

The foundation

Life & Peace Institute

Organisation no. 817602-2302

Annual Report for 2017

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Management report

The Institute's Vision and Mission

The Life & Peace Institute (LPI) is an international and ecumenical centre for peace research and action. LPI envisions a world where peace, justice and nonviolent relations prevail through people's active work and commitment.

LPI's mission is: *LPI supports and promotes nonviolent approaches to conflict transformation through a combination of research and action that entails the strengthening of existing local capacities to prevent violence, mitigate its effects and rebuild communities after violence has ebbed or come to an end.*

Organisation

An international board governs the Institute. The board conducts at least five meetings per year to develop guidelines concerning the programmes, structure, management, research and other activities of the Institute. It also accepts the annual budget and adopts the annual implementation plan. The Christian Council of Sweden appoints the board for a four-year term. The membership of the board is constituted with the aim of providing balanced representation, where denominational membership, gender, as well as expertise within theology, peace and conflict studies, political science, and other relevant areas are considered.

The Executive Committee is appointed annually by the board to be of service to the board in between the board meetings, when called upon. The board for the period 2016-2019 was appointed in December 2015 by the Christian Council of Sweden.

LPI board members 2017(* Executive Committee member).

Revd. Gustaf Ödquist*	President of Board, Church of Sweden
Dr. Thomas Bamat	Senior Advisor, Catholic Relief Services, USA
Revd. Dr. Myra Blyth*	Fellow and Tutor at Regent's Parks Collage, University of Oxford, England
Ms. Fulata Moyo	WCC programme executive for a Just Community of Women and Men
Revd. Dr. Vebjørn Horsfjord	Associate Professor of religious studies at Inland Norway University of Applied Science
Ms Alice Nderitu	Mediator and Conflict Analyst
Ms Shamsia Ramadhan	Program Manager, Capacity for Inter-religious Action Program at CRS

The Institute's head office is based in Uppsala, Sweden, with offices in Nairobi, **Kenya**; Bukavu, **Democratic Republic of Congo** (DRC) and in Addis Ababa, **Ethiopia**. The Sudan and Somalia programmes are both managed from the Nairobi office. The activities during 2017 have been carried out across six different peacebuilding programmes (Ethiopia, Kenya, DRC, Somalia, Sudan, and the Horn of Africa Regional Programme).

The overall responsibility for planning, coordination and administration rests with the Executive Director, who is supported in her work by the Senior Management Team. In early 2017 LPI entered a process of assessing its structural needs to reflect more closely the

strategic ambitions reflected in the 2017-2021 Strategic Plan. A restructuring process was initiated mid-year which will allow for stronger management of our field programmes, deepened and broadened strategic leadership across the Institute, and create more focus and resources for Strategic Objectives 2 (Policy Engagement) and 3 (Knowledge and Learning to enhance practice). This restructuring, combined with greatly improving our fiscal and institutional management systems, will allow for growth and controlled expansion.

Strategic Priorities

Strategic Priority 1: Civil society support and inclusive engagement for peace

LPI supports civil society actors – especially and where possible relevant faith-based actors – in their conflict transformation work, through capacity building and joint engagement in research and action.

Strategic Priority 2: Policy engagement and awareness-raising

LPI engages directly and in collaboration with others on awareness-raising and policy work. It strives to enhance awareness of civil society conflict transformation processes, as well as raise pertinent policy issues deriving from the work in the field. Through this engagement LPI seeks to invite and motivate influential actors to assume their responsibilities for the promotion of justice and peace.

Strategic Priority 3: Knowledge and Learning to enhance practice

Through documentation and learning, LPI makes the knowledge and experiences of LPI and its partners available to peacebuilding practitioners and research communities. This is done in strategic partnerships with relevant local and international researchers, academic actors and peacebuilding practitioners. At the same time, LPI gathers relevant theories, research findings and experiences from other contexts and organisations, and communicates them within LPI and to its partners.

Programme implementation 2017

LPI's engagement has focused on support to local civil society organisations, as well as building strategic partnerships with national, regional and international organisations and networks and strengthening links with donors and international actors to support environments conducive to nonviolent conflict transformation (CT). Research, including participatory action research, plays an essential role in LPI's approach, both as a precondition for understanding the context of engagement and as a vehicle for transforming conflict.

LPI has applied several mutually reinforcing strategies in its civil society support and broader conflict transformation work:

Promoting inclusive community-based peacebuilding processes with a long-term view: The engagements are driven by local partners and technically accompanied (and in many cases financially supported) by LPI.

Capacity building, including processes and methodologies of conflict transformation—such as Participatory Action Research (PAR), other research methodologies and methods, Sustained Dialogue, Planning, Monitoring, Evaluation & Learning (PME&L), mediation, negotiation, and organisational development—such as financial management and accounting, administrative skills and procedures, human resource management, leadership, organisational governance, resource mobilisation, including donor relations. Capacity building responds to the expressed and well-analysed needs of partners.

Policy engagement particularly at the local, national and regional levels, either by LPI alone or in collaboration with local, regional or international partners.

LPI also has a specific commitment to **learning and reflection** through its third strategic priority, the cross-fertilisation between conflict transformation theory and practice, and investment in documentation and monitoring and evaluation.

In 2017, the Institute worked alongside **47** local and national organisations (including 10 universities), as well as **over a dozen** international organisations, to engage with local communities in long-term peacebuilding processes within **29** states/counties across **seven** countries. Local, national and regional civil society organisations and academic partners based in Ethiopia, Somalia and Sudan, and Kenya, who in their turn engaged constituents, communities, local authorities and other conflict stakeholders. The programmes of LPI engaged over **4,000** women and young people in active dialogue processes. Through its Horn of Africa Regional Programme (HARP), LPI has increased the interface with regional policy actors and influencers and catalysed a new civil society organisation (CSO) coalition in the Horn of Africa for cross-border cooperation. In 2017, LPI also initiated a survey of South Sudan to begin the process to see how LPI can engage with ongoing peace processes in that context. Other important examples of the work of LPI include:

- In Somalia, in Kismayo town, a two-year women-to-women reconciliation process supported by LPI and partners was elevated to an inter-clan women's platform in 2017. At the end of the year, (male) community elders requested the women's platform to work with them in broader peacebuilding in the town.
- In Kenya, during the height of the contested 2017 general election, LPI supported 24 rapid response activities using mobile technology, conceived and led by youth and women leaders, to diffuse tensions and creating space for dialogue in several informal settlements in Nairobi.
- Against the backdrop of some of the most intense identity-based flare-ups on Ethiopian universities, LPI and partners supported 3300 students in five universities to maintain dialogue space to engage on the most divisive issues and transform their conflictual relationships with one another. The lessons coming out of these youth-led dialogues in Ethiopia and beyond have been synthesized in a new LPI report, *Being and Becoming A Peacebuilder* (<http://life-peace.org/resource/being-becoming-a-peacebuilder/>), prepared for the UN Progress Study on Youth, Peace and Security.
- Borderlands constitute the most conflict-prone and socio-economically marginal spaces in the Horn of Africa. To support enhanced or new policies to improve human security at the regional level, HARP is coordinating the 'Collaborative Policy Analysis and Engagement' pilot. This innovative pilot seeks to identify pressing regional policy dilemmas and develop policy options through consultations and inputs from civil-society, academia, governments and borderland communities from seven Member States of IGAD. A draft policy framework on the Informal Cross-Border Trade-Cross Border Security Governance nexus has been developed, with recommendations around enhancing the livelihoods of borderland communities by easing cross-border economic exchanges and improved cross-border security and cross-border cooperation.

The head office in Uppsala continues to provide technical input, control, support and guidance in the areas of financial management and control, gender sensitivity, PME&L, Safety and Security Management, strategic communications etc.

Future Developments

In 2018 LPI will continue implementing the restructuring process across the Institute. The Resident Representative position has been discontinued, and we have a new management structure across the institution including Country Manager in the Ethiopia, Somalia, and Kenya programmes, and a new Head of Office in Addis Ababa. While there is greater delegation of authority, for example to the Country Manager, LPI has also increased its internal control capacity by increasing its Finance and Administration capacity at all levels – including with a Compliance Officer and stronger HR support.

The new structure will also allow for increased cross-programme fertilisation across LPI's programmes with the addition of a Nairobi-based Director of Programmes; stronger policy engagement at the global level with a field-based Director of Global Policy; and improved knowledge and learning, with a dedicated Knowledge & Learning Unit in Uppsala. Finally, LPI has added a Senior Advisor for Swedish Engagement to deepen LPI's efforts in Sweden.

Some of the key areas LPI expects to see growth in 2018 include:

- Examining opportunities for engaging in Sweden, including through a *new Lets Engage in the Global Goals* programme.
- Expanding LPI's Policy and Advocacy reach beyond the Horn of Africa region to pan-Africa and globally with the new Director of Global Policy.
- Recruiting and adding a new Director of Knowledge and Learning, based in the Uppsala office to lead the new Knowledge and Learning team.
- Evaluating LPI's work in DRC and redesigning a new programme for 2018 onwards.
- Continuing to explore options for LPI to engage in supporting ongoing peacebuilding endeavors in South Sudan.
- Strengthening LPI's engagement in freedom of religion and interreligious dialogue.

Donors and partners

LPI would like to express its warmest gratitude for the funds received and project support from its donors. In 2017, these included:

- Bread for the World
- Church of Sweden
- Church collections/donations
- European Commission
- Evangelical Lutheran Church of Finland
- Peace Direct
- Rift Valley Institute
- Saferworld
- Swedish International Development Agency/Sida
- Swedish Mission Council
- Trocaire
- United Nations Office for Project Services (UNOPS)
- United States International Development Agency (USAID)
- United States State Department

Staff

LPI's policies underpin the importance of a diverse staff in terms of cultural background and expertise, in all its various offices. Staff include both those on contract and permanent staff contracts. Over the course of 2017 LPI had a total of 45 staff, 44% of who were women, and 56% were men.

LPI would like to express its gratitude to all its employees, interns and consultants for their excellent work in 2017. We sincerely appreciate the great commitment and positive attitude of our staff who continue to work in the challenging and often risky environments where LPI's programmes are implemented.

The financial development of the foundation

All figures in thousands SEK

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Income	23 309	27 635	28 352	31 121	34 178	30 311	35 722	40 153	34 814	44 131
Expenditure	24 086	27 690	28 292	30 230	33 754	29 523	32 558	39 898	36 335	44714
Equity	1 438	1 456	1 518	2 559	2 981	4 057	7 771	8 144	6 680	6,616

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Statement of Income and Expenditures	Note	2017	2016
Income			
Project Grants	2	42 860	33 597
General Grants	3	1 261	1 207
Collections/Donations	4	11	10
Total Income		44 131	34 814
Expenditures			
Appropriation of Funds		-16 482	-8 381
External Costs		-12 648	-11 275
Personnel Costs	5, 6	-15 574	-16 666
Depreciation	7	-11	-13
Total Expenditures		-44 714	-36 335
Operating Income		-583	-1 521
Other Financial Posts			
Exchange Differences		519	56
Interest Income			1
Total Financial Posts		519	57
Net Result for the year		-64	-1 464

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Balance Sheet	Note	2017-12-31	2016-12-31
Assets			
Fixed Assets			
Tangible Fixed Assets			
Equipment	7	0	11
Total Fixed Assets		0	11
Current Assets			
Current Receivables			
Other Receivables		89	228
Tax Receivables		19	
Prepaid Expenses and Accrued Income	8	3 167	2 226
Total		3 274	2 454
Cash and Bank		28 932	10 475
Total Current Assets		32 207	12 929
Total Assets		32 207	12 940
Equity and Liabilities			
Equity			
Earmarked Equity		2 000	2 000
Restricted Equity		10	10
Unrestricted Equity		4 670	6 134
Net Result for the year		-64	-1 464
Total Equity		6 616	6 680
Provisions	9	1 856	1 523
Current Liabilities			
Accounts Payable		202	67
Other Current Liabilities		510	319
Liability received not used grants	2	21 844	3 326
Accrued Expenses and Deferred Income	10	1 179	1 024
Total Current Liabilities		23 735	4 737
Total Equity and Liabilities		32 207	12 940

Change of Equity

	Organisational Capital	Unrestricted Equity	Restricted Equity	Total
Opening Balance 2016-01-01	10	6 134	2 000	8 144
Net Result for the year		-1 464		-1 464
Closing Balance 2016-12-31	10	4 670	2 000	6 680
Opening Balance 2017-01-01	10	4 670	2 000	6 680
Net Result for the year		-64		-64
Closing Balance 2017-12-31	10	4 606	2 000	6 616

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Note 1 Accounting and valuation principles

Amounts in 1 000 SEK

Accounting Principles

As of the financial year 2017, the annual report has been prepared in accordance with the Swedish Annual Accounts Act and the general recommendation of the Swedish Accounting Standard Board BFAR 2012:1 (K3). Previously, the reports were prepared in accordance with the Swedish Annual Accounts Act and the general recommendation of the Swedish Accounting Standard Board, excluding BFAR 2008:1 (K2) and BFAR 2012:1 (K3). The transition has been done in accordance with the stipulations in K3 chapter 35. The transition has not changed any of the organisations accounting principles.

Receivables

Receivables are recorded with the amount that after an individual evaluation is expected to be paid

Fixed assets

Depreciation of fixed assets is calculated on the original acquisition values based on the expected economic life of the assets, other inventory over 5-10 years. Computers are debited at time of purchase.

Inventory, machinery and other equipment bought in projects are debited at time of purchase

Interest

Interest credited donors is accounted directly as debt and is not booked on the statement of income and expenditure.

Revenue recognition

Revenue is recognised to the actual value of the consideration received or receivable.

Gifts and donations are income obtained without agreement with the donor and where the donor does not require formal reporting.

Grants are income as a result of a contract and the donor usually require some form of feedback.

Gifts are usually recorded on a cash basis. To the extent that there are promises known at the balance sheet date of grants/gifts, they are recognised after individual assessment.

The project grants include grants that are destined for specific programmes/projects and associated with a condition requiring repayment obligation if the condition is not met.

The other contributions include contributions that are not bound to specific programmes/projects

Revenue recognition of grants is made when the foundation with reasonable certainty determines that repayment will not happen.

Provisions

The provisions referred to are obligations on the balance sheet date that is certain or likely but uncertain in amount or to the time when they are realizable.

Appropriation of Funds

This relates to expenses incurred by partner organisations within Life & Peace Institute-run projects.

Other currencies

Assets and liabilities in currencies other than SEK are valued at the exchange rate for the day of closing the books.

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Note 2 Project Grants

	2017-12-31	2016-12-31
Project Grants Utilized during the year		
Swedish International Development Agency	23 303	16 978
European Commission	5 468	3 953
Swedish Mission Council	3 778	4 772
USAID	3 829	573
Bread for the World, Germany	1 636	2 111
US Department of State	1 376	208
SaferWorld	933	
Church of Sweden, International Department	790	826
Rift Valley Institute	138	
Peace Direct	134	
Folke Bernadotte Academy, Sweden		507
Kvinna till Kvinna, Sweden		326
UK aid		1 868
Internal Funding	1 272	1 408
Other Income	203	68
Total	42 860	33 597

Balanced Grants and Grants to be Repaid

	2017-12-31	2016-12-31
Swedish International Development Agency	10 285	175
European Commission	7 128	1 037
Bread for the World, Germany	2 622	
Swedish Mission Council	1 193	661
Trocaire	351	
US Department of State	157	
Church of Sweden, International Department	22	153
Other	62	119
Grants to be repaid	24	1 182
Total	21 844	3 326

Project Grants have been used for

	2017	2016
Kenya programme	-4 109	-2 552
Horn of Africa Regional programme	-11 621	-6 863
Somalia programme	-17 869	-13 319
Ethiopia programme	-6 290	-1 917
DRC programme	-1 272	-6 530
Sudan programme	-1 534	-2 416
Sweden-based programmes	-287	
Total	-42 981	-33 597

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Note 3	General Grants	2017	2016
	Church of Sweden	300	300
	Church of Sweden, International Department	543	344
	Swedish Mission Council	329	392
	Evangelical Lutheran Church of Finland	20	19
	Church of Sweden, Gothenburg	20	
	Other	48	152
	Total	1 261	1 207

Note 4	Collections/Donations	2017	2016
	Other Collections/Donations	11	10
	Total	11	10

Note 5 Salaries and Other Remuneration by Country

Salaries and other remuneration by country

	2017	2016
Sweden		
Executive Director	702	640
Other Employees	2 843	3 183
Ethiopia		
Employees	2 891	1 992
Kenya		
Employees	3 876	3 216
DRC		
Employees	602	2 020
Sudan		
Employees	191	1 172
Pension Costs	978	637
Social Fees	1 683	1 923
Total Salaries and Remunerations	13 767	14 783
Other Personnel Costs	1 807	1 883
Total Personnel Costs	15 574	16 666

Note 6 Average Number of Employees by Country

	2017			2016		
	Women	Men	Total	Women	Men	Total
Sweden	5	3	8	6	4	10
Ethiopia	6	9	14	5	6	11
Kenya	8	7	15	5	5	10
DRC	1	1	2	6	7	13
Sudan	0	1	1	2	4	6
Total	20	20	40	24	26	50

Note 7 Equipment

	2017-12-31	2016-12-31
Opening Acquisition Costs	447	447
Change during the year Purchase		
Closing Accumulated Costs	447	447
Opening Depreciation	-436	-423
Changes during the year Depreciation	-11	-13
Closing Accumulated Depreciation	-447	-436
Closing Residual Value according to Plan	0	23

	2017-12-31	2016-12-31
Note 8 Prepaid Expenses and Accrued Income		
Prepaid Rent	142	102
Accrued Income	2 309	1 427
Transfers to Partner Organisations	541	
Other Items	175	697
Total	3 167	2 226
Note 9 Provisions	2017-12-31	2016-12-31
Provision for severance payment in Ethiopia	162	47
Provision estimated taxes employees abroad	1 694	1 476
Total	1 856	1 523
Note 10 Accrued Expenses and Deferred Income	2017-12-31	2016-12-31
Accrued Holiday Pay including Social Fees	284	445
Other Items	895	580
Total	1 179	1 024

Uppsala 2018-

Gustaf Ödquist
Ordförande

Myra Blyth

Thomas Bamat

Vebjørn Horsfjord

Fulata Lusungu Moyo

Alice Nderitu

Shamsia Ramadhan

Our audit report was submitted 2018-

Öhrlings PricewaterhouseCoopers AB

David Axelson-Fisk
Auditor

Karl Klintstedt
Authorised Auditor

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Uppsala 2018-



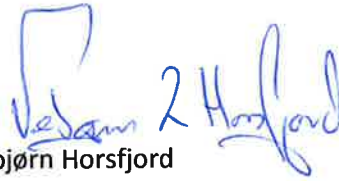
Gustaf Ödquist
President



Myra Blyth



Thomas Bamat



Vebjørn Horsfjord



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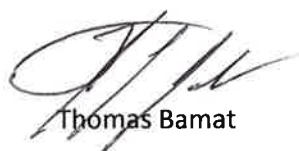
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Ordförande



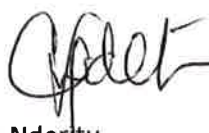
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Vår revisionsberättelse har lämnats 2018-



David Axelson-Fisk
Förtroendevald revisor

Öhrlings PricewaterhouseCoopers AB



Karl Klintstedt
Aktoriserad revisor

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Uppsala 2018-



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Vår revisionsberättelse har lämnats 2018-06-13



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Öhrlings PricewaterhouseCoopers AB



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Aktoriserad revisor

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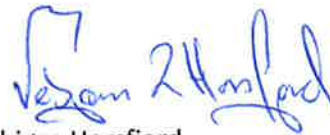
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Auditor


Karl Klintstedt
Authorised Auditor

Auditor's report

To the Board of Directors of Stiftelsen Liv- och Fredinstitutet (Life and Peace Institute), corporate identity number 817602-2302

Report on the annual accounts

Opinions

We have audited the annual accounts of Stiftelsen Liv- och Fredinstitutet (Life and Peace Institute) for the year 2017.

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 Stiftelsen Liv- och Fredinstitutet (Life and Peace Institute) as of 31 December 2017 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

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 *Authorized Auditor's Responsibilities* section and the *Co-auditor's Responsibilities* section, respectively. We are independent of Stiftelsen Liv- och Fredinstitutet (Life and Peace Institute) in accordance with professional ethics for accountants in Sweden. I as Authorized Auditor have fulfilled my 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

The Board of Directors is 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. The Board of Directors is 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 is responsible for the assessment of the organization'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 intends to liquidate the organization, to cease operations, or has no realistic alternative but to do so.

Authorized Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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.

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

- Identify and assess the risks of material misstatement of the annual 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 my 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 my 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. I 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 ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

Co-auditor's responsibilities

My objectives are to carry out an audit under the Audit Act and thus according to good auditing practice in Sweden. My goal is to obtain a reasonable degree of certainty as to whether the annual accounts have been prepared in accordance with the Annual Accounts Act and if the annual accounts give a true and fair view of the organization's results and position.

Report on other legal and regulatory requirements

Opinion

In addition to our audit of the annual accounts, we have also examined the administration of the Board of Directors of Stiftelsen Liv- och Fredsinstitutet (Life and Peace Institute) for the year 2017.

In our opinion the members of the Board of Directors have not acted in contravention of the Foundations Act or the Foundation's Regulations or the Annual Accounts Act.

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 organization 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

The Board of Directors is responsible for the company's organization and the administration of the *organization's* affairs.

Auditors' responsibility

Our objective concerning the audit of the administration is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

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

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. *kl*

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 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.

Uppsala, June 19th 2018



David Axelson-Fisk

Uppsala, June 13th 2018

Öhrlings PricewaterhouseCoopers AB



Karl Klintstedt

Authorized Public Accountant

