profit after financial items of MSEK 314 (296) increased by MSEK 18. This is mainly explained by a higher net interest income of MSEK 80 (primarily due to cut-off costs upon premature repayment of loans in 2016 due to renegotiated agreements), lower profits from sales of MSEK -33, a lower gross profit of MSEK -16 and lower profit from participations in associated companies of MSEK -9.

The fall in profit from participations in associated companies was attributable to the acquisition of the remaining portion of equity in Airside Properties during 2016, see note 15.

Liquidity and solidity

Cash flow from operating activities amounted to MSEK 745 (464).

Non-current liabilities increased by MSEK 93 (-440). The Group's liquid assets at 31 December 2017 amounted to MSEK 468 (485) and unutilised bank overdraft facilities amounted to MSEK 250 (491).

Equity decreased to MSEK 2,309 (3,543), primarily due to a dividend of MSEK 1,500. The equity ratio amounted to 18.2 per cent (26.7) including minority shares and to 17.5 per cent (26.0) excluding minority shares.

Financing

The Royal Bank of Scotland is the company's main financier. Since the parent company is part of The Royal Bank of Scotland, of which the British government is the majority owner, the company's long-term financing is deemed to be secure.

Five-year overview of the parent company's operation, position and financial results

	2017	2016	2015[4]	2014[4]	2013[4]
Net sales	9	9	11	11	12
Operating profit/loss	-37	-37	-29	-16	-19
Profit after financial items	131	1,309	429	342	184
Balance sheet total	6,751	7,300	7,046	7,306	7,546
Equity ratio [1]	21.9%	38.7%	44.7%	46.0%	46.8%
Return on equity [2]	7.3%	98.8%	11.3%	8.8%	5.3%
Return on total assets [3]	5.2%	41.2%	16.1%	8.7%	5.8%
Average number of employees	16	14	15	12	14

(1) Adjusted equity / Balance sheet total.
(2) Profit/loss for the year / Average adjusted equity. Figures for 2015 have been adjusted for a one-off Group contribution of MSEK 220.
(3) (Profit after financial items with interest expenses added back)/Average balance sheet total.
(4) Figures for 2013–2015 have not been restated in accordance with IFRS.

Parent company profit

Profit for the year after financial items of MSEK 131 (1,304) decreased by MSEK 1,173 compared to the previous year. The decrease was explained by a dividend from a subsidiary in 2016.

Significant risks and uncertainties

The company's operation, financial results and position are affected by business risks, operational risks and financial risks. As a wholly-owned subsidiary within The Royal Bank of Scotland, Nordisk Renting fulfils all applicable regulatory requirements.

More prominent business risks are changes in the value of the property holdings, as well as loss of income when premises stand vacant. These are mitigated primarily by the Group entering into long-term leases with financially strong parties, which have a strategic interest in the property.

All of the Group's properties are insured at full value, or at an estimated replacement cost.

The Group's operational risks are managed within the framework of The Royal Bank of Scotland's Group-wide risk programme, which entails the company's internal control environment being tested and assessed on a quarterly basis.

Financial risks refer primarily to interest rate, exchange rate and liquidity risk and are dealt with as defined in the financial and risk policy adopted by the Board. For further information about handling financial risks, see Note 4.

Anticipated future development

Nordisk Renting's main business focus remains unchanged, and the company expects to be able to consolidate its position on the market in 2018. Nordisk Renting's ambition is to grow by creating long-term sustainable solutions for new and existing customers alike.

Financial instruments

Information regarding the company's financial instruments, goals and applied policies for financial risk management, along with a description of applying hedge accounting, can be found in Note 4 Derivatives and financial instruments. The note also contains disclosures and a description of risks.

Non-financial disclosures

Personnel

Nordisk Renting is part of The Royal Bank of Scotland's Group-wide equality plan. The Group works for diversity in all areas.

Sustainability report

As far as the sustainability report is concerned, reference is made to the parent company's report which is available on the RBS website, rbs.com/rbs/sustainability.html

Proposed distribution of profits (SEK)

Parent company	
The following earnings are at the disposal of the Annual General Meeting:	1,166,240,025
Profit brought forward from previous year	156,271,780
Profit for the year	**1,322,511,805**
The Board and the Chief Executive Officer propose that:	
be paid to the shareholders as a dividend	256,269,000
be carried forward	1,066,242,805
	1,322,511,805

The Board's statement pursuant to Chapter 18 Section 4 of the Companies Act on the proposed dividend

The Board considers the proposed distribution of profits to be justifiable taking into consideration the requirements which the nature, scope and risks of the operation, both with regard to the company and the Group, place on the size of the equity, and the company's and the Group's consolidation requirements, liquidity and position in general. The Group's equity ratio is reduced from 17.5 per cent to 15.5 per cent (if the dividend had taken place at the end of the year).

For further information on the parent company's and the Group's results and position, refer to the following income statements and balance sheets, to the equity statements, cash flow statements and notes. All amounts are in thousands of SEK unless otherwise stated.

Consolidated Income Statement

(KSEK)	Note	01/01/2017 31/12/2017	01/01/2016 31/12/2016
Net sales	5, 6	934,305	872,714
Changes in fair value of investment properties		-226,133	-156,024
Property and operating expenses		-94,154	-86,734
Gross profit		**614,018**	**629,956**
Central administrative expenses	6	-59,064	-61,239
Other operating income		207	2,679
Profit from participations in associated companies	15	–	9,263
Operating profit/loss	7, 8, 9, 17	**555,161**	**580,659**
Profit from financial investments			
Other interest income and similar income	10	16,222	11,330
Interest expenses and similar expenses	11	-265,041	-340,154
Profit/loss from sale of finance leases		1,988	35,436
Change in fair value of financial derivatives		5,430	8,872
Profit after financial items		**313,760**	**296,143**
Tax on profit for the year	12	-57,491	-14,683
Profit for the year		**256,269**	**281,460**
Consolidated statement of comprehensive income			
Profit for the year		**256,269**	**281,460**
Other comprehensive income			
Items that will be reclassified to profit/loss for the year			
Translation difference, foreign operations		28,170	71,863
Hedging of foreign investment		-18,662	-49,449
Total other comprehensive income		**9,508**	**22,414**
Consolidated comprehensive income		**265,777**	**303,874**

Consolidated balance sheet

(KSEK)	Note	31/12/2017	31/12/2016	01/01/2016
Non-current assets				
Property, plant and equipment				
Investment property	13	10,993,927	11,029,051	10,435,738
Equipment	14	2,318	1,826	2,191
		10,996,245	**11,030,877**	**10,437,929**
Other non-current assets				
Participations in associated companies	15	–	–	249,527
Deferred tax asset	16	1,164	1,482	1,551
Finance leases	17	1,552,147	1,702,509	1,669,821
Other long-term receivables		–	4,410	4,898
		1,553,311	**1,708,401**	**1,925,797**
Total non-current assets		**12,549,556**	**12,739,278**	**12,363,726**
Current assets				
Accounts receivable		49,926	61,314	39,739
Tax receivables		36,071	25,470	39,813
Other receivables		94,224	255,847	103,676
Prepaid expenses and accrued income	18	26,325	39,428	42,334
		206,546	**382,059**	**225,562**
Liquid funds		**467,715**	**484,600**	**547,080**
Total current assets		**674,261**	**866,659**	**772,642**
Total assets		**13,223,817**	**13,605,937**	**13,136,368**

Consolidated balance sheet

(KSEK)	Note	31/12/2017	31/12/2016	01/01/2016
Shareholders' equity and liabilities				
Equity				
Share capital		129,600	129,600	129,600
Additional paid-in capital		25,980	25,980	25,980
Profit brought forward including profit for the year		2,153,579	3,387,802	4,583,686
Equity attributable to shareholders of the parent company		**2,309,159**	**3,543,382**	**4,739,266**
Holdings with no controlling interest		**93,001**	**94,001**	**94,001**
Total equity		**2,402,160**	**3,637,383**	**4,833,267**
Non-current liabilities				
Liabilities to Group companies	19	5,735,538	5,725,894	5,239,227
Deferred tax liability		127,444	154,148	204,965
Other non-current liabilities	16	15,188	15,219	15,250
Financial derivatives		160,216	236,161	231,796
		6,038,386	**6,131,422**	**5,691,238**
Current liabilities				
Liabilities to credit institutions		–	–	1,006,583
Accounts payable		230	5,413	189
Liabilities to Group companies		4,384,383	3,457,327	1,306,930
Other current liabilities		47,580	45,684	47,140
Accrued expenses and deferred income	20	351,078	328,708	251,021
		4,783,271	**3,837,132**	**2,611,863**
Total shareholders' equity and liabilities		**13,223,817**	**13,605,937**	**13,136,368**

Consolidated Statement of Changes in Equity

(KSEK)	*Equity attributable to shareholders of the parent company*						
	Share capital	**Additional paid-in capital**	**Translation reserve**	**Other equity incl. profit for the year**	**Total equity attributable to shareholders of the parent company**	**Holdings with no controlling interest**	**Total equity**
Opening balance at 1 January 2017	**129,600**	**25,980**	**8,039**	**3,379,763**	**3,543,382**	**94,001**	**3,637,383**
Profit for the year				256,269	256,269		256,269
Other comprehensive income							
Translation difference, foreign operations			34,610	-6,440	28,170		28,170
Hedging of foreign investment			-35,130	0	-35,130		-35,130
Tax effect of hedging of foreign investment			16,468	0	16,468		16,468
Total changes in value	**–**	**–**	**15,948**	**-6,440**	**9,508**	**–**	**9,508**
Change in holdings with no controlling interest						-1,000	-1,000
Transactions with shareholders:							
Dividends				-1,500,000	-1,500,000		-1,500,000
Total transactions with shareholders	**–**	**–**		**-1,500,000**	**-1,500,000**	**–**	**-1,500,000**
Closing balance at 31 December 2017	**129,600**	**25,980**	**15,248**	**2,129,592**	**2,309,159**	**93,001**	**2,402,160**

Holdings with no controlling interest relate to capital invested by external limited partners.

(KSEK)	*Equity attributable to shareholders of the parent company*						
	Share capital	**Additional paid-in capital**	**Translation reserve**	**Other equity incl. profit for the year**	**Total equity attributable to shareholders of the parent company**	**Holdings with no controlling interest**	**Total equity**
Opening balance at 1 January 2016	**129,600**	**25,980**	**-12,399**	**4,596,327**	**4,739,508**	**94,001**	**4,833,509**
Profit for the year				281,460	281,460		281,460
Other comprehensive income							
Translation difference foreign operations			69,887	1,976	71,863		71,863
Hedging of foreign investment			-63,396	0	-63,396		-63,396
Tax effect of hedging of foreign investment			13,947	0	13,947		13,947
Total changes in value	**–**	**–**	**20,438**	**1,976**	**22,414**	**–**	**22,414**
Transactions with shareholders:							
Dividends				-1,500,000	-1,500,000		-1,500,000
Total transactions with shareholders	–	–		-1,500,000	-1,500,000	–	-1,500,000
Closing balance at 31 December 2016	**129,600**	**25,980**	**8,039**	**3,379,763**	**3,543,382**	**94,001**	**3,637,383**

Holdings with no controlling interest relate to capital invested by external limited partners.

Consolidated Cash Flow Statement

(KSEK)	Note	2017	2016
Operating activities			
Profit after financial items		313,760	296,143
Adjustments for items not included in the cash flow:			
Change in value of financial assets		44,454	21,510
Change in value of management properties	9	226,133	156,024
Depreciation of equipment	9	657	478
Unrealised exchange rate differences		-361	-12,370
Share in profit of associated companies		–	-109,263
Income tax paid		-76,733	-28,678
Cash flow from operating activities before changes in working capital		**507,910**	**323,844**
Cash flow from changes in working capital			
Decrease (+)/increase (-) in current receivables		150,498	83,416
Decrease (-)/increase (+) in current liabilities		86,662	56,582
Cash flow from operating activities		**745,070**	**463,842**
Investing activities			
Acquisition of investment properties		–	-587,059
Sale of investment properties		1,845	140,656
Acquisition of financial assets		–	-263,737
Sale of financial assets		68,614	272,290
Acquisition of equipment, fixtures and fittings	14	-1,146	-107
Share in profit of associated companies	15	–	100,000
Cash flow from investing activities		**69,313**	**-337,957**
Financing activities			
Loans raised		1,209,430	2,889,050
Loan repayments		-542,188	-1,581,886
Dividend paid		-1,500,000	-1,500,000
Cash flow from financing activities		**-832,758**	**-192,836**
Cash flow for the year		**-18,375**	**-66,951**
Cash and cash equivalents at beginning of year		**484,600**	**547,080**
Exchange rate differences in cash and cash equivalents		**1,490**	**4,471**
Cash and cash equivalents at end of year		**467,715**	**484,600**
Supplementary disclosures			
Interest paid		**-303,369**	**-281,672**
Interest received		**16,644**	**10,034**

Notes for the Group

Note 1 General information

These annual financial statements and consolidated financial statements include the Swedish parent company Nordisk Renting AB, with reg. no. 556066-2578, registered in Sweden with head office in Stockholm. The Group's business consists of acquiring, owning and – alongside the customer – refining properties for long-term leasing to financially strong private and public sector business partners in the Nordic region which have a strategic interest in long-term cooperation.

The parent company of the largest group in which Nordisk Renting is a subsidiary is The Royal Bank of Scotland plc, org. no. SC 90312, with headquarters at 36. St Andrew Square, Edinburgh EH2 2YB, Scotland, UK. The foreign parent company's consolidated accounts can be obtained via Nordisk Renting AB.

Basis for the consolidated financial statements

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and statements on interpretation from the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU). The Group also applies the Swedish Annual Accounts Act (1995:1554) and *Rådet för finansiell rapportering* [Financial Accounting Standards Council] recommendation RFR 1 regarding "Supplementary Accounting Rules for Groups".

The accounting policies specified below have, unless otherwise stated, been applied consistently to all periods presented in the consolidated financial statements.

These are the first consolidated financial statements in accordance with IFRS and the Group applied IFRS 1 "First-time Adoption of International Financial Reporting Standards" when preparing these financial statements. The transition to IFRS is described in more detail in note 25, Transition to IFRS.

Assets and liabilities have been based on historical cost unless otherwise stated below.

Note 2 Accounting policies and valuation principles

The consolidated accounts include the parent company Nordisk Renting AB and those companies over which the parent company directly or indirectly has a controlling interest (subsidiaries). A controlling interest entails the right to formulate another company's financial and operational strategies with the purpose of obtaining financial advantages. When assessing whether any controlling interest exists, consideration should be paid to the possession of financial instruments which may potentially give a right to vote, and which may without delay be utilised or converted to equity instruments which give a right to vote. Account should also be taken of whether the company has the possibility to govern the operation through an agent. A controlling interest normally exists when the parent company directly or indirectly holds shares that represent more than 50 per cent of the votes.

The income and expenses of a subsidiary company are included in the consolidated accounts from the time of acquisition until such a time as the parent company no longer has a controlling interest over the subsidiary. See the section headed 'Business combinations' below for recognition of the acquisition and divestment of subsidiaries.

All intra-Group transactions, dealings and unrealised gains and losses attributable to intra-Group transactions have been eliminated in preparing the consolidated accounts.

Currency

The functional currency is the currency in the primary economic environments in which the companies carry on their activities. The functional currency for the parent company is SEK, which is the accounting currency for the parent company and the Group. All amounts are stated in thousand SEK unless otherwise specified.

Classification

Non-current assets and non-current liabilities consist, in substance, of amounts expected to be recovered or paid after more than twelve months, calculated from the closing day. Current assets and current liabilities consist, in substance, of amounts expected to be recovered or paid within twelve months, calculated from the closing day.

Business combinations

Business combinations are recognised using the acquisition method.

The purchase sum for the business combination is measured at fair value at the time of acquisition, which is calculated as the sum of the fair values at the time of acquisition for transferred assets, incurred or assumed liabilities, and issued equity instruments and expenditure directly related to the business combination. The purchase sum also includes fair value at the time of acquisition for the assets or liabilities that are the result of contingent consideration provided that, at the time of acquisition, it is probable that the purchase sum will be adjusted at a later point in time and that the amount can be estimated in a reliable manner. The cost for the acquired unit is adjusted on the closing day and when the final purchase sum is established, although no later than one year after the time of acquisition.

A provision pertaining to expenditure for restructuring the acquired unit's operation is included in the acquisition analysis only to the extent that the acquired unit meets the conditions for reporting a provision even before the time of acquisition.

Goodwill and negative goodwill

In the case of business combinations where the total of the purchase sum, fair value of minority shares and fair value at the time of the acquisition of former shareholdings exceeds the fair value at the time of acquisition of recognisable acquired net assets, the difference is recognised as goodwill in the consolidated balance sheet. If the difference is negative, the value of recognisable assets and liabilities should be reviewed. Negative goodwill which corresponds to anticipated future losses is taken up as income as the losses arise.

Changes in shareholdings

The acquisition or sale of participations in companies that are subsidiaries both before and after the change are recognised as a transaction between owners, and the effect of the transaction is reported directly in equity.

When the parent company loses a controlling interest over a subsidiary, all participations are deemed sold and the profit or loss that arises from the sale is recognised in the consolidated income statement. If any participations remain after the sale, they are recognised as per chapter 11 on financial instruments measured based on cost, or chapter 14 on associated companies. The cost is the fair value at the time of selling.

No acquisitions have been classified as business combinations.

Asset purchases

An asset purchase exists if the acquisition refers to assets (e.g. properties) but does not include the organisation and processes required to carry on the business.

Since the acquisition of a Group company does not relate to the acquisition of the business, but the acquisition of assets, e.g. in the form of properties, the cost of the acquired net assets is distributed in the acquisition analysis. Transaction expenses are added to the cost of acquired net assets in the case of asset purchases, and changes in conditional payments after the acquisition are added to the cost of acquired assets.

Segment reporting
The business is not divided into different segments. Instead, the business of the entire Group is seen as one segment.

Income
Income is recognised at the fair value of the payment that is or will be received, with deductions for value-added tax, discounts, returns and similar.

The Group's income primarily comprises lease income from leases; see also below under Leases. All income from leases, whether finance or operating, is recognised in net sales.

Dividend and interest income
Dividend income is recognised when the owner's right to receive payment has been established.

Interest income is recognised over the interest term, applying the effective interest method. The effective interest is the interest that makes the present value of all future inward and outward payments during the fixed interest term equal to the carrying amount of the receivable.

Lease agreements
A finance lease is one in which the financial risks and benefits associated with owning an asset are in all essentials transferred from the lessor to the lessee. Other leases are classified as operating leases.

The Group as lessee
The Group only has operating leases where the Group is the lessee. Leasing fees for operating leases are expensed on a straight line basis over the lease term, unless another systematic approach better reflects the user's economic benefit over time.

The Group as lessor
On initial recognition, the lessor recognises a finance lease as a receivable in the balance sheet. The recognised amount corresponds to the net investment in the lease agreement. The net investment is equal to the leased object's fair value, as the agreement is entered into including any direct expenses that arise from entering into the agreement. The lessor distributes the financial income from a finance lease in such a way that an equal return is obtained in each period of the company's net investment.

Leasing income from operating leases is taken up as income on a straight line basis over the lease term, unless another systematic approach better reflects how the economic benefits attributable to the object decrease with time.

Foreign currencies
Translation of items in foreign currencies
On each closing day, monetary items in foreign currencies are translated at the exchange rate on the closing day. Non-monetary items, which are measured at historical cost in a foreign currency, are not translated. Exchange rate differences are recognised in operating profit/loss or as a financial item based on the underlying business event, in the period they arise, the exception being transactions comprising hedges which fulfil the conditions for hedge accounting of cash flows or net investments.

Net investments in foreign operations
A monetary item which is a receivable or liability in a foreign operation, where settlement is neither planned nor likely in the foreseeable future, is deemed to be a part of the Group's net investment in the foreign operation. Exchange rate differences relating to monetary items that are a part of the company's net investment in foreign operations and which are measured based on cost are recognised in the Group's translation reserve as equity. On divestment of a net investment in foreign operations, the exchange rate difference is recognised in the income statement.

Translation of subsidiaries and foreign operations
When preparing the consolidated accounts, the assets and liabilities of foreign subsidiaries are translated into SEK at the exchange rate on the closing day. Income and expense items are translated at the average exchange rate for the period, unless the rate has fluctuated significantly during the period, whereby the rate on the transaction date is used. Any translation differences that arise are recognised in equity and transferred to the Group's translation reserve. On divestment of a foreign subsidiary, such translation differences are recognised in the income statement as part of the capital gain/loss.

Loan expenses
Loan expenses relating to borrowed capital attributable to the purchase, design or production of an asset that takes considerable time to complete before it can be used or sold are included in the asset's cost, until such time as the asset is completed and ready for its intended use or sale.

Other loan expenses are recognised in the income statement in the period they arise.

Remuneration to employees
Remuneration to employees in the form of pay, bonuses, paid holiday, paid sick leave etc., as well as pensions, is recognised as it is earned. Pensions and other remuneration to employees after the end of employment are classified as defined contribution or defined benefit pension plans. In all essentials, the Group has defined contribution pension plans. There are no other forms of long-term remuneration to employees.

Defined contribution plans
With defined contribution plans, the Group pays set fees to a separate, independent legal entity and has no obligation to pay further fees. The Group's accounts are expensed as the benefits are earned, which generally coincides with the time at which premiums are paid.

Income tax
The tax expense is the total of current tax and deferred tax.

Current tax
Current tax is calculated from the taxable income for the period. Taxable income differs from the profit reported in the income statement, as it has been adjusted for non-taxable income and non-deductible expenses, and for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated based on the tax rates in force on the closing day.

Deferred tax
Deferred tax is recognised for temporary differences between the carrying amount of assets and liabilities in the financial statements, and the taxable value used when calculating the taxable income. Deferred tax is recognised using the balance sheet method. Deferred tax liabilities are recognised for virtually all taxable temporary differences, but excluding acquired temporary differences in connection with asset purchases. Deferred tax liabilities are recognised for virtually all tax-deductible temporary differences, to the extent that it is likely that the amounts can be used towards future taxable surpluses. Deferred tax liabilities and tax assets are not recognised if the temporary difference is attributable to goodwill.

Deferred tax liability is recognised for taxable temporary differences attributable to investments in subsidiaries, except in cases where the Group can control the time for reversing the temporary differences and it is not obvious that the temporary difference will be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on each closing day and reduced to the extent that it is no longer likely that sufficient taxable income will be available for use, in whole or in part, towards the deferred tax asset.

The measurement of deferred tax is based on how the company, on the closing day, is expected to recover the carrying amount for the corresponding asset, or clear the carrying amount for the corresponding liability. Deferred tax is calculated based on the tax rates and tax rules that have been decided before the closing day.

Deferred tax assets and tax liabilities are offset when they refer to income tax charged by the same tax authority, and when the Group intends to settle the tax with a net amount.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the income statement, except when the tax is attributable to transactions recognised directly in equity. In such cases, the tax too should be recognised directly in equity. For current and deferred tax arising when recognising business combinations, the tax effect should be reported in the acquisition calculation.

Investment property
Properties are initially recognised at cost. In the Group, the properties are then measured at fair value in accordance with the method described below. Expenses incurred for new construction, extension or rebuilding of properties are recognised as new installations in progress until the project has been completed and a final inspection has been carried out. The work relating to regular maintenance, maintenance actions in conjunction with rebuilding and tenant adaptations are capitalised since they are regarded as increasing the value. Increasing the value means that the action must provide a future economic benefit compared to the situation prior to the action and must therefore affect the market value.

IAS 40 is applied and the holding is measured at fair value. Revaluation takes place during the financial year and is recognised on the basis of the internal valuations. For a description of valuation methods, also see note 13. For considerations, etc. regarding valuation of properties, also see note 3. Any deduction regarding deferred tax from purchases of properties via a company (asset purchases) received in addition to recorded tax in a purchased company is recognised net against fair value on purchased property both upon acquisition and in subsequent accounts.

Buildings being constructed for future use as investment properties are recognised at fair value in accordance with IAS 40 with a deduction for remaining investment. Interest expenses relating to specific financing of larger new construction, extension and rebuilding of properties are capitalised until the project has been completed and the final inspection has been carried out. The basis of the valuation consists of assessments of future cash flows and the possible price level expected to be achieved in a transaction between knowledgeable parties on market conditions. Properties that have not been completed are nevertheless slightly more difficult to value than existing properties because the final cost and the process up to when a functional/rented property is achieved can only be estimated.

Machinery and equipment
Machinery and equipment have been recognised at cost with a deduction for accumulated depreciation according to plan and any impairments Machinery and equipment are subject to straight-line depreciation according to plan.

Derecognition
The carrying amount of property, plant and equipment is removed from the balance sheet in the event of scrapping or disposal or when no future economic benefits are anticipated from the use or scrapping/disposal of the asset. The profit or loss arising when property, plant and equipment is removed from the balance sheet is the difference between what may be received, net of deductions for direct selling costs, and the carrying amount of the asset. The capital gain or loss arising when property, plant and equipment is removed from the balance sheet is recognised in the income statement under other operating income or other operating expenses.

Financial instruments
A financial asset or liability is recognised in the balance sheet when the Group becomes a party to the contractual terms of the instrument. A financial asset is derecognised from the balance sheet when the contractual right to the cash flow from the asset ceases or is settled, or when the Group loses control over it. A financial liability, or part of a financial liability, is derecognised from the balance sheet when the contractual obligation is fulfilled or ceases in some other way.

On initial recognition, current assets and current liabilities are measured at cost. Long-term receivables and non-current liabilities are measured at amortised cost on initial recognition. Loan expenses are distributed over a period of time as part of the loan's interest expense according to the effective interest method (see below).

After initial recognition, current assets are measured at the lower of cost and net selling price on the closing day. Current liabilities are measured at the nominal amount.

Amortised cost
Amortised cost refers to the amount at which the asset or liability is initially recognised with deductions for repayments, additions or deductions for accumulated distribution over a period of time according to the effective interest method of the initial difference between the paid/received amount, and the amount to pay/receive on the due date, and with deductions for impairment.

The effective interest is the interest which, when discounting all future anticipated cash flows over the anticipated term, results in the initial carrying amount for the financial asset or financial liability.

Derivative instruments
The Group enters into derivative transactions with the aim of managing currency and interest risks. Derivative instruments are recognised at fair value.

Hedge accounting
The Group applies hedge accounting for transactions that entail a currency or interest risk.

The Group has interest swaps to hedge the interest risk associated with finance leases that have a fixed interest rate in a particular currency. Paid and received interest on hedging instruments is recognised in the same period as the interest on the hedged item. The hedged item is reassessed if there is an opposite change in value in the hedging instrument, both in the balance sheet against the hedged item and in the income statement.

The Group uses currency futures and loans in foreign currencies to hedge net investments in foreign currency. The hedging instrument is recognised at the closing day rate in the consolidated accounts. The effective portion of the reassessments is recognised directly in equity. The remainder is recognised in the income statement. The hedged item is not reassessed if there is an opposite change in value in the hedging instrument. Premiums paid or received when the hedging instrument is acquired are to be distributed over the term of the hedging instrument.

Impairment of financial assets
On each closing day, the Group assesses whether there is any indication that one or more financial assets have decreased in value. Such indications might for example be significant financial difficulties on the counterparty's part, breach of agreement, or a likelihood that the counterparty will go bankrupt.

The impairment is calculated as the difference between the asset's carrying amount and the higher of fair value less selling costs and the present value of the company management's best opinion of the future cash flows the asset is expected to bring.

Liquid funds
Cash and cash equivalents include cash on hand anddemand deposits with banks and other credit institutions, as well as other short-term liquid investments that can readily be converted into cash and are subject to an insignificant risk of fluctuation in value. To be classified as cash and cash equivalents, the term may not exceed three months from the time of the acquisition.

Provisions
Provisions are recognised when the Group has an existing obligation (legal or informal) as a result of an event which has taken place, where it is probable that an outflow of resources will be necessary to settle the commitment and the amount can be estimated in a reliable way.

A provision is reassessed on each closing day and adjusted so that it reflects the best approximation of the amount required to settle the existing commitment on the closing day, taking account of risks and uncertainties associated with the commitment. When a provision is calculated by estimating the payments that are expected to be necessary to settle the commitment, the carrying amount corresponds to the present value of these payments.

Where a part or the whole of the amount needed to settle a provision is expected to be paid by a third party, this compensation is to be reported separately as an asset in the consolidated balance sheet when it is as good as certain that it will be received if the company settles the commitment and the amount can be calculated in a reliable way.

Contingent liabilities
A contingent liability is a possible commitment arising from events that have taken place, and the existence of which will only be confirmed by one or more uncertain future events, that are not entirely within the company's control, occurring or failing to occur, or an existing commitment arising from events that have taken place, but which is not recognised as a liability or provision since it is not likely that an outflow of resources will be required to settle the commitment, or the scale of the commitment cannot be calculated with sufficient reliability.

Contingent assets
A contingent asset is a possible asset arising from events that have taken place, and the existence of which will only be confirmed by one or more uncertain future events, that are not entirely within the company's control, occurring or failing to occur. A contingent asset is not recognised as an asset in the balance sheet.

Cash flow statement
The cash flow statement shows the Group's changes in cash and cash equivalents during the financial year. The cash flow statement has been prepared using the indirect method. The recognised cash flow only includes transactions that have involved disbursements or receipts of cash.

Information on future standards
A number of new standards and interpretations are mandatory for application only in future financial years and have not been applied when preparing these financial statements. There are no plans to apply new features or changes with future application prematurely. The IFRS standards that are expected to have an effect on the consolidated financial statements or that may have an effect in future are described below.

IFRS 9 Financial Instruments
IFRS 9 includes recognition of financial assets and liabilities and replaces IAS 39 Financial instruments; Recognition and measurement. The standard enters into force on 1 January 2018. As with IAS 39, financial assets are classified in different categories, with some being measured at amortised cost and others being measured at fair value. IFRS 9 nevertheless introduces categories other than those existing in IAS 39. IFRS 9 also introduces a new model for impairment of financial assets. For financial liabilities, IFRS 9 largely coincides with IAS 39. For liabilities recognised at fair value, the part of the actual change in value that relates to own credit risk must nevertheless be recognised in other comprehensive income instead of in profit/loss, as long as this does not give rise to inconsistencies in the financial statements. IFRS 9 also introduces partially changed criteria for hedge accounting. Nordisk Renting considers that the standard will have no substantial effect on the company's financial statements.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 replaces all previously issued standards and interpretations that deal with revenues and enters into force on 1 January 2018. The standard introduces a combined model for revenue accounting according to which revenue is recognised when goods or services have been transferred to a customer. This can take place over time or at a point in time. The revenue consists of the amount that the company expects to receive as payment for the goods or services. The Group's income solely comprises lease income not encompassed by IFRS 15 but by IAS 17 (in future by IFRS 16). The company thus deems that the standard will not have any material effect on the financial statements.

IFRS 16 Leases
The standard enters into force on 1 January 2019 and replaces IAS 17 Leases and associated interpretations. It requires the lessee to recognise assets and liabilities relating to all leases with the exception of agreements shorter than 12 months and/or that relate to small amounts. The accounting for the lessor will remain essentially unchanged. For Nordisk Renting, this will primarily affect the recognition of site leasehold agreements. Since the Group has only very few site leaseholds, the impact on the financial statements is expected to be limited.

Note 3 Significant accounting estimates

Preparation of the financial statements in accordance with IFRS and generally accepted accounting standards requires assessments and assumptions to be made that affect assets, liabilities, revenues and costs and other information entered in the accounts. These assessments and assumptions are based on historical experience and other factors that are considered to be reasonable under the prevailing circumstances. The actual outcome may differ from these assessments if other assumptions are made or other conditions exist.

The financial statements are particularly sensitive to the assessments and assumptions contained in the valuation of investment properties. Information on this and the assumptions and assessments made is set out in note 13.

One substantial question for assessment in the accounts is how deferred tax relating to temporary differences must be treated in the consolidated financial statements. Nordisk Renting uses the balance sheet method for recognition of deferred tax on temporary differences that arise between the value of assets and liabilities for tax purposes and their carrying amounts in the consolidated financial statements. This means that there is a tax liability or tax asset in the balance sheet that is realised on the date when the asset or liability is sold. Temporary differences exist primarily for properties, financial instruments and tax allocation reserves. An exception for recognition of deferred tax according to the balance sheet method is made for temporary differences occurring upon initial recognition of assets and liabilities consisting of asset purchases.

Note 4 Derivatives and financial instruments

The Group has derivative contracts in the form of interest swaps and currency futures.

Currency risk
Currency risk refers to the risk that the fair value or future cash flows fluctuate as a result of altered exchange rates.
The Group has operations on several geographical markets and in several currencies, and is therefore exposed to currency risk. Exposure to currency risks originates partly in payment flows in foreign currencies (transaction exposure), translation of balance sheet items in foreign currencies (currency exposure), and when translating the income statements and balance sheets of foreign subsidiaries to the Group's presentation currency, which is the Swedish krona or SEK (translation exposure).

The Group's in and outflows primarily consist of SEK and EUR. The Group is therefore affected by fluctuations in these currencies' exchange rates to a limited extent. The Group does not hedge cash flows in foreign currencies.

The balance exposure primarily relates to EUR and NOK. The currency exposure in the balance sheet is not hedged. However, parts of the exposure below comprise hedging instruments. The Group's and the parent company's balance exposure is outlined below:

Currency	31/12/2017	31/12/2016
KEUR	465	1,198
KNOK	11,378	3,782
KDKK	6,196	457

The Group's holdings in foreign operations means that net assets are exposed to currency risks. Currency exposure for net investments in foreign currencies is managed partly through borrowing and partly through entering into forward agreements in the same currencies as the net investments. These instruments are identified as hedging of net investments. The Group's translation exposure is outlined below:

Currency	31/12/2017	31/12/2016
KEUR	138,409	132,792
KNOK	464,627	434,349
KDKK	113,554	108,184

The external loans used to hedge net assets in NOK amount to KNOK 355,966 (356,589) on the closing day. The internal loans used to hedge net assets in EUR amount to KEUR 0 (0) on the closing day. The internal loans used to hedge net assets in DKK amount to KDKK 87,108 (87,108) on the closing day. The Group's holding of currency futures used to hedge net assets in EUR amounts to KEUR 137,963 (131,613) on the closing day. The Group's holding of currency futures used to hedge net assets in NOK amount to KNOK 97,500 (72,500). The Group's holding of currency futures used to hedge net assets in DKK amounts to KDKK 20,000 (15,000) on the closing day.

Interest rate risk
Interest risk refers to the risk that the fair value or future cash flows will fluctuate as a result of altered market rates of interest. The Group is primarily exposed to interest risk through its rental income for finance leases. Some of the leases are subject to variable interest while others have fixed interest. The latter include both fixed interest and fixed rent in the respective currency (SEK, EUR and NOK).

For leases with variable interest the Group has variable financing, which means an economic hedge where the interest risk in the rent matches the interest risk in the variable borrowing.

For lease agreements with either fixed interest or fixed rent in the respective currency, the Group has an interest risk and has therefore entered into interest swap agreements. On the closing day the Group had interest swap agreements with a nominal amount of KSEK 77,277 (80,113) and KEUR 49,520 (51,527). Hedge accounting is applied.

The Group is also affected by altered market rates of interest as a result of the derivative instruments held to hedge the currency exposure (see above).

CPI or inflation risk
CPI or inflation risk refers to the risk that future cash flows will fluctuate as the result of an altered CPI. Some lease agreements contain CPI clauses, which means the level of rent is calculated based on the CPI index. All agreements have a clause meaning that the figure cannot go below a base index. New agreements also have a clause containing a lowest adjustment.

Liquidity risk
Liquidity risk refers to the risk that the Group has problems meeting its commitments relating to its financial liabilities. Since the parent company is part of The Royal Bank of Scotland, of which the British government is the majority owner, the liquidity risk is not deemed to be significant.

Credit risk
Credit risk refers to the risk that the counterparty in a transaction causes the Group a loss by not fulfilling its contractual obligations. The Group's exposure to credit risk can primarily be attributed to accounts receivable and positive derivatives.

Fair value of derivatives
Market interest rates for each term listed at year-end and generally-accepted calculation methods are used to establish fair value on interest rate derivatives, which means that fair value is established in accordance with level 2 in IFRS 13. The carrying amount is based on valuations from bank counterparties and is checked against an internal valuation based on observable market data.

Fair value of derivatives identified as hedging instruments

	31/12/2017	31/12/2016
Currency futures	-3,531	24,133
Hedging of net investments		
Interest swaps	-160,216	-189,011
Hedging of interest risk		
CPI swaps	–	-49,305
Hedging of inflation risk		
Total	**-163,747**	**-214,183**

Below is a table showing the various categories of financial instruments in the Group's balance sheet

MSEK	Loan receivables and accounts receivable 2017	2016	Financial liabilities measured at fair value through profit or loss 2017	2016	Derivatives used in hedge accounting 2017	2016	Financial liabilities measured at amortised cost 2017	2016
Assets								
Accounts receivable	50	61						
Other receivables	130	281						
Prepaid expenses and accrued income	26	39						
Liquid funds	468	485						
Liabilities								
Interest rate derivatives			160	189				
Inflation derivatives				49				
Currency derivatives					3,531	-24,133		
Non-current liabilities							5,746	5,630
Accounts payable							0	5
Other liabilities							4,565	3,757
Accrued expenses and deferred income							351	329
Total	**674**	**866**	**160**	**238**	**3,531**	**-24,133**	**10,662**	**9,721**

Financial instruments such as rent receivables, accounts payable etc. are recognised at amortised cost less any impairment, which is why the fair value is deemed to tally with the carrying amount. The cost of non-current liabilities tallies with fair value.

Note 5 Break-down of net sales

Net sales by geographic market	2017	2016
Sweden	388,880	364,558
Norway	59,581	62,446
Finland	470,846	428,469
Denmark	14,998	17,241
Total	**934,305**	**872,714**

Note 6 Purchases and sales within the same group

	2017	2016
Purchases	14.6%	19.3%
Sales	0.6%	1.0%

Purchases and sales within the same corporate group relate to administration carried out by personnel employed in another part of the group.

Note 7 Information on payments to auditors

	2017	2016
Ernst & Young AB		
audit engagement	2,318	2,420
other services	466	152
Total	**2,784**	**2,572**

Audit engagement refers to the auditor's remuneration for the statutory audit. This includes auditing the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and CEO, as well as fees for audit advice provided in connection with the audit engagement.

Audit services in addition to audit engagement refer to other quality assurance services that are to be performed in accordance with statutes, the company's articles of association, regulations or agreements.

Other services refer to expenses not classified as audit engagement, audit services in addition to audit engagement or tax advice.

Note 8 Number of employees, salaries, other remuneration and social insurance costs

Average number of employees	2017 Number of employees	2017 Of whom men	2016 Number of employees	2016 Of whom men
Parent company				
Sweden	16	10	14	7
Total in parent company	**16**	**10**	**14**	**7**
Subsidiaries				
Finland	3	1	3	1
Total in subsidiaries	**3**	**1**	**3**	**1**
Total in Group	**19**	**11**	**17**	**8**

The Nordisk Renting group acquires, under an agreement, services in areas such as management, finance, business communications and HR from The Royal Bank of Scotland plc in the Nordic region. The acquired services equate to around four man years. Three of the persons that provided services (including the CEO) form part of the company's management team.

Salaries, other remuneration etc.	2017 Salaries and other remuneration	2017 Payroll overheads (of which pension costs)	2016 Salaries and other remuneration	2016 Payroll over-heads (of which pension costs)
Parent company	15,095	8,509	17,418	8,512
		(2,923)		(2,948)
Subsidiaries	3,324	913	1,763	580
		(772)		(562)
Total in Group	**18,419**	**9,422**	**19,181**	**9,092**
		(3,695)		**(3,510)**

Distribution of salaries and other remuneration between Board members and employees	2017 Board of Directors and CEO (of which bonuses and similar)	2017 Other employees	2016 Board of Directors and CEO (of which bonuses and similar)	2016 Other employees
Parent company	995	14,100	825	16,593
	(0)	(957)	(0)	(1,987)
Subsidiaries	–	3,324	–	1,763
Total in Group	**995**	**17,424**	**825**	**18,356**
	(0)	**(957)**	**(0)**	**(1,987)**
Salaries and other remuneration to the CEO and Board members	**Salaries and remuneration**	**Of which bonuses**	**Payroll overheads**	**Of which pension costs**
Board of Directors	995	–	229	–

The CEO is an employee of The Royal Bank of Scotland plc UK, Nordic filial (RBS filial). The company makes a payment of KSEK 5,218 (4,420) to RBS filial under an agreement relating to the CEO's services.

Apart from the CEO, there are no other senior executives in the company.

The Group's variable payments follow the regulatory provisions that the UK parent company must adhere to. All variable payments are distributed over a period of three years in the form of shares in the UK parent company and cash payments are limited to a value equivalent to GBP 2,000 (approximately SEK 22,000) The variable payment is discretionary and can be withdrawn if the person in question leaves the company. The final outcome may be subsequently reduced or may disappear completely in accordance with the UK parent company's applicable regulations.

Pensions

The Group's cost for defined contribution pension plans amounts to KSEK 3,400 (3,318). The parent company's cost for defined contribution pension plans amounts to KSEK 2,923 (2,948). The Group's cost for defined benefit pension plans amounts to KSEK 295 (192). The parent company's cost for defined benefit pension plans amounts to KSEK 0 (0).

KSEK 0 (0) of the Group's and parent company's pension costs pertains to the CEO. Pension costs for the Board of Directors amount to KSEK 0 (0).

Agreement regarding severance pay

There is a mutual notice period between the company and other senior executives of 3-6 months. There is no agreement regarding severance pay.

Note 9 Depreciation and change in value of property, plant and equipment

	2017	2016
Property and operating expenses	226,133	156,024
Equipment	657	478
Total	**226,790**	**156,502**

Note 10 Other interest income and similar income

	2017	2016
Interest income	319	483
Interest income, Group companies	16,325	9,551
Exchange rate differences	-422	1,296
Total	**16,222**	**11,330**

Note 11 Interest expenses and similar expenses

	2017	2016
Interest expenses	-5,229	-7,660
Interest expenses, Group companies	-255,766	-328,452
Other financial expenses	-4,046	-4,042
Total	**-265,041**	**-340,154**

Note 12 Tax on the profit/loss for the year

	2017	2016
Current tax	-73,237	-67,022
Deferred tax	15,746	52,339
Tax on profit for the year	**-57,491**	**-14,683**

Reconciliation of the year's tax expense	2017	2016
Recognised profit before tax	313,760	296,143
Tax according to tax rate for the parent company (22%)	-69,028	-65,152
Effect of other tax rates in foreign subsidiaries	602	306
Non-deductible expenses	-2,352	-13,929
Non-taxable income	25,555	1,094
Temporary differences from change in tax rate [1]	-2,158	–
Utilised loss	–	63,733
Adjustments recognised in the current year referring to current tax in previous year	-10,110	-735
Recognised tax expense for the year	**-57,491**	**-14,683**

[1] relates to the tax cut in Norway from 25% to 23%.

Note 13 Investment properties

Group 2017	**Total**
Opening balance fair value	11,029,051
Acquisitions (+)	–
Investments	89,522
Realised changes in value (-)	-1,845
Changes in value	-226,133
Translation differences	103,332
Closing fair value	**10,993,927**

Group 2016	**Total**
Opening balance fair value	10,435,738
Acquisitions (+)	519,034
Investments	68,025
Realised changes in value (-)	-142,609
Changes in value	-156,024
Translation differences	304,886
Closing fair value	**11,029,051**

Assessed value of investment properties	2017	2016
Buildings	1,527,539	1,840,110
Land	481,001	433,968
Total	2,008,540	**2,274,078**

Investment property

Investment properties are held for the purpose of generating rental income or increase in value or a combination of both. Nordisk Renting's main business model aims to receive rental income and not increases in value. Investment properties are initially recognised at historical cost, which includes expenses directly relatable to the acquisition. The Group does not normally have any additional expenses for property management as the tenant is responsible for such expenses as per the lease agreement. For properties with external management agreements, expenses for these are deemed to be equal to ongoing repair and maintenance. Therefore, the Group normally has no further expenses during the term of the rental agreement. Investment properties are recognised in the balance sheet at fair value. The fair value is based on valuations carried out by the company's own personnel, which are checked against valuations carried out by independent valuation companies. The external valuation of the residual value takes place on a continuous basis every three years according to a rolling schedule. For properties with a short remaining term, external valuations of market value take place annually.

Valuations are classified in three levels based on input data used during the valuation. There are various uncertainties in the valuation depending on what level is used during the valuation. Nordisk Renting uses Level 3 where the uncertainty is greatest since there is insufficient transaction/market information to use another level.

Level 1 Listed prices on active markets
Level 2 Observable data other than that in level 1
Level 3 Non-observable data

The valuation has been carried out in a uniform manner and is based on a cash flow model based on the current value of minimum lease fees in accordance with agreements and present value of residual value. The portfolio is divided into three categories based on whether the customer has a call option and the remaining term.

Agreements where the customer has a call option, which the customer is considered likely to exercise, are valued at the present value of minimum lease fees and the present value of the option price. For agreements with no call option with a longer remaining term (>3 years), the property is valued at the present value of minimum lease fees and the present value of the residual value. Agreements with a shorter remaining term (<3 years) are valued according to a more traditional rental agreement with the assumption of market rent and a required yield. Added to this is the assessed market value of any undeveloped land and building rights.

Sensitivity analysis

There is always a certain amount of uncertainty in valuing property. The two main influencing factors are assumptions about the risk of a decrease in cash flow from the customer and assumptions about residual value. A change of 5 per cent in minimum lease fees gives an undiscounted value of MSEK 436, and a change of 5 per cent in the residual value gives an undiscounted value of MSEK 389.

Note 14 Equipment

	31/12/2017	31/12/2016
Opening balance cost	5,668	5,523
Purchases	1,191	110
Sales/disposals	-786	-33
Translation difference	49	68
Closing cost	**6,122**	**5,668**
Opening balance depreciation/ amortisation according to plan	-3,842	-3,332
Sales/disposals	740	30
Depreciation/amortisation according to plan for the year	-657	-478
Translation difference	-45	-62
Closing accumulated depreciation according to plan	**-3,804**	**-3,842**
Closing planned residual value	**2,318**	**1,826**

Note 15 Participations in associated companies

	31/12/2017	31/12/2016
Opening balance carrying amount	–	249,527
Reclassification of associated companies to participations in Group companies	–	-172,289
Profit shares in associated companies	–	7,580
Dividends	–	-100,000
Translation differences	–	15,182
Closing carrying amount	**–**	**–**

During the previous year, the parent company acquired the remaining 50 per cent portion of equity in Airside Properties AB from GE Capital. The asset is classified after the acquisition as a participation in a Group company, see Note 21. Profit shares in associated companies amounted to KSEK 7,580 on 31 December 2016.

Note 16 Deferred tax asset and deferred tax liability

	31/12/2017	31/12/2016
Deferred tax asset		
Option premiums	48	55
Derivatives	1,116	–
Other provisions	–	1,427
Total deferred tax asset	**1,164**	**1,482**
Deferred tax liability		
Properties	95,854	87,422
Equipment	36,334	50,768
Derivatives	-4,744	15,958
Total deferred tax liability	**127,444**	**154,148**

The tax rate for calculating deferred tax is 22 per cent (22) for Sweden, 20 per cent (20) for Finland, 25 per cent (25) for Norway and 22 per cent (22) for Denmark. In 2018 the tax rate in Norway is being reduced to 23 per cent.

Not 17 Leases

Operating leases – lessee

The Group is a lessee through operating leases regarding office premises. The total for the year's expensed leasing fees for operating leases amounts to KSEK 6,750 (8,990). Future minimum fees regarding non-terminable operating leases fall due as follows:

Due date	**2017**	**2016**
Within one year	5,038	5,039
Later than one year but within five years	7,541	11,406
Total	**12,579**	**16,445**

Operating leases – lessor

The Group is a lessor through operational leases regarding properties. Variable fees primarily relate to the variable interest component in the leasing fee and invoiced ongoing costs. Variable fees included in income for the financial year total KSEK 85,091 (87,542). Information about the applied hedging strategy can be found in Note 4. See Note 13 for changes to book value. Future minimum fees regarding non-terminable operating leases fall due as follows:

Due date	**2017**	**2016**
Within one year	1,034,474	1,185,136
Later than one year but within five years	3,278,534	6,109,126
In over 5 years	2,861,988	3,076,767
Total	**7,174,996**	**10,371,029**

Finance leases – lessor

The Group is a lessor through finance leases regarding properties. The lease terms vary from 1 to 26 years. Variable fees primarily relate to the variable interest component in the leasing fee and invoiced ongoing costs. Variable fees included in income for the year in 2017 amount to KSEK 15,856 (19,629). Information about the applied hedging strategy can be found in Note 4.

	31/12/2017	31/12/2016
Unearned financial income	200,540	189,187
Non-guaranteed residual value	166,767	163,735
Long-term portion	877,158	853,098
Current portion	85,921	48,078
Total	**963,079**	**901,176**

Book values for finance leases	**31/12/2017**	**31/12/2016**
Opening balance cost	1,702,509	1,669,821
Purchases	1,586	272,221
Sales/disposals	-65,843	-215,065
Repayments	-81,631	-51,463
Translation differences	-4,474	26,995
Total	**1,552,147**	**1,702,509**

Note 18 Prepaid expenses and accrued income

	31/12/2017	31/12/2016
Accrued interest income	13,088	24,133
Prepaid operating costs	13,237	15,295
Total	**26,325**	**39,428**

Note 19 Non-current liabilities

	31/12/2017	31/12/2016
Non-current liabilities that fall due for payment within five years from the closing day:		
Liabilities to Group companies	2,039,707	2,121,068
Deferred tax liability	127,444	154,148
Financial derivatives	160,216	236,161
Other liabilities	157	157
Non-current liabilities which fall due for payment later than five years after the closing day:		
Liabilities to Group companies	3,695,831	3,604,826
Other liabilities	15,031	15,062
Total	**6,038,386**	**6,131,422**

Maturity structure of loans, financial derivatives and other liabilities	**31/12/2017**	**31/12/2016**
More than one year but less than two years	176,614	109,991
More than two years but less than three years	1,863,158	183,451
More than three years but less than five years	12,711	1,863,780
More than five years but less than ten years	2,795,337	2,611,788
More than ten years but less than twenty years	1,063,123	1,208,263
More than twenty years	–	–
Total	**5,910,942**	**5,977,274**

The Group's unutilised bank overdraft facilities amount to KSEK 0 (0). The limit for the bank overdraft facilities is KSEK 250,000 (491,345).

The Royal Bank of Scotland is the company's main financier. Since the parent company is part of The Royal Bank of Scotland, of which the British government is the majority owner, the company's long-term financing is deemed to be secure.

Note 20 Accrued expenses and prepaid income

	31/12/2017	31/12/2016
Accrued salary	1,075	1,739
Accrued holiday pay	2,157	1,511
Accrued payroll overheads	1,551	1,285
Accrued interest expenses	68,529	111,604
Prepaid rental income	264,065	203,824
Other items	13,701	8,745
Total	**351,078**	**328,708**

Note 21 Participations in Group companies

Company name	Reg. no.	Registered office	Participation 31/12/2017	Participation 31/12/2016
Nordisk Specialinvest AB	556100-8631	Stockholm	100%	100%
Nordisk Renting HB	916631-9559	Stockholm	100%	100%
Nordisk Renting Kapital AB	556548-0802	Stockholm	100%	100%
Nordisk Renting Facilities Management AB	556632-9925	Stockholm	100%	100%
Mons Investment AB	556527-4106	Stockholm	100%	100%
Mons AB	556305-3676	Stockholm	100%	100%
Förv bol Predio 3 KB	916624-2173	Stockholm	100%	100%
Forskningshöjden KB	916620-1393	Stockholm	100%	100%
Optimus KB	916620-1450	Stockholm	51%	51%
Eurohill 4 KB	916533-7636	Stockholm	100%	100%
KB Eurohill	969622-6381	Stockholm	100%	100%
Bong Fastigheter KB	969655-5763	Stockholm	-	100%
Lerumskrysset KB	969646-1939	Stockholm	100%	100%
Braheberget KB	969655-6738	Stockholm	100%	100%
Brödmagasinet KB	916620-1419	Stockholm	100%	100%
Läkten 1 KB	969694-5568	Stockholm	100%	100%
Tingsbrogården KB	969694-5394	Stockholm	100%	100%
Stora Kvarnen KB	969729-1822	Stockholm	51%	51%
Nordiska Strategifastigheter Holding AB	556641-0055	Stockholm	100%	100%
Fastighets AB Stockmakaren	556651-0953	Stockholm	100%	100%
Fastighets AB Flöjten i Norrköping	556629-6140	Stockholm	100%	100%
Kallebäck Institutfastigheter AB	556708-2937	Stockholm	100%	100%
Fastighetsbolaget Holma i Höör AB	556711-4953	Stockholm	100%	100%
Fastighets AB Sambiblioteket	556743-5812	Stockholm	100%	100%
Bil Fastigheter i Sverige AB	556486-9278	Stockholm	100%	100%
Fast AB Xalam	556060-5783	Stockholm	100%	100%
Pyrrhula 6, 7 AB	556063-9816	Stockholm	100%	100%
Fast AB Hammarbyvagnen	556096-5005	Stockholm	100%	100%
Fast Kallebäck 2:4 i Göteborg AB	556110-2020	Stockholm	100%	100%
Fast AB Kabisten 1	556072-3669	Stockholm	100%	100%
Bilfastighet i Täby AB	556650-5342	Stockholm	100%	100%
IR IndustriRenting AB	556288-4428	Stockholm	100%	100%
KB IR Gamlestaden	916514-3281	Stockholm	100%	100%
IR Fastighets AB	556322-1067	Stockholm	100%	100%
Svenskt Fastighetskapital Holding AB	556590-7291	Stockholm	100%	100%
Svenskt Fastighetskapital AB	556590-7267	Stockholm	100%	100%
SFK Kommunfastigheter AB	556590-7234	Stockholm	100%	100%
Dalklockan 6 KB	969676-4373	Stockholm	-	100%
Vansbro Fjärrvärme KB	969603-8752	Stockholm	-	100%
Förv bol Klöverbacken Skola KB	969603-8851	Stockholm	51%	51%
Mjälgen KB	969685-8936	Stockholm	100%	100%
Arkivborgen KB	969694-5162	Stockholm	100%	100%
Tygverkstaden 1 KB	916620-1476	Stockholm	100%	100%

Company name	Reg. no.	Registered office	Participation 31/12/2017	Participation 31/12/2016
Horrsta 4:38 KB	969685-7862	Stockholm	100%	100%
Backsmedjan KB	969694-8901	Stockholm	100%	100%
Gredelinen KB	969724-6529	Stockholm	100%	100%
Svenskt Energikapital AB	556531-8481	Stockholm	100%	100%
Vansbroviken KB	916620-1369	Stockholm	-	100%
Förv bol Dalkyrkan KB	969685-8944	Stockholm	100%	100%
Sjöklockan KB	969603-8836	Stockholm	100%	100%
Solbänken KB	969603-8828	Stockholm	100%	100%
KB Likriktaren	969712-0948	Stockholm	100%	100%
Skinnarängen KB	969646-3109	Stockholm	100%	100%
Grinnhagen KB	969685-5924	Stockholm	100%	100%
Limstagården KB	969685-8969	Stockholm	100%	100%
KB Lagermannen	969700-4761	Stockholm	100%	100%
Nordisk Renting AS	986,953,388	Oslo	100%	100%
BD Lagerhus AS	987,307,226	Oslo	100%	100%
Eiendomsselskapet Apteno Larvik AS	986,366,210	Oslo	100%	100%
Hatros 1 AS	990,666,725	Oslo	100%	100%
Ringdalveien 20 AS	913,706,234	Oslo	100%	100%
Nordisk Renting Oy	FI15379535	Helsinki	100%	100%
Koy Kokkolan Kaarlenportti Fab	FI15306918	Helsinki	100%	100%
Koy Jämsän Keskushovi	FI07870404	Helsinki	100%	100%
Koy Kouvolan Oikeus- ja Poliisitalo	FI09138751	Helsinki	100%	100%
Forssa Liikekiinteistöt Oy	FI08449718	Helsinki	100%	100%
Koy Nummelan Portti	FI17292003	Helsinki	100%	100%
Koy Ravattulan Kauppakeskus	FI16369363	Helsinki	100%	100%
Koy Raision Kihlakulma	FI08349952	Helsinki	100%	100%
Koy Iisalmen Kihlavirta	FI17707539	Helsinki	100%	100%
Koy Tapiolan Louhi	FI17496938	Helsinki	100%	100%
Koy Millennium	FI08888331	Helsinki	100%	100%
Koy Espoon Niittysillantie 5	FI19320178	Helsinki	100%	100%
Koy Vapaalan Service-Center	FI19441762	Helsinki	100%	100%
Artul Kiinteistöt Oy	FI06490426	Helsinki	100%	100%
Fastighets AB Ekenäs Forsmanshagen 4	FI20078251	Helsinki	100%	100%
Koy Helsingin Osmontie 34	FI20278894	Helsinki	100%	100%
Koy Päiväläisentie 1–6	FI20145573	Helsinki	100%	100%
Koy Lohjan Huonekalutalo	FI21010814	Helsinki	100%	100%
Koy Helsingin Panuntie 6	FI01334918	Helsinki	100%	100%
Koy Helsingin Panuntie 11	FI04952607	Helsinki	100%	100%
Kiinteistö Oy Espoon Entresse II	FI21196401	Helsinki	100%	100%
Koy Nuolialan Päiväkoti	FI21867607	Helsinki	100%	100%
Koy Helsingin Mechelininkatu 1	FI22856061	Helsinki	100%	100%
Koy Peltolantie 27	FI27460453	Helsinki	100%	100%
Koy Pennalan Johtotie 2	FI27798358	Helsinki	100%	100%

Company name	Reg. no.	Registered office	Participation 31/12/2017	Participation 31/12/2016
Airside Properties AB	556597-6965	Stockholm	100%	100%
Airside Properties Denmark A/S	25711734	Copenhagen	100%	100%
Airside Properties ASP Denmark A/S	25941683	Herlev	100%	100%
Kastrup Hangar 5 K/S	26236738	Herlev	100%	100%
Kastrup V&L Building K/S	26236746	Herlev	100%	100%
Kastrup Commuter K/S	26236754	Herlev	100%	100%
Nordisk Renting A/S	15129573	Copenhagen	100%	100%

Note 22 Information on related parties

Strand European Holdings AB, registered office Stockholm, owned 100 per cent of the shares in Nordisk Renting AB at the beginning of 2017. Strand European Holdings AB is part of the National Westminster Bank Plc group, reg. no. SC 929027, which is part of The Royal Bank of Scotland Plc group, reg. no. SC 90312, based at 36 St Andrew Square, Edinburgh EH2 2YB, UK. Interest expenses relating to finance from The Royal Bank of Scotland amounted to MSEK 287 (270) during the year. The debt to The Royal Bank of Scotland amounted to MSEK 10,119 (9,183) on 31/12/2017.

Transactions between the company and its related parties have taken place on market terms.

See Note 23 Memorandum items for information about pledged assets and contingent liabilities. There is further information about the parent company's holdings in subsidiaries and associated companies in Notes 21 and 15 respectively.

Note 23 Memorandum items

Pledged assets	31/12/2017	31/12/2016
Real estate mortgages	3,519	3,423
Total	**3,519**	**3,423**

Note 24 Significant events after the end of the financial year

In January, a property was acquired in Norway with an existing customer as tenant. In January, agreements were signed on extensions of existing rental agreements in three properties in Finland.

Not 25 Transition to IFRS

Since 1 January 2017, Nordisk Renting AB has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and statements on interpretation from the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU). Consolidated financial statements drawn up previously were reported in accordance with BFNAR [Bokföringsnämndens allmänna råd – General Guidelines of the Swedish Accounting Standards Board] 2012:1 Annual financial statements and consolidated financial statements. The date for the Group's transition to IFRS is 1 January 2016. Up to the 2016 financial year, the Group prepared consolidated accounts in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). The transition to IFRS is reported in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards". No voluntary or obligatory exceptions from IFRS 1 have been applied.

The accounting policies set out in Note 1 were applied when the consolidated financial statements were drawn up at 31 December 2017 and for the comparative information presented at 31 December 2016 and in the preparation of the report on the opening financial position for the period at 1 January 2016. The estimates made in accordance with IFRS at 1 January 2016 are consistent with the estimates made in accordance with previously applied accounting policies.

The following summary shows the effects of the above applications on the Group's income statement for 2016 and balance sheet at 1 January 2016 and 31 December 2016. The transition from previous accounting policies has also meant that the structure and classification of the accounts differ from the previous structure and classification. The transition to IFRS has had no effect on the Group's cash flow.

The consolidated statement of financial position at 1 January 2016.

(KSEK)	In accordance with previous policies		IFRS adjustments	In accordance with IFRS
Assets				
Non-current assets				
Property, plant and equipment				
Investment property	10,392,177	A1	43,561	10,435,738
Equipment	2,191			2,191
	10,394,368		**43,561**	**10,437,929**
Financial assets				
Participations in associated companies	249,527			249,527
Deferred tax asset	1,551			1,551
Finance leases	1,494,619	B1	175,202	1,669,821
Financial derivatives		C1	4,898	4,898
	1,745,697		**180,100**	**1,925,797**
Total non-current assets	**12,140,065**		**223,661**	**12,363,726**
Current assets				
Accounts receivable	39,739			39,739
Tax receivables	39,813			39,813
Other receivables	103,676			103,676
Prepaid expenses and accrued income	42,334			42,334
	225,562		**0**	**225,562**
Cash and bank balances	**547,080**			**547,080**
Total current assets	**772,642**		**0**	**772,642**
Total assets	**12,912,707**		**223,661**	**13,136,368**
Shareholders' equity and liabilities				
Equity				
Share capital	129,600			129,600
Additional paid-in capital	25,980			25,980
Other equity incl. profit for the year	4,589,352		-5,666	4,583,686
Equity attributable to shareholders of the parent company	**4,744,932**		**-5,666**	**4,739,266**
Holdings with no controlling interest	**94,001**			**94,001**
Total equity	**4,838,933**		**-5,666**	**4,833,267**

Provisions				
Deferred tax liability	206,563	D1	-206,563	–
	206,563		**-206,563**	**–**
Non-current liabilities				
Liabilities to Group companies	4,232,644			4,232,644
Deferred tax liability	–	D1-D5	204,965	204,965
Other non-current liabilities	15,250			15,250
Financial derivatives		E1	231,796	231,796
	4,247,894		**436,761**	**4,684,655**
Current liabilities				
Liabilities to credit institutions	1,006,583			1,006,583
Accounts payable	189			189
Liabilities to Group companies	2,313,513			2,313,513
Other current liabilities	47,140			47,140
Accrued expenses and deferred income	251,892	F1	-871	251,021
	3,619,317		**-871**	**3,618,446**
Total shareholders' equity and liabilities	**12,912,707**		**223,661**	**13,136,368**

The consolidated statement of financial position at 31 December 2016.

(KSEK)	In accordance with previous policies		IFRS adjustments	In accordance with IFRS
Assets				
Non-current assets				
Property, plant and equipment				
Investment property	10,908,890	A1, A2	120,161	11,029,051
Equipment	1,826			1,826
	10,910,716		**120,161**	**11,030,877**
Financial assets				
Deferred tax asset	1,482			1,482
Finance leases	1,728,563	B1-B3	-26,054	1,702,509
Financial derivatives		C1, C2	4,410	4,410
	1,730,045		**-21,644**	**1,708,401**
Total non-current assets	**12,640,761**		**98,517**	**12,739,278**
Current assets				
Accounts receivable	61,314			61,314
Tax receivables	25,470			25,470
Other receivables	5,502	G	250,345	255,847
Prepaid expenses and accrued income	39,428			39,428
	131,714		**250,345**	**382,059**
Cash and bank balances	**484,600**			**484,600**
Total current assets	**616,314**		**250,345**	**866,659**
Total assets	**13,257,075**		**348,862**	**13,605,937**
Shareholders' equity and liabilities				
Equity				
Share capital	129,600			129,600
Additional paid-in capital	25,980			25,980
Other equity incl. profit for the year	3,344,796		43,006	3,387,802
Equity attributable to shareholders of the parent company	**3,500,376**		**43,006**	**3,543,382**
Holdings with no controlling interest	**94,001**			**94,001**
Total equity	**3,594,377**		**43,006**	**3,637,383**
Provisions				
Deferred tax liability	142,021	D1, D6	-142,021	–
	142,021		**-142,021**	**–**
Non-current liabilities				
Liabilities to Group companies	5,725,894			5,725,894
Deferred tax liability	–	D1-D11	154,148	154,148
Other non-current liabilities	15,219			15,219
Financial derivatives	–	E1, E2	236,161	236,161
	5,741,113		**390,309**	**6,131,422**
Current liabilities				
Accounts payable	5,413			5,413
Liabilities to Group companies	3,457,327			3,457,327
Other current liabilities	45,684			45,684
Accrued expenses and deferred income	271,140	F1-F3	57,568	328,708
	3,779,564		**57,568**	**3,837,132**
Total shareholders' equity and liabilities	**13,257,075**		**348,862**	**13,605,937**

Profit/loss 01/01/2016 – 31/12/2016

(KSEK)	In accordance with K3		IFRS adjustments	In accordance with IFRS
Net sales	872,714			872,714
Profit/loss from sale of finance leases		B4, B5	35,436	35,436
Fair value of investment properties		A3-A6	-156,024	-156,024
Property and operating expenses	-328,383	A3	241,649	-86,734
Gross profit	**544,331**		**121,061**	**665,392**
Central administrative expenses	-60,883	F2	-356	-61,239
Other operating income	2,679			2,679
Profit from participations in associated companies	9,263			9,263
Profit/loss from sale of property and participations, op	6,158	A5, B4	-6,158	–
Operating profit/loss	**501,548**		**114,547**	**616,095**
Profit from other securities and receivables classified as non-current assets	5,000	A6	-5,000	–
Other interest income and similar income	11,330			11,330
Interest expenses and similar expenses	-282,070	B2, E4, F3	-58,084	-340,154
Fair value of financial derivatives		E3	8,872	8,872
Profit after financial items	**235,808**		**60,335**	**296,143**
Tax on profit for the year	-802	D7-D11	-13,881	-14,683
Profit for the year	**235,006**		**46,454**	**281,460**

Notes

A. Under previous policies, investment properties were recognised at cost adjusted for depreciation, appreciation and impairment. Under IFRS, investment properties are instead recognised at fair value, and no deferred tax is recognised at the time of acquisition in transactions recognised as asset purchases.	
A1. Fair value adjustment at start of 1 January 2016	43,561
A2. Fair value adjustment 2016	76,600
A3. Fair value adjustment 2016	74,624
A4. Depreciation previously recognised as “Property and operating expenses” has been reclassified as “Fair value of investment properties”	-241,649
A5. The previously recognised “Profit from sale of property and participations” has been reclassified as “Fair value of investment properties”	6,001
A6. The previously recognised “Profit from other securities and receivables classified as non-current assets” has been reclassified as “Fair value of investment properties”	5,000
B. Under previous policies, hedge accounting was not applied to finance leases. Under IFRS, hedge accounting is applied to fair value of interest risk in fixed-interest finance leases. The hedged risk is measured at fair value.	
B1. Fair value adjustment at start of 1 January 2016	175,202
B2. Fair value 2016	13,810
B3. Under previous policies, transactions were recognised on the transaction date, under IFRS on the trade date	-215,066
B4. The previously recognised “Profit from sale of property and participations” has been reclassified as “Fair value of investment properties”	157
B5. Under previous policies, transactions were recognised on the transaction date, under IFRS on the trade date	35,279
C. CPI derivatives were not recognised in the balance sheet under previous policies. Under IFRS, the change in fair value is recognised in the income statement and in the balance sheet. For one of the derivatives, classed as an exotic derivative, a value adjustment was made separately from the main derivative.	
C1. Remaining value adjustment at start of 1 January 2016	4,898
C2. Allocated to a particular period 2016	-488
D. Tax on adjusted items according to IFRS	
D1. Reclassification from Provisions to Non-current liabilities	206,563
D2. Tax on adjustment Investment properties A1	9,583
D3. Tax on adjustment Finance leases B1	38,544
D4. Tax on adjustment Fair value derivatives C1 and E1	-49,918
D5. Tax on adjustment distributed over a period variable remuneration F1	192
D6. Reclassification from Provisions to Non-current liabilities	-64,542
D7. Tax on adjustment Investment properties A2	16,852
D8. Tax on adjustment Finance leases B2	3,038
D9. Tax on adjustment Fair value derivatives C2 and E2	-1,068
D10. Tax on transactions recognised on the trade date B3, F3 and G	-5,019
D11. Tax on adjustment distributed over a period variable remuneration F2	78
E. Interest rate and CPI derivatives were not recognised in the balance sheet under previous policies. Under IFRS, unrealised changes in value are recognised in the income statement and in the balance sheet. Deferred tax is recognised for these changes.	
E1. Fair value adjustment at start of 1 January 2016	231,796
E2. Fair value 2016	4,365
E3. Fair value of CPI derivatives	8,872
E4. Fair value of interest rate derivatives	-13,810
F. Under previous policies, variable remuneration to personnel was not distributed over a period. Under IFRS, variable remuneration to personnel is distributed over the period in which the remuneration is paid.	
F1. Adjustment at start of 1 January 2016	-871
F2. Adjustment 2016	356
F3. Under previous policies, transactions were recognised on the transaction date, under IFRS on the trade date	58,083
G. Under previous policies, transactions were recognised on the transaction date, under IFRS on the trade date	250,345

Parent Company Income Statement

(KSEK)	Note	01/01/2017 31/12/2017	01/01/2016 31/12/2016
Net sales	5, 6	8,506	9,368
Central administrative expenses		-46,084	-46,784
Other operating income		197	787
Operating profit/loss	6, 7, 8, 9, 18	**-37,381**	**-36,629**
Profit from financial investments			
Profit from participations in Group companies		70,497	25,799
Profit from other securities and receivables classified as non-current assets	11	165,000	1,324,421
Other interest income and similar income	12	199,401	238,328
Impairment of financial assets	23	-36,000	-47,711
Interest expenses and similar expenses	13	-235,720	-195,108
Change in value of financial derivatives		5,070	44
Profit after financial items	10	**130,867**	**1,309,144**
Appropriations	22	36,354	104,500
Tax on profit for the year	14	-10,949	-20,191
Profit for the year		**156,272**	**1,393,453**

There are no other comprehensive income items, which is why comprehensive income for the year tallies with profit for the year.

Parent Company Balance Sheet

(KSEK)	Note	31/12/2017	31/12/2016	01/01/2016
Property, plant and equipment				
Equipment	15	2,140	1,694	2,092
		2,140	**1,694**	**2,092**
Financial assets				
Participations in Group companies	23	2,890,612	2,927,612	2,583,216
Receivables from Group companies		3,180,020	3,460,756	3,592,302
Participations in associated companies	16	–	–	220,000
Deferred tax asset	17	2,828	55	1,302
		6,073,460	**6,388,423**	**6,396,820**
Total non-current assets		**6,075,600**	**6,390,117**	**6,398,912**
Current assets				
Current receivables				
Receivables from Group companies		429,457	640,135	342,282
Tax receivables		51,732	39,598	14,622
Other receivables		293	–	100,000
Prepaid expenses and accrued income	19	39,517	26,525	21,483
		520,999	**706,258**	**478,387**
Cash and bank balances		**154,099**	**203,426**	**186,677**
Total current assets		**675,098**	**909,684**	**665,064**
Total assets		**6,750,698**	**7,299,801**	**7,063,976**

Parent Company Balance Sheet

(KSEK)	Note	31/12/2017	31/12/2016	01/01/2016
Shareholders' equity and liabilities				
Equity				
Restricted equity				
Share capital (1,296,000 shares)		129,600	129,600	129,600
Statutory reserve		25,920	25,920	25,920
		155,520	**155,520**	**155,520**
Non-restricted equity				
Profit or loss brought forward		1,166,240	1,272,787	2,405,788
Profit for the year		156,272	1,393,453	366,999
		1,322,512	**2,666,240**	**2,772,787**
Total equity		**1,478,032**	**2,821,760**	**2,928,307**
Untaxed reserves		**–**	**–**	**299,500**
Provisions				
Deferred tax liability	17	50,328	51,721	50,487
		50,328	**51,721**	**50,487**
Non-current liabilities	20			
Liabilities to Group companies		926,848	1,291,702	1,435,903
Other non-current liabilities		188	218	250
Financial derivatives		21,366	37,655	37,699
		948,402	**1,329,575**	**1,473,852**
Current liabilities				
Accounts payable		269	305	113
Liabilities to Group companies		4,238,688	3,073,016	2,286,741
Other current liabilities		1,460	2,626	3,148
Accrued expenses and deferred income	21	33,519	20,798	21,828
		4,273,936	**3,096,745**	**2,311,830**
Total shareholders' equity and liabilities		**6,750,698**	**7,299,801**	**7,063,976**

Parent Company Statement of Changes in Equity

	Restricted equity		*Non-restricted equity*		
(KSEK)	**Share capital**	**Statutory reserve**	**Profit or loss brought forward**	**Profit for the year**	**Total equity**
Opening balance at 1 January 2017	**129,600**	**25,920**	**1,272,787**	**1,393,453**	**2,821,760**
Distribution of previous year's profit			1,393,453	-1,393,453	–
Profit for the year				156,272	156,272
Transactions with shareholders:					
Dividends			-1,500,000		-1,500,000
Total transactions with shareholders	**–**	**–**	**-1,500,000**	**–**	**-1,500,000**
Closing balance at 31 December 2017	**129,600**	**25,920**	**1,166,240**	**156,272**	**1,478,032**

Share capital 1,296,000 shares with a quota value of 100.

	Restricted equity		*Non-restricted equity*		
(KSEK)	**Share capital**	**Statutory reserve**	**Profit or loss brought forward**	**Profit for the year**	**Total equity**
Opening balance at 1 January 2016	**129,600**	**25,920**	**2,405,788**	**366,999**	**2,928,307**
Distribution of previous year's profit			366,999	-366,999	–
Profit for the year				1,393,453	1,393,453
Transactions with shareholders:					
Dividends			-1,500,000		-1,500,000
Total transactions with shareholders	**–**	**–**	**-1,500,000**	**–**	**-1,500,000**
Closing balance at 31 December 2016	**129,600**	**25,920**	**1,272,787**	**1,393,453**	**2,821,760**

Parent Company Cash Flow Statement

(KSEK)	01/01/2017 31/12/2017	01/01/2016 31/12/2016
Operating activities		
Profit after financial items	130,867	1,309,144
Adjustments for items not included in the cash flow:		
Depreciation/amortisation and impairments	36,631	453
Capital gains from sales	-7,535	–
Unrealised exchange rate differences	14,298	205
Share in profit of associated companies		-100,000
Income tax paid	-31,451	-38,784
Cash flow from operating activities before changes in working capital	**142,810**	**1,171,018**
Cash flow from changes in working capital		
Decrease (+)/increase (-) in current receivables	40,419	537,281
Decrease (-)/increase (+) in current liabilities	-73	-203,172
Cash flow from operating activities	**183,156**	**1,505,127**
Investing activities		
Acquisition of subsidiaries	–	-124,396
Divestment of subsidiaries	9,535	–
Acquisition of equipment, fixtures and fittings	-1,077	-55
Share in profit of associated companies		100,000
Change in financial assets	265,968	132,168
Cash flow from investing activities	**274,426**	**107,717**
Financing activities		
Loans raised	1,209,430	209,275
Group contributions paid	–	-293,000
Loan repayments	-215,979	–
Dividend paid	-1,500,000	-1,500,000
Cash flow from financing activities	**-506,549**	**-1,583,725**
Cash flow for the year	**-48,967**	**29,119**
Cash and cash equivalents at beginning of year	**203,426**	**186,677**
Exchange rate difference in liquid funds	**-360**	**-12,370**
Cash and cash equivalents at end of year	**154,099**	**203,426**
Supplementary disclosures		
Interest paid	-119,158	-82,457
Interest received	79,131	83,495

Notes for the parent company

Note 1 General information

The parent company, Nordisk Renting AB, with reg. no. 556066-2578, is a limited company registered in Sweden with its head office in Stockholm, and has prepared its annual financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the Financial Accounting Standards Council recommendation RFR 2 "Accounts of juridical persons". The parent company applies the same accounting policies as the Group with the exceptions and supplements specified in RFR2. This means that IFRS is applied with the deviations specified below. Applied accounting policies are set out in applicable parts of the consolidated accounting policies with the following supplements for the parent company.

The parent company of the largest group in which Nordisk Renting is a subsidiary is The Royal Bank of Scotland plc, org. no. SC 90312, with headquarters at 36. St Andrew Square, Edinburgh EH2 2YB, Scotland, UK. The foreign parent company's consolidated accounts can be obtained via Nordisk Renting AB.

Change in accounting policies

The parent company previously applied the general guidelines of Bokföringsnämnden [the Swedish Accounting Standards Board] BFNAR 2012:1 Annual financial statements and consolidated financial statements (K3) and the Swedish Annual Accounts Act when preparing the annual financial statements. From this year, as a consequence of the Group's transition to IFRS, the parent company applies the Annual Accounts Act and RFR 2. That means primarily that the requirements for information have increased and that the parent company must also issue all financial statements.

Note 2 Accounting policies and valuation principles

Subsidiaries

Participations in subsidiaries are recognised in the parent company using the cost method net of any impairments. This means that transaction costs are included in the carrying amount for holdings in subsidiaries.

Group subsidies and shareholders' contributions

The parent company recognises both group subsidies received and Group subsidies paid as appropriations. Shareholders' contributions made by the parent company are posted directly in equity by the recipient and recognised as shares and participations in the parent company. Shareholders' contributions received are recognised as an increase in unrestricted equity.

Income

Dividends are recognised when the right to receive payment is considered secure. Revenue from sales of subsidiaries is recognised when the risk and the benefits associated with the holding in the subsidiary have been transferred to the purchaser.

Untaxed reserves

In the parent company, untaxed reserves are recognised inclusive of deferred tax liability. In the consolidated accounts, however, untaxed reserves are divided into deferred tax liability and equity.

Note 3 Significant accounting estimates

No significant accounting estimates were made when preparing the parent company's financial statements.

Note 4 Derivatives and financial instruments

The parent company holds derivative contracts in the form of interest swaps and currency futures.

Currency risk

Currency risk refers to the risk that the fair value or future cash flows fluctuate as a result of altered exchange rates. The parent company owns foreign subsidiary companies and is thereby exposed to currency risk. Exposure to currency risk derives partly from translating balance sheet items in foreign currencies (balance exposure), and from translating the income statements and balance sheets of foreign subsidiaries to the Group's presentation currency, which is the Swedish krona or SEK (translation exposure).

The balance exposure primarily relates to EUR, NOK and DKK. The balance exposure is not hedged in the parent company. However, parts of the exposure below comprise hedging instruments. The parent company's balance exposure is outlined below:

Currency	31/12/2017	31/12/2016
KEUR	446	1,179
KNOK	11,161	5,260
KDKK	6,446	5,621

The external loans used to hedge net assets in NOK amount to KNOK 355,966 (356,589) on the closing day. The internal loans used to hedge net assets in EUR amount to KEUR 0 (0) on the closing day. The internal loans used to hedge net assets in DKK amount to KDKK 87,108 (87,108) on the closing day. Holdings of currency futures used to hedge net assets in EUR amount to KEUR 131,613 (124,548) on the closing day. Holdings of currency futures used to hedge net assets in NOK amount to KNOK 97,500 (72,500) on the closing day. Holdings of currency futures used to hedge net assets in DKK amount to KDKK 15,000 (0) on the closing day.

Interest rate risk

Interest risk refers to the risk that the fair value or future cash flows will fluctuate as a result of altered market rates of interest. The parent company is mainly exposed to interest risk through interest rate derivatives entered into in order to hedge the Group's interest exposure.

Liquidity risk

Liquidity risk refers to the risk that the Group has problems meeting its commitments relating to its financial liabilities. Since the parent company is part of The Royal Bank of Scotland, of which the British government is the majority owner, the liquidity risk is not deemed to be significant.

Fair value of derivatives

Market interest rates for each term listed at year-end and generally-accepted calculation methods are used to establish fair value on interest rate derivatives, which means that fair value is established in accordance with level 2 in IFRS 13. The carrying amount is based on valuations from bank counterparties and is checked against an internal valuation based on observable market data.

Fair value of derivatives not held as hedging instruments in the parent company.

	31/12/2017	31/12/2016
Currency futures	-3,531	–
Interest swaps	-21,366	-24,017
CPI swaps	–	-13,639
Total	**-24,897**	**-37,656**

Note 5 Break-down of net sales

Net sales by geographic market	2017	2016
Sweden	8,506	9,368
Total	**8,506**	**9,368**

Note 6 Purchases and sales within the same Group

	2017	2016
Purchases	1.4%	-4.9%
Sales	99.6%	99.7%

Note 7 Information on payments to auditors

	2017	2016
Ernst & Young AB		
audit engagement	1,890	1,668
audit services in addition to audit engagement	427	–
Total	**2,317**	**1,668**

Audit engagement refers to the auditor's remuneration for the statutory audit. This includes auditing the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and CEO, as well as fees for audit advice provided in connection with the audit engagement.

Audit services in addition to audit engagement refer to other quality assurance services that are to be performed in accordance with statutes, the company's articles of association, regulations or agreements.

Other services refer to expenses not classified as audit engagement, audit services in addition to audit engagement or tax advice.

Note 8 Number of employees, salaries, other remuneration and social insurance costs

	2017		2016	
Average number of employees	**Number of employees**	**Of whom men**	**Number of employees**	**Of whom men**
Parent company				
Sweden	16	10	14	7
Total	**16**	**10**	**14**	**7**

The Nordisk Renting group acquires, under an agreement, services in areas such as management, finance, business communications and HR from The Royal Bank of Scotland plc in the Nordic region. The acquired services equate to around four man years. Three of the persons that provided services (including the CEO) form part of the company's management team.

	2017		2016	
Salaries, other remuneration etc.	**Salaries and other remuneration**	**Payroll overheads (of which pension costs)**	**Salaries and other remu-neration**	**Payroll over-heads (of which pension costs)**
Parent company	15,095	8,509	17,418	8,512
		(2,923)		(2,948)
Total	**15,095**	**8,509**	**17,418**	**8,512**
		(2,923)		**(2,948)**

	2017		2016	
Distribution of salaries and other remuneration between Board members and employees	**Board of Directors and CEO (of which bonuses and similar)**	**Other employees**	**Board of Directors and CEO (of which bonuses and similar)**	**Other employees**
Parent company	995	14,100	825	16,593
	(0)	(957)	(0)	(1,987)
Total	**995**	**14,100**	**825**	**16,593**
	(0)	**(957)**	**(0)**	**(1,987)**
Salaries and other remuneration to the CEO and Board members	**Salaries and remuneration**	**Of which bonuses**	**Payroll over-heads**	**Of which pension costs**
Board of Directors	995	–	229	–

The CEO is an employee of The Royal Bank of Scotland plc UK, Nordic filial (RBS filial). The company makes a payment of KSEK 5,218 (4,420) to RBS filial under an agreement relating to the CEO's services.

Apart from the CEO, there are no other senior executives in the company.

Variable remuneration

The Group's variable payments follow the regulatory provisions that the UK parent company must adhere to. All variable payments are distributed over a period of three years in the form of shares in the UK parent company and cash payments are limited to a value equivalent to GBP 2,000 (approximately SEK 22,000) The variable payment is discretionary and can be withdrawn if the person in question leaves the company. The final outcome may be subsequently reduced or may disappear completely in accordance with the UK parent company's applicable regulations.

Pensions

The parent company's cost for defined contribution pension plans amounts to KSEK 2,923 (2,948). The parent company's cost for defined benefit pension plans amounts to KSEK 0 (0).

KSEK 0 (0) of the parent company's pension costs pertains to the CEO. Pension costs for the Board of Directors amount to KSEK 0 (0).

Agreement regarding severance pay

There is a mutual notice period between the company and other senior executives of 3-6 months. There is no agreement regarding severance pay.

Note 9 Depreciation and impairment of property, plant and equipment/

	2017	2016
Equipment	631	454
Total	**631**	**454**

Note 10 Profit from sale of property and participations

	2017	2016
Sale of participations in Group companies	7,535	–
Total	**7,535**	**–**

Note 11 Profit/loss from other securities and receivables held as non-current assets

	2017	2016
Dividend	165,000	1,324,421
Total	**165,000**	**1,324,421**

Note 12 Other interest income and similar income

	2017	2016
Interest income	13	131
Interest income, Group companies	93,687	80,871
Other financial income	–	8,393
Exchange rate differences	105,701	148,889
Fair value of financial derivatives	–	44
Total	**199,401**	**238,328**

Note 13 Interest expenses and similar expenses

	2017	2016
Interest expenses	-4,227	-3,798
Interest expenses, Group companies	-108,827	-71,509
Other financial expenses	-1,742	-4,230
Exchange rate differences	-120,924	-115,571
Total	**-235,720**	**-195,108**

Note 14 Tax on the profit/loss for the year

	2017	2016
Current tax	-15,113	-18,939
Deferred tax	4,164	-1,252
Tax on profit for the year	**-10,949**	**-20,191**

Reconciliation of the year's tax expense	**2017**	**2016**
Recognised profit before tax	167,221	1,408,056
Tax according to tax rate for the parent company (22%)	-36,789	-309,773
Non-deductible expenses	-3,952	-858
Non-taxable income	40,241	291,401
Adjustments recognised in the current year referring to current tax in previous year	-10,449	-961
Recognised tax expense for the year	**-10,949**	**-20,191**

Note 15 Equipment

	31/12/2017	31/12/2016
Opening balance cost	3,951	3,926
Purchases	1,123	59
Sales/disposals	-786	-34
Closing cost	**4,288**	**3,951**
Opening balance depreciation/ amortisation according to plan	-2,257	-1,834
Sales/disposals	740	30
Depreciation/amortisation according to plan for the year	-631	-453
Closing accumulated depreciation according to plan	**-2,148**	**-2,257**
Closing planned residual value	**2,140**	**1,694**

Note 16 Participations in associated companies

	2017	2016
Opening balance carrying amount	–	220,000
Reclassification of associated companies to participations in Group companies		-172,289
Impairment		-47,711
Closing carrying amount	**–**	**–**

During the previous year, the parent company acquired the remaining portion of equity in Airside Properties AB from GE Capital. The asset is classified after the acquisition as an interest in a Group company, see Note 23.

Note 17 Deferred tax asset and deferred tax liability

	31/12/2017	31/12/2016
Deferred tax asset		
Option premiums	48	55
Derivatives	2,780	–
Total deferred tax asset	**2,828**	**55**
Deferred tax liability		
Properties	21,562	25,888
Equipment	20,466	18,984
Derivatives	8,300	6,849
Total deferred tax liability	**50,328**	**51,721**

The deferred tax liability relating to properties at the parent company means directly owned partnerships and limited partnerships.

Not 18 Leases

Operating leases – lessee

The parent company is a lessee through operating leases regarding office premises. The total for the year's expensed leasing fees for operating leases amounts to KSEK 5,737 (8,001). Future minimum fees regarding non-terminable operating leases fall due as follows:

Due date:	**2017**	**2016**
Within one year	4,277	4,297
Later than one year but within five years	7,541	11,406
Total	**11,818**	**15,703**

Note 19 Prepaid expenses and accrued income

	31/12/2017	31/12/2016
Accrued interest income	37,220	24,133
Prepaid operating costs	1,447	2,384
Other items	850	8
Total	**39,517**	**26,525**

Note 20 Non-current liabilities

	31/12/2017	31/12/2016
Non-current liabilities that fall due for payment within five years from the closing day:		
Liabilities to Group companies	176,614	210,960
Other liabilities	157	157
Non-current liabilities which fall due for payment later than five years after the closing day:		
Liabilities to Group companies	771,600	1,118,397
Other liabilities	31	61
Total	**948,402**	**1,329,575**

Maturity structure of loans, financial derivatives and other liabilities

	31/12/2017	31/12/2016
More than one year but less than two years	176,614	71,514
More than two years but less than three years	–	183,451
More than three years but less than five years	–	10,703
More than five years but less than ten years	524,334	690,448
More than ten years but less than twenty years	247,454	373,459
More than twenty years	–	–
Total	**948,402**	**1,329,575**

The parent company's unutilised bank overdraft facilities amount to KSEK 0 (0). The limit for the bank overdraft facilities is KSEK 250,000 (491,345).

The Royal Bank of Scotland is the company's main financier. Since the parent company is part of The Royal Bank of Scotland, of which the British government is the majority owner, the company's long-term financing is deemed to be secure.

Note 21 Accrued expenses and prepaid income

	31/12/2017	31/12/2016
Accrued salary	1,075	1,224
Accrued holiday pay	1,906	1,309
Accrued payroll overheads	1,499	1,275
Accrued interest expenses	26,488	14,192
Other items	2,551	2,798
Total	**33,519**	**20,798**

Note 22 Appropriations

	2017	2016
Group contributions received	49,500	98,000
Group contributions paid	-13,146	-293,000
Change in tax allocation reserve	–	299,500
Total	**36,354**	**104,500**

Note 23 Participations in Group companies

	31/12/2017	31/12/2016
Opening balance cost	2,927,612	2,583,216
Acquisitions during the year	–	344,396
Sales	-1,000	–
Impairment	-36,000	–
Closing cost	**2,890,612**	**2,927,612**

				Book value	
Company name	**Portion of equity**	**Share of voting power**	**No. of shares**	**31/12/2017**	**31/12/2016**
IR IndustriRenting AB	100%	100%	400,000	2,822	2,822
Nordisk Specialinvest AB	100%	100%	5,060	838	838
Nordisk Renting HB	100%	100%		–	–
Nordisk Renting Kapital AB	100%	100%	1,000	249	249
Nordisk Renting A/S	100%	100%	5	520	520
Nordisk Renting Oy	100%	100%	10,000	950,340	950,340
Nordisk Renting AS	100%	100%	1,000	399,600	399,600
Svenskt Fastighetskapital Holding AB	100%	100%	100	100	100
Nordisk Renting Facilities Management AB	100%	100%	1,000	100	100
Nordiska Strategifastigheter Holding AB	100%	100%	1,000	940,214	940,214
Bil Fastigheter i Sverige AB	100%	100%	2,000	250,378	250,378
Mons Investment AB	100%	100%	10,000	7,558	7,558
Airside Properties AB	100%	100%	1,000	308,396	344,396
Förv bol Predio 3 KB	100%	100%		–	–
Forskningshöjden KB	100%	100%		7,500	7,500
Optimus KB	100%	100%		1,000	1,000
Eurohill 4 KB	100%	100%		20,996	20,996
KB Eurohill	100%	100%		–	–
Bong Fastigheter KB	100%	100%		–	1,000
Lerumskrysset KB	100%	100%		–	–
Braheberget KB	100%	100%		–	–
Brödmagasinet KB	100%	100%		–	–
Läkten 1 KB	100%	100%		–	–
Tingsbrogården KB	100%	100%		–	–
Stora Kvarnen KB	100%	100%		1	1
Total				**2,890,612**	**2,927,612**

Company name	Reg. no.	Registered office	Participation 31/12/2017	Participation 31/12/2016
Nordisk Specialinvest AB	556100-8631	Stockholm	100%	100%
Nordisk Renting HB	916631-9559	Stockholm	100%	100%
Nordisk Renting Kapital AB	556548-0802	Stockholm	100%	100%
Nordisk Renting Facilities Management AB	556632-9925	Stockholm	100%	100%
Mons Investment AB	556527-4106	Stockholm	100%	100%
Mons AB	556305-3676	Stockholm	100%	100%
Förv bol Predio 3 KB	916624-2173	Stockholm	100%	100%
Forskningshöjden KB	916620-1393	Stockholm	100%	100%
Optimus KB	916620-1450	Stockholm	51%	51%
Eurohill 4 KB	916533-7636	Stockholm	100%	100%
KB Eurohill	969622-6381	Stockholm	100%	100%
Bong Fastigheter KB	969655-5763	Stockholm	-	100%
Lerumskrysset KB	969646-1939	Stockholm	100%	100%
Braheberget KB	969655-6738	Stockholm	100%	100%
Brödmagasinet KB	916620-1419	Stockholm	100%	100%
Läkten 1 KB	969694-5568	Stockholm	100%	100%
Tingsbrogården KB	969694-5394	Stockholm	100%	100%
Stora Kvarnen KB	969729-1822	Stockholm	51%	51%
Nordiska Strategifastigheter Holding AB	556641-0055	Stockholm	100%	100%
Fastighets AB Stockmakaren	556651-0953	Stockholm	100%	100%
Fastighets AB Flöjten i Norrköping	556629-6140	Stockholm	100%	100%
Kallebäck Institutfastigheter AB	556708-2937	Stockholm	100%	100%
Fastighetsbolaget Holma i Höör AB	556711-4953	Stockholm	100%	100%
Fastighets AB Sambiblioteket	556743-5812	Stockholm	100%	100%
Bil Fastigheter i Sverige AB	556486-9278	Stockholm	100%	100%
Fast AB Xalam	556060-5783	Stockholm	100%	100%
Pyrrhula 6, 7 AB	556063-9816	Stockholm	100%	100%
Fast AB Hammarbyvagnen	556096-5005	Stockholm	100%	100%
Fast Kallebäck 2:4 i Göteborg AB	556110-2020	Stockholm	100%	100%
Fast AB Kabisten 1	556072-3669	Stockholm	100%	100%
Bilfastighet i Täby AB	556650-5342	Stockholm	100%	100%
IR IndustriRenting AB	556288-4428	Stockholm	100%	100%
KB IR Gamlestaden	916514-3281	Stockholm	100%	100%
IR Fastighets AB	556322-1067	Stockholm	100%	100%
Svenskt Fastighetskapital Holding AB	556590-7291	Stockholm	100%	100%
Svenskt Fastighetskapital AB	556590-7267	Stockholm	100%	100%
SFK Kommunfastigheter AB	556590-7234	Stockholm	100%	100%
Dalklockan 6 KB	969676-4373	Stockholm	-	100%
Vansbro Fjärrvärme KB	969603-8752	Stockholm	-	100%
Förv bol Klöverbacken Skola KB	969603-8851	Stockholm	51%	51%
Mjälgen KB	969685-8936	Stockholm	100%	100%
Arkivborgen KB	969694-5162	Stockholm	100%	100%
Tygverkstaden 1 KB	916620-1476	Stockholm	100%	100%

Company name	Reg. no.	Registered office	Participation 31/12/2017	Participation 31/12/2016
Horrsta 4:38 KB	969685-7862	Stockholm	100%	100%
Backsmedjan KB	969694-8901	Stockholm	100%	100%
Gredelinen KB	969724-6529	Stockholm	100%	100%
Svenskt Energikapital AB	556531-8481	Stockholm	100%	100%
Vansbroviken KB	916620-1369	Stockholm	-	100%
Förv bol Dalkyrkan KB	969685-8944	Stockholm	100%	100%
Sjöklockan KB	969603-8836	Stockholm	100%	100%
Solbänken KB	969603-8828	Stockholm	100%	100%
KB Likriktaren	969712-0948	Stockholm	100%	100%
Skinnarängen KB	969646-3109	Stockholm	100%	100%
Grinnhagen KB	969685-5924	Stockholm	100%	100%
Limstagården KB	969685-8969	Stockholm	100%	100%
KB Lagermannen	969700-4761	Stockholm	100%	100%
Nordisk Renting AS	986,953,388	Oslo	100%	100%
BD Lagerhus AS	987,307,226	Oslo	100%	100%
Eiendomsselskapet Apteno Larvik AS	986,366,210	Oslo	100%	100%
Hatros 1 AS	990,666,725	Oslo	100%	100%
Ringdalveien 20 AS	913,706,234	Oslo	100%	100%
Nordisk Renting Oy	FI15379535	Helsinki	100%	100%
Koy Kokkolan Kaarlenportti Fab	FI15306918	Helsinki	100%	100%
Koy Jämsän Keskushovi	FI07870404	Helsinki	100%	100%
Koy Kouvolan Oikeus- ja Poliisitalo	FI09138751	Helsinki	100%	100%
Forssa Liikekiinteistöt Oy	FI08449718	Helsinki	100%	100%
Koy Nummelan Portti	FI17292003	Helsinki	100%	100%
Koy Ravattulan Kauppakeskus	FI16369363	Helsinki	100%	100%
Koy Raision Kihlakulma	FI08349952	Helsinki	100%	100%
Koy Iisalmen Kihlavirta	FI17707539	Helsinki	100%	100%
Koy Tapiolan Louhi	FI17496938	Helsinki	100%	100%
Koy Millennium	FI08888331	Helsinki	100%	100%
Koy Espoon Niittysillantie 5	FI19320178	Helsinki	100%	100%
Koy Vapaalan Service-Center	FI19441762	Helsinki	100%	100%
Artul Kiinteistöt Oy	FI06490426	Helsinki	100%	100%
Fastighets AB Ekenäs Forsmanshagen 4	FI20078251	Helsinki	100%	100%
Koy Helsingin Osmontie 34	FI20278894	Helsinki	100%	100%
Koy Päiväläisentie 1–6	FI20145573	Helsinki	100%	100%
Koy Lohjan Huonekalutalo	FI21010814	Helsinki	100%	100%
Koy Helsingin Panuntie 6	FI01334918	Helsinki	100%	100%
Koy Helsingin Panuntie 11	FI04952607	Helsinki	100%	100%
Kiinteistö Oy Espoon Entresse II	FI21196401	Helsinki	100%	100%
Koy Nuolialan Päiväkoti	FI21867607	Helsinki	100%	100%
Koy Helsingin Mechelininkatu 1	FI22856061	Helsinki	100%	100%
Koy Peltolantie 27	FI27460453	Helsinki	100%	100%
Koy Pennalan Johtotie 2	FI27798358	Helsinki	100%	100%

Company name	Reg. no.	Registered office	Participation 31/12/2017	Participation 31/12/2016
Airside Properties AB	556597-6965	Stockholm	100%	100%
Airside Properties Denmark A/S	25711734	Copenhagen	100%	100%
Airside Properties ASP Denmark A/S	25941683	Herlev	100%	100%
Kastrup Hangar 5 K/S	26236738	Herlev	100%	100%
Kastrup V&L Building K/S	26236746	Herlev	100%	100%
Kastrup Commuter K/S	26236754	Herlev	100%	100%
Nordisk Renting A/S	15129573	Copenhagen	100%	100%

Note 24 Transition to IFRS

The parent company previously applied the general guidelines of Bokföringsnämnden [the Swedish Accounting Standards Board] BFNAR 2012:1 Annual financial statements and consolidated financial statements (K3) and the Swedish Annual Accounts Act when preparing the annual financial statements. From this year, as a consequence of the Group's transition to IFRS, the parent company applies the Annual Accounts Act and RFR 2. The date for the transition to IFRS is 1 January 2016. The transition to IFRS is reported in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards". No voluntary or obligatory exceptions from IFRS 1 have been applied.

The accounting policies set out in Note 1 were applied when the parent company financial statements were drawn up at 31 December 2017 and for the comparative information presented at 31 December 2016 and in the preparation of the report on the opening financial position for the period at 1 January 2016. The estimates made in accordance with IFRS at 1 January 2016 are consistent with the estimates made in accordance with previously applied accounting policies.

The following summary shows the effects of the above applications on the parent company's income statement for 2016 and balance sheet at 1 January 2016 and 31 December 2016. The transition from previous accounting policies has also meant that the structure and classification of the accounts differ from the previous structure and classification. The transition to IFRS has had no effect on the parent company's cash flow.

The parent company statement of financial position at 1 January 2016

(KSEK)	In accordance with previous policies		IFRS adjustments	In accordance with IFRS
Assets				
Non-current assets				
Property, plant and equipment				
Equipment	2,092			2,092
	2,092		**0**	**2,092**
Financial assets				
Participations in Group companies	2,583,216			2,583,216
Receivables from Group companies	3,592,302			3,592,302
Participations in associated companies	220,000			220,000
Deferred tax asset	1,302			1,302
	6,396,820		**0**	**6,396,820**
Total non-current assets	**6,398,912**		**0**	**6,398,912**
Current assets				
Receivables from Group companies	342,282			342,282
Tax receivables	14,622			14,622
Other receivables	100,000			100,000
Prepaid expenses and accrued income	3,294	A1	18,189	21,483
	460,198		**18,189**	**478,387**
Cash and bank balances	**186,677**			**186,677**
Total current assets	**646,875**		**18,189**	**665,064**
Total assets	**7,045,787**		**18,189**	**7,063,976**
Shareholders' equity and liabilities				
Equity				
Restricted equity				
Share capital	129,600			129,600
Statutory reserve	25,920			25,920
	155,520		**0**	**155,520**
Non-restricted equity				
Profit or loss brought forward	2,390,921		14,867	2,405,788
Profit for the year	366,999			366,999
	2,757,920		**14,867**	**2,772,787**
Total equity	**2,913,440**		**14,867**	**2,928,307**

Untaxed reserves	**299,500**		**0**	**299,500**
Provisions				
Deferred tax liability	46,294	C1, C2	4,193	50,487
	46,294		**4,193**	**50,487**
Non-current liabilities				
Liabilities to Group companies	1,435,903			1,435,903
Other non-current liabilities	250			250
Financial derivatives	37,699			37,699
	1,473,852		**0**	**1,473,852**
Current liabilities				
Accounts payable	113			113
Liabilities to Group companies	2,286,741			2,286,741
Other current liabilities	3,148			3,148
Accrued expenses and deferred income	22,699	B1	-871	21,828
	2,312,701		**-871**	**2,311,830**
Total shareholders' equity and liabilities	**7,045,787**		**18,189**	**7,063,976**

The parent company statement of financial position at 31 December 2016

(KSEK)	In accordance with previous policies		IFRS adjustments	In accordance with IFRS
Assets				
Non-current assets				
Property, plant and equipment				
Equipment	1,694			1,694
	1,694		**0**	**1,694**
Financial assets				
Participations in Group companies	2,927,612			2,927,612
Receivables from Group companies	3,460,756			3,460,756
Participations in associated companies	0			0
Deferred tax asset	55			55
	6,388,423		**0**	**6,388,423**
Total non-current assets	**6,390,117**		**0**	**6,390,117**
Current assets				
Receivables from Group companies	640,135			640,135
Tax receivables	39,598			39,598
Other receivables	0			0
Prepaid expenses and accrued income	2,392	A1-A2	24,133	26,525
	682,125		**24,133**	**706,258**
Cash and bank balances	**203,426**			**203,426**
Total current assets	**885,551**		**24,133**	**909,684**
Total assets	**7,275,668**		**24,133**	**7,299,801**
Shareholders' equity and liabilities				
Equity				
Restricted equity				
Share capital	129,600			129,600
Statutory reserve	25,920			25,920
	155,520		**0**	**155,520**
Non-restricted equity				
Profit or loss brought forward	1,257,920		14,867	1,272,787
Profit for the year	1,389,094		4,359	1,393,453
	2,647,014		**19,226**	**2,666,240**
Total equity	**2,802,534**		**19,226**	**2,821,760**
Provisions				
Deferred tax liability	46,299	C1-C4	5,422	51,721
	46,299		**5,422**	**51,721**
Non-current liabilities				
Liabilities to Group companies	1,291,702			1,291,702
Other non-current liabilities	218			218
Financial derivatives	37,655			37,655
	1,329,575		**0**	**1,329,575**
Current liabilities				
Accounts payable	305			305
Liabilities to Group companies	3,073,016			3,073,016
Other current liabilities	2,626			2,626
Accrued expenses and deferred income	21,313	B1-B2	-515	20,798
	3,097,260		**-515**	**3,096,745**

Total shareholders' equity and liabilities	**7,275,668**		**24,133**	**7,299,801**

Profit/loss 01/01/2016 – 31/12/2016

(KSEK)	In accordance with K3		IFRS adjustments	In accordance with IFRS
Net sales	9,368			9,368
Gross profit	**9,368**		**0**	**9,368**
Central administrative expenses	-46,428	B2	-356	-46,784
Other operating income	787			787
Operating profit/loss	**-36,273**		**-356**	**-36,629**
Profit from participations in Group companies	25,799			25,799
Profit from other securities and receivables classified as non-current assets	1,324,421			1,324,421
Other interest income and similar income	232,428	A2, A3	5,900	238,328
Impairment of financial assets	-47,711			-47,711
Interest expenses and similar expenses	-195,108			-195,108
Change in value of financial derivatives		A3	44	44
Profit after financial items	**1,303,556**		**5,588**	**1,309,144**
Appropriations	104,500			104,500
Tax on profit for the year	-18,962	C3-C4	-1,229	-20,191
Profit for the year	**1,389,094**		**4,359**	**1,393,453**

Notes

A. In accordance with previous policies, derivatives are recognised at the lower of cost and net selling price. Under IFRS, they are recognised at fair value.	
A1. Fair value adjustment at start of 1 January 2016	18,189
A2. Fair value 2016	5,944
A3. Reclassification from "Other interest income and similar income" to "Change in value of financial derivatives"	-44
B. Under previous policies, variable remuneration to personnel was not distributed over a period. Under IFRS, variable remuneration to personnel is distributed over the period in which the remuneration is paid.	
B1. Adjustment at start of 1 January 2016	-871
B2. Adjustment 2016	356
C. Tax on adjusted items according to IFRS	
C1. Tax on adjustment Fair value derivatives A1	4,002
C2. Tax on adjustment distributed over a period variable remuneration B1	192
C3. Tax on adjustment Fair value derivatives A2	1,308
C4. Tax on adjustment distributed over a period variable remuneration B2	-78

Note 25 Information on related parties

Strand European Holdings AB, registered office Stockholm, owned 100 per cent of the shares in Nordisk Renting AB at the beginning of 2017. Strand European Holdings AB is part of the National Westminster Bank Plc group, reg. no. SC 929027, which is part of The Royal Bank of Scotland Plc group, reg. no. SC 90312, based at 36 St Andrew Square, Edinburgh EH2 2YB, UK.

Transactions between the company and its related parties have taken place on market terms.

See Note 26 Memorandum items for information about pledged assets and contingent liabilities. There is further information about the parent company's holdings in subsidiaries and associated companies in Notes 23 and 16 respectively.

Note 26 Memorandum items

	2017	2016
Contingent liabilities		
Liabilities in subsidiary partnerships	94,859	37,604
Total	**94,859**	**37,604**

The parent company is responsible for its subsidiary partnerships' external liabilities in line with corporate agreements.

Note 27 Significant events after the end of the financial year

There have been no significant events since the end of the financial year.

Note 28 Proposed distribution of profits

Parent company	
The following earnings are at the disposal of the Annual General Meeting:	
Profit brought forward from previous year	1,166,240,025
Profit for the year	156,271,780
	1,322,511,805
The Board and the Chief Executive Officer propose that:	
be paid to the shareholders as a dividend	256,269,000
be carried forward	1,066,242,805
	1,322,511,805

The Board's statement pursuant to Chapter 18 Section 4 of the Companies Act on the proposed dividend

The Board considers the proposed distribution of profits to be justifiable taking into consideration the requirements which the nature, scope and risks of the operation, both with regard to the company and the Group, place on the size of the equity, and the company's and the Group's consolidation requirements, liquidity and position in general. The Group's equity ratio is reduced from 17.5 per cent to 15.5 per cent (if the dividend had taken place at the end of the year).

Board of Directors 2017

Andrew Blincoe
Board member of Nordisk Renting AB since January 2016

Nick Jordan
Board member of Nordisk Renting AB since 2007

Caroline Bertlin
Board member of Nordisk Renting AB since January 2016. CEO of Nordisk Renting AB since January 2016.

Lars Linder-Aronson
Chairman of Nordisk Renting AB since March 2017.

Senior Executives

Caroline Bertlin
President and CEO

Ulrika Grundén
CFO

Christian Aho
Senior Relationship Manager

Johan Salin
Tax

Lena Hasselgren
Risk

Lennart Ingefeldt
Senior Relationship Manager

Marko Juhokas
Senior Relationship Manager

Olli Hakala
Portfolio Management

Sophie Svala
Portfolio Management

Auditor's report

To the general meeting of the shareholders of Nordisk Renting AB, corporate identity number 556066-2578

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Nordisk Renting AB for the year the financial year 2017-01-01 – 2017-12-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordisk Renting AB for the year the financial year 2017-01-01 – 2017-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm 11 April 2018
Ernst & Young AB

Fredric Hävrén
Authorized Public Accountant

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