

**ANNUAL REPORT 2018
IN BRIEF**



Managing Director's comments

Most of us want to live our lives to the full. The challenge is to achieve this without doing so at the expense of the only planet we have. Because how can we enjoy the summer if we can no longer hear the blackbirds singing in the garden, and how can we travel in the mountains without snow under our skis? And it's not only our lives we are talking about, but also those of future generations. So let's take action, together.

In the world around us, we see polarised opinions about climate change among leading politicians – despite all the research setting out the enormous consequences of a rise in temperatures exceeding 1.5 degrees. And this concerns me. Because just as WWF manager Tanya Steele said in a statement to CNN, it is high time to stop talking and start making changes:

“We are the first generation to know that we are destroying the planet and the last one that can do anything about it.”

THE CLIMATE IS A GLOBAL ISSUE

I am therefore pleased to see that a large number of important initiatives are being implemented, both within our own operation and around the world. We have already taken guidance from the UN's global goals, and during 2018 the EU decided on new circular directives that are leading the way towards a more sustainable society. And even though many would have preferred them to go further, the world's leaders finally arrived at a common starting point for the future during the climate meeting in Katowice.

What's the situation in Sweden? Are we able to pat ourselves on the back and say that we are not responsible for a large proportion of the carbon dioxide emissions? No, at present we are living as though we had 4.2 planets, largely due to our overconsumption and consumption of products that cannot be recycled. As a waste company, we can see the results of this, and we are working to deal with this optimally.

The waste that is produced in Sweden is not the whole truth, however. Around 80 per cent of all emissions of hazardous chemicals and 64 per cent of all greenhouse gases linked to Swedish consumption take place in other countries. It is therefore only natural that our assignment also includes making contributions to reduced consumption, sustainable production and increased knowledge about the fact that the climate issue is global.

Here at Sysav, we are continuing to work with the UN's

global goals and we have identified the ones we can impact the most, which is helping us to become even better and make as substantial a difference as possible. You can read more about this later in the annual report.

CONSTANTLY REDUCING THE ENVIRONMENTAL IMPACT OF OUR OWN OPERATIONS

Here at Sysav, we are continually reviewing our own environmental impact, and we have made improvements in several areas during the year. We have achieved this in part through reduced electricity consumption and reduced emissions of nitrogen oxides in the power plant. We are also now almost entirely free of fossil fuels in the transportation of our own waste, as well as being in the process of switching over our machinery so that it is powered by electricity produced in-house, wherever possible.

COLLABORATIONS THAT ARE PRODUCING RESULTS

It is pleasing to note that households have become even better when it comes to sorting their waste. In addition to the separation of food waste reaching the goal of 50 per cent during 2018, we and our owners have achieved a further 3 per cent reduction in flammable residual waste – from 197 kg to 191 kg per person per year.

In collaboration with our owner municipalities, we have also implemented communication initiatives that have attracted a considerable amount of attention. A good example of this is the Nikotinkaninen ('Nicotine Rabbit') nudging campaign, which resulted in a 56 per cent reduction in people stubbing out cigarettes on the ground at selected bus stops. In addition, and for the second consecutive year, the Resterkocken ('Leftovers Cook') competition encouraged schoolchildren to cook something tasty from the leftover food in the fridge. Together, we have also launched a regional waste plan with the aim of identifying a joint approach in order to achieve a sustainable region for the period 2021–2030.



PROJECTS AND KNOWLEDGE SHARING

One external project in which Sysav is participating is the Food Loop System. Together with the City of Malmö, we are working to reduce food waste in shops and wholesalers, and this will continue in 2019. Another exciting project is STEPS, run by Lund University, which aims to achieve the sustainable production and recycling of plastic.

Just as in previous years, Sysav is continuing its educational initiatives at a rapid pace, and we are seeing important reflections of this during face-to-face meetings. Every year we meet around 9,000 people – everyone from crown princesses to ten-year-olds from Genarp. One particularly pleasing result from 2018 is the fact that our study visits are so well received. In addition, we were also awarded good grades following two million visits to our recycling centres and more than 32,000 customer calls to the Group.

INCREASING SEPARATION AND RECYCLING OF MATERIALS AND RAW MATERIALS

Sysav's far-reaching responsibility to develop our operation in order to achieve balanced finances, at the same time as really making a difference for the environment, is something we take very seriously.

More gains for the environment and our finances are therefore on the way – including with new and

significantly improved sorting of slag as well as planned initiatives for recycling textiles and plaster. We are also continuing to look at robotised pre-separation of bulky waste in order to reduce the percentage that goes on to energy recovery. These initiatives are important steps along the way towards long-term ecological and economic sustainability, and I hope that we will see the right conditions in 2019 to enable us to continue our efforts in earnest within areas where we can make the greatest difference in the circular economy.

Together we have to continue to lift our gaze and ensure that preventive work, increased knowledge and recycling in order to reduce the extraction of virgin raw materials can actually halt the negative trend. And we are doing all this to ensure that our children and grandchildren will also be able to enjoy snow in the winter and the diversity in our countryside that we have taken for granted far too much and for far too long.

Peter Engström, *Managing Director and CEO of Sysav*

Sysav for you and me

Sysav is owned by 14 municipalities in Skåne. These are: Burlöv, Kävlinge, Lomma, Lund, Malmö, Simrishamn, Sjöbo, Skurup, Staffanstorp, Svedala, Tomelilla, Trelleborg, Vellinge and Ystad.

In partnership with the owner municipalities, Sysav is responsible for the waste from the region's households being dealt with, recycled and treated optimally. Through our subsidiary Sysav Industri AB, we also handle waste from companies as well as other regions and countries. Our core operation and our training and information initiatives make Sysav a strong player on the market, contributing to a more sustainable society.

Following a procurement process conducted in 2016, Sysav has taken over the collection of household waste between 2017 and 2025 in three of the owner municipalities – Lomma, Svedala and Kävlinge.

The business was launched in 1974, and the Sysav Group now has just over 330 employees.

BUSINESS CONCEPT

Sysav offers safe, secure waste management, where reuse and recycling of materials and energy are maximised in a cost-effective way, focusing on environmental and resource management.

VISION

Sysav will help create the world's most sustainable region, for current and future generations alike.

CORE VALUES

Delighted customers through quality and service.

The hub in the environmental work

Business development is the department at Sysav that acts as a support and management function for the Group's operations within the area of the environment.

The Environmental management unit is responsible for the Group's environmental coordination and operations systems. This means that the unit develops and maintains procedures and resources with the aim of supporting the operational business in respect of environmental management, environmental coordination and risk analyses. This responsibility includes investigations, analyses and monitoring laws, as well as coordination of the Group's handling of referrals.

Sustainability work, including sustainability reporting, is also included in the department's areas of responsibility.



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Intertek



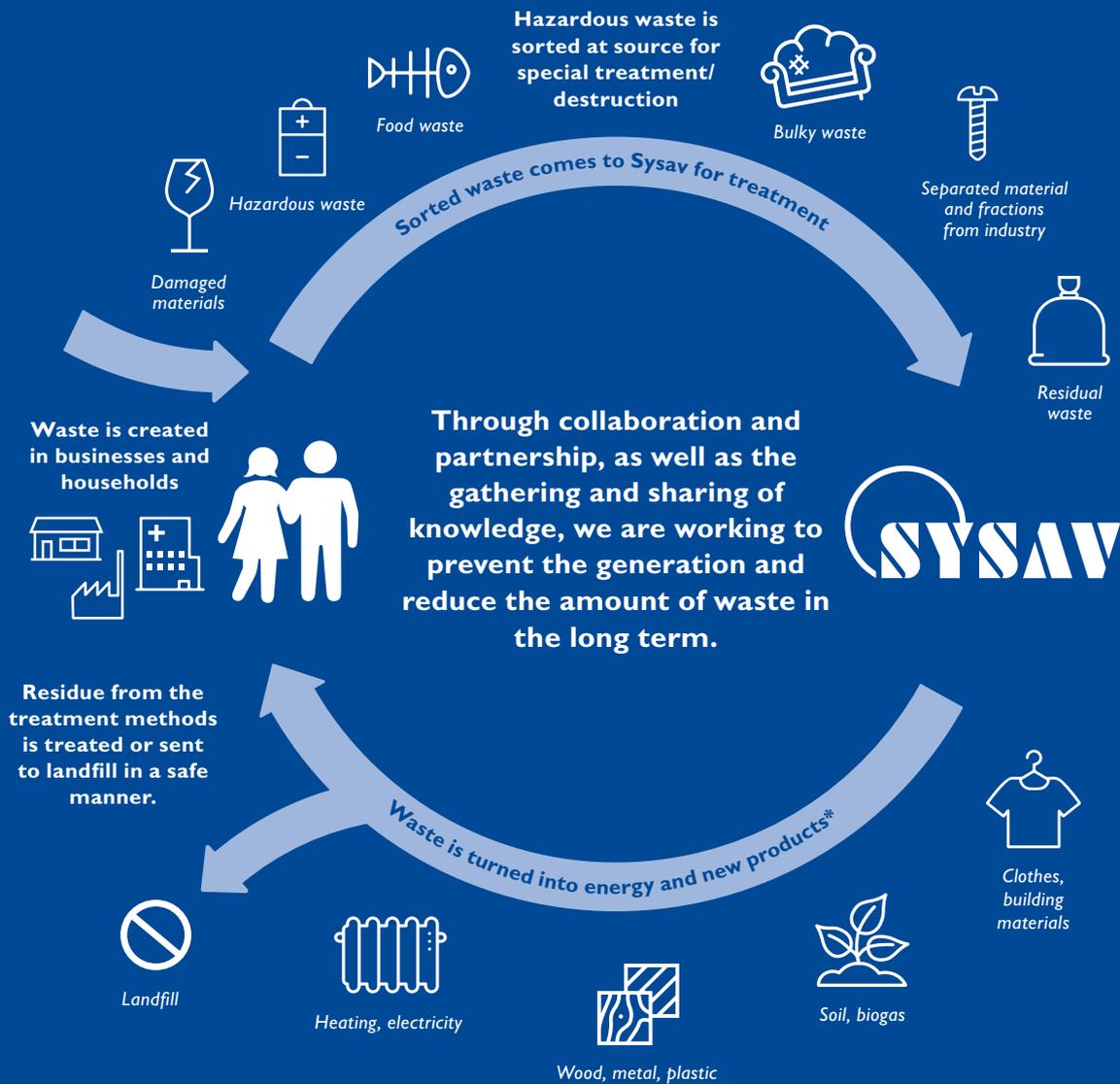
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HIGH LEVELS OF EXPERTISE AND COMMITMENT

Sysav is certified in respect of the environment (ISO 14001), quality (ISO 9001) and the working environment (OHSAS 18001).

The value chain

Our core operation and the value we create



*According to the EU's waste hierarchy

DURING 2018, WE GAVE BACK:

- 97.6% of separated waste was recovered as materials or energy
- 2.4% was sent to landfill for secure storage
- Sysav's energy recovery contributed 60% of the district heating in Malmö and Burlöv
- 48,400 tonnes of slurry was made from the food waste, and converted into biogas equivalent to 3.3 million litres of petrol
- 150,300 sacks of soil were sold at our recycling centres

IN 2018 WE RECEIVED:

- 814,000 tonnes of waste
- Of this, 61,100 tonnes was food waste
- Hazardous waste amounted to 39,100 tonnes
- The recycling centres received 169,300 tonnes of waste

SYSAV'S COLLABORATIONS

- We collaborate in many arenas – regionally, nationally and internationally – within research projects and at universities and university colleges
- We work with other players to prevent waste being produced
- During 2018 we welcomed almost 3,500 people on study visits and met just over 3,000 school pupils.

Administration report, Sysav

The Board of Directors and the Managing Director of Sysav, Sydsånnes avfallsaktiebolag (reg. no. 556187-0410), hereby submit the Annual Report and the consolidated accounts for the financial year 1 January to 31 December 2018.

Sysav and its two wholly-owned subsidiaries, Sysav Industri AB and Sysav Utveckling AB, are owned by 14 municipalities in southern Skåne: Burlöv, Kävlinge, Lomma, Lund, Malmö, Simrishamn, Sjöbo, Skurup, Staffanstorps, Svedala, Tomelilla, Trelleborg, Vellinge and Ystad. The parent company's operations encompass the handling and treatment of household waste from Sysav's owner municipalities, as well as the collection of household waste in Lomma, Svedala and Kävlinge. Sysav Industri AB handles industrial and business waste, as well as flammable household waste, from municipalities and areas outside of Sysav's owner municipalities. Sysav Utveckling AB is the Group's development company, which finances and runs projects with the aim of developing and improving new and existing methods and techniques in the field of waste management. The Sysav Group also includes the associated companies ÅGAB Syd AB, KS Recycling AB and Carl F AB. The operations within KS Recycling AB have been wound up during 2018 due to a lack of profitability.

During 2018, the Board of Sysav has held six regular meetings. Important resolutions in the Sysav Group were made during the year, relating to:

- Investment in new slag sorting
- Strategic direction for 2018-2020
- The owner municipalities' treatment charges for 2019
- Budget for 2019
- Updating of policies

WASTE AND ENERGY VOLUMES

Group

During 2018, the Sysav Group received and treated 813,951 (841,400) tonnes of waste, a reduction of approximately 27,400 tonnes. The warm summer also entailed a reduction in energy deliveries. Within the Group, a total of 543,318 (576,500) tonnes of waste was incinerated during the year.

All the recovered energy was utilised, either through the sale of generated heating to E.ON and electricity to Nordpool, or by the Sysav Group in its own plants. 1,369 (1,478) GWh of heating and 171 (168) GWh of electricity were delivered. Accessibility in the plant amounted to 95.4% during the year.

The volume of food waste from households, stores, restaurants and caterers increased by 1,220 tonnes to 61,120 (59,900) tonnes. The amount of hazardous waste collected in the Group decreased, totalling 39,105 (43,400) tonnes.

Residue from other treatment methods and ashes, sludge and hazardous waste sent to landfill decreased slightly, to 19,539 (23,500) tonnes.

In total, 43.6% (41.4%) of the incoming waste in the Group was recycled as materials and 54% (55.8%) was recovered as energy. A total of 2.4% (2.8%) was sent to landfill.

Sysav

During 2018, Sysav received 401,129 (408,900) tonnes of waste, a reduction of 7,771 tonnes. Furthermore, 6,443 (7,000) tonnes of hazardous waste was received. The hazardous waste truck received 13.2 (16.1) tonnes of waste, and 21.4 (29.3) tonnes of waste came in via the collector cabinets. Sysav is working to safeguard the procedures for weighing waste from the collector cabinets.

36,030 (35,000) tonnes of food waste was received from households. This equates to 50% of the food waste collected, which means that Sysav's owner municipalities have reached the national target which states that 50% of households' food waste must be treated biologically by 2018.

Visits to recycling centres fell slightly, with a total of 169,262 (175,900) tonnes of waste being left during 2,042,309 (2,111,800) visits. The Building Material Recycling Shop, which is a collaboration between Sysav and the City of Malmö Service Administration, received more than three times as much material compared to last year - a total of 2,209 (617) tonnes of construction and demolition materials for reuse.

In total, each resident in Sysav's owner municipalities produced 482 (505) kg of waste, including the bulky waste that is handed in at recycling centres. Municipal collections of household waste equated to 256 (267) kg per person, while the amount left at recycling centres fell to 226 (238) kg. The Eco-cycle Plan has a target of reducing residual waste from households and the figure for this decreased from 197 kg to 191 kg during the year,

which is equivalent to 3%. The target is to have just 175 kg of residual waste per person in the region by 2020.

Sysav Industri AB

The volume of waste received amounted to 412,822 (432,500) tonnes. Hazardous waste from industry accounted for 32,662 (36,400) tonnes.

SIGNIFICANT EVENTS

Municipalities entitled to purchase waste services without advertising

On 10 December, the Supreme Administrative Court ruled on the 13 owner municipalities' case against the Swedish Competition Authority (one of the owner municipalities elected not to appeal). The Competition Authority's decision related to the municipalities being prohibited from purchasing waste services without advertising. The ruling overturned the Competition Authority's decision, as the Supreme Administrative Court judges that the Competition Authority is not authorised to issue bans.

Certification

During the autumn, a follow-up audit of the Group's operations was carried out according to the standards for quality, the environment and the working environment. It could be stated that Sysav satisfies the requirements for the ISO 9001, ISO 14001 and OHSAS 18001 certifications. The auditors highlighted expertise, commitment and openness as some of our strengths. In addition to that, it was ensured that Sysav satisfies the requirements for composting according to SPCR 152.

Ruling in working environment case

In March 2014, a technician at Sysav was splashed with and inhaled ammonia solution, resulting in serious injuries to his lungs and eyes. In December 2018, Sysav was convicted of a breach of working environment law by causing grievous bodily harm. Sysav takes this incident extremely seriously and, in order to prevent similar accidents happening again, the company is working for example to reinforce its safety procedures and is working actively on its safety culture. The ruling means that both Sysav and the subsidiary company Sysav Industri AB each incurred a corporate fine of SEK 450,000.

New managers

Karin Linderos, HR Manager, retired in November 2018, and Jennie Kullberg took up the position. Rasmus Beckman took over as the new Manager of Energy and Food Waste Plants, while Mahyar Mansoori took up the position of Manager of the newly established Maintenance and Projects department. Magnus Pettersson was made the new Environment Manager.

Operations requiring a permit or registration

The majority of Sysav's plants require a permit or must be registered under the Swedish Environmental Code. The plants affect the environment mainly through emissions to air and water. Examples of permits:

- Sjölanda Energi: Incineration of combustible and hazardous waste, and treatment of food waste.
- Plant for hazardous waste: Reception, interim storage and treatment of environmentally hazardous waste and non environmentally hazardous waste, as well as interim storage of fire-fighting water and recyclable liquid waste.
- Waste sites: Management and landfill of waste and hazardous waste.
- Recycling centres: Reception and interim storage of waste and hazardous waste.

The Land and Environmental Court of Appeal's verdict on the appeal regarding the conditions for the Spillepeng waste site was issued on 15 June. Sysav received only marginal sympathy for its claims. The verdict has been appealed to the Supreme Court, from where Sysav is awaiting a judgement.

On 12 March, the Land and Environmental Court of Appeal also issued a verdict in respect of the appeal regarding the plant's permit for hazardous waste. The ruling entails further clarification of the annual amounts of waste that may be treated at the plant, as well as a revision of the conditions for discharging treated process water. The permit has not yet been utilised.

The county administrative board's decision regarding final coverage of the landfill site at Måsalycke waste site has been appealed by Sysav to the Land and Environmental Court in Växjö.

Construction projects and other changes

The work on the final coverage of 34,000 square metres of Trelleborg landfill site has been completed. Earthworks and construction of the slag separation plant at Spillepeng have commenced and are expected to be completed in autumn 2019. The work of introducing an entry system at our recycling centres in order to improve the working environment has continued and procurement has commenced. The planned rebuilding of the business premises at Bjurögatan in Malmö has been put on hold until further notice.

Influencing behaviours and marketing

For the second time Sysav took part in Almedalen, an annual forum for Swedish politics, and held two well-attended seminars. One of these focused on the future for recovered heat and energy, while the other looked at how we are working to create the world's most sustainable region.

Working alongside the owner municipalities, the Nikotinkaninen ('Nicotine Rabbit') nudging campaign was conducted in April-May, in respect of yet another unnatural creature in nature. In total, the discarding of cigarette butts decreased by 56 per cent at bus stops in Trelleborg, Lund and Ystad. Another joint campaign was Resterkocken ('Leftovers Cook'), where pupils at elementary school competed to come up with the best dishes made from leftovers. The level of commitment was high and the number of individuals participating exceeded the target.

A new design for sysav.se was launched in April 2018, and Sysav's outgoing editorial work was reinforced during the year.

Customers and market

One trend that recurs during periods of economic boom is the increase in waste volumes, although in the latter part of 2018 we were able to detect a slight decrease, primarily within bulky waste. However, increased focus on recycling solutions has entailed an increase in the demand for our separation services. International enquiries and collaborations in respect of waste management and recycling have also increased.

Our ambition is to take further steps towards increased materials recycling, where we are both expanding the degree of separation and finding new partners in relation to recycled products and raw materials.

IT development

The focus during the year has been on the digital workplace project. Windows 10 has been rolled out for users at Sysav, and everyone is now working in Office 365. Work aimed at introducing a new decision-making system for following up forecasts, budgets and strategic agendas has also been launched, as well as the analysis of finances and planning. A major IT incident occurred on 24 April, which resulted in a major investigation and an action plan. Sysav has also introduced a new switchboard solution.

Sustainability work and carbon offsetting

Every year, the Sysav Group produces a sustainability report according to the Global Reporting Initiative (GRI), which is presented in its entirety on page 84. Sysav works in accordance with Agenda 2030 and has identified five of the UN's 17 global goals, which are linked to the areas where Sysav has the greatest impact.

A large share of our own waste transport is now conducted using renewable fuels. Sysav is also switching over our own machinery so that it is powered by electricity produced in-house, wherever possible. As a result, the company is already close to achieving the goal of all of Sysav's transport being conducted without carbon dioxide emissions by 2020. In those cases where air travel has to be selected rather than rail, carbon offsetting of Sysav's business travel is conducted.

Research and development

Sysav's development company has taken part in a number of projects during the year. Several Avfall Sverige ('Swedish Waste Management') projects have focused on the classification of slag and slag gravel, and a handbook on the subject was published in December. As Sysav's slag gravel is featured in the documentation, it is possible to state that, according to the handbook, it does not constitute hazardous waste.

SIPTex is a project that is being led by IVL Swedish Environmental Research Institute and supported by Vinnova. The project developed both a business plan and a unique automatic separation technique for bulky, pre-separated textile fractions.

'Shared energy is double energy' is another Vinnova project that is continuing in 2019. The company and Sysav's recycling plants are participating jointly with the City of Malmö, VA SYD and E.ON. The focus for the company lies in developing a model for the increased reuse of materials from the recycling centres.

Sysav Utveckling is also still involved in the STEPS project, which is being run by Lund University. The purpose is to identify sustainable production as well as reuse/recycling of plastic. Within the Interreg project 'Food Loop System', the company has been working to reduce food waste with the focus on shops and wholesalers, principally alongside the City of Malmö. The project was completed in February 2019.

The company also arranged the Sysav Day on 20 April. This year's theme was nudging, "Hur beter du dig människa" ("How are you behaving, man"). It was also the 20th year in which awards were presented for papers or graduation projects on the theme of recycling and waste management. It is pleasing to note that a number of the applicants and award recipients over the years are now working in the sector. The company also participated as one of the organisers of this year's Climathon in Lund.

EMPLOYEES

Sysav has 333 (330) employees on average.

All our employees have completed the "Knopp & Kropp" ("Mind & Body") training during the year, which encompasses fire protection and HLR, as well as employee-ship and the psychosocial working environment. A new tool for the employee survey has been implemented, &Frankly, which aims to take the pulse of the organisation more easily and more often.

Pay mapping has been carried out in line with legislation against discrimination. In addition to new policies, Sysav-wide workplace rules have been developed.

Employee turnover among permanent employees was 9.96% (8.15%) for Sysav and 7.53% (9.78%) for Sysav Industri. From a reduction in utilisation in 2017, the Group's utilised wellness grant rose again in 2018, from SEK 321,420 to SEK 351,617. Sick leave stood at 3.59% (4.83%) for the parent company and 4.6% (3.31%) for Sysav Industri AB.

Significant events after the end of the financial year

At the end of January 2019, a Stage 3 application was submitted to Vinnova in respect of SIPTex with Sysav as the main partner, with the aim of establishing and running an automatic textile recycling plant.

In January 2019, the Supreme Court announced that it would not be granting a hearing on the appeal regarding the conditions for Spillepeng waste site.

At the end of January 2019, a supplementary agreement was also entered into with E.ON regarding district heating supplies that allows continued energy recovery from our oldest boilers.

A study in respect of noise has been carried out for the recycling centre in Lilla Hammar, and in January 2019 the county administrative board has tasked Sysav with submitting an action plan for reducing the noise level.

In February, the Swedish Competition Authority announced that they have launched a new investigation into the owner municipalities' purchases from the Sysav Group.

Anticipated future development

More gains for the environment and economy are on the way – including new and significantly improved sorting of slag that is being taken into operation in 2019, as well as planned initiatives for recycling textile and plaster. We are also continuing to look at robotised pre-separation of bulky waste in order to reduce the percentage that goes on to energy recovery. These initiatives are an important part of Sysav's endeavour to lead the way towards increased sustainability.

At the same time, we can see that energy recovery from the waste that cannot be utilised in a better way is, and will be, an important part of the circular economy, which we will discuss further.

FINANCES

Group net sales amount to MSEK 956.4 (915.1), operating profit amounts to MSEK 64.6 (90.2), and profit before appropriations and tax amounts to MSEK 39.3 (71.0).

Parent company net sales for the year amount to MSEK 515.1 (512.1), operating loss amounts to MSEK -64.2 (-28.0) and loss before appropriations and tax amounts to MSEK -91.8 (-46.8).

The Group's balance sheet total was MSEK 2,159.0 (2,232.3). The balance sheet includes the leased asset in line four of the waste-to-energy plant.

Credit situation

The Group's liabilities totalled MSEK 723 (804) on the balance sheet date, of which MSEK 413 (454) relates to a leasing commitment for line 4 in the waste-to-energy plant and MSEK 310 (350) relates to bank loans. During the year, the leasing commitment has decreased by MSEK 41 (40).

Expenses for waste tax

The Group's expenses for waste tax amounted to MSEK 7.9 (9.1) during the year. The waste tax per tonne was SEK 500 (500) in 2018.

During the year, extensive work has been carried out aimed at using the Group's business system to produce reliable reconciliation data in respect of waste tax.

The Group's and the Parent company's reported prepaid waste tax has thereby been demonstrated to be incorrect. Adjustments have been made by reporting as "correction of error", which has increased the Group's equity by MSEK 36.3 and reduced the parent company's equity by MSEK 28.0 (see explanatory note in respect of accounting principles).

Investments

The Group's volume of investment amounted to MSEK 127.2 (75.8) during the year. The investments have been made in order to continue following technical progress and to ensure continued high availability and efficiency in the company's treatment plants. The major investments include slag sorting, machinery for the recycling centres, an iconel-coated rear wall for line 4, panel tubes for boilers 1 and 2, as well as a number of new vehicles such as wheel loaders.

Expenses for restoration of landfill sites

Landfill at the Albäck and Måsalöcke facilities ended in 2008. The sealing work, which includes final coverage, has been in progress since 2009. A new plant for the biological treatment of leach water was opened at the beginning of June 2014. The facility, which is located at Spillepeng in Malmö, forms part of the Group's endeavour to be at the forefront of developments towards long-term, sustainable waste management.

Sealing of the landfill sites has been financed through previous financial provisions. A fundamental review of the calculation model was conducted in 2016. Utilisation for the year amounted to MSEK 15.2 (7.6) while the provision for the year was MSEK 3.5 (14.0). The accumulated provision on the balance sheet date totalled MSEK 264.7 (276.4).

FINANCIAL RISK MANAGEMENT

Financing, interest rate and currency risks

The Group's credit has variable interest rates. MSEK 600 (600) of the total credit of MSEK 723 (804) is protected through interest derivatives in the form of interest swaps with repayment that follows our credit. The interest

hedging profile was restructured at the end of the year, at which point the interest swaps that had not expired were terminated, which resulted in a cost for interest differential compensation.

On the balance sheet date, the Group's average interest rate was 1.39% (2.79%). The average remaining term of the borrowing is 6.1 (7.2) years and the average fixed-interest term for derivatives is 5.7 (2.1) years.

During the year, Sysav has conducted currency hedges in both EUR and GBP. The Group continually monitors its flows in foreign currencies and hedges where necessary, in accordance with the prepared financial risk policy.

Credit and counterparty risks

The Group's customers are primarily waste collectors, shipping agents, and buyers of materials and energy. The risks are handled through ongoing control and monitoring of credit and counterparty risks via credit reference companies. Sysav uses well-known counterparties of good repute for bilateral trade and strives to trade on well-established marketplaces.

Credit losses vary from year to year, but have historically been low in relation to total sales.

Raw material price risks

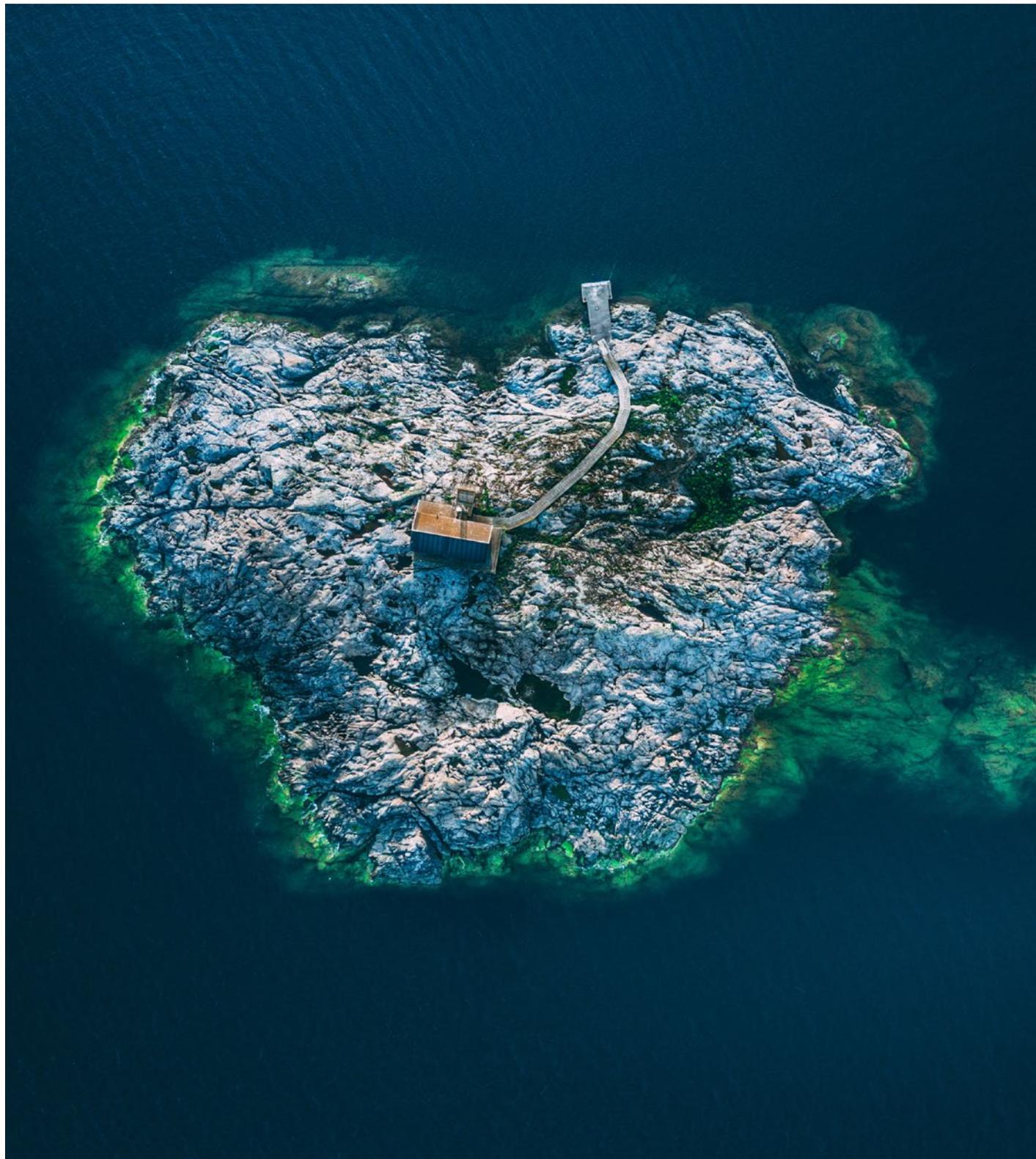
Sysav works actively with a portfolio of agreements based on forecasts, taking account of incoming and outgoing volumes as well as prices on the energy and raw materials markets. The different classes of asset are hedged through permitted instruments within the framework of the financial risk policy.

Liquidity risks

The Group issues monthly invoices and has the largest income flow in the first and third four-month periods. Liquidity risk is managed through a mixture of long and short-term agreements with business partners. Rolling monthly liquidity planning and regular monitoring of account balances are also carried out. Together this ensures that Sysav has liquid funds available to make the necessary payments at any time.

Insurance risks

Sysav endeavours to maintain a good picture of what risks need to be covered via well-considered insurance protection. Signed insurance policies are linked to the respective asset and are designed to take into account requirements, premiums and excesses as well as which values are covered in the event of a claim.



Five-year review

GROUP (MSEK)	2018	2017	2016	2015	2014
Net sales	956	915	877	843	818
Profit/loss after financial items	39	71	135	44	28
Balance sheet total	2,159	2,232	2,233	2,170	2,203
Equity/assets ratio, %	38	35	31	27	25
Return on capital employed, %	4	5	8	3	3
Return on equity after tax, %	4	7	16	6	4
No. of full-time positions	333	330	306	293	283
Investments	127	76	46	113	89
PARENT COMPANY (MSEK)	2018	2017	2016	2015	2014
Net sales	515	512	426	411	396
Profit/loss after financial items	-92	-47	-55	-81	-72
Balance sheet total	1,430	1,438	1,449	1,484	1,514
Equity/assets ratio, %	39	37	37	35	34
Return on capital employed, %	-5	-2	-2	-4	-3
Return on equity after tax, %	-15	-11	-11	-16	-19
No. of full-time positions	214	212	188	184	180
Investments	107	51	35	115	72

Definitions: See Note 1

PROPOSED APPROPRIATION OF PROFITS NOTE (31)

Earnings in the parent company at the disposal of the general meeting of shareholders:

Profit brought forward	SEK 191,068,193
Profit for the year	SEK 41,728,691
Total	SEK 232,796,884

The Board proposes that the earnings be treated as follows:

Dividend to owners	SEK 3,145,000
To be carried forward	SEK 229,651,884
Total	SEK 232,796,884

Income statement

(KSEK)		GROUP		PARENT COMPANY	
Revenue	Note	2018	2017	2018	2017
Net sales	(2, 3)	956,378	915,111	515,082	512,134
		956,378	915,111	515,082	512,134
Operating expenses					
Production costs	(3)	-330,702	-303,405	-239,721	-231,333
Other external expenses	(3, 4, 5)	-155,336	-143,952	-75,176	-71,599
Staffing costs	(6, 7, 8)	-229,201	-209,854	-143,166	-128,988
Value adjustment of property, plant and equipment, and intangible assets	(9, 14)	-179,133	-163,778	-121,225	-108,263
		-894,372	-820,989	-579,288	-540,183
Share of profits in associated companies	(10)	2,635	-3,875	–	–
Operating profit/loss		64,641	90,247	-64,206	-28,049
Profit from financial items					
Result from other securities and receivables accounted for as non-current assets	(11)	–	131	680	858
Interest income		3,189	4,106	–	3,793
Interest expenses		-28,546	-23,482	-28,251	-23,365
		-25,357	-19,245	-27,571	-18,714
Profit/loss after financial items		39,284	71,002	-91,777	-46,763
Appropriations	(12)	–	–	148,025	100,337
Profit before tax		39,284	71,002	56,248	53,574
Tax on profit for the year	(13)	-7,836	-15,866	-14,519	-13,298
Profit for the year		31,448	55,136	41,729	40,276

Balance sheet

ASSETS (KSEK)	Note	GROUP		PARENT COMPANY	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
Non-current assets					
Intangible assets	(14)				
Software		30,226	34,596	30,226	34,596
Total intangible assets		30,226	34,596	30,226	34,596
Property, plant and equipment	(14)				
Land and buildings		490,342	467,489	394,366	368,519
Plant and machinery		782,557	861,783	332,090	378,223
Equipment, tools, fixtures and fittings		127,302	133,091	100,184	107,830
Construction in progress		100,217	85,660	93,010	74,689
Total property, plant and equipment		1,500,418	1,548,024	919,650	929,261
Financial assets					
Holdings in Group companies	(15)	–	–	170	170
Receivables from Group companies	(16)	–	–	12,298	18,158
Holdings in associated companies	(17)	43,615	40,980	–	–
Receivables from associated companies	(18)	–	5,000	–	–
Deferred tax asset	(24)	–	3,018	31,359	–
Total financial fixed assets		43,615	48,998	43,827	18,328
Total non-current assets		1,574,259	1,631,618	993,703	982,185
Current assets					
Inventories	(19)				
Raw materials and consumables		12,404	7,627	3,610	3,074
Total inventories		12,404	7,627	3,610	3,074
Current receivables					
Accounts receivable		113,715	102,487	52,366	45,330
Receivables from Group companies		–	–	27,103	–
Receivables from associated companies		2,370	3,630	43	214
Current tax assets		–	16,425	–	16,425
Other receivables		44,376	7,788	16,052	388
Prepaid expenses and accrued income	(20)	93,647	97,345	23,041	25,379
Total current receivables		254,108	227,675	118,605	87,736
Cash and bank balances		318,243	365,422	314,092	365,120
Total current assets		584,755	600,724	436,307	455,930
TOTAL ASSETS		2,159,014	2,232,342	1,430,010	1,438,115

EQUITY AND LIABILITIES (KSEK)		GROUP		PARENT COMPANY	
	Note	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Equity					
Share capital	(21)	33,000	33,000		
Other equity		747,765	697,629		
Profit for the year		31,448	55,136		
Total equity		812,213	785,765		
Restricted equity					
Share capital				33,000	33,000
Statutory reserve				5,412	5,412
Total restricted equity				38,412	38,412
Non-restricted equity					
Profit brought forward				191,068	155,792
Profit for the year				41,729	40,276
Total non-restricted equity				232,797	196,068
Total equity				271,209	234 480
Untaxed reserves	(22)			363,545	381,570
Provisions					
Provisions for pensions	(23)	97,613	97,850	91,626	91,829
Deferred tax liabilities	(24)	67,102	103,840	–	623
Other provisions	(25)	267,820	279,646	267,820	279,646
Total provisions		432,535	481,336	359,446	372,098
Long-term liabilities					
Liabilities to credit institutions	(26)	641,271	722,755	270,000	310,000
Total long-term liabilities		641,271	722,755	270,000	310,000
Current liabilities					
Liabilities to credit institutions	(26)	81,484	80,962	40,000	40,000
Accounts payable		104,963	51,520	66,928	30,162
Liabilities to Group companies		–	–	7,276	24,648
Liabilities to associated companies		–	263	–	263
Current tax liabilities		13,890	36,932	13,890	–
Other liabilities		9,044	13,582	3,341	5,534
Accrued expenses and deferred income	(27)	63,614	59,227	34,376	39,360
Total current liabilities		272,995	242,486	165,810	139,967
TOTAL EQUITY AND LIABILITIES		2,159,014	2,232,342	1,430,010	1,438,115



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Sysav
Box 50344, SE-202 13 Malmö
Tel: +46 (0)40-635 18 00
kundservice@sysav.se

