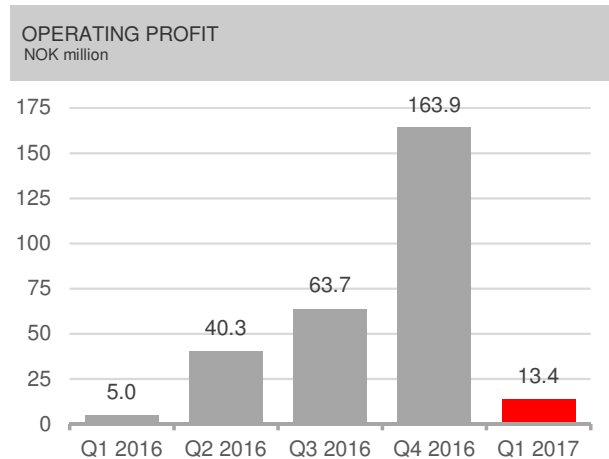
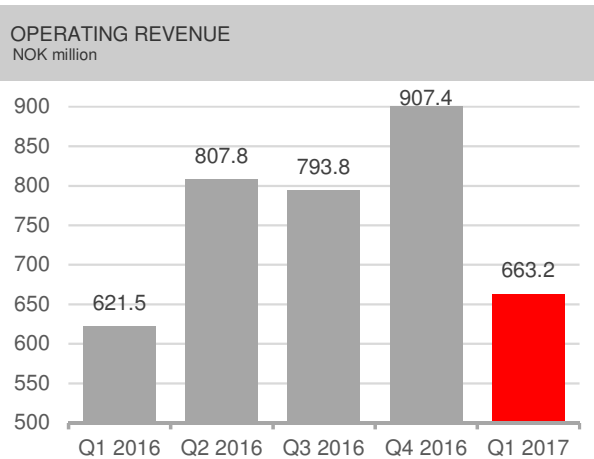


## INFRA TEK GROUP AS – First quarter 2017

### Highlights first quarter 2017

- Operating revenue of NOK 663.2 million (NOK 621.5 million)
- Operating profit of NOK 13.4 million (NOK 5.0 million)
- Operating profit margin of 2.0 percent (0.8 percent)
- Cash flow from operations NOK 143.6 million (NOK 65.4 million)
- Cash Balance of NOK 271.6 million (NOK 385.6 million)
- Strengthening of Finnish market position through acquisition of technical service division of Helen Ltd
- Satisfactory order book for the rest of the year



## KEY FIGURES

First quarter			Year
2016	2017	PROFIT AND LOSS (NOK million)	2016
621.5	663.2	Operating revenue	3,130.5
14.1	18.9	Operating profit before depreciation	312.3
5.0	13.4	Operating profit	272.9
5.0	13.4	Adjusted operating profit	190.3
-13.0	-11.4	Net financial income (expenses)	-45.0
-8.0	2.1	Profit (loss) before tax	228.0
-5.9	2.0	Profit (loss) for the period	165.6
		<b>CAPITAL MATTERS</b>	
1,675.8	1,681.4	Total assets	1,713.1
24.6 %	25.9 %	Equity ratio	24.9 %
334.6	375.5	Net interest-bearing debt (cash)	505.4
65.4	143.6	Cash flow from operating activities	73.7
		<b>KEY FIGURES</b>	
0.8 %	2.0 %	Operating profit margin	8.7 %
0.8 %	2.0 %	Adjusted operating profit margin	6.1 %

## FIRST QUARTER 2017

Consolidated revenue came in at NOK 663.2 million, an increase of NOK 41.7 million compared to the same period last year. Revenue has improved in all countries. Parts of the increase can be explained by different timing of public holidays, with Easter holidays falling on March in 2016.

The Group posted a first-quarter operating profit of NOK 13.4 million, compared to NOK 5.0 million for the corresponding prior-year period. Main contributors to the growth in operating profit is overall increased activity in all countries. The operating margin has improved by 1.2 percentage points, to 2.0 percent with margin improvements in all countries.

Net financial expenses in the quarter amounted to NOK -11.4 million, compared to NOK -13.0 million in the comparable prior-year period. The main part of net financial expenses for the quarter as well as for the comparable prior-year period is interest charged on bond. The decrease in net financial expenses is mainly explained by the repayment of loan to Triton Funds in April 2016.

The tax expense for the quarter was NOK 0.1 million, based on the positive profit before tax for the period. The Infratek Group posted an

after-tax profit for the first quarter of NOK 2.0 million, compared to a loss of NOK -5.9 million for the comparable prior-year period.

As of 31 March, the total order reserves were NOK 3,692 million, of which NOK 1,897 million relates to 2017. The Group's order book at the end of the first quarter previous year was NOK 3,771 million. The slight decrease compared to previous year is due to reduced order reserve volumes related to framework agreements with grid owners, given the structure of the contracts.

To further strengthen Infratek's position in the Finnish energy market, on March 1, Infratek Finland Oy bought a part of Helen Ltd's Technical Services Division - Electrical Maintenance - with 30 employees. The business provides basic electrical maintenance services for substations including switchgear and transformer maintenance as well as testing services. Furthermore, the organization provides services to GIS switchgear and tap changers as well as oil testing to transformers in addition to being the only operator with experience of providing 24/7 standby services for Helen's substations. The business has significant experience of providing electrical relay protection and automation services for 400V to 110kV voltages.

To facilitate comparability, Infratek presents an adjusted operating profit in its financial reporting. The adjusted operating profit includes only income and expenses related to recurring, underlying operations. Infratek defines non-recurring items as items of unusual or non-recurring nature which represent gains or losses, including amongst others expenses arising on the restructuring of activities, reversal of provisions related to non-recurring items occurred in previous years and disposals and impairments on non-current assets.

### BALANCE SHEET

Infratek Group's total assets decreased from NOK 1,713.1 million as of 31 December 2016 to NOK 1,681.4 million at the end of the reporting period. The decrease is primarily attributable to a reduced net working capital position, net of increase in cash position.

As of 31 March 2017, equity amounted to NOK 434.7 million, representing an increase of NOK 8.0 million compared to 31 December 2016. This corresponds to an equity ratio of 25.9 percent at the end of the reporting period, which is 1.0 percentage points above year-end 2016 and an increase of 1.3 percentage points compared to the same period last year. The reasons for the increase in equity compared to year-end 2016 are the positive after-tax profit and a positive effect by currency change differences of NOK 6.0 million during the first quarter of 2017.

As of 31 March 2017, the Group's cash and cash equivalents totalled NOK 271.6 million, compared to NOK 141.2 million at the end of 2016 and NOK 385.6 million as of 31 March previous year. The increase in cash position compared to 31 December 2016 is a result of implemented weekly follow-up routines on invoicing.

Net debt before loan from Triton Funds is NOK 375.5 million (NOK 264.2 million) and consists of:

NOK million	31.03.17	31.03.16	31.12.16
Cash and cash equivalent	-271.6	-385.6	-141.2
Bond-principal (net of transactions costs)	641.8	638.1	640.9
Accrual interest - bond	4.2	4.5	4.4
Other interest-bearing liabilities	1.1	7.2	1.3
<b>Net debt</b>	<b>375.5</b>	<b>264.2</b>	<b>505.4</b>

### CASH FLOW AND FINANCING

Net positive cash flow from operating activities in the first quarter of 2017 amounted to NOK 143.6 million, an increase of NOK 78.1 million compared to the corresponding period previous year. The rise is mainly explained by increased focus on invoicing with weekly follow-up meetings, as well as the positive development in profit before tax in 2017 compared to the corresponding period in 2016.

Cash flow from investment activities is negative by NOK 3.6 million compared to NOK 42.9 million for the comparable period previous year. Previous year cash flow contains consideration paid for the acquisition of the Finnish company Pohjolan Werkonrakennus Oy (PWR), while current quarter's cash flow contains consideration paid for Helen Ltd's Technical Services Division - Electrical Maintenance. Investments in fixed assets decreased from NOK 2.9 million prior year's first quarter to NOK 1.8 million this quarter.

Net negative cash flow from financing activities in the first quarter of NOK -10.6 million was solely attributable to payment of interest, mainly interest paid on bond.

The Group has a NOK 100 million credit facility and a guarantee facility of NOK 300 million with Swedbank – both with duration of 57 months from May 2014. At the reporting date, the Group had bank guarantees of total NOK 158 million and the credit facility was undrawn.

## SEGMENT INFORMATION

Infratek reports its business activities in three geographical segments – Norway, Sweden and Finland.

### NORWAY

The operation in Norway is organised in the following divisions:

- ✓ *Regional Grids Norway*, which is aimed at the product areas distribution grids, transmission grids, transformer stations, and power cables.
- ✓ *Distribution Grids Norway*, which is aimed at the product area distribution grids for customers located in Oslo and the Østlandet area.
- ✓ *Electrical Safety*, which on behalf of grid companies is providing inspection and monitoring services (so-called DLE services).
- ✓ *Infra Solutions*, which offers services within lighting services, project and metering.

	First quarter		Full year
NOK million	2017	2016	2016
Operating revenue	209.8	203.9	1,000.4
Operating profit before depreciation	7.1	8.1	169.1
Operating profit	6.1	5.3	158.8
Adjusted operating profit	6.1	5.3	65.5
Operating margin	2.9 %	2.6 %	15.9 %
Adjusted operating margin	2.9 %	2.6 %	6.5 %

The business in Norway posted in the first quarter a total operating revenue of NOK 209.8 million, 2.9 percent above the corresponding previous year period. The improvement is attributable to increased activity within all divisions except Regional Grids Norway which had decreased activity within all of its businesses.

Operating profit came in at NOK 6.1 million (NOK 5.3 million). The increase compared to the corresponding period previous year is mainly explained by the increased revenue.

As of the reporting date, the segment had a total order book of NOK 801 million, of which NOK 468 million relates to 2017. Compared to prior year, the order book has improved by NOK 122

million mainly attributable to the new maintenance agreement with Oslo Bymiljø-etaten lasting over a 4-year period, amounting to approximately NOK 160 million. The contract has an option for two additional years.

### SWEDEN

The operation in Sweden is organised within the following divisions:

- ✓ *Distribution Grids Svea and Distribution Grids Göta*, which are aimed at the product areas distribution grids, transmission grids, transformer stations, services within street lighting and metering.
- ✓ *Regional Grids Sweden*, which operates as an end-to-end supplier of projects within the high voltage electrical infrastructure.
- ✓ *Railway*, which delivers services to constructors and owners of infrastructure for railways.

	First quarter		Full year
NOK million	2017	2016	2016
Operating revenue	333.5	299.4	1,480.0
Operating profit before depreciation	10.8	2.7	92.6
Operating profit	9.4	0.0	82.8
Adjusted operating profit	9.4	0.0	84.9
Operating margin	2.8 %	0.0 %	5.6 %
Adjusted operating margin	2.8 %	0.0 %	5.7 %

The business in Sweden posted a total operating revenue of NOK 333.5 million, 11.4 percent above the corresponding previous year period. The increase is attributable to higher revenue within all divisions except Regional Grids Sweden, which decreased revenue due to postponements of a few projects.

The operating profit came in at NOK 9.4 million (NOK 0.0 million). The operating margin was up by 2.8 percentage points with margin improvements in Distribution Grids Göta and Regional Grids Sweden. The improvement in Distribution Grids Göta is explained by large write-downs related to the discontinued business in Kalmar-Blekinge in the first quarter previous year.

As of the reporting date, the segment had a total order book of NOK 2,161 million, of which NOK 1,057 million relates to 2017. Main part of

Sweden's order reserves relates to framework agreements with large grid owners. Compared to end of March previous year, orders on hand have decreased by NOK 291 million primarily as result of the already produced volumes related to multi-year framework contracts with major customers.

## FINLAND

The operations in Finland include products and services within the distribution grid and the central transmission grid, especially related to transformer stations.

NOK million	First quarter		Full year
	2017	2016	2016
Operating revenue	118.0	115.9	642.5
Operating profit before depreciation	7.3	4.9	52.6
Operating profit	6.0	3.0	43.5
Adjusted operating profit	6.0	3.0	46.5
Operating margin	5.1 %	2.6 %	6.8 %
Adjusted operating margin	5.1 %	2.6 %	7.2 %

Revenue in the Finnish market (NOK 118.0 million) is in line with the same period previous year (NOK 115.9 million). The slight increase is mainly due to revenue from the acquired business of Helen Ltd's Technical Services Division, which amounted to approximately NOK 1.7 million since acquisition.

Finland posted a first-quarter profit of NOK 6.0 million (NOK 3.0 million), with an increase in operating margin from 2.6 percent in the comparable quarter previous year to 5.1 percent this quarter. Margin improvements are achieved in all Finnish businesses except Transformer Services.

As of the reporting date, the segment had a total order book of NOK 730 million, of which NOK 373 million relates to 2017. Total orders on hand have increased by NOK 90 million compared to the end of March previous year.

## OTHER

The Other business segment comprises Group administration expenses and expenses related to Group-level functions.

NOK million	First quarter		Full year
	2017	2016	2016
Operating profit	-8.1	-3.3	-12.2
Adjusted operating profit	-8.1	-3.3	-6.5

Group expenses of NOK 8.1 million were incurred in the quarter, compared to NOK 3.3 million in the comparable period previous year. The increase in net expenses is primarily attributable to strategy-work related consultancy cost.

## EMPLOYEES

As of 31 March 2017, the Group had 1,338 employees.

Countries	Number of employees	Number of man-years	Sick-leave rate 1Q17
Norway	513	509	7.0 %
Sweden	533	532	3.9 %
Finland	292	290	2.8 %
<b>Total</b>	<b>1,338</b>	<b>1,331</b>	<b>4.9 %</b>

As of the reporting date, the number of employees was up by 30 compared to the end of March 2016. While the number of employees is reduced with 23 in Norway, Sweden has increased its number of employees by 12 and Finland by 41. The increase in Finland is mainly due to 30 employees engaged in the acquired business from Helen Ltd.

Sickness absence has slightly decreased from 5.5 percent in the first quarter last year to 4.9 percent this year. Norway increased sick-leave, while sick-leave in Sweden and Finland has decreased compared to the same period last year. Infratek is working on different measures to reduce the sickness absence - both actively within the company - and in cooperation with public authorities.

## OUTLOOK

The market is growing in all the five business areas that Infratek engages in, i.e. electrical grids in Norway, Sweden and Finland, Railway and Infra Solution. The overriding aim is to strengthen Infratek's position in our markets for critical infrastructure - through profitability and growth. The board of directors believes that Infratek is well equipped to develop the Group further in this direction, to deliver and become a leading Nordic player.

An increased efficiency in operations has boosted Infratek's competitiveness, while the award of several strategically important and long-term contracts has reinforced the Group's

market position. For the coming years, this work will continue, but more attention will be given to growth.

Service providers that manage to build critical infrastructure in the most effective way will have a competitive advantage. Infratek's Nordic market position and strong financial position, makes Infratek well positioned to meet the challenges facing the Group in the future.

Oslo, 10 May 2017

Infratek Group AS

Board of Directors

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

First quarter			Year
2016	2017	NOK million	2016
621.5	663.2	Operating revenue	3,130.5
-294.9	-327.2	Purchased materials	-1,650.3
-238.2	-238.1	Salaries and other personnel expenses	-884.9
-9.1	-5.5	Depreciation and amortization	-39.4
-74.2	-79.0	Other operating expenses	-283.1
5.0	13.4	<b>Operating profit</b>	272.9
2.1	0.7	Financial income	3.4
-15.1	-12.0	Financial expenses	-48.3
-13.0	-11.4	<b>Net financial income (expense)</b>	-45.0
-8.0	2.1	<b>Profit (loss) before tax</b>	228.0
2.1	-0.1	Tax expense	-62.4
-5.9	2.0	<b>Profit (loss) for the period</b>	165.6

### Other comprehensive income

First quarter			Year
2016	2017	NOK million	2016
		<u>Items that will be recycled subsequently to profit or loss</u>	
-13.2	6.0	Exchange differences on translating foreign operations	-45.7
		<u>Items that will not be recycled subsequently to profit or loss</u>	
-	-	Change in actuarial gains and losses pensions	12.9
-	-	Tax expense on other comprehensive income	-3.2
-13.2	6.0	<b>Other comprehensive profit for the period</b>	-36.1
-19.1	8.0	<b>Total comprehensive income for the period</b>	129.5



**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET**

NOK million	31.03.17	31.03.16	31.12.16
Fixed assets	68.0	97.0	70.7
Intangible assets	641.2	650.9	631.2
Deferred tax assets	12.9	34.7	-0.0
Other long-term receivables	70.4	-	71.6
<b>Total non-current assets</b>	<b>792.6</b>	<b>782.5</b>	<b>773.5</b>
Inventory	7.9	5.8	5.1
Accounts receivables and other receivables	609.3	501.9	793.4
Cash and cash equivalents	271.6	385.6	141.2
<b>Total current assets</b>	<b>888.8</b>	<b>893.2</b>	<b>939.7</b>
<b>Total assets</b>	<b>1,681.4</b>	<b>1,675.8</b>	<b>1,713.1</b>
Share capital and share premium	253.3	253.3	253.3
Other equity	181.5	159.8	173.5
<b>Total equity</b>	<b>434.7</b>	<b>413.1</b>	<b>426.7</b>
Bond	641.8	638.1	640.9
Other interest-bearing long-term debt	-	70.3	-
Pension obligations	-	39.3	0.3
Deferred tax	25.4	4.5	11.8
Provisions	33.0	44.4	34.2
<b>Total non-current liabilities</b>	<b>700.3</b>	<b>796.5</b>	<b>687.2</b>
Account payable and other current liabilities	538.9	451.6	578.8
Tax payable	3.3	10.1	16.0
Short-term interest-bearing debt	4.2	4.5	4.4
<b>Total current liabilities</b>	<b>546.4</b>	<b>466.2</b>	<b>599.2</b>
<b>Total liabilities</b>	<b>1,246.7</b>	<b>1,262.7</b>	<b>1,286.4</b>
<b>Total equity and liabilities</b>	<b>1,681.4</b>	<b>1,675.8</b>	<b>1,713.1</b>



**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT**

NOK million	First quarter		Year
	2017	2016	2016
Profit before tax	2.1	-8.0	228.0
Depreciation	5.5	9.1	39.4
Financial income and expenses	11.9	12.8	44.2
Change in pension liabilities and actuarial adj.	0.9	-12.1	-109.8
Other non-cash items and changes in accruals	-1.3	27.1	-4.4
Change in net working capital	136.6	41.9	-99.1
Paid taxes	-12.2	-5.4	-24.6
<b>Net cash flow from operating activities</b>	<b>143.6</b>	<b>65.4</b>	<b>73.7</b>
Investments - fixed assets	-1.8	-2.9	-9.2
Investments - operations (net of cash acquired)	-2.0	-40.1	-47.5
Sales amount - fixed assets	0.1	0.1	6.4
<b>Cash flow from investment activities</b>	<b>-3.6</b>	<b>-42.9</b>	<b>-50.3</b>
Change interest-bearing liabilities	-0.3	-	-79.1
Net received/paid interest rates	-10.3	-13.7	-41.9
Dividend, equity issues and other equity changes	-	-	-135.0
<b>Cash flow from financing activities</b>	<b>-10.6</b>	<b>-13.7</b>	<b>-256.0</b>
<b>Change in cash and cash equivalents</b>	<b>129.4</b>	<b>8.8</b>	<b>-232.6</b>
Cash and cash equivalents at beginning of period	141.2	357.3	357.3
Cash and cash equivalents from acquired company	-	21.3	21.3
Exchange rate differences on cash in foreign curr.	1.0	-1.8	-4.8
<b>Cash and cash equivalents at end of period</b>	<b>271.6</b>	<b>385.6</b>	<b>141.2</b>

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

NOK million	First quarter		Year
	2017	2016	2016
<b>Equity at beginning of reporting period</b>	<b>426.7</b>	<b>432.2</b>	<b>432.2</b>
Profit for the period	2.0	-5.9	165.6
Other comprehensive income for the period	6.0	-13.2	-36.1
<b>Total comprehensive income for the period</b>	<b>8.0</b>	<b>-19.1</b>	<b>129.5</b>
<b>Transactions with owners</b>			
Dividend payment	-	-	-135.0
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-135.0</b>
<b>Equity at end of reporting period</b>	<b>434.7</b>	<b>413.1</b>	<b>426.7</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 1) FRAMEWORK AND KEY ACCOUNTING PRINCIPLES

Infratek (the Group) consists of Infratek Group AS and its subsidiaries. The consolidated financial statements for the year ending 31 December 2016, and the interim consolidated financial statements for the three months ending 31 March 2017, have been prepared and presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The interim figures are unaudited.

The Group prepares and presents its interim consolidated financial statements according to IAS 34, Interim Financial Reporting. The information provided by interim financial statements is not as comprehensive as that provided in the annual consolidated financial statements; thus, the interim financial statements should be viewed in conjunction with the annual consolidated financial statements for 2016. The accounting principles applied in the interim financial statements are the same as those described in Note 2 to the annual consolidated financial statements for 2016 of the Infratek Group.

### 2) SEGMENT REPORTING – Income statement

The Group reports business activities based on the geographical segments *Norway*, *Sweden* and *Finland*, in addition to *Other* and *Group eliminations*.

*Norway* consists of the Infrastructure business in Norway and Electrical Security. *Sweden* consists of the Infrastructure business in Sweden. *Finland* consists of the Infrastructure business in Finland. *Other* consists of the parent company Infratek Group AS in addition to Infratek AS. For more detailed segment information, please refer to the Directors' report.

First quarter			Year
2016	2017	NOK million	2016
203.9	<b>209.8</b>	Norway	1,000.4
299.4	<b>333.5</b>	Sweden	1,480.0
115.9	<b>118.0</b>	Finland	642.5
12.5	<b>13.9</b>	Other	57.0
-10.3	<b>-12.0</b>	Eliminations	-49.4
<b>621.5</b>	<b>663.2</b>	<b>Total revenue</b>	<b>3,130.5</b>
5.3	<b>6.1</b>	Norway	158.8
-0.0	<b>9.4</b>	Sweden	82.8
3.0	<b>6.0</b>	Finland	43.5
-3.3	<b>-8.1</b>	Other	-12.2
-	-	Eliminations	-
<b>5.0</b>	<b>13.4</b>	<b>Operating profit</b>	<b>272.9</b>

### 3) SEGMENT REPORTING - Balance sheet

NOK million	Norway	Sweden	Finland	Group/ Elimination	Group total
Fixed assets	25.0	21.5	18.5	2.9	68.0
Intangible assets	366.9	146.5	99.2	41.5	654.1
Accounts receivables and other receivables	213.7	405.3	142.8	-74.1	687.7
Cash and cash equivalents	274.4	72.4	41.9	-117.1	271.6
<b>Assets</b>	<b>880.0</b>	<b>645.7</b>	<b>302.5</b>	<b>-146.8</b>	<b>1,681.4</b>
Equity	689.1	402.1	164.5	-821.0	434.7
Bond	-	-	-	641.8	641.8
Other long-term debt	-	-	1.1	1.0	2.0
Pension	-2.2	-	-	2.2	-
Other liabilities	17.6	5.8	29.5	3.5	56.4
Current liabilities	175.4	237.8	107.5	25.7	546.4
<b>Equity and liabilities</b>	<b>880.0</b>	<b>645.7</b>	<b>302.5</b>	<b>-146.8</b>	<b>1,681.4</b>
Equity share	78.3 %	62.3 %	54.4 %	na	25.9%

### 4) COMMENTS ON THE SEASONALITY AND CYCLICALITY OF INTERIM OPERATIONS

Infratek's operations are seasonal in nature. However, all segments have historically tended to post improved revenue and profitability throughout the year, with these figures being strongest in the second half of the year. This seasonality is driven by a number of factors including lower activity levels and higher operating costs at the start of the year as a result of colder weather and high voltage levels. The company's customers have historically used the start of the year to plan their investment activities for the year.

### 5) BUSINESS COMBINATIONS - INFRA TEK FURTHER EXPANDS IN FINLAND

With transaction date 1 March 2017, Infratek Finland Oy acquired a part of Helen Ltd's Technical Services Division – Electrical Maintenance with 30 employees. The acquired business had an operating revenue of approximately EUR 3 million during its last financial year.

The initial purchase price for the business is estimated at EUR 0.2 million taking into consideration that Infratek Finland Oy will take on certain short-term liabilities related to the operations. The purchase price will be adjusted at latest ninety bank days after transaction date in case of changes in the fair value of identified net liabilities.

The initial purchase price analysis is as follows:

#### Fair value acquired assets as per transaction date 1 March 2017:

NOK million	2017
Purchase price	2.0
Fair value net liabilities	-6.0
<b>Goodwill</b>	<b>8.0</b>

**The provisional determination of fair value of identifiable assets and liabilities as of 1 March 2017:**

NOK million	<b>2017</b>
Pension liability	-2.6
Other short-term debt	-3.4
<b>Acquired net liabilities</b>	<b>-6.0</b>

**Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period:**

<b>Goodwill at acquisition 1 March 2017</b>	<b>8.0</b>
Net exchange rate differences first quarter	0.3
Impairment losses in the first quarter	-
<b>Goodwill on 31 March 2017</b>	<b>8.3</b>

The acquired business provides basic electrical maintenance services for substations including switchgear and transformer maintenance as well as testing services. Furthermore, the organization provides services to GIS switchgear and tap changers as well as oil testing to transformers in addition to being the only operator with experience of providing 24/7 standby services for Helen's substations. The business has significant experience of providing electrical relay protection and automation services for 400V to 110kV voltages. The acquired business supplements existing operations in Infratek Finland Oy, and Infratek expects synergies from combining these operations.