Invitation to acquire B shares in Projektengagemang Sweden AB (publ)

SOLE GLOBAL COORDINATOR AND BOOKRUNNER

SEB

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared in connection with the offering to the public in Sweden and listing on Nasdaq Stockholm (the "**Offering**") of shares in Projektengagemang Sweden AB (a Swedish public limited liability company). In this Prospectus, "**Company**" and "**Projektengagemang**" refer to Projektengagemang Sweden AB or Projektengagemang Sweden AB and its subsidiaries, as the context requires, and "**Group**" refers to Projektengagemang Sweden AB (publ) and its subsidiaries. The "Principal Owner" refers to Projektengagemang Holding i Stockholm AB. The "**Minority Shareholders**" refers to a group of approximately 180 current shareholders in total, consisting mainly of employees and former employees of the Group (including certain members of the Group management), which have entered into an agreement with the Principal Owner regarding sale of in aggregate 2,344,285 B-shares. These 2,344,285 B-shares are consequently offered by the Principal Owner on behalf of the Minority Shareholders. The Principal Owner receives the proceeds from the sale of up to 1,276,596 existing B-shares. The "**Sole Global Coordinator**" refers to Skandinaviska Enskilda Banken AB (publ) ("**SEB**"). See section "*Definitions*" for the definitions of these and other terms in the Prospectus.

The Offering is not directed to the general public in any country other than Sweden. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any shares offered by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Unless otherwise is indicated, the Offering described in this Prospectus is not directed to investors in the United States, Canada, Australia or Japan or in any other jurisdiction in which such offering would be unlawful. Nor is the Offering directed to such persons whose participation requires additional prospectuses, registrations or measures other than those prescribed by Swedish law. No measures have been or will be taken in any other jurisdiction than Sweden that would allow any offer of the shares in the Company to the public, or allow holding and distribution of the Prospectus or any other documents pertaining to the Company or its shares in such jurisdiction. Therefore, the distribution of this Prospectus and the sale of the shares may be restricted by law in certain jurisdictions. Applications to acquire shares that violate such rules may be deemed invalid. Persons into whose possession the Prospectus comes are required by the Company, Projektengagemang Holding i Stockholm AB (the principal owner of the Company) and the Sole Global Coordinator to inform themselves about, and to observe, such restrictions. Neither the Company, Projektengagemang Holding i Stockholm AB nor the Sole Global Coordinator accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions. See "*Selling restrictions and transfer restrictions*".

Potential investors should read the entire Prospectus and, in particular, the section headed "*Risk factors*" and rely only on the information contained in this Prospectus and any supplements announced in accordance with the provisions of Chapter 2, Section 34 of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om *handel med finansiella instrument*) (the "**Trading Act**") when considering an investment in the Company. The Company does not undertake to update this Prospectus, unless required pursuant to the provisions of Chapter 2, Section 34 of the Trading Act, and therefore potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus, and, if given or made, any other such information or representation must not be relied upon as having been authorised by the Company, the members of its board of directors, the Group management, Projektengagemang Holding i Stockholm AB, the Sole Global Coordinator or any of their respective representatives. Neither the delivery of this Prospectus nor any sale made hereunder at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by or on behalf of the Sole Global Coordinator or any of its affiliates or any of its directors, officers or employees or any other person, as to the accuracy, completeness, verification or fairness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Sole Global Coordinator or any of its respective affiliates as to the past or future. The Sole Global Coordinator does not accept any responsibility whatsoever for the accuracy, completeness or verification of the contents of this Prospectus or for any statements made or purported to be made by either itself or on its behalf in connection with the Company, Projektengagemang Holding i Stockholm AB the Offering or the shares. Accordingly, the Sole Global Coordinator disclaims, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which it might otherwise be found to have in respect of this Prospectus and/or any such statement.

The Sole Global Coordinator is acting exclusively for the Company and Projektengagemang Holding i Stockholm AB and no one else in connection with the Offering. It will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Offering and will not be responsible to anyone other than the Company and Projektengagemang Holding i Stockholm AB for providing the protections afforded to its customers or for giving advice in relation to, respectively, the Offering and the listing or any transaction or arrangement referred to herein.

The Offering and the Prospectus are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Offering or the Prospectus.

A separate prospectus in Swedish has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with Chapter 2, Sections 25 and 26 of the Trading Act.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

None of the Company, Projektengagemang Holding i Stockholm AB or the Sole Global Coordinator, or any of its representatives, is making any representation to any offeree or purchaser of the shares regarding the legality of an investment in the shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a subscription for the shares.

The investors also acknowledge that: (i) they have not relied on the Sole Global Coordinator or any person affiliated with the Sole Global Coordinator in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this document, and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, Projektengagemang Holding i Stockholm AB or the Sole Global Coordinator.

In connection with the Offering of the shares, the Sole Global Coordinator and any of its affiliates, may take up a portion of the shares in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to shares being offered or placed should be read as including any offering or placement of shares to the Sole Global Coordinator or any of its affiliates acting in such capacity. In addition the Sole Global Coordinator or its affiliates may enter into financing arrangements (including swaps or assignments for differences) with investors in connection with which the Sole Global Coordinator (or its affiliates) may from time to time acquire, hold or dispose of shares. The Sole Global Coordinator does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The price at which the shares in the Offering will be sold has been set to SEK 47 per share by the Company's board of directors and the Principal Owner in consultation with the Sole Global Coordinator, based on a number of factors, including discussions with certain institutional investors, a comparison for other comparable listed companies, current market conditions, the Company's business potential and earning possibilities.

The Company will issue an option to the Sole Global Coordinator, which can be utilised in whole or in part for 30 days from the first date of trading in the Class B shares on Nasdaq Stockholm, to subscribe for additional newly issued shares from the Company, equal to 15 percent of the maximum total number of shares in Offering, at the Offer Price, to cover any over-allotment in connection with the Offering or short positions (the "**Over-allotment Option**"). The Over-allotment Option will include the right to acquire an additional maximum of 1,500,579 shares from the Company.

NOTICE TO INVESTORS

United States

The shares in the Offering have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

The shares in the Offering have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state of the United States, and may not be offered or sold within the United States unless the shares are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws of the United States. All offers and sales of shares outside the United States will be made in compliance with Regulation S under the Securities Act ("**Regulation S**").

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each a "**Relevant Member State**") (with the exception of Sweden), no offer of the shares in the Offering may be made to the public in that Relevant Member State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Sole Global Coordinator for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, Projektengagemang Holding i Stockholm AB or the Sole Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offered to the public" in relation to any shares in the Offering in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide acquire any shares in the Offering, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (with amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State. The expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

The Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the "Order") or (iii) high net-worth entities falling within Articles 49(2)(a) to (d) of the Order, and other persons to whom it may lawfully be communicated (all such persons together being referred to as "relevant persons"). The Prospectus is only directed at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

STABILISATION

In connection with the Offering, SEB as stabilising manager (the "**Stabilising Manager**") may, to the extent permitted in accordance with Swedish law, carry out transactions aimed to stabilise, maintain, or in other ways support the market price of the Company's shares, for up to 30 days from the commencement of trading in the Company's Class B shares on Nasdaq Stockholm. The Stabilising Manager may over-allot shares or effect transactions in order to maintain the market price of the shares at levels above those which might otherwise prevail in the open market. The Stabilising Manager is, however, not required to carry out such transactions and there is no assurance that such activities will be undertaken. Such transactions may be effected on any securities market, over-the-counter market or otherwise. The transactions, if commenced, may be discontinued at any time without prior notice but must be ended no later than the abovementioned 30-day period. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, it shall be made public that stabilising measures have been performed, in accordance with article 5(4) in EU's Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, the Stabilising Manager will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred as well as the price range of the Offering within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out. Except as required by law or regulation, the Stabilising Manager will not disclose the extent of any stabilisation and/or over-allotment transaction concluded in relation to the Offering.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including terms such as "aim", "anticipate", "assume", "believe", "continue", "can", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "might", "plan", "potential", "predict", "projected", "should", "will" or "would" or, in each case, their negative, or other variations or comparable terminology, or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts or that may not otherwise be provable by reference to past events. They appear in a number of places throughout this Prospectus and are based on assumptions regarding Projektengagemang present and future business strategies and the environment in which it operates and will operate in the future. Forward-looking statements include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, Projektengagemang's financial condition, results of operations, liquidity, cash flows, prospects, growth strategies, financial targets and dividend, as well as the development of the industry, economic environment and regulatory environment in which Projektengagemang operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Although the Company believes the expectations implied by these forward-looking statements are reasonable, the Company, Projektengagemang Holding i Stockholm AB and the Sole Global Coordinator caution prospective investors that forward-looking statements are not guarantees of future performance and are based on numerous assumptions, and that Projektengagemang's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend and distribution policy, as well as the development of industry, economic environment and regulatory environment in which Projektengagemang operates, could differ materially from (and be more negative than) those made in or suggested by the forward-looking statements contained in this Prospectus. In addition, even if Projektengagemang's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend and distribution policy, as well as the development of the industry, economic environment and regulatory environment in which Projektengagemang operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Many factors may cause Projektengagemang's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend and distribution policy, as well as the development of the industry, economic environment and regulatory environment in which Projektengagemang operates to differ materially from those expressed or implied by the forward-looking statements contained in this Prospectus and thereby adversely affect the achievement of Projektengagemang's financial targets, including targets relating to growth. The risks described in "Risk factors" are not exhaustive. Other sections of this Prospectus describe additional factors that could adversely affect Projektengagemang's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend and distribution policy, as well as the development of the industry, economic environment and regulatory environment in which Projektengagemang operates. The Company urges prospective investors to read the sections of this Prospectus entitled "*Risk factors*", "*Industry overview*", "*Business overview*", and "*Operating and financial review*" for a more complete discussion of the factors that could affect Projektengagemang's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend and distribution policy, as well as the development of the industry, economic environment and regulatory environment in which Projektengagemang operates. New risks may emerge from time to time, and it is not possible for the Company to predict all such risks, nor can it assess the impact of all such risks on Projektengagemang's business or the extent to which any risks, or combination of risks and other factors, could cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, prospective investors should not rely on forward-looking statements as a prediction of actual performance or results.

The forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. The Company, Projektengagemang Holding i Stockholm AB and the Sole Global Coordinator expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law or Nasdaq Stockholm Rule Book for Issuers. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus, including those set forth in "*Risk factors*". Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this Prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

For information regarding the presentation and financial and other information, including industry and market data, see "*Presentation of financial and other information*".

IMPORTANT INFORMATION REGARDING THE POSSIBILITY TO SELL ALLOTED SHARES

Note that notifications about allotment to the public in Sweden will be made through distribution of contract notes, expected to be distributed on 19 June 2018. Institutional investors are expected to receive notification of allotment on or about 19 June 2018 in particular order, whereupon contract notes are dispatched. After payments for the allocated shares have been processed by the Sole Global Coordinator the duly paid shares will be transferred to the securities depository account or the securities account specified by the purchaser. The time required to transfer payments and transfer duly paid shares to such purchaser means that the purchaser will have shares available in the specified securities depository account or the securities account on 19 June 2018, at the earliest. Trading in the Company's Class B shares on Nasdaq Stockholm is expected to commence on or around 19 June 2018. Accordingly, if shares are not available in a purchaser's securities account or securities depository account until on or around 21 June 2018, the purchaser may not be able to sell these shares on Nasdaq Stockholm as from the first day of trading, but first when the shares are available in the securities account or the securities depository account.

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Summary of offering

Offer Price
47 SEK per B share

Application period for the public offering
8 June – 15 June 2018

Application period for the institutional offering
8 June – 18 June 2018

First day of trading on Nasdaq Stockholm
19 June 2018

Settlement date
21 June 2018

Other information
Trading symbol: PENG
ISIN number for the Class B shares: SE0011337666

Financial calendar

Interim report for the six months ended 30 June 2018
21 August 2018

Interim report for the nine months ended 30 September 2018
7 November 2018

2018 year-end report
22 February 2019

Summary

Summaries are made up of disclosure requirements known as "Items". These Items are numbered in Sections A – E (A.1 – E.7). This summary contains all the Items required to be included in the summary for this type of securities and the issuer. Because some Items are not required to be addressed, there may be gaps in the numbering sequence of the Items. Even though an Item may be required to be inserted in the summary because of the type of securities and the issuer, it is possible that no relevant information can be given regarding the Item. In this case, a brief description of the Item is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

A.1	*Introduction and warnings*	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability may attach to those persons who produced this summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	*Consent to use the Prospectus*	Not applicable. Financial intermediaries are not entitled to use this Prospectus for subsequent trading or final placement of securities.

Section B – Issuer and any guarantor

B.1	*Legal and commercial name*	The Company's name and trading name is Projektengagemang Sweden AB. The Company is a Swedish public limited liability company.
B.2	*Domicile and legal form*	The registered office is situated in the municipality of Stockholm. The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) governed by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).
B.3	*Nature of operations and principal activities*	Projektengagemang is a multi-disciplinary operator, which is defined as service offerings that include two or more areas of expertise, within the Swedish technical consulting market and offers services in such areas as architecture, project management, urban planning, building design, infrastructure, industry and energy to customers in both the private and the public sector. The Company has its head office in Stockholm and is also represented in over 35 cities in Sweden through a total of approximately 50 offices, as well as in Chennai, India, through the subsidiary PE-Aristi. As per 31 March 2018, the Company had 986 co-workers (including co-workers based in India). Since its establishment in 2006, Projektengagemang has shown strong net revenue growth, both organic and through acquisitions. Projektengagemang conducts its operations in four divisions: Architecture & Management, Civil Engineering & Infrastructure, Systems and Industry & Energy. **Architecture & Management** The Architecture & Management division offers urban planning, building configuration, landscape and interior design as well as project management services, including strategic matters and management consulting in urban and regional development. In 2017, Architecture & Management accounted for 31 percent of the Company's net revenue with 276 FTEs. **Civil Engineering & Infrastructure** The Civil Engineering & Infrastructure division's offering includes construction engineering, environment/sustainability, energy-related property services, geotechnics, bridge and structural design, acoustics and civil engineering and infrastructure design of energy and environmental engineering. In 2017, Civil Engineering & Infrastructure accounted for 21 percent of the Company's net revenue, with 187 FTEs. **Systems** Systems offers solutions involving electricity, telecommunications and security systems, fire safety design and heating, ventilation and plumbing ("**HVAC**"). In 2017, Systems accounted for 30 percent of the Company's net revenue, with 277 FTEs. **Industry & Energy** Industry & Energy offers services such as automation, process, product and manufacturing development and accounted for 18 percent of the Company's net revenue, with 210 FTEs. In 2017, Projektengagemang generated net revenue of SEK 1,171 million and it had 8,000 assignments at the end of 2017, allocated among 3,000 customers, with the public and private sectors accounting for approximately 35 percent and 65 percent of net revenue, respectively, at the end of 2017. The Company estimates that income from customers active in residential construction represented 5–10 percent of the Company's total net revenue. Solutions or undertakings whereby Projektengagemang offers one of more services that satisfy given requirements from the client expressed in the call for tender accounted for about 95 percent of the assignments, while resource consultancy assignments accounted for about 5 percent of the assignments in 2017, according to the Company's estimates. During the same period, assignments undertaken at hourly rates based on time spent, including assignments in relation to a given budget with responsibility for reporting reasons for budget revisions, accounted for approximately 94 percent of net revenue and approximately 96 percent of the assignments, while assignments under the fixed price accounted for approximately 6 percent of net revenue and approximately 4 percent of the assignments according to the Company's estimates.

B.4a	*Trends*	Demand for the Company's products and solutions depends on the extent to which customers want to increase their multi-disciplinary services. As a result, demand for Projektengagemang's services is primarily driven by (i) population growth and urbanisation, (ii) investments in infrastructure, (iii) increased investments in industry, (iv) technological advances and digital development, and (v) greater focus on sustainability. In addition, demand for Projektengagemang's services is driven by general macroeconomic conditions, access to capital in the financial and credit markets, investment levels and changed legislation. Furthermore, as regards the utilisation rate and hourly rate, Projektengagemang has seen a continuous increase in hourly rates in recent years.
B.5	*Group*	As of the date of this Prospectus, Projektengagemang Sweden AB is the parent company in the Group, which comprises of the Company and 57 subsidiaries, of which one subsidiary is situated in India and the others are situated in Sweden.
B.6	*Major shareholders, etc.*	In Sweden, the lowest threshold for mandatory reporting of changes in shareholdings (Sw. *flaggning*) is 5 percent of all shares or voting rights in respect of all shares. The table below indicates the Company's shareholders owning 5 percent or more of the shares or votes, immediately before the Offering and directly after completion of the Offering (if the Over-allotment Option is fully exercised).

	Shareholding before the Offering			**After the Offering (if Over-allotment Option is exercised in full)**		
	Number of shares (votes)		**Number of shares (votes)**	**Number of shares (votes)**		**Number of shares (votes)**
Shareholders	**A shares**	**B shares**		**A shares**	**B shares**	
Major shareholders						
Projektengagemang Holding i Stockholm AB[1]	4,391,676	2,128,320	37.14%	4,391,676	851,724	20.61%
	(43,916,760)	(2,128,320)	(68.71%)	(43,916,760)	(851,724)	(59.77%)
LK Finans AB	–	957,447	5.45%	–	1,489,362	5.85%
	(–)	(957,447)	(1.43%)	(–)	(1,489,362)	(1.99%)
Investment AB Öresund	–	957,447	5.45%	–	2,553,192	10.04%
	(–)	(957,447)	(1.43%)	(–)	(2,553,192)	(3.41%)
Total	**4,391,676**	**4,043,214**	**48.05%**	**4,391,676**	**4,894,278**	**36.50%**
	(43,916,760)	**(4,043,214)**	**(71.56%)**	**(43,916,760)**	**(4,894,278)**	**(65.17%)**

1) The board members of the Company, Per-Arne Gustavsson and Per Göransson holds shares in Projektengagemang Holding i Stockholm AB, whose business address is Mailbox 2451, 111 75 Stockholm, equivalent to 50.5 percent and 49.5 percent of the shares in this company, respectively.

B.7	*Selected historical key financial information*	The selected historical financial information for the three months ended 31 March 2018 below has been derived from Projektengagemang's unaudited consolidated financial statements for the three months ended 31 March 2018, which were prepared in accordance with IFRS as adopted by the EU and reviewed by PricewaterhouseCoopers AB, in accordance with the auditors' review report (with comparative information for the three months ended 31 March 2017). The selected historical financial information for the financial years ended 31 December 2017 and 2016 below has been derived from Projektengagemang's audited consolidated financial statements for the 2017 and 2016 financial years, which were prepared in accordance with IFRS as adopted by the EU and audited by PricewaterhouseCoopers AB. The selected historical financial information for the financial year ended 31 December 2015 has been derived from Projektengagemang's audited consolidated financial statements for the 2015 financial year, which were prepared in accordance with IFRS as adopted by the EU and audited by Hummelkläppen i Stockholm AB.

Condensed consolidated income statement and condensed consolidated statement of comprehensive income

	For the three months ended 31 March		**For the year ended 31 December**		
MSEK	**2018** *(unaudited)*	**2017**	**2017**	**2016** *(audited)*	**2015**
Net revenue	307.1	302.7	1 170.7	833.4	683.7
Other external expenses	–74.5	–75.2	–338.1	–281.3	–238.8 [1)]
Personnel expenses	–198.0	–195.2	–741.5	–503.9	–384.1
Income from associates	–	–	–	1.1	4.3
Operating income, EBITDA	**34.6**	**32.3**	**91.1**	**49.4**	**65.0**
Amortisation, depreciation and impairment	–4.9	–5.6	–22.4	–48.7	*
Operating income, EBITA	**29.7**	**26.7**	**68.7**	**0.7**	*
Acquisition-related items	–0.9	–0.9	–3.7	–0.3	*
Amortisation, depreciation and impairment of intangible and tangible assets	*	*	*	*	–32.7
Operating income, EBIT	**28.8**	**25.8**	**65.0**	**0.4**	**32.3**
Net financial items	–1.4	–0.9	–7.6 [2)]	–8.9 [2)]	–8.6 [2)]
Income before tax	**27.3**	**24.9**	**57.4**	**–8.5**	**23.7**
Tax	–5.2	–9.1	–19.9	3.6	–0.8
Net income for the period	**22.2**	**15.8**	**37.5**	**–5.0**	**22.9**

* Amortisation, depreciation and impairment of intangible and tangible assets corresponds to the total of the items Amortisation, depreciation and impairment and Acquisition-related items. The breakdown between Amortisation, depreciation and impairment and Acquisition-related items is not included in the audited annual report for the financial year 2015 and is thus aggregated in the item Amortisation, depreciation and impairment of intangible and tangible assets.

B.7 *Selected historical key financial information, cont.*

1) The item other external expenses is a total of several items in the consolidated income statement that are included in the Company's audited consolidated financial statement for the 2015 financial year according to the table below. The items of purchases of services and materials and other external expenses are added to other external expenses from 2016.

	For the year ended 31 December
MSEK	**2015** *(audited)*
Purchases of services and materials	–147.5
Other external expenses	–91.3
Total other external expenses	**–238.8**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated income statement*".

2) The item net financial items is a total of several items in the consolidated income statement that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
MSEK	**2017**	**2016**	**2015**
		(audited)	
Loss from sale of subsidiaries	–	–	–0.6
Financial income	0.6	0.8	3.2
Financial costs	–8.2	–9.7	–11.2
Net financial items	**–7.6**	**–8.9**	**–8.6**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated income statement*".

B.7 *Selected historical key financial information, cont.*

Condensed consolidated statement of financial position

MSEK	For the three months ended 31 March 2018 (unaudited)	2017 (unaudited)	For the year ended 31 December 2017 (audited)	2016 (audited)	2015 (audited)
ASSETS					
Non-current assets					
Goodwill	338.1	302.4	322.6	303.0	90.1
Other intangible assets	15.3	18.4	16.1	19.5	27.8
Tangible assets	43.2	53.6	47.3	57.6	51.6
Investment in associates	–	–	–	–	5.3
Deferred tax assets	–	–	–	28.0	21.2
Financial assets	4.3	4.0	4.2[1)]	4.0[1)]	3.4[1)]
Total non-current assets	**400.9**	**378.4**	**390.3**	**411.9**	**199.4**
Current assets					
Current assets excluding cash and cash equivalents	335.7	328.5	328.2[2)]	321.3[2)]	193.9[2)]
Cash and cash equivalents including short-term investments	7.8	23.6	5.0[3)]	16.5[3)]	39.9[3)]
Total current assets	**343.5**	**352.1**	**333.2**	**337.8**	**233.8**
TOTAL ASSETS	**744.4**	**730.4**	**723.5**	**749.7**	**433.2**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Shareholders' equity attributable to parent company's shareholders	249.8	205.8	227.7	190.4	196.8
Non-controlling interests	0.8	0.5	0.8	0.6	–0.3
Total shareholders' equity	**250.6**	**206.3**	**228.5**	**191.0**	**196.5**
Liabilities					
Non-current liabilities	160.1	227.9	174.1[4)]	232.1[4)]	33.5[4)]
Deferred tax liabilities	18.3	2.2	13.5	25.8	15.8
Total non-current liabilities	**178.4**	**230.1**	**187.6**	**257.8**	**49.4**
Current liabilities	315.4	294.1	307.5[5)]	300.9[5)]	187.3[5)]
Total liabilities	**493.8**	**524.1**	**495.1**	**558.7**	**236.6**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**744.4**	**730.4**	**723.5**	**749.7**	**433.2**

1) The line item financial assets is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

MSEK	For the year ended 31 December 2017 (audited)	2016 (audited)	2015 (audited)
Financial investments	3.3	3.2	2.7
Non-current receivables	1.0	0.8	0.6
Financial assets	**4.2**	**4.0**	**3.4**

For further information, see section *"Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet"*.

B.7 *Selected historical key financial information, cont.*

2) The line item current assets excluding cash and cash equivalents is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
MSEK	**2017**	**2016** *(audited)*	**2015**
Accounts receivable	167.8	160.2	105.9
Accrued net revenues not yet invoiced	94.8	99.2	63.7
Current tax assets	15.5	23.3	0.5
Other receivables	17.6	6.0	6.1
Prepaid expenses	32.5	32.6	17.7
Current assets excluding cash and cash equivalents	**328.2**	**321.3**	**193.9**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

3) The line item cash and cash equivalents including short-term investments is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
MSEK	**2017**	**2016** *(audited)*	**2015**
Short-term investments	1.6	3.3	3.0
Cash and cash equivalents	3.5	13.2	36.9
Cash and cash equivalents including short-term investments	**5.0**	**16.5**	**39.9**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

4) The item non-current liabilities is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
MSEK	**2017**	**2016** *(audited)*	**2015**
Pension liabilities	0.3	3.4	3.4
Non-current interest-bearing liabilities	173.8	228.7	30.1
Non-current liabilities	**174.1**	**232.1**	**33.5**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

5) The item current liabilities is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
MSEK	**2017**	**2016** *(audited)*	**2015**
Current interest-bearing liabilities	77.5	85.9	50.1
Liabilities to customers and suppliers	69.2	49.6	40.1
Other liabilities	91.5	93.9	54.0
Accrued expenses and deferred income	69.2	71.5	43.1
Current liabilities	**307.5**	**300.9**	**187.3**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

B.7 *Selected historical key financial information, cont.*

Condensed consolidated statement of cash flows

MSEK	For the three months ended 31 March 2018	2017 (unaudited)	For the year ended 31 December 2017	2016 (audited)	2015
Operating activities					
Income before tax	27.3	24.9	57.4	–8.5	23.7
Of which, net interest income paid[1]	*	*	*–6.5*	*4.2*	*
Adjustments for non-cash items	5.5	8.5	20.0	58.4	26.4
Taxes paid	–0.7	–4.1	0.5	–3.6	–2.5
Cash flow before change in working capital	**32.1**	**29.3**	**77.9**	**46.3**	**47.6**
Cash flow from change in working capital	–20.5	–5.2	–1.3[2]	–60.2[2]	26.2[2]
Cash flow from operating activities	**11.6**	**24.0**	**76.6**	**–13.9**	**73.9**
Investment activities					
Acquisition of tangible and intangible assets	–0.9	–1.4	–5.8[3]	–10.4[3]	–66.6[3]
Sale of tangible assets	–	–	1.1	–0.6	–
Sale of group companies	–	–	0.9	–	–
Acquisition of subsidiaries, net of acquired cash	–10.9	–1.3	–15.2	–226.5	–41.3
Change in financial assets	–0.1	–0.0	–	–	9.2
Cash flow from investing activities	**–11.9**	**–2.8**	**–18.9**	**–237.5**	**–98.7**
Cash flow before financing	**–0.3**	**21.2**	**57.7**	**–251.4**	**–24.8**
Financing activities					
Dividend paid	–	–	–	–2.9	–14.2
New share issue	–	–	–	–	80.0
Acquisition/sale of company shares	–	–	–	–	7.9
Loans raised	–	–	–	280.7	–
Repayment of loans	–15.4	–16.2	–62.6	–72.7	–34.7
Change in overdraft facilities	19.7	2.0	–4.7	22.6	–
Cash flow from financing activities	**4.3**	**–14.2**	**–67.3**	**227.7**	**39.1**
Cash flow for the year	**4.0**	**7.0**	**–9.6**	**–23.8**	**14.2**
Cash and cash equivalents at the beginning of the year	3.5	13.2	13.2	36.9	22.6
Exchange-rate difference in cash and cash equivalents	–0.0	0.0	–0.1	0.0	–
Cash and cash equivalents at the end of the year	7.5	20.2	3.5	13.2	36.9

1) Not reported per quarter and not reported for the fiscal year 2015.
2) The item cash flow from change in working capital is a total of several items in the consolidated cash flow statement that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

MSEK	For the year ended 31 December 2017	2016 (audited)	2015
Change in operating receivables	–9.9	–58.7	8.4
Change in operating liabilities	8.6	–1.5	17.9
Cash flow from change in working capital	**–1.3**	**–60.2**	**26.2**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated cash flow statement*".

B.7	*Selected historical key financial information, cont.*	3) The line item acquisition of tangible and intangible assets is a total of several items in the consolidated cash flow statement that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
MSEK	**2017**	**2016** *(audited)*	**2015**
Acquisition of tangible assets	–4.8	–10.4	–39.2
Acquisition of intangible assets	–1.0	–	–27.4
Acquisition of tangible and intangible assets	**–5.8**	**–10.4**	**–66.6**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated cash flow statement*".

Significant changes

The three months ended 31 March 2018 compared to the three months ended 31 March 2017
The Group's net revenue for the three months ended 31 March 2018 amounted to SEK 307.1 million, an increase of SEK 4.4 million or 1.4 percent, compared with SEK 302.7 million for the three months ended 31 March 2017. Organic net revenue growth was 0.5 percent. The increase in net revenue was primarily driven by the strong performance of the Civil Engineering & Infrastructure and Systems divisions.

The year ended 31 December 2017 compared The year ended 31 December 2016
The Group's net revenue for the 2017 financial year amounted to SEK 1,170.7 million, an increase of SEK 337.3 million or 40.5 percent, compared with SEK 833.4 million for the 2016 financial year. Organic net revenue growth was 4 percent in 2017. The increase in net revenue was primarily driven by the acquisitions implemented in 2016 (particularly Temagruppen, HJR and Konkret). Architecture & Management was positively impacted by high demand for architectural services, particularly in the metropolitan regions. The increase was also a result of higher invoicing due to a greater inflow of assignments, which in turn was due to successful differentiation by focusing on value-creating multi-disciplinary services and thus organic net revenue growth. This was particularly tangible in Civil Engineering & Infrastructure and Systems. The calendar effect for 2017 corresponded to approximately 1.5 fewer working days than in 2016, which had a slightly negative impact on net revenue. The price trend was generally positive in 2017, but the effects were impeded by price pressure in Industry & Energy caused by intensified competition. In 2017, the trend in the utilisation rate was particularly strong in Civil Engineering & Infrastructure, while the utilisation rate in other divisions was more aligned to levels in 2016. The discontinuation of the subsidiary Soleed Sweden AB (including the subsidiary Soleed Production AB) in 2016 negatively impacted net revenue.

The year ended 31 December 2016 compared The year ended 31 December 2015
The Group's net revenue for the 2016 financial year amounted to SEK 833.4 million, an increase of SEK 149.8 million or 21.9 percent, compared with SEK 683.7 million for the 2015 financial year. Organic growth was 2 percent. Growth was primarily a result of increased net revenue in Architecture & Management due to the acquisition of Temagruppen and increased net revenue in Industry & Energy (mainly related to the acquisitions of Applied Engineering AB and Mariestads Elektroautomatik AB) and Civil Engineering & Infrastructure. The increase was also due to income contributions from the 11 companies acquired in the second half of 2015 (which only impacted part of 2015 but contributed to net revenue for all of 2016). The subsidiary Soleed Sweden AB was divested in 2016, which negatively impacted net revenue.

Significant changes since 31 March 2018

At the end of the first quarter of 2018, Projektengagemang signed agreements for the acquisition of ROOF Arkitekter AB in Örebro with 16 employees and Smedjan Projektledning AB in Gothenburg with five employees. The integration of these two companies into the Architecture & Management division has commenced and Projektengagemang expects integration to be finalised during 2018. The acquisitions of ROOF Arkitekter AB and Smedjan Projektledning AB were completed in the second quarter of 2018.

Nasdaq Stockholm's Listing Committee has on 16 May 2018 decided to admit the Company's Class B shares for listing on Nasdaq Stockholm subject to customary conditions, including that the distribution requirement for the shares has been met.

B.8	*Selected key pro forma financial information*	Not applicable. This Prospectus does not contain any pro forma financial information.
B.9	*Profit forecast or estimate*	Not applicable. This Prospectus contains no profit forecast or calculation of anticipated profit.
B.10	*Audit report qualifications*	Not applicable. There are no qualifications of audit report.
B.11	*Sufficient working capital*	Not applicable. Projektengagemang assesses that the working capital is sufficient to meet Projektengagemang's actual needs over the coming 12-month period from the date of this Prospectus.

Section C – Securities

C.1	*Securities offered/ admitted to trading*	Shares in Projektengagemang Sweden AB (publ), reg. no. 556330-2602 (ISIN number: SE0011337666).
C.2	*Currency*	The shares are denominated in SEK.
C.3	*Number of shares issued*	The Company's registered share capital as of the date of this Prospectus is SEK 1,950,471.34, represented by 17,554,242 shares. Each share has a quota value of SEK 0.11. All shares have been fully paid.
C.4	*Rights attached to the securities*	Shares in the Company may be issued in two classes: Class A shares and Class B shares. The shares encompassed by the Offering are all Class B shares. The Company's articles of association contain a conversion clause according to which Class A shares can be converted to Class B shares. Holders of Class A shares are entitled to request, at any given time, that all or part of their holding of Class A shares be converted to Class B shares. Requests for such conversions shall be made in writing to the Company's board of directors and are to include information about the number of Class A shares to be converted. The board of directors shall immediately thereafter notify the Swedish Companies Registration Office of the conversion. A conversion becomes effective as soon as registration has been completed and the conversion has been registered in the central securities depositary register. The rights associated with shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act. Each Class A share entitles the holder thereof to ten votes and each Class B share entitles the holder thereof to one vote. Each shareholder is entitled to cast votes equal in number to the number of shares in the Company held by the shareholder. All shares in the Company carry equal rights to dividends and the Company's assets and any surpluses in the event of liquidation. The Company's shares that are the subject of the Offering will rank pari passu in all respects with each other and with all existing shares, and entitle the holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately following the listing of the shares. Decisions regarding the distribution of profits are taken by the general meeting of shareholders. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the general meeting shall be entitled to dividends. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden, but may also be paid out in a manner other than cash (in-kind dividend). If a shareholder cannot be reached through Euroclear Sweden, the shareholder shall still have a claim to the money owed by the Company for the dividend and the claim is subject to a ten-year period of limitations. Upon the expiry of the period of limitations, the dividend shall pass to the Company. If the Company issues new Class A and Class B shares in conjunction with a cash issue or an issue by way of set-off, all shareholders, regardless of whether their shares are of Class A or Class B, shall have a preferential right to subscribe for new shares of the same class in proportion to the number of shares held by them prior to the issue.

C.4	*Rights attached to the securities, cont.*	If the Company issues warrants or convertibles in conjunction with a cash issue or an issue by way of set-off, the shareholders shall have a preferential right to subscribe for warrants as if the issue applied to the shares that may be issued on the basis of the warrants, or a preferential right to subscribe for convertibles as if the issue applied to the shares for which the convertibles will be exchanged. There are no provisions in the Company's articles of association restricting the possibility to issue new shares, warrants or convertibles without applying the preferential rights of existing shareholders pursuant to the Swedish Companies Act. Should the share capital be increased by means of a bonus issue, new shares shall be issued in proportion to the number of shares of the same class already outstanding. Old shares of a certain class shall entitle the holder thereof to subscribe for new shares of the same class. The aforementioned shall not constitute a restriction on the possibility of issuing shares of a new class by means of a bonus issue, after due amendment of the articles of association.
C.5	*Restrictions on free transferability*	Not applicable. The shares will not be subject to restrictions on transferability.
C.6	*Admission to trading*	The Company's board of directors has applied for the Company's Class B shares to be admitted for trading on Nasdaq Stockholm. On 16 May 2018, Nasdaq Stockholm's listing committee resolved to admit the Company's Class B shares for trading on Nasdaq Stockholm, subject to customary conditions, including fulfilment of the distribution requirement in respect of the Company's shares. The ticker symbol for the Company's Class B shares on Nasdaq Stockholm will be PENG.
C.7	*Dividend policy*	Projektengagemang's target is to distribute 30–50 percent of its profit after tax as dividends.

Section D – Risks

D.1	*Key risks specific to the issuer or its industry*	An investment in securities is associated with risk. Prior to making any investment decision, investors should carefully consider all information contained in this Prospectus. Below is a summary of Projektengagemang's key risks specific to the Company's business and industry. **Changes in general conditions in the markets of areas of operation in which Projektengagemang operates may impact pricing and demand for the Company's services** Projektengagemang is a multi-disciplinary technical consultancy company in the Swedish architecture and technical consultancy market with 986 engineers and architects employed as of 31 March 2018 in over 35 cities in Sweden through approximately 50 offices and offer services within among other things project management, urban planning, building design, infrastructure and industry and energy to approximately 3,000 customers within both the private and the public sector. Fluctuations or otherwise uncertain economic conditions in one or more of Projektengagemang's business areas may have a negative effect on the demand for Projektengagemang's services, and, in particular, services closely connected to the construction industry. There is a risk that Projektengagemang may not be successful in adopting measures for potential changes in demand, which could have a material adverse effect on Projektengagemang's business, financial condition and results of operations. Regardless of general economic or market conditions, industrial and public sector willingness to invest may vary as a result of other factors, such as the availability of labour, construction costs relative to other alternatives or political decisions affecting demand for technical consultancy services. Projektengagemang serves, could adversely affect Projektengagemang's customers, suppliers or creditors. Projektengagemang's industrial customers' willingness to invest, for instance, was adversely affected by the financial crisis of 2008–2009. Changes to customers' willingness to invest resulting from the factors mentioned above could decrease the level of demand for Projektengagemang's services and could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

D.1	*Key risks specific to the issuer or its industry, cont.*	**The demand for Projektengagemang's technical consultancy services is depending on several demographic and economic trends** Projektengagemang is depending on a continued demand for its services, which, in turn, is depending on the demand for technical consultancy services. The main growth drivers of demand for such services are population growth and urbanisation, investments in infrastructure and industry, technological and digital development as well as an emerging trend towards sustainability within the areas and the areas where Projektengagemang conducts business. The continued growth in these trends is beneficial for the continued growth of the Company, but could be lost as a result of increased competition and other factors, such as lower prices. If any of these trends were to change it could have a negative effect on the demand for the services provided by Projektengagemang, which could have a negative effect on Projektengagemang's business, financial condition and result of operations. Furthermore the positive effects these trends have on the demand for Projektengagemang's services could be lost as a result of increased competition and other factors, such as lower prices. **The markets in which Projektengagemang operates are highly competitive with low barriers to entry for smaller assignments** Projektengagemang operates within multiple disciplines in the Swedish market for technical consulting, which include architecture, technical and industry consulting services. The business areas in which Projektengagemang operates are highly competitive, depending on the business area, and the barriers to entry of the technical consulting market mostly differs between the size of the assignments. Factors of competition consist of, among other things, the competence, customer relations and customer referrals of the Company as well as the price for the services. Projektengagemang's competition in smaller assignments procurement is primarily comprised of small local companies whose activities are often limited in terms of capacity, geographically concentrated and focused on providing expertise in a single field of competence. With respect to larger regional or national general assignments, Projektengagemang mainly faces competition from large diversified competitors with substantial market shares, such as ÅF, Sweco, Rejlers and WSP or new groups aiming to operate in the same business areas as Projektengagemang. The competition could increase if separate local service providers begin to offer multi-disciplinary technical consulting services or if smaller businesses are acquired by Projektengagemang's major competitors. Given the local character of the competition and business areas in which Projektengagemang operates, new competitors may also be formed by skilled individuals or teams leaving larger companies, including Projektengagemang, and setting up a competing service offering in certain business areas. An increase in competition resulting from any of the above scenarios could have a material adverse effect on Projektengagemang's business, financial condition and results of operations. Further, there is a risk that Projektengagemang may not be successful in its efforts to compete effectively. A significant portion of Projektengagemang's work is awarded through a competitive bidding process where price is often the principal factor in determining which contractor is selected (especially with regard to public sector assignments). Some of Projektengagemang's competitors may be willing to offer a lower price than Projektengagemang, reduce staff costs, accept lower profit margins or expend more in capital to obtain or retain customers. Projektengagemang may not be successful in winning new awards on commercially attractive terms over its competitors. A significant loss of customers or a sustained reduction in net revenue or margins due to increased competition could have a material adverse effect on Projektengagemang's business, financial condition and results of operations. **The Company's strategy includes acquisitions of businesses which Projektengagemang may be unable to successfully integrate** The Company's strategy includes its aim to strengthen and expand its operations, both organically and through acquisitions, such as the acquisitions of Temagruppen Sverige AB ("**Temagruppen**") in 2016 within architecture, landscape architecture and project management, HJR Projekt-El AB ("**HJR**") within the electricity and security area and the acquisition of Konkret Rådgivande Ingenjörer i Stockholm AB ("**Konkret**") within construction, building technology and building physics. Projektengagemang's strategy of growth through acquisitions may expose it to operational challenges and risks, such as the need to identify potential acquisition opportunities on favourable terms. Projektengagemang's growth through acquisitions may expose it to other risks such as the diversion of Group management's attention from existing business or the potential impairment of acquired intangible assets, including goodwill, as well as the incurrence of liabilities or other claims from acquired businesses.

D.1	*Key risks specific to the issuer or its industry, cont.*	When considering potential acquisition targets, Projektengagemang makes certain assumptions and determinations on, among other things, future net revenue, total costs and the need for capital expenditures in such businesses, based on its investigation of the respective businesses and other information then available. There is a risk that the Company will assess the opportunities and risks associated with these acquisitions incorrectly and liabilities, contingencies or losses, if realised, could have a material adverse effect on Projektengagemang's business, results of operations and financial condition. Further, integration of acquisitions could pose several risks to Projektengagemang's operations, including the allocation of significant resources (including implementation of operational and financial systems and effective financial disclosure controls and procedures), the need for increased support capabilities, the inability to retain key personnel or customers in the acquired businesses or the inability to realise potential synergies. If Projektengagemang cannot identify, implement or integrate attractive acquisition opportunities on favourable terms or at all, it could adversely impact Projektengagemang's ability to execute its growth strategy. There is a risk that elements of Projektengagemang's business model, including its extensive network of local units that are successful in some business and areas will not be successful in new geographies or business areas. If the demand in new geographies or business areas is not as expected, Projektengagemang may experience a decline in net revenue that cannot be addressed by efficiency measures or resource planning. In addition, future acquisitions may reduce Projektengagemang's liquidity, dilute margins, result in potentially dilutive issuance of equity securities or increases in incurrence of debt. Acquisitions may also be viewed negatively by co-workers, customers or investors. If Projektengagemang cannot grow, or fails to manage its growth effectively, it could affect its competitive position and could have a material adverse effect on Projektengagemang's business, financial condition and results of operations. **Projektengagemang could fail to recruit and retain skilled co-workers, whom are needed to effectively maintain the Company's decentralised organisation** As of 31 March 2018 Projektengagemang had 986 co-workers (including co-workers in India), and was represented, in over 35 cities in Sweden through approximately 50 offices as well as in Chennai, India through the subsidiary PE-Aristi. Projektengagemang's ability to maintain its competitive position and to implement its business strategy largely depends on the Company's decentralised organisational structure, in which co-workers retain substantial autonomy regarding the management of the operations and customer accounts, and project managers are primarily responsible for the carrying out of individual assignments. Projektengagemang is dependent upon the services of the co-workers and their respective local customer relationships, as well as on the skills and expertise of its co-workers in particular assignments or in particular business areas. The business of Projektengagemang is associated with some employee turnover and there is a risk that Projektengagemang may not be able to replace consultants that, for different reasons, leave. Unsatisfied co-workers and high employee turnover could lead to increased costs, impaired customer relations, and decreased internal efficiency, which could result in lower net revenue and/or reduced profitability. The success of the operations of the Group and its growth strategy mainly depends on the possibilities to recruit and retain co-workers, including competent executives, as well as replacing people as part of the employee turnover that is associated with the business. The future growth of the Group, and ultimately its success, also depends on the ability to employ and retain qualified co-workers with the competence and knowledge of the services and business of the Group necessary for Projektengagemang's operations. Further there is a risk that Projektengagemang cannot uphold or further develop the competence and experience levels of the co-workers. It is also important that Projektengagemang can attract and retain persons of enough competence. If the Group cannot fulfil its need for additional co-workers because of employee turnover or if the Group does not continue to attract and retain highly qualified co-workers on favourable terms there is a risk that the Group will not be able to maintain or further develop parts of its operations. This could have a material adverse effect on Projektengagemang's business, financial condition and results of operations. While Projektengagemang believes decentralisation is a key element of the Company's business model and an important element for the implementation of its strategy, decentralisation necessarily delegates control and decision-making powers to local units. There is a risk that co-workers of local units will not comply with Projektengagemang's internal policies or processes, or that Projektengagemang will not successfully implement future compliance policies, update or maintain efficient and reliable IT systems required to effectively monitor Projektengagemang's operations. The occurrence of any of these events on a particular assignment or local branch level could affect Projektengagemang as a whole, and could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

D.1	*Key risks specific to the issuer or its industry, cont.*	**Projektengagemang's ability to secure favourable assignments may be limited as a result of competitive bid processes and market conditions as well as applicable regulations and standards** In order to secure assignments with customers, Projektengagemang is often required to participate in competitive bid processes in the form of calls for tenders or public procurement tender processes. Whether a contract is awarded depends in part on the customer's perception with regard to the prices and the quality of the services offered by the various bidders and, if applicable, on the specific stipulated requirements of a bidder in a tender process. In larger procurements the number of competitors is lower, but the competition is generally more intense as the competitors are more professional and the customers more often place a relatively larger focus on the price than in smaller procurements. Since the offering price in any tender process is often a decisive or important factor to the public authority or company awarding the contract, it is important for Projektengagemang to ensure that a prudent but realistic price is set in any tender process so that Projektengagemang does not over- or under-price its services compared to its competitors. If Projektengagemang is unable to successfully demonstrate its ability to meet the requirements, effectively leverage its strengths relative to its competitors or be competitive with regard to price, there is a great risk that that Projektengagemang will lose tenders. Projektengagemang's business is affected by laws and regulations, among others PPA and PUSA. New laws. Regulations and standards could increase Projektengagemang's costs and non-compliance could entail Projektengagemang becoming subject to different sanctions and damage the reputation for the business and services of the Company, which could have a material adverse effect on Projektengagemang's business, financial condition and results of operations. Projektengagemang's possibilities to be awarded certain assignments are affected by certifications and other regulations and standards on the market where the Company operates. These include, for example, certifications in accordance with ISO 9001:2015 (Quality management systems), ISO 14001:2015 (Environmental management systems) and OHSAS 18001:2007 (Health and safety management systems). Failure by Projektengagemang to obtain or maintain required certifications would have a negative impact on sales and could have a material adverse effect on Projektengagemang's reputation, business, financial condition and results of operations. **A significant portion of Projektengagemang's net revenue are derived from assignments within the public sector and Projektengagemang is dependent on being awarded new or renewal of existing assignments on favourable terms** A substantial part of Projektengagemang's net revenue within Architecture & Management, Civil Engineering and Systems is attributable to assignments performed for public sector entities in accordance with procurement assignments with public authorities. In 2017, Projektengagemang's exposure to public sector customers amounted to approximately 35 percent of its net revenue. However, procurement processes focus on other aspects as well, such as delivery time. If Projektengagemang fails to be awarded new assignments or renew current assignments on equal or more favourable terms, if at all, or fail to compensate for reduced prices by increasing productivity, it could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

D.3	*Risks specific to the securities*	Below is a summary of key risks specific to the shares and the Offering. **There is no prior public market for the Company's shares and an active, liquid and orderly trading market for the shares may not develop, the price of the shares may be volatile, and investors could lose a substantial portion of their investment** Prior to the Offering, there has been no public market for the Company's shares and there is a risk that an active and liquid market will not develop following the Offering. As the Offer Price will be determined by the Projektengagemang Holding i Stockholm AB (the "**Principal Owner**") and the Company's board of directors in consultation with the Sole Global Coordinator, it may not necessarily reflect the price at which investors in the market will be willing to buy and sell the Company's shares following the Offering. In addition, the trading price of the Company's shares following the Offering may be volatile and could be subject to fluctuations in response to various factors, some of which are beyond the Company's control. The stock market in general has experienced price and volume fluctuations in the past. Broad market and industry factors may seriously affect the market price of the Company's shares regardless of its actual operating performance. These fluctuations may be even more pronounced in the trading market for the Company's shares shortly following the Offering. An investor who purchase shares in the Offering or the secondary market could lose a portion, or all, of their investment. **The Principal Owner will continue to have substantial influence over the Company after the Offering and could delay or prevent a change in corporate control** After the Offering, the Principal Owner will continue to have significant influence over the outcome of matters submitted to Projektengagemang's shareholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of the Company's assets. The interests of the Principal Owner could differ from the interests of the Company's shareholders as a whole. **Future offerings of shares or other securities by the Company may dilute all other shareholdings and may affect the market price of the shares** In the future, the Company may attempt to increase its capital resources by offering shares and other share-related securities or various forms of debt securities. All other offers could proportionally lessen voting rights and rights to dividends for current shareholders, as well as earnings per share and the net asset value per share. The holders of the Company's shares bear the risk of any future offerings reducing the market price of the shares, limiting dividend payments in respect of the shares by the Company, and diluting their shareholdings in the Company.

Section E – Offer

E.1	*Net proceeds and expenses*	In connection to the Offering, the Company will issue new shares. The new issue of shares is expected to provide Projektengagemang with proceeds of approximately SEK 300 million (approximately SEK 371 million provided that the Over-allotment option is exercised in full) before transaction costs of approximately SEK 33 million. Consequently, Projektengagemang expects to receive net proceeds of approximately SEK 267 million (approximately SEK 338 million provided that the Over-allotment option is exercised in full).
E.2a	*Reasons for the offer, use of proceeds*	Since Projektengagemang was founded in 2006, the Company has grown consistently. As of 30 April 2018, Projektengagemang had acquired 37 companies since 2007 and entered into agreements with two additional potential acquisitions. The majority of the Company's 450 shareholders are employees of the Company. In 2015, Projektengagemang expanded beyond Sweden's borders through the acquisition of 60 percent of PE-Aristi, based in Chennai, India, in order to expand its competency base. The goal has been to create a company that combines delegated, local responsibility in close proximity to customer with central support functions and shared processes. Projektengagemang's board of directors and the Principal Owner believe that it is now an appropriate time to list the Company's shares in order to provide the Company access to the capital market and a diversified base of new Swedish and international shareholders. Projektengagemang intends to use the entire net proceeds, including the potential proceeds resulting from the exercise of the Over-allotment option, to enable acquisition driven and organic growth. However, the Company estimates that the major part of the net revenue growth in future business cycles will be used for acquisition driven growth. The Company therefore primarily intends to use the net proceeds to create opportunities for Projektengagemang to make acquisitions in line with the Company's acquisition strategy, and based on prevailing market conditions the Company estimate that about two thirds of the net proceeds will be used for acquisitions. The remaining part (about one third of the net proceeds) is estimated to be used for capital expenditures relating to organic growth. The Company will not receive any proceeds from the sale of existing shares.

E.3	*Terms and conditions of the offer*	Application to acquire shares in the Offering shall be made in accordance with instructions from the Sole Global Coordinator.
E.4	*Interests material to the offer*	SEB is the Sole Global Coordinator in connection to the Offering and provide financial advice and other services to Projektengagemang in connection with the Offering for which they will receive customary remuneration. The total compensation will be dependent on the success of the Offering. Further, SEB is one of the lenders under the current credit facilities.
E.5	*Person/entity offering to sell the security, lock-up agreements*	The Principal Owner, Projektengagemang Holding i Stockholm AB, is offering the current 3,620,881 Class B shares that are part of the Offering. The Minority Shareholders have entered into an agreement with the Principal Owner regarding sale of in aggregate 2,344,285 B-shares. These 2,344,285 B-shares are consequently offered by the Principal Owner on behalf of the Minority Shareholders.[1] The Principal Owner receives the proceeds from the sale of up to 1,276,596 existing B-shares. In connection with the Offering approximately 400 current shareholders[2] in the Company will undertake, with certain exemptions, not to sell their holdings during a lock-up period ("**Lock-up period**"). These shareholders are, principally, current or former employees, current or former consultants and former owners of companies acquired by Projektengagemang. The Lock-up period for these shareholders, including Minority Shareholders who are not members of the board of directors or the Group management, will be 180 days from the first day of trading in the Company's shares. The Lock-up period for the Principal Owner, board members who own shares in the Company, Group management and certain key persons of the Group will be 360 days from the date of the Placing Agreement. The Lock-up period for LK Finans AB will be 360 days from the first day of trading in the Company's shares and its Lock-up undertaking will cover both its existing shareholding before the Offering and the shares that are alloted to LK Finans AB as a Cornerstone Investor in the Offering. The Lock-up period for Investment AB Öresund will be 180 days from the first day of trading in the Company's shares and its Lock-up undertaking will cover its existing shareholding before the Offering but not the shares that are alloted to Investment AB Öresund as a Cornerstone Investor in the Offering. At the end of each respective Lock-up period, the securities may be offered for sale, which may affect the market price of the Company's shares. The Sole Global Coordinator may waive the undertakings. Pursuant to the Placing Agreement, the Company will undertake, inter alia, with certain exceptions, for a period of 180 days from the date of the Placing Agreement, not to, without a written consent from the Sole Global Coordinator, (i) offer, pledge, allot, issue, sell, undertake to sell or otherwise transfer or divest, either directly or indirectly, any shares in the Company or other securities which may be converted into or are possible to exercise or exchange for such shares, or (ii) enter into swap agreements or other arrangements which, fully or partly, transfer the economic risk adjacent to the ownership of the shares in the Company. 1) "Minority Shareholders" refers to a group of about 180 existing shareholders in the Company, mainly consisting of employees and former employees in the Group (including some members of the Group management). The Minority Shareholders sale of shares is conditioned on the execution of the Offering (and thus of the Principal Owner's sale of shares in the Offering). No individual shareholder holds shares in the company corresponding to five or more percent of the shares or votes in the Company. The CFO of the Company, Peter Sandberg, has entered into an agreement regarding the sale of, at most, 141,750 B-shares and the Head of Industry & Energy, Hans Paulson, has entered into an agreement regarding the sale of, at most, 39,255 B-shares. 2) Including the Minority Shareholders, not including the Principal owner, the Cornerstone Investors LK Finans AB and Investment AB Öresund and shareholding board members and members of the Group management.
E.6	*Dilution*	The new share issue is expected to provide the Company with approximately SEK 267 million after deduction for costs related to the Offering (approximately SEK 338 million, provided that the Over-allotment option is exercised in full). Provided that the new share issue is subscribed in full, the number of new Class B shares issued will amount to 6,382,979 (approximately SEK 338 million provided that the Over-allotment option is exercised in full). Thus, following completion of the Offering, the number of Class B shares will increase from 12,058,242 to 18,441,221, corresponding to an increase of 53 percent, assuming that the issue of new shares is fully subscribed for. For existing shareholders, this would give rise to a dilution effect of 6,382,979 new shares, corresponding to 27 percent of the total number of shares following completion of the Offering. Provided that the new issue is fully subscribed and that the Over-allotment option is fully exercised, the amount of newly issued Class B shares will amount to 7,883,558. Thus, in this case the amount of Class B shares in the Company, after completion of the Offering, increase from 12,058,242 to 19,941,800, corresponding to an increase of 65.4 percent. Consequently, existing shareholders will be diluted by 7,883,558 new shares, corresponding to 31.0 percent of the total amount of shares after completion of the Offering.
E.7	*Expenses charged to the investor*	Not applicable. The Company will not impose any charges or taxes on investors.

Risk factors

An investment in Projektengagemang's Class B shares involves risks. Potential investors should carefully consider the following risks, together with other information provided in this Prospectus, before deciding whether to invest in the Company's Class B shares. Potential investors should note that the order in which the risk factors are presented does not reflect the probability of their realisation or order of importance. If any of the following risks occur, Projektengagemang's business, financial condition and results of operation could be adversely affected. There may also be other risks of which Projektengagemang is currently unaware or that the Company does not currently believe are material that could harm Projektengagemang's business, financial condition and results of operation. In any of such cases, the market price of the Company's shares could decline, and investors may lose all or part of their investment.

This Prospectus contains forward-looking statements that involve risks and uncertainties. Projektengagemang's actual business, financial condition and results of operations may differ significantly from the business, financial condition and results of operations discussed in the forward-looking statements. Factors that might cause such differences are discussed below and elsewhere in this Prospectus.

Risks relating to projektengagemang's business and industry

Changes in general conditions in the markets of areas of operation in which Projektengagemang operates may impact pricing and demand for the Company's services

Projektengagemang is a multi-disciplinary[1)] operator in the Swedish architecture and technical consultancy market with 986 engineers and architects employed as of 31 March 2018 in over 35 cities in Sweden through a total of approximately 50 offices and offer services within among other things project management, urban planning, architecture, infrastructure and industry to approximately 3,000 customers within both the private and the public sector. In 2017 Projektengagemang's net revenue amounted to SEK 1,171 million and had by the end of 2017 8,000 assignments distributed among 3,000 customers and the public and private sectors amounted to approximately 35 percent and 65 percent respectively of the net revenue at the end of 2017. In 2017 the net revenue from customers within new building design amounted to approximately 5–10 percent of the total net revenue of the Company. Projektengagemang conducts its business within the four divisions Architecture & Management, Civil Engineering & Infrastructure, Systems and Industry & Energy. In 2017 31 percent of the net revenue of Projektengagemang was relating to Architecture & Management, 21 percent relating to Civil Engineering, 30 percent relating to Systems, and 18 percent relating to Industry & Energy. Accordingly, pricing and demand for Projektengagemang's services are affected by changes in general economic and other conditions in the business areas in which Projektengagemang operates.

Fluctuations or otherwise uncertain economic conditions in one or more of Projektengagemang's business areas may have a negative effect on the demand for Projektengagemang's services, and, in particular, services closely connected to the construction industry. There is a risk that Projektengagemang may not be successful in adopting measures for potential changes in demand, which could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Overall uncertain economic conditions may impact the results of operations of Projektengagemang's customers, which may adversely affect the local demand for Projektengagemang's services from these customers. In addition, a number of other economic factors, including the availability and terms of financing for the industries

Regardless of general economic or market conditions, industrial and public sector willingness to invest may vary as a result of other factors, such as the availability of labour, construction costs relative to other alternatives or political decisions affecting demand for technical consultancy services. Projektengagemang's industrial customers' willingness to invest, for instance, was adversely affected by the financial crisis of 2008–2009. Changes to customers' willingness to invest resulting from the factors mentioned above could decrease the level of demand for Projektengagemang's services and could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

1) Multi-disciplinary services are defined as service offerings that include two or more areas of expertise.

The demand for Projektengagemang's technical consultancy services is depending on several demographic and economic trends

Projektengagemang is depending on a continued demand for its services, which, in turn, is depending on the demand for technical consultancy services. The main growth drivers of demand for such services are population growth and urbanisation, investments in infrastructure and industry, technological and digital development as well as an emerging trend towards sustainability within the geographical areas and within the areas where Projektengagemang conducts business.[1] The continued growth in these trends is beneficial for the continued growth of the Company, but could be lost as a result of increased competition and other factors, such as lower prices. If any of these trends were to change it could have a negative effect on the demand for the services provided by Projektengagemang, which could have a negative effect on Projektengagemang's business, financial condition and result of operations. Furthermore the positive effects these trends have on the demand for Projektengagemang's services could be lost as a result of increased competition and other factors, such as lower prices.

The markets in which Projektengagemang operates are highly competitive with low barriers to entry for smaller assignments

Projektengagemang operates within multiple disciplines in the Swedish market for technical consulting, which include architecture, technical and industry consulting services. The business areas in which Projektengagemang operates are highly competitive, depending on the business area, and the barriers to entry of the technical consulting market mostly differs between the size of the assignments. Factors of competition consist of, among other things, the competence, customer relations and customer referrals of the Company as well as the price for the services. Projektengagemang's competition in smaller assignments procurement is primarily comprised of small local companies whose activities are often limited in terms of capacity, geographically concentrated and focused on providing expertise in a single field of competence. With respect to larger regional or national general assignments, Projektengagemang mainly faces competition from large diversified competitors with substantial market shares, such as ÅF, Sweco, Rejlers and WSP or new groups aiming to operate in the same business areas as Projektengagemang. The competition could increase if separate local service providers begin to offer multi-disciplinary technical consulting services or if smaller businesses are acquired by Projektengagemang's major competitors. Given the local character of the competition and business areas in which Projektengagemang operates, new competitors may also be formed by skilled individuals or teams leaving larger companies, including Projektengagemang, and setting up a competing service offering in certain business areas. An increase in competition resulting from any of the above scenarios could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Further, there is a risk that Projektengagemang may not be successful in its efforts to compete effectively. A significant portion of Projektengagemang's work is awarded through a competitive bidding process where price is often the principal factor in determining which contractor is selected (especially with regard to public sector assignments). Some of Projektengagemang's competitors may be willing to offer a lower price than Projektengagemang, reduce staff costs, accept lower profit margins or expend more in capital to obtain or retain customers. Projektengagemang may not be successful in winning new awards on commercially attractive terms over its competitors. A significant loss of customers or a sustained reduction in net revenue or margins due to increased competition could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

The market for small local assignments in the Swedish technical consulting market is highly fragmented, with low barriers to entry. Projektengagemang's local branches compete with a large number of relatively small local service providers, some of whom may benefit from operating efficiencies or lower overhead costs to a larger extent than Projektengagemang, which may enable them to offer lower prices than Projektengagemang does. This has in the past resulted, and may continue to result, in a high degree of competition at the local or regional level of the relevant market. Increased industry competition could result in increased price competition, lower profit margins, a decline in Projektengagemang's market share and greater competition for qualified personnel. Furthermore, consultant service agencies, such as Ework and ZeroChaos, are a new type of market operator in the consultancy service market. These act as an intermediary between the technical consulting companies and the customer in procuring services, mostly within the resource consultancy area, with the task to lower the consultancy costs for the customer. If Projektengagemang would face such competition, or increased competition from consultant service agents, Projektengagemang's net revenue, profitability and market shares may decline, which would have a material adverse effect on Projektengagemang's business, financial condition or results of operations.

Projektengagemang's growth could be affected if the Company is unsuccessful in implementing its strategy

There is a risk that initiatives implemented by Projektengagemang under its strategy will not result in the anticipated and desired benefits in terms of efficiency improvements or increased growth and profitability may divert management attention and resources away from other areas of the Group. Moreover, there is also a risk that Projektengagemang is not able to allocate resources to ongoing assignments within the Group in an efficient manner, which could have a negative effect on the

1) Source: City of Stockholm (Nu är vi 900 000 Stockholmare, December 2017), the Swedish Federation of Consulting Engineers and Architects (the Sector Review, December 2017, based on data from 2016), the National Board of Housing, Building and Planning (En urbaniserad värld, 2012), Euroconstruct (81st Euroconstruct Country Report, June 2016) and National Institute of Economic Research (the Forecast Data Base).

execution of the relevant assignments. If any of these risks were to materialise, it could have a material adverse effect on Projektengagemang's growth prospects, business, financial condition and results of operations.

Projektengagemang's strategy is to grow and strengthen its market positions through acquisitions within defined geographies where the Company wishes to offer a complete offering. Acquisitions of companies with attractive niche competencies enables packaged service solutions and development of proactive collaboration between Projektengagemang's divisions, across technical borders and through sub-consultants. There is a risk that strategic ventures and investments do not generate the positive effect the Group had expected. For example, in 2015 and 2016 the Group carried out impairment related to the subsidiary Soleed Sweden AB, which was deemed to not be part of the core business, see " – *Projektengagemang's results of operations and financial condition could be adversely affected in the event of impairment of goodwill or other intangible assets*".

The Company's strategy includes acquisitions of businesses which Projektengagemang may be unable to successfully integrate

The Company's strategy includes its aim to strengthen and expand its operations, both organically and through acquisitions, such as the acquisitions of Temagruppen Sverige AB ("**Temagruppen**") in 2016 within architecture, landscape architecture and project management, HJR Projekt-El AB ("**HJR**") within the electricity and security area and the acquisition of Konkret Rådgivande Ingenjörer i Stockholm AB ("**Konkret**") within construction, building technology and building physics. Projektengagemang's strategy of growth through acquisitions may expose it to operational challenges and risks, such as the need to identify potential acquisition opportunities on favourable terms. Projektengagemang's growth through acquisitions may expose it to other risks such as the diversion of Group management's attention from existing business or the potential impairment of acquired intangible assets, including goodwill, as well as the incurrence of liabilities or other claims from acquired businesses.

When considering potential acquisition targets, Projektengagemang makes certain assumptions and determinations on, among other things, future net revenue, total costs and the need for capital expenditures in such businesses, based on its investigation of the respective businesses and other information then available. There is a risk that the Company will assess the opportunities and risks associated with these acquisitions incorrectly and liabilities, contingencies or losses, if realised, could have a material adverse effect on Projektengagemang's business, results of operations and financial condition. Even if Projektengagemang is able to consummate acquisitions, the Company may not be able to acquire businesses at targeted acquisition multiples of approximately 5–6x EV/EBITDA.[1)] Further, integration of acquisitions could pose several risks to Projektengagemang's operations, including the allocation of significant resources (including implementation of operational and financial systems and effective financial disclosure controls and procedures), the need for increased support capabilities, the inability to retain key personnel or customers in the acquired businesses or the inability to realise potential synergies.

Further there is a risk that Projektengagemang will need to impair the goodwill or other intangible assets that arise with acquisitions, see " – *Projektengagemang's results of operations and financial condition could be adversely affected in the event of impairment of goodwill or other intangible assets*". Additionally, Projektengagemang could experience delays or unusual expenses while integrating an acquisition, among other things challenges and costs relating to relocation and integrating of acquired companies into Projektengagemang's company culture. If Projektengagemang cannot identify, implement or integrate attractive acquisition opportunities on favourable terms or at all, it could adversely impact Projektengagemang's ability to execute its growth strategy.

There is a risk that elements of Projektengagemang's business model, including its extensive network of local units that are successful in some business and areas will not be successful in new geographies or business areas. If the demand in new geographies or business areas is not as expected, Projektengagemang may experience a decline in net revenue that cannot be addressed by efficiency measures or resource planning. In addition, future acquisitions may reduce Projektengagemang's liquidity, dilute margins, result in potentially dilutive issuance of equity securities or increases in incurrence of debt. Acquisitions may also be viewed negatively by co-workers, customers or investors. If Projektengagemang cannot grow, or fails to manage its growth effectively, it could affect its competitive position and could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang could fail to recruit and retain skilled co-workers, whom are needed to effectively maintain the Company's decentralised organisation

As of 31 March 2018 Projektengagemang had 986[2)] co-workers and was represented in over 35 cities in Sweden through approximately 50 offices as well as in Chennai, India through the subsidiary PE-Aristi. Projektengagemang's ability to maintain its competitive position and to implement its business strategy largely depends on the Company's decentralised organisational structure, in which co-workers retain substantial autonomy regarding the management of the operations and customer accounts, and project managers are primarily responsible for the carrying out of individual assignments. Projektengagemang is dependent upon the services of the co-workers and their

1) Refers to Projektengagemang's historical acquisition multiples since 2015. The information is derived from the Group's internal accounting system. Actual multiples vary by size and target and can be both higher and lower than indicated. The EV/EBITDA multiple has been calculated by dividing the enterprise value with the EBITDA from the annual accounts for the financial year preceding the acquisition (with the exception of the acquisition of Temagruppen where an averaged EBITDA over five years was used). Enterprise value is calculated by subtracting cash and cash equivalents from the sum of the market value of the company's equity and debts recorded.

2) Includes employees based in India.

respective local customer relationships, as well as on the skills and expertise of its co-workers in particular assignments or in particular business areas. The business of Projektengagemang is associated with some employee turnover and there is a risk that Projektengagemang may not be able to replace consultants that, for different reasons, leave. Unsatisfied co-workers and high employee turnover could lead to increased costs, impaired customer relations, and decreased internal efficiency, which could result in lower net revenue and/or reduced profitability. The success of the operations of the Group and its growth strategy mainly depends on the possibilities to recruit and retain co-workers, including competent executives, as well as replacing people as part of the employee turnover that is associated with the business. The future growth of the Group, and ultimately its success, also depends on the ability to employ and retain qualified co-workers with the competence and knowledge of the services and business of the Group necessary for Projektengagemang's operations. Further there is a risk that Projektengagemang cannot uphold or further develop the competence and experience levels of the co-workers. See *" – If Projektengagemang does not effectively manage the utilisation of its co-workers or the co-workers' billable rates, Projektengagemang's financial results could decline"*. It is also important that Projektengagemang can attract and retain persons of enough competence. If the Group cannot fulfil its need for additional co-workers because of employee turnover or if the Group does not continue to attract and retain highly qualified co-workers on favourable terms there is a risk that the Group will not be able to maintain or further develop parts of its operations. This could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Furthermore could accidents or incidents in the workplace relating to insufficient security measures and other reasons that cause dissatisfaction among co-workers adversely affect the productivity and the Company's reputation as employer, which in turn could adversely affect Projektengagemang's ability to recruit and retain its co-workers.

While Projektengagemang believes decentralisation is a key element of the Company's business model and an important element for the implementation of its strategy, decentralisation necessarily delegates control and decision-making powers to local units. There is a risk that co-workers of local units will not comply with Projektengagemang's internal policies or processes, or that Projektengagemang will not successfully implement future compliance policies, update or maintain efficient and reliable IT systems required to effectively monitor Projektengagemang's operations. The occurrence of any of these events on a particular assignment or local branch level could affect Projektengagemang as a whole, and could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang's ability to secure favourable assignments may be limited as a result of competitive bid processes and market conditions as well as applicable regulations and standards

In order to secure assignments with customers, Projektengagemang is often required to participate in competitive bid processes in the form of calls for tenders or public procurement tender processes. Given the effect procurements have on the result of the assignment and the profitability of Projektengagemang the structure of the procurements are of importance. The procurement process of the market for technical consulting varies depending on the customer and the assignment, but is mostly conducted through a procurement under the Public Procurement Act ("**PPA**") (Sw. *lag om offentlig upphandling*) and the Procurement In the Utilities Sector Act ("**PUSA**") (Sw. *lag om upphandling inom försörjningssektorerna*) , direct procurement under framework agreements signed for a predetermined time period, where requests are called continuously under the agreement, renewed procurement in a selected group, a general inquiry where the procurer sends out an inquiry proposal to be answered or through negotiation procurement where the procurer has chosen a company in advance, more common among private actors. Whether a contract is awarded depends in part on the customer's perception with regard to the prices and the quality of the services offered by the various bidders and, if applicable, on the specific stipulated requirements of a bidder in a tender process. In larger procurements the number of competitors is lower, but the competition is generally more intense as the competitors are more professional and the customers more often place a relatively larger focus on the price than in smaller procurements. Since the offering price in any tender process is often a decisive or important factor to the public authority or company awarding the contract, it is important for Projektengagemang to ensure that a prudent but realistic price is set in any tender process so that Projektengagemang does not over- or under-price its services compared to its competitors. Projektengagemang may lose tenders if it is unable to successfully demonstrate its ability to meet the requirements, effectively leverage its strengths relative to its competitors or be competitive with regard to price. The calls for tender often require the commitment of significant time and financial resources, and, regardless of the amount of time and resources committed, it is possible that Projektengagemang will not be awarded the contract. In addition, awards under public procurement processes may be subject to challenge or rescission based on actual or alleged procedural deficiencies in the tender process, even after Projektengagemang has made significant expenditures associated with winning such an award. Projektengagemang (or a public sector entity counter party) may face actions seeking to challenge prior awards, and Projektengagemang may not be successful in securing a contract in any re-tendering process. The difficulty in foreseeing the final costs and conditions for the fulfilment could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang's business is affected by laws and regulations, among others PPA and PUSA. New laws, regulations and standards could increase Projektengagemang's costs and non-compliance could entail Projektengagemang becoming subject to different sanctions and damage the reputation for the business and services of the Company, which could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang's possibilities to be awarded certain assignments are affected by certifications and other regulations and standards on the market where the Company operates. These include, for example, certifications in accordance with ISO 9001:2015 (Quality management systems), ISO 14001:2015 (Environmental management systems) and OHSAS 18001:2007 (Health and safety management systems). Projektengagemang must allocate financial resources and management resources to be awarded and retain these certifications as well as other regulations and standards, and since these are changed from time to time Projektengagemang is unable to predict future costs for compliance. Failure by Projektengagemang to obtain or maintain required certifications would have a negative impact on sales and could have a material adverse effect on Projektengagemang's reputation, business, financial condition and results of operations.

A significant portion of Projektengagemang's net revenue are derived from assignments within the public sector and Projektengagemang is dependent on being awarded new or renewal of existing assignments on favourable terms

A substantial part of Projektengagemang's net revenue within Architecture & Management, Civil Engineering and Systems is attributable to assignments performed for public sector entities in accordance with procurement assignments with public authorities. In 2017, Projektengagemang's exposure to public sector customers amounted to approximately 35% of its net revenue. Even though the particular terms and conditions for public procurement vary between different procurement processes Projektengagemang generally competes primarily on price to be awarded or renew assignments. However, procurement processes focus on other aspects as well, such as delivery time. If Projektengagemang fails to be awarded new assignments or renew current assignments on equal or more favourable terms, if at all, or fail to compensate for reduced prices by increasing productivity, it could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang is exposed to risks related to changes in regulations pertaining to public spending and regulations on public procurement

The demand for Projektengagemang's services is sensitive to political decisions regarding public spending and public procurement that may have a significant impact on public sector investment. Projektengagemang's exposure to the public sector also entails that any decrease in public spending, such as public sector investments in hospitals, schools, care facilities and infrastructure, could result in decreased net revenue and profit for Projektengagemang.

Furthermore, Projektengagemang has implemented policies and educated its management regarding compliance, there is a risk however that Projektengagemang's co-workers, subcontractors for which Projektengagemang is responsible, or the public sector entities with whom the Company contract will not act in accordance with such policies or applicable laws and regulations. If one of the public sector entities with whom Projektengagemang has entered into assignments with violates applicable procurement laws or regulations in connection to securing a contract for Projektengagemang or Projektengagemang's sales activities, for example by prolonging a contract instead of initiating a new procurement process for the contract, such contract could be challenged and possibly declared void by relevant authorities. Any such violation, or alleged violation, could result in civil or criminal penalties, loss of business or harm to Projektengagemang's reputation. If any of these events would occur, or if Projektengagemang would lose procurements for public investments in the future, such events could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang's business is further effected by procurement laws and regulations, including PPA and PUSA. See – *Projektengagemang's ability to secure favourable assignments may be limited as a result of competitive bid processes and market conditions as well as applicable regulations and standards*".

If Projektengagemang does not effectively manage the utilisation of its co-workers or the co-workers' billable rates, Projektengagemang's financial results could decline

If Projektengagemang fail to manage the utilisation, i.e. billed time on customer in relation to total presence, of its co-workers who bill on an hourly basis or maintain or increase the hourly rates the Company charges its customers for performed services, it could result in adverse consequences, seeing as the net revenue would not cover the costs of the Group.

Several factors negatively affect utilisation of Projektengagemang's co-workers. Factors that could negatively affect utilisation include the competence and experience levels of the co-workers conducting the service and the co-worker's discipline in reporting their time. Other factors that could negatively affect utilisation include the economic situation of the market where Projektengagemang operates, the type of assignments conducted, (for example if the assignment is for a customer in the public or private sector), the size of the assignment (larger assignments are, for example, of higher importance in the division Industry & Energy than for other divisions). These factors could have a material adverse effect on the utilisation and therefore on Projektengagemang's business, financial condition and results of operations.

The Company at times enter into agreements for assignments which involve terms and conditions of fixed-fees. Failure to manage Projektengagemang's co-workers hours and other aspects of alternative fee arrangements may result in the costs of providing such services exceeding the net revenue collected by the Company for the services or may also lead to not reaching the originally calculated net revenue for the relevant assignment.

Inefficient or unsuccessful project management and/or forecasting may result in significant losses if costs are greater than anticipated

In order to ensure that the Company's assignments are conducted efficiently, Projektengagemang relies on significant project management expertise, particularly with respect to pricing the Company's services and optimising its performance during the term of the assignment. Management of costs and implementation is particularly important for large and multi-disciplinary[1)] assignments as these are commonly more complex. Solutions or commitments where Projektengagemang offers one or more disciplines and assume a larger responsibility amounted to approximately 95 percent of the assignments while the resource consultant assignments amounted to approximately 5 percent of the assignments in 2017, according to estimates by the Company. In the same period assignments with the remuneration form variable price, including the assignment against a given budget with responsibility for accounting for reasons for budget auditing, amounted to approximately 94 percent of the net revenue and approximately 96 percent of the assignments, while assignments with the remuneration form fixed price (mostly within the division Industry & Energy) amounted to approximately 6 percent of the net revenue and approximately 4 percent of the assignments, according to estimates by the Company.

Essential skills for performance and profitability of a assignment includes Projektengagemang's ability to accurately forecast the costs relating to an assignment, to correctly assess the various resources (in particular, human resources) necessary to carry out the assignment, to effectively manage any services provided by sub-consultants, and to control events and factors that could delay progress on the assignment. With regard to various tender-based assignments, it is important to act selectively, taking into consideration the risks and profitability associated with each assignment, and to review the terms and conditions of all assignments in accordance with specified principles.

In practice, poor project management, failure to assess the resources needed to execute the assignment and errors in forecasting the costs involved in a particular assignment may reduce margins and cause significant additional costs and delays, in turn leading to delays in payment for Projektengagemang's services. Consequently, inefficient or unsuccessful project management or forecasting may adversely affect Projektengagemang's ability to offer high-quality and profitable services, which may have a material adverse effect on Projektengagemang's business, financial condition and results of operation.

In addition, Projektengagemang sometimes enter into service assignments based on fixed-price assignments, mostly within the Industry & Energy division, that contain inherent risks since Projektengagemang agrees to the price of the assignment at the time it enters into the contract. The predetermined price is based on specified assumptions and estimates of the ultimate cost of the assignment and Projektengagemang assumes substantially all of the risks associated with completing the assignment, as well as the post-completion warranty obligations. Projektengagemang is responsible for the accuracy of the services delivered by the Group and potential warranty obligations typically entail measures to remedy deficiencies in the services delivered, which could entail material and unexpected costs for Projektengagemang. In cases where Projektengagemang agrees to fixed-price assignments, Projektengagemang also assumes the risks related to costs and gross profit realised on such assignments, which may vary, sometimes substantially, from the original projections.

Factors that can affect the accuracy of the original projections include changes in the cost of components, material or labour; difficulties in obtaining required governmental permits or approvals; changes in labour laws; laws and regulations; changes in local working conditions; assignment modifications creating unanticipated costs and sub-consultants' failure to perform.

The length of the assignment may increase the complexity of the project management and forecasting of the assignment. Thus, the above risks may be exacerbated by the length of time between signing a fixed-price contract and completing the assignment. Additionally, Projektengagemang sometimes bears the risk of delays caused by unexpected conditions or events. Projektengagemang may be subject to delay penalties if portions of the long-term, fixed-priced assignments are not completed in the agreed-upon time limits. The materialisation of any such risks, conditions, events or penalties could have a material adverse effect on Projektengagemang's business, financial condition and results of operation.

Projektengagemang's net revenue, results of operations and cash-flow may fluctuate

Projektengagemang experience fluctuations in net revenue, results of operations and related cash flows, and the Company expects that such fluctuations will occur in the future as well. The fluctuations are driven by, among other things, the number, size, length and durability of the services provided, when net revenue are accounted for under IFRS, the utilisation of the co-workers of the Group, the type of assignments Projektengagemang engage in at different points in time, fee levels and other fee arrangements, billing and payment cycles, recruitment, and economical factors beyond Projektengagemang's control. The three months ending 30 September are usually the weakest period for net revenue and results of operations for the Company, as a result of summer holidays when co-workers are unavailable to perform billable assignments, which affects the ability to carry out assign-

1) Multi-disciplinary services are defined as service offerings that include two or more areas of expertise.

ments while fixed costs for premises and other costs remain. This seasonal effect is prominent in all divisions of Projektengagemang. Projektengagemang may further experience fluctuations in the results of operations and related cash-flows as a result of increased remunerations to co-workers. In addition to this the timing of investments and future acquisitions as well as the costs of integrating these could have a material adverse effect on Projektengagemang's business, financial condition and results of operation. The operations of the Company are subject to seasonal variations. The three months ending 30 September usually show decreased net revenue and operating profits EBIT, (adjusted results of operations),[1)] as an effect of lower customer activity in the holiday period while fixed costs for premises and other costs remain. This seasonal effect is noticeable in all divisions of Projektengagemang.

Disruptions, reduction or interruption in supply and an inability to develop alternative sub-consultants, may adversely affect Projektengagemang's services and related sales

Projektengagemang use sub-consultants to provide certain services. There is a risk that sub-consultants may not deliver on time or on the level of the cost structure or quality expected by Projektengagemang, which could adversely affect the Group. One or more of Projektengagemang's sub-consultants may for example cease delivery of services to Projektengagemang, due to inability to supply, or may decide to cease supplying, for reasons beyond Projektengagemang's control, or may increase prices significantly. If Projektengagemang's agreements with certain sub-consultants are terminated, it may not be able to find suitable replacements within a reasonable amount of time or cost or at all. If Projektengagemang encounters a cessation, interruption or delay in the supply of services from sub-consultants or such services are not of sufficient quality, it may be unable to obtain such services through other sources on acceptable terms, within a reasonable amount of time or at all. For example, Projektengagemang has from time-to-time experienced delays from certain of its sub-consultants which have led to decreased margins as Projektengagemang has been forced to source replacement services to complete assignments.

Any short or long-term cessation, interruption or delay affecting Projektengagemang's supply chain, including any delay in or termination of its agreements or relationships with sub-consultants of various services that Projektengagemang relies upon, or Projektengagemang's sub-consultants inability to deliver service within stipulated time or at anticipated price may impair Projektengagemang's ability to produce services within its budget, meet scheduled deliveries to its customers and/or cause Projektengagemang's customers to cancel orders. Any of these outcomes could each have a material adverse effect on Projektengagemang's reputation, business, financial condition or results of operations.

Actions taken by Projektengagemang's sub-consultants could harm Projektengagemang's business

Projektengagemang may not be able to control its sub-consultants, including their labour, environmental or other policies, or ensure their compliance with prescribed code of conduct. A violation of labour, environmental or other laws by the Company's sub-consultants, or a failure of these parties to follow ethical business practices, could lead to negative publicity and harm the Group's reputation and, in severe cases of non-compliance with applicable regulations, lead to regulatory enforcement actions against Projektengagemang. In addition, Projektengagemang may choose to seek alternative sub-consultants if these violations or failures were to occur. Identifying and qualifying new sub-consultants can be time consuming and Projektengagemang might not be able to substitute suitable alternatives in a timely manner or at an acceptable cost. See " – *Disruptions, reduction or interruption in supply and an inability to develop alternative sub-consultants, may adversely affect Projektengagemang's services and related sales*".

Projektengagemang periodically audit contract sub-consultants in accordance with a standardised model. There is a risk that the qualifying inspections and audits conducted by Projektengagemang of its sub-consultants may not be frequent or thorough enough to detect non-compliance.

Projektengagemang relies on the performance of the Group's reporting and information technology systems. The interruption, inadequacy or other failure of which could have an adverse effect on Projektengagemang's business, financial condition and results of operations

As of the day of this Prospectus the Group consisted of Projektengagemang and 57 subsidiaries. Projektengagemang relies on its operational processes and its joint financial reporting, information technology and communication systems to effectively manage and control ongoing assignments and its decentralised organisation in general. Furthermore, the Group's capacity to effectively generate business, manage its risk profile and service its customers depends on storing, retrieving, processing, presenting and managing information. If the Group's internal control processes are ineffective, if the Group does not make the correct technology choices or investments or if the Group's choices or investments are insufficiently prompt or cost-effective, it could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, interruption or loss of Projektengagemang's data and information system capabilities, the failure of computer equipment or software systems, including systems provided by third parties, failure of the Group's website, telecommunications failure or other disruptions, whether due to system failures, computer viruses, software errors, cyber-attacks, theft of or physical damage to IT hardware or otherwise, could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

1) Adjusted EBIT margin is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of adjusted EBIT margin with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*."

Deterioration of Projektengagemang's reputation and brand perception could adversely affect its business

Projektengagemang relies on its corporate reputation and brand perception for its marketing, sales recruitment and acquisition strategies. Projektengagemang's reputation and brand perception is dependent on, among other things, the quality, safety and reliability of the Group's services, as well as the Company's communication activities, including advertising, public relations and marketing. Projektengagemang must actively manage its reputation and brand with a number of different stakeholders, including commercial customers, public sector customers, co-workers and regulatory and trade union bodies. Failure to do so could have an adverse impact on Projektengagemang's business and results of operations. Moreover, Projektengagemang's corporate reputation can be affected by incidents or accidents at customer premises. In certain business areas and for certain services Projektengagemang also uses specific brands, such as *Temagruppen and Konkret*, through which Projektengagemang offers services within Architecture & Management and Civil Engineering respectively. Any damage to Projektengagemang's reputation or brand, as a result of liability or warranty claims, incidents and accidents, adverse litigation, breach of laws or regulations, failure to meet contract deadlines or specialised performance requirements, or for any other reason, could have a material adverse effect on Projektengagemang's marketing and ability to retain and attract new customers as well as Projektengagemang's business, financial condition and results of operations.

Projektengagemang's insurance coverage may not provide sufficient coverage

Projektengagemang is exposed to a variety of risks that could lead to the interruption of its business operations or otherwise subject the Group to significant losses, including accidents, natural disasters, liability claims, environmental damage and other events. There are certain types of losses that generally are not insured because they are either considered uninsurable or excluded in the relevant insurance policies. This may include losses occasioned by war or terrorism or professional/personal liability claims where there has been dishonesty, or criminal acts involved. In addition, most of the insurance policies of Projektengagemang have limitations (sums insured) on the maximum amounts that may be recovered for any one loss event, any series of losses and in aggregate during an insurance period.

Recovery is also generally dependent on the insured first making payment of the appropriate excess or deductible and that the maximum limitation amount has not already been exhausted. In addition, the Group's insurance premiums for certain risk coverage, including product liability claims, may be increased as a result of Projektengagemang's service offering, claims history or market conditions.

If one or more events occur for which the Group is uncompensated or under-compensated by insurance, the resulting costs could, alone or in the aggregate, have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

The internal governing documents, procedures, processes and evaluation methods used by Projektengagemang to assess and manage risk may be insufficient to cover unidentified, unanticipated or incorrectly quantified risks

There is a risk that internal governing documents, procedures, processes and evaluation methods used by Projektengagemang to assess and manage risk are not fully effective in managing all types of risks, including risks that Projektengagemang fails to identify or anticipate. Such risks can include misconduct caused by a lack of adequate internal governance or control. Furthermore, Projektengagemang faces the risk that its operations may not be in compliance with internal governing documents, including codes of conduct, or that it may not correctly quantify identified risks. If Projektengagemang is unable to successfully implement an effective internal governance and control framework (including governing documents, procedures, processes and evaluation methods to assess and manage risks) and ensure compliance with such framework, or if the Group's co-workers act in a way that is not consistent with the level of business ethics and integrity that Projektengagemang is committed to, it could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Effective internal governance and control is necessary for Projektengagemang to provide reliable financial reports, to ensure compliance with internal and external rules as well as to prevent fraud. There is a risk that Projektengagemang in its corporate governance and internal controls, regardless of any applicable corporate governance policies and routines, will not successfully manage corporate functions or internal risks or will not identify areas requiring improvement in an efficient manner. Furthermore, Projektengagemang's financial and operational policies and controls may prove to be inadequate, which may result in non-compliance with Projektengagemang's internal governing documents and, as a result, may cause Projektengagemang to incur compliance costs, regulatory sanctions and cause reputational damage. If Projektengagemang does not maintain an effective internal governance and control, it could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Adverse resolution of litigation and other legal proceedings could adversely affect Projektengagemang and any insurance coverage could be insufficient

Projektengagemang is from time to time party to lawsuits and other legal proceedings within to the normal course of its business. The legal proceedings include all parts of the business but typically include claims from customers or suppliers for supplied service or work performed by Projektengagemang. The claims directed against Projektengagemang can originate from standard agreements, such as ABK 09, or from assignment specific agreements, and comprise among other things general customer claims, assignment delays, payment issues and restorations of grounds and premises. Furthermore Projektengagemang's growth strategy by acquisitions results in disputes relating to the deed of transfers or the acquired companies' businesses before the acquisition occurs. Such disputes concern, for example, the size of additional payments or indemnity claims.

Projektengagemang previously conducted certain business relating to producing and distributing housing modules through the subsidiary Soleed Sweden AB. The business was completely liquidated in 2016 as it was assessed to not be of the core business of the Group and in connection thereto all tangible and intangible assets relating to this business were impaired. Before the relevant business was liquidated Projektengagemang delivered housing modules to a customer. Projektengagemang received claims from the customer during the three months ended 31 June 2017 concerning penalties for late delivery, remedying and damages. The customer's claims amounted to SEK 37.5 million. Projektengagemang retained legal counsel who assesses that the claim is unfounded, and Projektengagemang has challenged the customer's claims by referring to the housing modules delivered by Projektengagemang not having been correctly assembled or handled. The customer has voluntarily filed for bankruptcy, entailing that the claim against Projektengagemang must be pursued by the bankruptcy administrator. As of the date of this Prospectus the bankruptcy administrator has not contacted Projektengagemang concerning the relevant claim, however it cannot be ruled out that the bankruptcy administrator in the future will not put forward these claims against Projektengagemang. Projektengagemang has not allocated any funds for this dispute in its accounts. When receiving the claim Soleed Sweden AB made a counterclaim amounting to approximately SEK 6.1 million for non-payment (this claim has, through the bankruptcy of the customer, turned into an unprivileged claim in the estate).

The outcome of legal proceedings can be difficult to predict, and litigation and other legal proceedings can be expensive, lengthy and disruptive to normal business operations. An adverse resolution of any such proceeding in the future could have such adverse effects, and in some cases, also affect Projektengagemang's reputation or its ability to obtain assignments from customers, including customers in the public sector.

The costs that the Group may incur in managing litigation, including but not limited to costs in connection with settlements or imposed penalties could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang may incur liabilities or suffer negative financial impacts relating to occupational, health and safety matters

Projektengagemang's operations are subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace. The industry in which Projektengagemang operates involves a certain degree of operational risk, such as working with high voltages, heat and working at heights, at construction sites and factories, that cannot be eliminated through procedures implemented to address these risks. These hazards can cause personal injury or death, severe damage to or destruction of real property and equipment and other consequential damages and could lead to suspension of operations and large damage claims and, in extreme cases, criminal liability. Regardless of Projektengagemang's policies and monitoring actions, co-workers may deviate from Projektengagemang's standards and safety policies and there is a risk that Projektengagemang will not manage to avoid significant liability exposure relating to these and other occupational, health and safety hazards, which could have a material adverse effect on Projektengagemang's reputation, bidding position in tender processes and business in general.

Projektengagemang is exposed to risks relating to intellectual property rights

Projektengagemang holds a limited number of trademarks, design registrations and other intellectual property rights and may acquire or develop its own and joint services and technical solutions that can be patented, registered or protected in some other way. There is a risk that Projektengagemang will not be able to maintain trademarks, design registrations and other intellectual property rights and that registration applications for new intellectual property rights will not be granted or, if granted, will be limited in scope or by geography. If Projektengagemang is unable to protect, maintain or obtain new protection for its intellectual property rights, this could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

There is also a risk of Projektengagemang infringing or being accused of infringing on third-party intellectual property rights, which may entail expenses either to defend itself or to settle an infringement dispute. Where Projektengagemang has infringed third-party intellectual property rights, there may be a need for Projektengagemang to develop alternative services, or buy licenses. Furthermore, there is a risk that Projektengagemang's services or technologies that are patented or otherwise protected by intellectual property rights, with or without intent, are infringed by Projektengagemang's competitors. Any developments involving these risks could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

In addition to services and technologies protected by intellectual property rights, Projektengagemang uses know-how that is not protected by patents or similar intellectual property rights. There is a risk that the agreements with co-workers, consultants and partners and other measures intended to maintain control of such information are insufficient to maintain such control and prevent disclosure of confidential information. Additionally, Projektengagemang's trade secrets may otherwise become known or independently developed by competitors. If Projektengagemang is not able to protect its internal information and know-how, this could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Disruption of business operations due to changes in labour laws, work stoppages, strikes, the negotiation of new collective bargaining agreements and other industrial actions could adversely affect Projektengagemang's business

Projektengagemang primarily operates in Sweden, but also in India and to a limited extent in other countries. Projektengagemang is required to comply with local labour law requirements in the jurisdictions where Projektengagemang's co-workers perform their work.

Projektengagemang estimates that a significant portion of its co-workers are members of trade unions. Hence, Projektengagemang is required to undertake consultations with trade unions, and is exposed to the risk of strikes, work stoppages or other industrial actions, which could adversely affect Projektengagemang's ability to serve customers in a timely manner. Strikes and other industrial actions and the negotiation of new collective bargaining agreements or salary increases in the future, could disrupt Projektengagemang's operations and make it more costly to operate its business, which in turn could have a material adverse effect on Projektengagemang's business, results of operations and financial condition.

Changes in accounting rules may adversely impact Projektengagemang's financial statements

The Company is affected by the accounting rules applicable in the jurisdictions in which the Company operates, in particular IFRS, in accordance with which Projektengagemang prepares its consolidated financial statements. In the future, Projektengagemang's accounting, financial reporting and internal control may be affected by, and need to adapt to, changes in accounting rules or changes in the application and interpretation of such accounting rules.

IFRS 16 (Leases) is effective from 1 January 2019 and sets out new principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, replacing IAS 17. The standard has been adopted by the EU. IFRS 16 eliminates the classification of leases as either operating leases or finance leases required by IAS 17 for lessees. Instead, a lessee is required to recognise (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. This entails that numerous of the Group's operational leasing agreements shall be accounted for in the balance sheet as of 2019. Projektengagemang has initiated an analysis of the effects IFRS 16 will have on the Group's financial reports. The Group will perform a complete review of all agreements to assess if there are additional agreements which shall be considered to be lease agreements according to the new definition in IFRS 16, as well as verify the lease periods. Projektengagemang estimates that IFRS 16 will affect Projektengagemang's EBITDA. Today financial leasing costs are recognised as other external expenses of the operating business before EBITDA. As IFRS 16 becomes effective this cost will be recognised as depreciation over the leasing period and be recognised after EBITDA. As of 31 December 2017, the Company had future payment obligations regarding lease agreements as a lessee amounting to SEK 103.9 million. The Group has not yet determined which transitional provision shall be applied, either complete retroactive application or partial retroactive application (the latter means that the comparison figures does need to be recalculated). Furthermore, the Group is evaluating the additional disclosures which will be required and what impact this will have on the requirement of collection of information. Lessors will continue to have two types of leases, finance and operating, and account for those two types of leases generally as they do today. Agreements where the Group is lessor will not be affected, since IFRS 16 does not amend the guidelines for the lessor in any respect which is material to the Group.

Changes in accounting rules or the application and interpretation thereof may entail uncertainty related to Projektengagemang's accounting, financial reporting and internal control and could also affect the Company's reported earnings, balance sheet and equity, which could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang is exposed to interest rate risks

Projektengagemang's borrowings are subject to variable interest rates and the Company is therefore exposed to movements in interest rates. Fluctuations in market interest rates may cause Projektengagemang's financial income and expenditure, as well as the values of its financial instruments, to fluctuate. Interest rate risk can also lead to changes in fair values, changes in cash flows and fluctuations in Projektengagemang's profit. For example, increases in market interest rates would increase the Group's net interest cost and may have a negative impact on Projektengagemang's cash flow.

Interest rates are affected by a number of factors that are beyond Projektengagemang's control, including the interest rate policy of governments and central banks on the geographic markets in which Projektengagemang operates. An increase in interest rates would increase Projektengagemang's interest commitments under its current credit facilities, which could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang is exposed to credit risks from counterparties, including customers, banks and insurers

Credit risk means the risk of Projektengagemang's counterparties being unable to perform their payment obligations, thereby creating a loss for Projektengagemang. In 2017 Projektengagemang had more than 3,000 customers and there is always the risk of customers incur financial difficulties or even go bankrupt. Financial credit risks comprise the risk of loss in the event counterparties with whom Projektengagemang has deposited cash and equivalents and other financial assets fail to perform their obligations. There is a risk that measures undertaken to counter Projektengagemang's credit risk will not be sufficient or effective, and Projektengagemang may further fail to successfully implement and manage any hedging arrangements, which could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang's results of operations and financial condition could be adversely affected in the event of impairment of goodwill or other intangible assets

Projektengagemang capitalises goodwill and other intangible assets such as trademarks, customer relations and technology relating to acquisitions, which is calculated as the difference between equity of an acquired business and the fair value of Projektengagemang's share of the acquired business's identifiable net assets.

Goodwill and intangible assets from the acquisition of businesses is recognised as an intangible asset. Goodwill and intangible assets are tested annually for impairment and stated at cost less accumulated impairment losses. An impairment test involves comparing the recoverable amount (the higher of the value in use and fair value less cost to sell) of an individual cash-generating unit with its carrying value. As of 31 December 2017 and 31 March 2018, Projektengagemang had reported goodwill of SEK 322.6 million and SEK 338.1 million, respectively, on its balance sheet. The value in use and fair value of Projektengagemang's cash-generating units are affected by market conditions. If Projektengagemang is required to recognise impairment of goodwill or other intangible assets, as a result of the development of the acquisition in relation to the invested amount, it is recorded in the income statement. Any significant impairment of goodwill or other intangible assets could have a material adverse effect on Projektengagemang's business, financial condition and results of operations. In 2015 and 2016 Projektengagemang recorded depreciations and impairments relating to tangible and intangible assets of the subsidiary Soleed Sweden AB, which were considered not to be a part of the core business. The effects of the depreciations and impairments of the results of operations amounted to SEK 29.3 million in 2016 and SEK 17.1 million in 2015.

The terms of Projektengagemang's existing debt and any inability to refinance any existing debt as it comes due and payable could adversely affect Projektengagemang's financial condition

Projektengagemang currently has credit facilities provided by SEB. The credit facilities may, at the lenders' request, be cancelled and required to be prepaid in full or in part if certain events occur, for example if Projektengagemang does not comply with its obligations under the relevant agreements. Projektengagemang's capacity to pay its debts and otherwise comply with its obligations and the terms and conditions of the relevant agreements, as well as its general capacity to refinance its loans and make payments in accordance with its undertakings depend on, among other things, Projektengagemang's future results of operations. Some aspects of Projektengagemang's future results of operations depend on economic, financial and competitive factors and other factors beyond Projektengagemang's control. Should Projektengagemang fail to meet its obligations under the current agreements or breach any covenant in the respective agreements related to its financing arrangements, this could have an adverse effect on Projektengagemang's business, financial condition and results of operations.

Projektengagemang may not be able to obtain financing at favourable terms, or obtain financing at all, or perform payment obligations due to insufficient liquidity

Projektengagemang is exposed to the risk of becoming unable to raise new loans, refinance loans or perform payment and other obligations under its existing loans due to insufficient liquidity. In regard to Projektengagemang's existing long-term financing, there is a risk that Projektengagemang may breach its financial covenants and other obligations in credit and loan agreements due to the general economic climate, disturbances in the capital and credit markets or delays in payments from its customers. There is a risk that Projektengagemang may come to require additional financing, for example, in order to accomplish further growth of the Group's business, both organically and through acquisitions. Access to additional financing is affected by a number of factors, such as market conditions, general access to loan financing, as well as Projektengagemang's credit capacity. Disruptions and uncertainties on the capital and credit markets may also restrict access to the capital required to conduct the business. Any developments involving these risks could have a material adverse effect on Projektengagemang's business, financial condition and results of operations. If additional financing cannot be accessed on the debt markets, Projektengagemang may seek to raise capital through issues of additional shares or share-related securities, which could dilute the economic and voting rights of existing shareholders.

Risks related to tax

Projektengagemang is subject to, among others, income and value added tax ("**VAT**") and other taxes in various jurisdictions. In addition, Projektengagemang is obligated to pay social security costs relating to co-workers within the Group.

Significant judgement is required in determining Projektengagemang's provision for taxes. The tax position taken with respect to certain transactions and calculations may be challenged by tax authorities in Sweden or other jurisdictions for various reasons. There is a risk that the final determination of any tax audits or reviews will be materially different from that which is reflected in historical income tax provisions and accruals. Projektengagemang is frequently subject to reviews in respect of income tax, VAT, social security costs and other taxes. Projektengagemang may therefore be required to make additional tax payments should the review result in different interpretations or valuation. This could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

There is a risk that Projektengagemang's tax loss could be affected, limited or reduced in full due to changes in the ownership or the tax regulation. As of 31 December 2017, Projektengagemang's tax loss carry-forwards amounted to SEK 11.4 million in the consolidated balance sheet relating to deduction for loss. This corresponds to tax loss of SEK 52.0 million. The total tax loss as of 31 December 2017 is estimated to amount to approximately SEK 68 million and thus the loss has not been fully recognised as an asset in the consolidated balance sheet. Projektengagemang calculates tax loss carry-forwards annually by certain factors. When the deficit deductions are used in full the tax rate is estimated to correspond to the at the time applicable Swedish tax rate based on the operations being mostly conducted in Sweden. Ultimately the actual tax payments will depend on the growth, profitability and net revenue of Projektengagemang as well as the geographical distribution of net revenue and results of operations.

Changes in tax legislation may adversely affect the Group's tax position

Since the laws, treaties and other regulations on taxation, as well as other fiscal charges, have historically been subject to frequent changes, further changes are expected in the future in the jurisdictions where Projektengagemang operates, possibly with a retroactive effect. Any such changes could have a significant impact on Projektengagemang's tax burden, as well as a material adverse effect on Projektengagemang's business, financial condition and results.

The Swedish corporate tax legislation is currently under review. On 21 March 2018, Sweden's government published a consultation proposing, among other things, new interest deduction limitation rules. The proposal implements the interest deduction limitations of Article 4 of Council Directive 2016/1164/EU of 12 July 2016 and is in line with the principles in the final report for Action 4 of the Organisation for Economic Co-operation and Development's ("**OECD**") current assignment against base erosion and profit shifting ("**BEPS**"). The new regulations are proposed to be effective as of 1 January 2019. In brief, the rules proposed in the consultation limit the deduction of net interest expenses up to an amount equivalent to 30 percent of a company's earnings before interest, taxes, depreciation and amortisation (EBITDA), adjusted for non-taxable income and costs which may not be deducted, as well as deduction for losses from previous years. As compensation for the new limitations, the government proposes that the corporate tax rate be reduced to 20.6 percent. However, for reasons related to public financing the corporate tax rate during the first two years will be 21.4 percent. Pursuant to the proposal, each company within a group may elect to apply a simplifying rule allowing a negative net interest of SEK 5,000,000. The limitation applies on group level meaning that the total amount which may be deducted within a group under the simplifying rule is limited to SEK 5,000,000. Furthermore, equalisation of interest deduction capacity within a group is proposed to be possible between companies that are able to exchange group contributions (Sw. *koncernbidrag*). Non-deductible net interest expense could be carried forward for six years. Changes of ownership would, however, extinguish such negative interest expense carried forward.

In addition, an interest deduction prohibition is proposed in respect of certain cross-border situations (hybrid rules). The prohibition would apply when a company in another country obtains a tax deduction for the same interest expense or when the corresponding interest income is not subject to tax due to the classification of the income for tax purposes. The proposal in this regard is a first step in the implementation of the OECD's BEPS recommendations on hybrid mismatches (Action 2) the principles in the final report for Action 4 of the OECD's BEPS and the rules on hybrid mismatches in Council Directive 2016/1164/EU of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market and Council Directive 2017/952/EU of 29 May 2017 amending Directive 2016/1164/EU as regards hybrid mismatches with third countries. The government has circulated the consultation to the Council on Legislation (Sw. *Lagrådet*). Changes in the tax legislation may have an adverse impact on the tax position of the Group.

Projektengagemang could be subject to increases in pension contributions for the Group's co-workers

Projektengagemang's co-workers are covered by defined contribution and defined benefit premium-based pension plans (ITP 2). Projektengagemang lacks access to information enabling the pension plan of the Group to be accounted for as a defined benefit pension plan and the plan is therefore accounted for as a defined contribution plan in accordance with accounting practice of the business. In defined contribution plans, the Group pays fixed contributions to a separate legal entity and has no obligation to pay additional fees. Projektengagemang's pension undertakings are financed through an insurance policy by Alecta and AI Pension and the Company's obligations relating to fees under defined contribution pension plans are taken up as costs in the financial statement as they arise. In 2017 Projektengagemang showed a net cost for defined contribution pension plans in the financial statements amounting to SEK 61.5 million. If Projektengagemang's costs for defined contribution pension plans increase it could have an adverse effect on Projektengagemang's financial condition and results of operations.

The financial targets included in the Prospectus may differ materially from Projektengagemang's actual results which could have a negative effect on Projektengagemang's business, financial condition and results of operations

The financial targets set forth elsewhere in the Prospectus are Projektengagemang's targets, including the target with respect to net revenue growth. These financial targets and other forward-looking statements, however, are necessarily dependent upon a number of key assumptions Group management has made when setting them, which are inherently subject to significant business, operational, economic and other risks, many of which are outside of Projektengagemang's control. These assumptions may not continue to reflect the commercial, regulatory and economic environment in which Projektengagemang operates. Accordingly, such assumptions may change or may not materialise at all. In addition, unanticipated events, including macroeconomic and industry developments or changes in regulations, may adversely affect the actual results that Projektengagemang achieves in future periods whether or not its assumptions otherwise prove to be correct. If Projektengagemang fails to meet its financial targets or to successfully implement initiatives due to changes in assumptions or other factors, Projektengagemang may experience lower net revenue, decreased margins or reduced cash flow, which could negatively impact Projektengagemang's financial position and results of operations. In turn, Projektengagemang may not be able to access suitable financing or pursue attractive business and acquisition opportunities, which could limit its ability to maintain its market position or the competitiveness of its offering, and could have a material adverse effect on Projektengagemang's business, financial condition and results of operations.

Risks relating to the offering and the company's shares

There is no prior public market for the Company's shares and an active, liquid and orderly trading market for the shares may not develop, the price of the shares may be volatile, and investors could lose a substantial portion of their investment

Prior to the Offering, there has been no public market for the Company's shares and there is a risk that an active and liquid market will not develop following the Offering. As the Offer Price will be determined by the Principal Owner and the Company's board of directors in consultation with the Sole Global Coordinator, it may not necessarily reflect the price at which investors in the market will be willing to buy and sell the Company's shares following the Offering. In addition, the trading price of the Company's shares following the Offering may be volatile and could be subject to fluctuations in response to various factors, some of which are beyond the Company's control.

The stock market in general has experienced price and volume fluctuations in the past. Broad market and industry factors may seriously affect the market price of the Company's shares regardless of its actual operating performance. These fluctuations may be even more pronounced in the trading market for the Company's shares shortly following the Offering. An investor who purchase shares in the Offering or the secondary market could lose a portion, or all, of their investment.

The Principal Owner will continue to have substantial influence over the Company after the Offering and could delay or prevent a change in corporate control

After the Offering, the Principal Owner will beneficially own in the aggregate 22 percent of the Company's shares and 61 percent of the Company's votes, assuming that the Over-allotment Option is not exercised, and 21 percent of the Company's shares and 60 percent of the Company's votes, assuming that the Over-allotment Option is exercised in full. As a result, the Principal Owner will continue to have significant influence over the outcome of matters submitted to Projektengagemang's shareholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of the Company's assets. In addition, the Principal Owner will continue to have significant influence over Projektengagemang's Group management and its affairs. Accordingly, this concentration of ownership could have a material adverse effect on the market price of the Company's shares by, among others:

- delaying, deferring or preventing a change in control;
- impeding a merger, consolidation, takeover or other business combination involving the Company; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

In addition, the interests of the Principal Owner could differ from the interests of the Company's shareholders as a whole.

The commitments by some of the Cornerstone Investors are subject to certain conditions and the Cornerstone Investors are not subject to any formal lock-up arrangement

The Cornerstone Investors Swedbank Robur Fonder AB, Investment AB Öresund, Humle Småbolagsfond and LK Finans AB) have committed to acquire, at the Offer Price, a number shares in the Offering equivalent to 18, 14, 7 and 5 percent, respectively, of the shares following completion of the Offering. The Cornerstone Investors' undertakings are conditioned on, among other things: (i) the first day of trading in the shares occurring no later than on 30 June 2018; (ii) such Cornerstone Investor being allocated in full the shares in the Offering relating to its commitment; (iii) the total equity value of the Company upon settlement of the Offering not exceeding SEK 1,197 million; and (iv) that there are no changes to the information contained in the Prospectus that would require the registration of a supplement prospectus. If such conditions are not satisfied, the Cornerstone Investors will not be required to acquire any shares in the Offering. In addition, the Cornerstone Investors' undertakings are not secured through a bank guarantee, blocked funds or pledge of collateral or any other similar arrangement. Accordingly, there is a risk that payment of the purchase price and settlement of the shares in the Offering for the Cornerstone Investors may not occur in connection with the closing of the Offering as anticipated, which could have a material adverse effect on the completion of the Offering.

With the exception of LK Finans AB and Investment AB Öresund the Cornerstone Investors' shares will not be subject to any formal lock-up arrangement. LK Finans AB will be subject to a lock-up undertaking both in respect of its existing shareholding before the Offering and in respect of shares alloted in the Offering. Investment AB Öresund will be subject to a lock-up undertaking only with regards to its existing shareholding before the Offering. As a result, it is possible that certain of the Cornerstone Investors may divest part of or all of their respective shareholdings at any time. Any sales of substantial amounts of the shares could cause the market price of the shares to decline.

The Company's ability to declare dividends in the future is subject to a variety of factors
The declaration and payment of future dividends will be determined by the Company's shareholders. The Company's ability to pay dividends in the future depends on numerous factors including, but not limited to, the Company's business, future profit, financial condition, cash flows, prospects, capital requirements, the ability of its subsidiaries to pay dividends to the Company, credit terms, general economic and statutory restrictions, and other factors that the Company's directors deem significant from time to time. There is a risk that dividends will not be payable or paid in the future.

Shareholders in the United States or other countries outside of Sweden may not be able to participate in any potential future rights offers
Under Swedish law, prior to the issuance of any new shares for cash consideration, a company must offer such shares to current shareholders on the basis of their existing share ownership, unless otherwise resolved at a general meeting of shareholders. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the Securities Act is effective in respect of such rights and shares or an exemption from the registration requirements under the Securities Act is available. Shareholders in other jurisdictions outside Sweden may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the Securities Act or seek similar approvals under the laws of any other jurisdiction outside Sweden in respect of any such rights and shares and doing so in the future may be impractical and costly. To the extent that Projektengagemang's shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares, their proportional interests in the Company will be reduced.

Future sales of the Company's shares may depress the price of the shares
The market price of the Company's shares could decline as a result of sales of a large number of shares in the market after the Offering or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Company to sell equity securities in the future at a time and at a price that it deems appropriate. Although the Principal Owner and certain other shareholders are subject to an agreement with the Sole Global Coordinator that restricts their ability to sell or transfer their shares for 360 and 180 days respectively after the date of the agreement on placing of shares in Projektengagemang, the Sole Global Coordinator may, in their sole discretion and at any time, waive the restrictions on sales or transfer in the agreement during this period. Additionally, following this period, all shares owned by the Principal Owner or certain other shareholders will be eligible for sale or other transfer in the public market, subject to applicable securities laws restrictions.

Future offerings of shares or other securities by the Company may dilute all other shareholdings and may affect the market price of the shares
In the future, the Company may attempt to increase its capital resources by offering shares and other share-related securities or various forms of debt securities. Upon liquidation, holders of any such shares and debt securities, and lenders with respect to other borrowings, would receive a distribution of its available assets prior to the holders of the shares. Moreover, additional equity offerings through e.g. directed offerings without pre-emptive rights for existing holders conducted by the Company in connection to, e.g. acquisitions, may dilute the economic and voting rights of the Company's existing shareholders, adversely affect the price of the Company's shares or both. Any such additional offering could reduce the proportionate ownership and voting interests of holders of shares, and/or adversely affect the price of the Company's shares. All other offers could proportionally lessen voting rights and rights to dividends for current shareholders, as well as earnings per share and the net asset value per share. The holders of the Company's shares bear the risk of any future offerings reducing the market price of the shares, limiting dividend payments in respect of the shares by the Company, and diluting their shareholdings in the Company.

Presentation of financial and other information

Overview

This Prospectus contains:

- Projektengagemang's unaudited consolidated financial statements as of and for the three months ended 31 March 2018, which have been prepared in accordance with IFRS, as adopted by the EU, and reviewed by PricewaterhouseCoopers AB, as set forth in its review report included elsewhere herein, with comparative information as of and for the three months ended 31 March 2017;
- Projektengagemang's audited consolidated financial statements for the years ended 31 December 2017 and 2016, which have been prepared in accordance with IFRS, as adopted by the EU, and audited by PricewaterhouseCoopers AB, as set forth in its review report included elsewhere herein;
- Projektengagemang's audited consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS, as adopted by the EU, and audited by Hummelkläppen i Stockholm AB, as set forth in its review report included by reference to this Prospectus. See also "*Legal considerations and supplementary information – Documents incorporated by reference*".

With the exception of the historical financial information on pages F-2–F-37, the historical financial information incorporated into this Prospectus by reference (see section "*Legal considerations and supplementary information – Documents incorporated by reference*") and certain quarterly information stated in "*– Financial quarterly information*", no other information in this Prospectus has been audited or reviewed by the Company's auditor.

Financial quarterly information

This Prospectus contains certain financial quarterly information regarding Projektengagemang from the three months ended 31 March 2016 up until the three months ended 31 March 2018 (when the Company first published quarterly reports). Group management has presented this quarterly information because it deems it to be valuable for investors, since it enables a better assessment of the Company's quarterly performance during the period from the period from three months ended 31 March 2016 up until the three months ended 31 March 2018. In addition to the financial quarterly information for the three months ended 31 March 2018 and 2017 and the six months ended 30 June 2017, this quarterly information is based on information derived from the Company's internal accounting system that has not been audited or reviewed by the Company's auditors. The financial quarterly information for the three months ended 31 March 2018 and 2017 is based on information derived from Projektengagemang's unaudited consolidated financial statements for the three months ended 31 March 2018, which were prepared in accordance with IFRS (IAS 34) as adopted by the EU and reviewed by PricewaterhouseCoopers AB, in accordance with the auditors' review report that is included elsewhere in this Prospectus, along with comparative information for three months ended 31 March 2017.

Non-IFRS key operating metrics

In this Prospectus, the Company presents certain key operating metrics, including certain key operating metrics that are not measures of financial performance or financial position under IFRS ("**alternative performance measures**"). The alternative performance measures presented in this Prospectus are not recognised metrics of financial performance under IFRS, but rather measures used by Group Management to monitor the underlying performance of the Company's operations. Alternative performance measures should not be viewed as substitutes for income statement or cash flow items calculated in accordance with IFRS. The alternative performance measures do not necessarily indicate whether cash flow will be sufficient or available to meet the Company's liquidity requirements and may not be indicative of the Company's historical operating results. Nor are such alternative performance measures meant to be predictive of the Company's future results.

Group management uses these alternative performance measures for many purposes in its administration and management of the Company and presents these performance measures because it believes them to be important and helpful to investors in understanding the Company's performance from period to period and that they facilitate comparisons with similar companies. Since not all companies calculate alternative performance measures in the same way, the manner in which the Company has chosen to calculate the alternative performance measures presented in this Prospectus may not be comparable with similarly defined terms used by other companies.

The alternative performance measures included in this Prospectus are defined in "*Selected historical financial information – Definitions of key performance indicators*".

Roundings

Certain numerical information and other amounts and percentages presented in this Prospectus have been rounded and thus may not tally exactly. In addition, certain figures in this Prospectus have been rounded to the nearest whole number. In respect of financial data set out in this Prospectus, a dash ("–") signifies that the relevant figure does not exist, while 0.0 signifies that the relevant figure is available but has been rounded to or equals zero.

Exchange rates

In this Prospectus, all references to "**kronor**" or "**SEK**" are to the official currency of Sweden, "**SEK thousand**" to thousands of kronor and "**MSEK**" to millions of kronor.

Industry and market data

This Prospectus contains statistics, data and other information about markets, market sizes, market shares, market positions and other industry information regarding the Company's operations and markets. Unless otherwise indicated, such information is based on information from several sources, including the following reports and surveys:

- Swedish Board of Housing Building and Planning (Sw. *Boverket*) (An urbanised world, 2012).
- Euroconstruct (81st Euroconstruct Country Report, June 2016).
- European Commission (2030 Energy Strategy, 2014).
- IMF (World Economic Outlook Database, October 2017).
- Swedish National Institute of Economic Research (Sw. *Konjunkturinstitutet*) (Forecast database, December 2017).
- Government Offices (Sw. *Regeringskansliet*) (Energy Agreement, June 2016).
- City of Stockholm (Current population of 900,000, December 2017).
- Swedish Federation of Consulting Engineers and Architects (Sw. *Svenska Teknik & Designföretagen*) ("**STD**") (Industry overview, December 2017, based on figures for 2016).
- STD (Investeringssignalen, March 2018).
- STD (Industry overview, June 2017, December 2017, based on figures for 2016).
- The Riksbank (Statistics database; Interest and exchange rates, from March 2018).
- Transport Administration (Sw. *Trafikverket*) (Proposal concerning a national plan for the transport system 2018 – 2029, August 2017).

Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by such sources, no facts have been omitted which would render the information provided inaccurate or misleading.

Industry publications and reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurance as to the accuracy of market data contained in this Prospectus that were extracted or derived from these industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Prospectus also contains estimates of market data and information derived therefrom that cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by Projektengagemang based on third-party sources, including market studies, and the Company's internal assessments. In many cases there is no publicly available information on such market data, for example, from industry associations, public authorities or other organisations and institutions. The Company believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which Projektengagemang operates as well as the Company's position in the industry. Although the Company believes that Projektengagemang's internal market observations are reliable, the Company's assessments have not been reviewed or verified by any external sources. While Projektengagemang is not aware of any misstatements regarding the industry or similar data included in this Prospectus, such information involves risks and uncertainties and is subject to change based on various factors, including those described herein and in the section "*Risk factors*".

Invitation to acquire B shares in Projektengagemang Sweden AB (publ)

The Company and the Principal Owner have resolved to diversify the ownership base of the Company in order to further promote Projektengagemang's growth and continued development. The Company's board of directors has therefore applied for listing of the Company's Class B shares on Nasdaq Stockholm.

Pursuant to the terms and conditions set forth in this Prospectus, investors are hereby invited to acquire a total of 10,003,860 Class B shares in the Company, of which the Company is offering 6,382,979 newly issued Class B shares and the Principal Owner is offering 3,620,881 existing Class B shares, whereof 2,344,285 shares are offered on behalf of the Minority Shareholders. The Minority Shareholders have entered into an agreement with the Principal Owner regarding the sale of in aggregate 2,344,285 B-shares. These 2,344,285 B-shares are consequently offered by the Principal Owner on behalf of the Minority Shareholders.[1] The Principal Owner receives the proceeds from the sale of up to 1,276,596 existing B-shares. The price in the Offering ("**Offer Price**") will be sold has been set to SEK 47 per Class B share by the Company's board of directors and the Principal Owner in consultation with the Sole Global Coordinator, based on a number of factors, including discussions with certain institutional investors, a comparison for other comparable listed companies, current market conditions, the Company's business potential and earning possibilities. Based on the subscription undertakings that have been entered into by the Cornerstone Investors, the price is deemed to be on market terms.

The board of directors, with the support of authorisation granted at the annual general meeting on 7 May 2018, intends to decide to issue new Class B shares around 18 June 2018. The right to subscribe for the new shares will, with deviation from shareholders' preferential rights, belong to the general public and institutional investors in Sweden and institutional investors in certain other jurisdictions. The new share issue is expected to provide the Company with approximately SEK 267 million after deduction for costs related to the Offering (approximately SEK 338 million provided that the Over-allotment option is exercised in full). Provided that the new share issue is subscribed in full, the number of newly issued Class B shares will amount to 6,382,979.

The Principal Owner is offering 3,620,881 existing Class B shares, corresponding to approximately 36 percent of the shares in the Offering, whereof 2,344,285 Class B shares are offered on behalf of the Minority Shareholders.[1] The Company will issue an option ("**Over-allotment Option**") to the Sole Global Coordinator, which can be fully or partly utilised for 30 days from the first date of trading in the Company's Class B shares on Nasdaq Stockholm, to sell an additional 1,500,579 existing Class B shares from the Principal Owner, corresponding to 15% of the total number of shares in the Offering, at the Offer Price, to cover any over-allotment in connection with the Offering.

Swedbank Robur Fonder AB, Investment AB Öresund, Humle Småbolagsfond and LK Finans AB has undertaken, under certain conditions, to acquire a number of shares in the Offering corresponding to a combined total of 20 percent of the outstanding shares in the Company upon completion of the Offering and that the Over-allotment option is exercised in full.

Provided that the new share issue is subscribed in full, the number of Class B shares in the Company will amount to 6,382,979. Thus, following completion of the Offering, the number of Class B shares will increase from 12,058,242 to 18,441,221, corresponding to an increase of 52.9 percent. For existing shareholders, this would give rise to a dilution effect of 6,382,979 new shares, corresponding to 26.7 percent of the total number of shares following completion of the Offering. Provided that the new issue is fully subscribed and that the Over-allotment option is fully exercised, the amount of newly issued Class B shares will amount to 7,883,558. Thus, in this case the amount of Class B shares in the Company, after completion of the Offering, increase from 12,058,242 to 19,941,800, corresponding to an increase of 65.4 percent. Consequently, existing shareholders will be diluted by 7,883,558 new shares, corresponding to 31.0 percent of the total amount of shares after completion of the Offering. The total value of the Offering will amount to approximately SEK 470 million (approximately SEK 541 million if the Over-allotment Option is exercised in full).

Stockholm, 7 June 2018

Projektengagemang Sweden AB (publ)
The board of directors

Stockholm, 7 June 2018

The Principal Owner

1) The Minority Shareholders sale of shares is conditioned on the execution of the Offering (and thus of the Principal Owner's sale of shares in the Offering). No individual shareholder holds shares in the company corresponding to five or more percent of the shares or votes in the Company. The CFO of the Company, Peter Sandberg, has entered into an agreement regarding the sale of, at most, 141,750 B-shares and the Head of Industry & Energy, Hans Paulson, has entered into an agreement regarding the sale of, at most, 39,255 B-shares. See "*Ownership structure*" for further information.

Background and reasons and use of proceeds

Background and reasons

Projektengagemang is a consultancy group within urban and regional development and industry, with 986[1] engineers and architects employed at the end of March 2018 in 35 locations across Sweden through approximately 50 offices, as well as in Chennai, India through the subsidiary PE-Aristi. The Company offers high-quality consultancy services and solutions in Architecture & Management, Civil Engineering & Infrastructure, Systems and Industry & Energy to some 3,000 customers.

Projektengagemang was founded in 2006 by Per-Arne Gustavsson who, along with Per Göransson, are the principal owners of the Company. They have followed a clear vision of creating a company that would renew the industry through entrepreneurship and individual influence. As a result of technological advances and sustainability requirements, customers are seeking increasingly complex solutions within both urban and regional development and industry. Additional expertise is required to address these challenges, and the Company will need to engage in active collaboration between architects, engineers and project managers to be able to offer multi-disciplinary solutions.

Since Projektengagemang was founded in 2006, the Company has grown consistently. As of 30 April 2018, Projektengagemang had acquired 37 companies since 2007. In 2015, Projektengagemang expanded beyond Sweden's borders through the acquisition of 60 percent of PE-Aristi, based in Chennai, India, in order to expand its competency base. Most of the Company's 450 shareholders are employees of the Company. The goal has been to create a company that combines delegated, local responsibility in close proximity to customer with central support functions and shared processes. Projektengagemang has reported average annual net revenue growth[2]of 24.8[3] percent since 2012 and the Company generated net revenue of SEK 1,171 million in 2017, with an adjusted EBITA margin[4] of 8.3 percent.

Projektengagemang's board of directors and the Principal Owner believe that it is now an appropriate time to list the Company's shares in order to provide the Company access to the capital market and a diversified base of new shareholders. Within the framework of the Offering, a new share issue will be carried out, which will provide Projektengagemang with approximately SEK 300 million before emission costs (approximately SEK 371 million provided that the Over-allotment option is fully exercised).

A listing of Projektengagemang will also provide better conditions for increasing awareness of the Company and strengthen Projektengagemang's brand, attractiveness in the labour market and relationships with customers and other stakeholders. The Principal Owner, Projektengagemang Holding i Stockholm AB, which is owned by the founders Per-Arner Gustavsson and Per Göransson, will decrease its holding in Projektengagemang but will retain a significant holding in the Company after the Offering and will thus continue to contribute to the Company's future development.

Use of proceeds

The Company will carry out a new share issue in connection with the Offering. See also "*Invitation to acquire B shares in Projektengagemang Sweden AB (publ)*." The new share issue is expected to provide Projektengagemang with approximately SEK 300 million (approximately SEK 371 million if the Over-allotment Option is exercised in full) before deduction of transaction costs of approximately SEK 33 million. Consequently, Projektengagemang expects to receive net proceeds of SEK 267 million through the Offering (approximately SEK 338 million if the Over-allotment Option is exercised in full). Projektengagemang intends to use the entire net proceeds, including the potential proceeds resulting from the exercise of the Over-allotment option, to enable acquisition driven and organic growth. However, the Company estimates that the major part of the net revenue growth in future business cycles will be used for acquisition driven growth. The Company therefore primarily intends to use the net proceeds to create opportunities for Projektengagemang to make acquisitions in line with the Company's acquisition strategy (see "Business overview - Acquisitions"), and based on prevailing market conditions the Company estimate that about two thirds of the net proceeds will be used for acquisitions. The remaining part (about one third of the net proceeds) is estimated to be used for capital expenditures relating to organic growth. The Company will not receive any proceeds from the sale of existing shares.

The board of directors of Projektengagemang Sweden AB (publ) is responsible for the contents of this Prospectus. The board of directors of Projektengagemang hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Stockholm, 7 June 2018

Projektengagemang Sweden AB (publ)
The board of directors

The Company's board of directors is alone responsible for the contents of this Prospectus. However, the Principal Owner confirms its commitment to the terms and conditions of the Offering in accordance with what is set out in "Invitation to acquire Class B shares in Projektengagemang Sweden AB (publ)."

1) Including co-workers in India.
2) Net revenue growth is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "Selected historical financial information – Definitions of performance measures." For a reconciliation of net revenue growth with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Sales measures*."
3) The information is derived from the Group's audited annual reports (2012–2017). Projektengagemang changed accounting principles from BFNAR 2003:13 to IFRS as of the annual report 2013, but this is not assessed to have any effect on the Group's revenues.
4) Adjusted EBITA margin is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of adjusted EBITA margin with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*."

Market overview

Market overview

This Prospectus contains statistics, data and other information about markets, market sizes, market positions and other information regarding areas of operation and markets in which Projektengagemang operates. Certain information in this section has been derived from external sources, including publicly available industry publications or reports. It is usually pointed out in industry publications and reports that the information contained therein is derived from reliable sources but that it is not possible to guarantee that it is correct or complete. The Company is of the opinion that the industry publications, reports and forecasts are reliable; however, the Company has not impartially verified them and cannot guarantee that they are correct and complete. As far as the Company is aware and has been able to ascertain from information published by the relevant third parties, the information concerned has been reproduced correctly and no facts have been omitted in a manner that would render the reproduced information inaccurate or misleading. Market and industry information includes estimates about the future market growth and other forward-looking statements. Forward-looking statements do not represent a guarantee regarding future earnings or development and the actual outcome could differ significantly from what is stated in such forward-looking statements. Refer to the section "*Important information for investors – Forward-looking statements*" on the inside cover of this Prospectus and "*Risk factors*."

Projektengagemang's competitors may have definitions for their respective markets and market positions that differ from Projektengagemang's, and may also define operations and earnings measurements in a way that means that it is not possible to compare them with Projektengagemang's information.

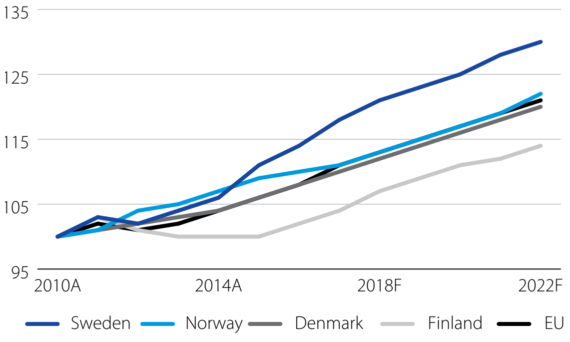
Introduction

Projektengagemang is active within a number of disciplines in the Swedish technical consulting market, which includes architecture, technological and industrial consulting services. The Company conducts its operations in four divisions – Architecture & Management, Civil Engineering & Infrastructure, Systems and Industry & Energy – and is primarily active in Sweden, where 99 percent[1)] of net sales was generated in 2017. Accordingly, the market overview predominantly describes Sweden; however, a Nordic macro overview has also been included to compare the Swedish market with other Nordic markets and the European Union (**"EU"**).

Nordic macro overview

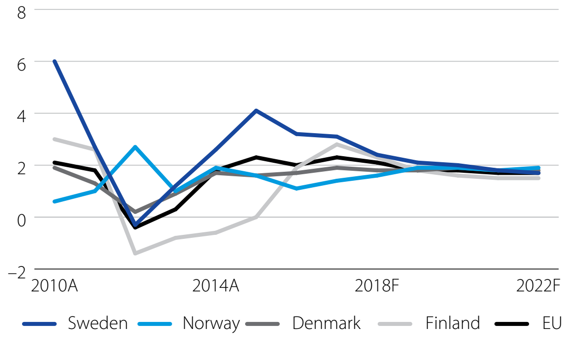
The general economic growth in the Nordic market influences the growth of the players active in the Nordic technical consulting market. See the section "*Operational and financial overview*" for the main factors impacting Projektengagemang's results. Between 2010 and 2017, Sweden generally outperformed Norway, Denmark, Finland and the EU in terms of percentage GDP growth, a trend that is expected to continue until 2022 according to the IMF.[2)] In 2017, GDP growth in Sweden was 3.1 percent, compared with 1.4 percent in Norway, 1.9 percent in Denmark, 2.8 percent in Finland and 2.3 percent for the EU.

GDP growth (constant prices) 2010–2022F (indexed to 2010)



Source: IMF (World Economic Outlook Database, October 2017).

GDP growth (constant prices) 2010–2022F (%)

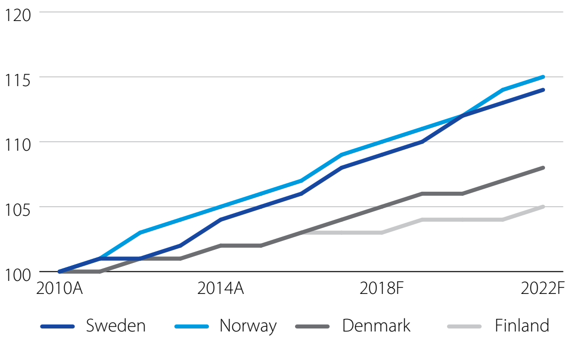


Source: IMF (World Economic Outlook Database, October 2017).

1) The information is derived from the Group's internal accounting system.
2) IMF (World Economic Outlook Database, October 2017).

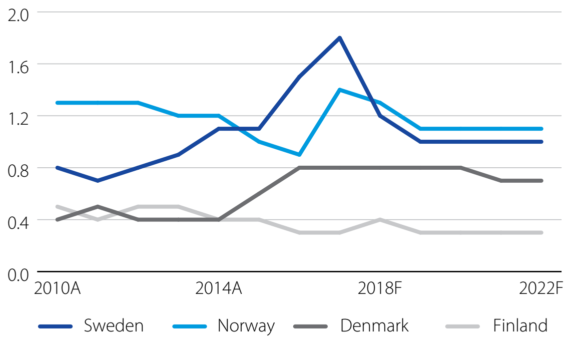
Population growth in Sweden was approximately 1.8 percent in 2017, an increase of 0.4 percentage points from the percentage increase in 2016. In 2017, population growth in Norway was 1.4 percent, an increase of 0.5 percentage points compared with 2016. During the corresponding period, the population of Denmark and Finland increased 0.8 percent and 0.5 percent, respectively, which was unchanged in both cases compared with the preceding year. According to the IMF, Sweden's population is expected to grow by an average of 1.0 percent, Norway's by 1.1 percent, Denmark's by 0.8 percent and Finland's by 0.3 percent between 2018 and 2022.[1)]

Population growth 2010–2022F (indexed to 2010)



Source: IMF (World Economic Outlook Database, October 2017).

Population growth 2010–2022F (%)



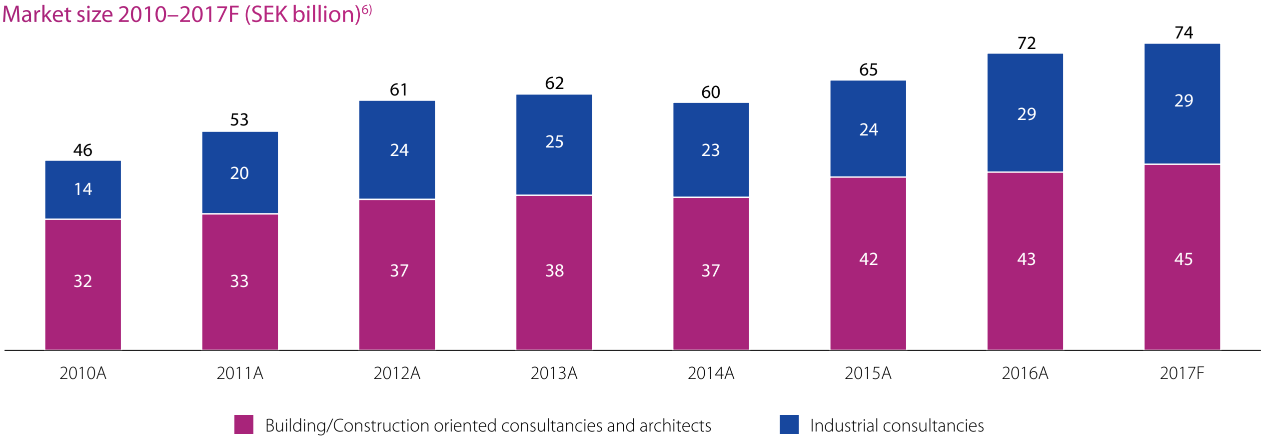
Source: IMF (World Economic Outlook Database, October 2017).

Market for architecture, technological and industrial consulting services

The Swedish technical consulting market grew by 9.9 percent to a size of SEK 72 billion in 2016[2)] and the players in the market had an average operating margin of 7.2 percent. Between 2010 and 2016, the market for industrial, building and construction oriented consultancies and architects increased by SEK 26 billion from SEK 46 billion to SEK 72 billion[2)] which corresponds to a compounded annual growth rate of 7.7 percent. According to STD's estimates, the market size amounted to SEK 74 billion[3)] in 2017, corresponding to year-on-year growth of 3.3 percent. In 2016, the market comprised approximately 11,000 companies, of which the ten largest accounted for approximately 63 percent of total net revenue in the market. In 2016, Projektengagemang was the market's twelfth largest company with a market share of 1.5 percent. In total, the companies had 60,500 employees in 2016, an increase of 5,500 employees from 2015, corresponding to growth of 10 percent.[4)] The average net revenue per employee in the technical consulting market was approximately SEK 1.2 million in Sweden in 2016 according to STD.[5)]

The order backlog index for companies in the technical consulting market in 2017 increased by 6.3 percent for architects, 6.2 percent for technical consultants and 8.9 percent for industrial consultants. According to STD, all three operating areas registered historical record levels in 2017, with the highest index figures since the order backlog index started to be measured prior to the new millennium.

Market size 2010–2017F (SEK billion)[6)]



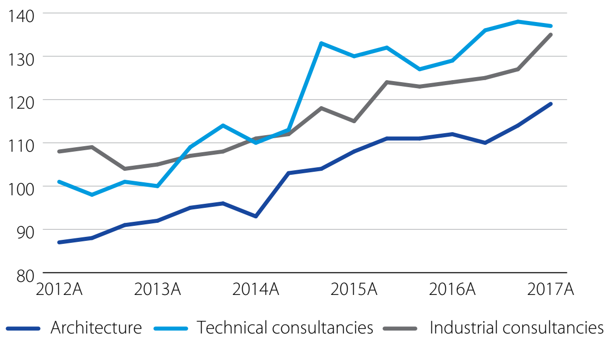
Source: STD (Industry overview, December 2017, based on figures for 2016).

1) IMF (World Economic Outlook Database, October 2017).
2) Excluding control and certification companies, which generated net revenue of SEK 1.8 billion in 2016.
3) Excluding net revenue from control and certification companies.
4) Monitoring for 2016 includes companies that jointly had 2,000 employees. Accordingly, the real growth was 6 percent rather than 10 percent.
5) STD (Industry overview, December 2017, based on figures for 2016).
6) Excluding control and certification companies, which generated net revenue of SEK 1.8 billion in 2016.

The industry's expectations concerning the order trend remained optimistic in 2017. The confidence indicator for the industry shows net figures for the proportion of companies that expect an improved order status less those that expect a weaker order status in six months' time, whereby a value above zero indicates a predominantly positive expectation scenario concerning the future order status. The confidence indicator at the end of 2017 was 33 percent for architects, 39 percent for technical consultants and 48 percent for industrial consultants. In 2017, STD conducted a survey of companies in the industry, which showed that 43 percent expected a positive trend in the order backlog, while only 2 percent stated that they expected a lower order backlog in the first half of 2018. The positive outlook is driven by both public sector investment in infrastructure, properties, hospitals and schools and continued investments in the industrial sector, while there is some concern regarding development in the housing market moving forward.[1)]

According to Projektengagemang, the Company's prices increased by approximately 5 percent year-on-year in 2016 and 2017 compared to the previous year for the respective period. This favourable trend is expected to continue, as apparent from the opinion among companies in the industry concerning how the price scenario will trend, which remained positive at the end of 2017. The positive trend indicates that average fees and profitability will increase, a trend that has been particularly apparent for architects and technical consultants over the past two years, according to STD. The trend in the price scenario is based on the net figures of the proportion of companies that have raised their prices less those that have reduced their prices over the past six months; accordingly, a percentage above zero means a predominantly positive trend moving forward. Expectations concerning how prices will develop during the first half of 2018 were 33 percent for architects, 48 percent for technical consultants and 17 percent for industrial consultants at the end of 2017.[1)]

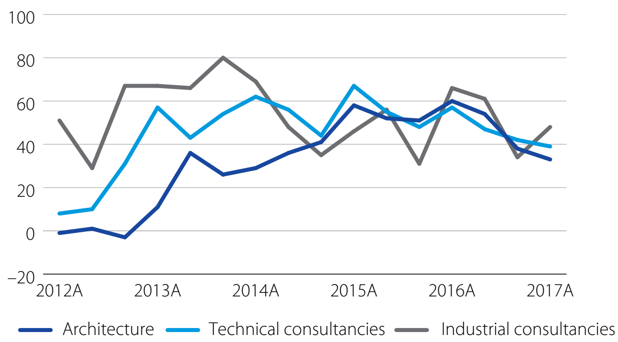
Order backlog 2012–2017 (Index)



The order backlog index is based on questionnaire surveys among STD member firms, and is calculated by weighing between the orders in hand per employee and the order level in 2, 3, 6 and 12 months' time.

Source: STD (Industry overview, December 2017, based on figures for 2016).

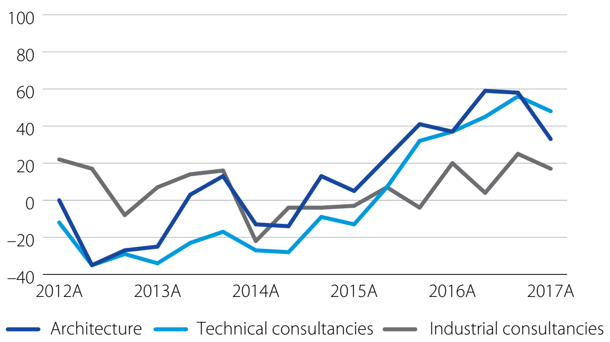
Confidence curve 2012–2017A (%)



The confidence curve represents the net figures for the proportion of firms that anticipate an improved order situation minus those that expect a worse order situation in six months' time at every given point (the survey is conducted three times per year).

Source: STD (Industry overview, December 2017, based on figures for 2016).

Market participants' estimation of price trend 2012–2017A (%)



The graph of the trend in prices shows the net figures of the proportion of firms that have raised their prices minus those that have lowered their prices over the past six months at every given point (the survey is conducted three times per year).

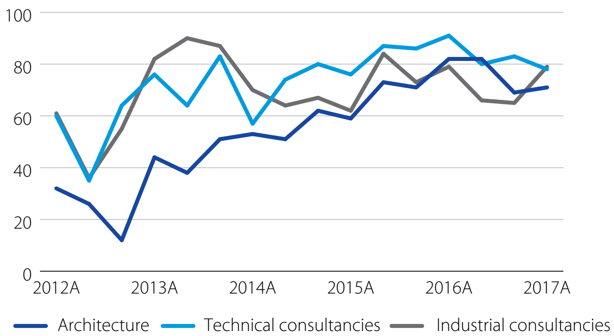
Source: STD (Industry overview, December 2017, based on figures for 2016).

1) STD (Industry overview, December 2017, based on figures for 2016).

Demand for personnel has been very strong since 2009, above all demand for technical and industrial consultants. The development of the manpower is based on the net figures of the proportion of companies that believe that the manpower will increase minus those that believe that it will be reduced in the six months ahead; accordingly, a percentage above zero means a predominantly positive trend in the future. Expectations concerning how the manpower will develop during the first half of 2018 were 71 percent for architects, 78 percent for technical consultants and 79 percent for industrial consultants at the end of 2017. The positive expectation scenario regarding the manpower trend is primarily driven by strong expectations concerning global GDP growth and a high rate of investment in production and product development.

In the last few years, wage development within the technical consulting market has been strong. According to STD's estimates, wage growth in the market amounted to approximately 4.5 percent in 2017. STD estimates that competence shortage and high employee turnover in the market will contribute to increased wages going forward.

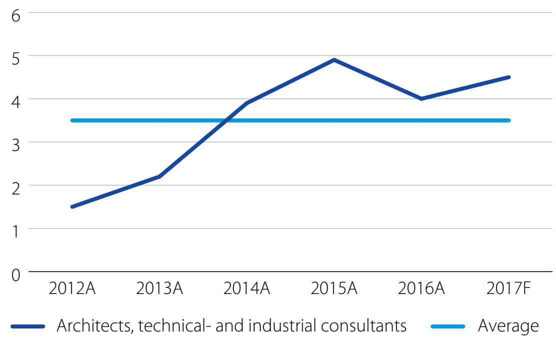
Manpower development 2012–2017A (%)



Source: STD (Industry overview, December 2017, based on figures for 2016).

The expectations regarding how manpower will develop show net figures between the proportion of firms which believe their workforce will increase minus those who believe it will decrease over the coming six-month period.

Annual wage development 2012–2017A (%)



Source: STD (Industry overview, December 2017, based on figures for 2016).

Customers and business forms

Customers

The customer base within the technical consulting market consists of a large number of customers within a number of different customer groups in both the public and private sectors. Projektengagemang's customers include customers in the infrastructure industry, manufacturing industries, energy companies, processing industries, housing and property companies, government agencies, municipalities, county councils and construction contractors. Due to the broad customer base, the investment inclination of the various customers varies in different phases of the economic cycle, which positively influences the stability of Projektengagemang's earnings. For example, Projektengagemang's assessment is that the public sector tends to increase its investments during weak macroeconomic conditions, at times when investments in the private sector are more modest, while the opposite has historically been the case during strong macroeconomic conditions.

The technical consulting market is partly project based, with customers demanding delivery of a solution to a defined problem when they lack competencies or resources in their internal organisation that are able to deliver the solution. The customers may also occasionally demand technical consulting services when they need to strengthen their own organisation temporarily by adding a number of individuals with specific competencies, which is known as resource consulting services. Certain industrial consulting services are procured as resource consultants, while technology and architecture services are largely project based, according to Projektengagemang.

Assignment structure

According to Projektengagemang, the technical consulting market is assignment based, while industrial consultancy services sometimes are resource based. The projects have different general characteristics, which primarily depend on size, geographical scope, the type of customer and the division that is responsible for the project. Projektengagemang has chosen to define the part that the Company is responsible for within the framework of the customers' projects as an assignment. A description of a project's general characteristics based on size is presented below.

- *Larger assignments (income exceeding SEK 5 million)*: These are usually assignments involving multiple disciplines. Since larger assignments are attractive, competition for them is intense. The clients ordering larger assignments are usually large-scale companies in the private and public sectors and these customers are experienced in the procurement process. Due to the dynamics of considerable competition and professional customers, price is usually of great importance in the procurement process. Larger assignments usually have longer durations and are usually more complex.
- *Midsize assignments (income of SEK 1–5 million)*: These are both multi and single-disciplinary assignments. Projektengagemang is of the opinion that the competition for assignments of midsize character is somewhat less intense than for larger assignments. According to the Company, the foremost competitive factors are quality, knowledge of local markets, short lead times and long customer relations, rather than price.
- *Smaller assignments (income of less than SEK 1 million)*: These usually comprise one or a few disciplines. The payment potential for smaller assignments is low, but so is the risk since it is easier to assess the extent of the work involved. The foremost competitive factors for smaller assignments are knowledge of local markets and customer relations. Given that the market for smaller assignments is fragmented and many small-scale specialists have the competencies to conduct such assignments, the competition for smaller assignments matches that for midsize assignments.

Projektengagemang has historically focused on smaller assignments in areas where the Company has a strong local presence with long customer relationships, thus reducing the assignment risk. As customer needs are becoming more complex, Projektengagemang focuses on major assignments in which the Company's multi-disciplinary capabilities give rise to a stronger position. As Projektengagemang has developed its multi-disciplinary offering, the scope of the assignments has frequently also expanded. However, smaller assignments will continue to be important for Projektengagemang moving forward.

Multi-disciplinary assignments

Modern society is becoming increasingly complex with a focus on environmental aspects and energy efficiency. These major and more complicated challenges require more technical and analytical skills and cooperation between a number of areas of expertise to achieve effective and sustainable solutions. Due to the companies' adaptation to the market dynamics and the competitive environment, the market for consultancy services is undergoing consolidation, whereby the companies are becoming larger to enable them to accept larger and more complex assignments involving two or more disciplines, known as multi-disciplinary assignments.[1] Since its formation, Projektengagemang has developed its business into one of the leading companies offering multi-disciplinary solutions and it sees major potential for continued growth in the multi-disciplinary market. Accordingly, the Company has been pursuing an ambitious acquisition strategy with the aim of continuously adding to its competencies, improving its offering, increasing economies of scale and expanding its offering of multi-disciplinary solutions. Projektengagemang's ability to offer and combine a number of different competencies in its assignments adds value for customers. The Company's multi-disciplinary solutions also benefit the customer as the customer only needs one point of contact, which results in reduced coordination and shorter lead times.

1) Multi-disciplinary services are defined as service offerings that include two or more areas of expertise.

Procurement formats

A complete and proper procurement process is of fundamental importance to both Projektengagemang and the customer. The procurement process for the technical consulting market varies depending on the customer and the assignment, but is primarily conducted in one of the four following ways:

- *Procurement according to the Swedish Public Procurement Act (Swe. LOU/LUF)*: In procurement processes in which public authorities and other organisations that are financed with public funds are the clients, the Swedish Public Procurement Act is applied.
- *Direct procurement under framework agreements*: Framework agreements are entered into for a pre-determined term and suborders are then placed continuously against this agreement.
- *General inquiry*: The client submits a request for proposal, which is responded to and priced by the consultancy firm. The price is one of the parameters applied when comparing the tenderers.
- *Negotiated procurement*: The client appoints a consultancy firm in advance whereby the two parties jointly negotiate at an early stage of the commitment a contract concerning the scope and price. It can be generally stated that there are significantly more negotiated procurements in the private sector than in the public sector.

Contract formats

Different assignments vary in respect of how large a share of responsibility the client, the contractor and the consultant should account for concerning project design and the various components of the contract. The contract formats can be divided into five categories:

- *Turnkey contract/function undertaking/EPC*: Projektengagemang delivers a finished installation, such as a deployed control system, a part of a process or the like, whereby Projektengagemang accepts responsibility for project design, contract procurement as well as construction and function.
- *Call for tenders for turnkey contract with the developer as the customer*: Usually a simplified document with a requirements specification.
- *Construction documentation for turnkey assignments*: Comprises detailed project design with the turnkey contractor as the customer:
- *Project design of call for tenders, and construction documentation for design-build assignments*: The developer is the customer.
- *Varying consultancy assignments*: Other consultancy assignments based on a call for tenders from the customer at fixed or variable payment.

Payment structure

In the Swedish technical consulting market, there are two payment structures, hourly rates and fixed price, with hourly rates regarded as the predominant form of payment. The two payment structures are described below.

- *Hourly rates*: Payment is made continuously based on time spent and costs incurred.
- *Fixed price*: A pre-determined fixed amount for the entire undertaking.

Trends and drivers

According to the Company, there are a number of market trends that have had a positive impact on Projektengagemang historically and that are expected to continue to positively impact Projektengagemang going forward. These trends are presented in detail below.

Population growth and urbanisation

Stockholm is one of the five fastest-growing regions in Europe, and Sweden is currently one of the countries in Europe with the strongest population growth, according to the City of Stockholm.[1] At the end of 2017, Sweden's population totalled 10.2 million inhabitants and it is expected to increase to 10.7 million at year-end 2022, according to IMF.[2] The population growth is creating new demographic patterns that will affect the construction sector in the short and the long term in the form of demand for housing and commercial properties, as well as infrastructure. According to the Swedish Board of Housing, Building and Planning, the ongoing urbanisation will continue and population growth in the three metropolitan counties will account for 70 percent of the population increase up to 2020.[3] The population increase in the three metropolitan counties will result in major requirements for sustainable new residential construction and refurbishment of the existing property stock, as well as an increased need for community service properties such as preschools, schools and hospitals. In the opinion of Projektengagemang, these factors will benefit the Company through its strong presence in the major regions of Sweden.

Significant infrastructure investments

The Swedish infrastructure has been neglected for a number of years due to low historical investment levels. The proportion of infrastructure investment in relation to GDP has declined in recent decades and is at a low level in relation to other developed countries, according to Euroconstruct.[4] Large-scale investments in areas such as state-owned roads, railways and other transport systems will be required, which is highlighted in a report from the Swedish Transport Administration that describes the infrastructure plan up to 2029 and encompasses investment plans of more than SEK 600 billion.[5] In the opinion of Projektengagemang, these infrastructure investments will benefit the Company through its exposure to the public sector.

1) City of Stockholm (current population of 900,000, December 2017).
2) IMF (World Economic Outlook Database, October 2017).
3) Swedish Board of Housing Building and Planning (An urbanised world, 2012).
4) Euroconstruct (81st Euroconstruct Country Report, June 2016).
5) Transport Administration (Proposal concerning a national plan for the transport system 2018–2029, August 2017).

Increased investments in the industrial sector

In recent years, the investment level in the Swedish industrial sector has been modest, which has resulted in a capacity deficit. Investments in the Swedish industrial sector in 2016 totalled SEK 162 billion and are expected to increase to SEK 199 billion by 2019, which corresponds to annual growth of 7.0 percent according to the Swedish National Institute of Economic Research.[1] Demand for technical consultancy services from the industrial sector is also driven by the development of technological solutions and digitalisation in the majority of disciplines. Increased investments in the Swedish industrial sector are expected to benefit Projektengagemang, according to the Company.

Technological and digital development

The development of technological and digital solutions in products and services generates opportunities for efficiency improvements in the society and the industrial sector. Intensified competition, due in part to globalisation, has resulted in the customers increasingly focusing on their core business, which has led to greater outsourcing of digital and technical services. Historically, the technical consulting market has been divided strictly on the basis of areas of expertise, as reflected in the solutions offered. In pace with increased demand for complex solutions, the importance of being able to offer multi-disciplinary holistic solutions increase. In the opinion of Projektengagemang, this will benefit the Company going forward, as a result of its strong multi-disciplinary offering of digital and technical solutions.

Increased focus on sustainability

The public and private sectors are currently assigning increased focus to investing in energy-efficient solutions in order both to reduce energy costs and satisfy more rigorous requirements concerning energy efficiency, sustainability and future urban development. For example, the EU has formulated a framework for climate and energy consumption, which includes an objective of reducing greenhouse gases by 40 percent, that 27 percent of all energy is to derive from renewable energy and that energy savings are to be increased by 27 percent.[2] Sweden has also set a target that Swedish electricity output should consist 100 percent of renewable electricity by the year 2040.[3] In the opinion of Projektengagemang, this will benefit the Company moving forward, as a result of its offering of energy-efficient solutions.

Competitive landscape

Competition

The technical consulting market in Sweden is fragmented and consists of approximately 11,000 companies. The ten largest companies accounted for approximately 63 percent of total net revenue in the market in 2016 and Projektengagemang's market share was approximately 1.5 percent at the end of 2016. According to STD, there were 20 companies with more than 500 employees and 12 groups with more than 1,000 employees at the end of 2016.[4] The competition structure varies according to the different disciplines, assignment structures and geographies. In procurements of smaller assignments, Projektengagemang competes with a large number of local, small-scale operators. For major procurements, the number of competitors are fewer, but the competition is generally more intense, since the companies here are more professional and the customers assign relatively greater focus to these compared with smaller procurements. Since the major assignments are usually more complex and comprehensive, competitors frequently cooperate in subcontracting arrangements. Projektengagemang focuses on holistic solutions that often include a number of disciplines and, according to the Company, only a few competitors are sufficiently large and have sufficient resources and competencies to deliver multi-disciplinary solutions in several locations and multiple fields of technology. In this area, Projektengagemang primarily competes with major companies such as ÅF, Sweco and WSP.

To some extent, Projektengagemang also competes for assignments with potential customers, since companies may decide to develop competencies in-house, or alternatively acquire the desired competence. In the opinion of Projektengagemang, however, the current trend is that most potential customers are increasingly utilising external technological and digital services to ensure that they remain at the forefront of technological and digital development and to focus themselves on the Company's core business. A relatively new type of operator in the market are brokers of consultancy services, such as Ework and ZeroChaos. These act as intermediaries between technical consultancies and the customer in connection with procurement of services and have a distinct mandate to reduce consulting costs for the customer. Brokers of consultancy services have greater successes in the area of resource consulting assignments, since complex assignments are frequently ordered directly by the customer.

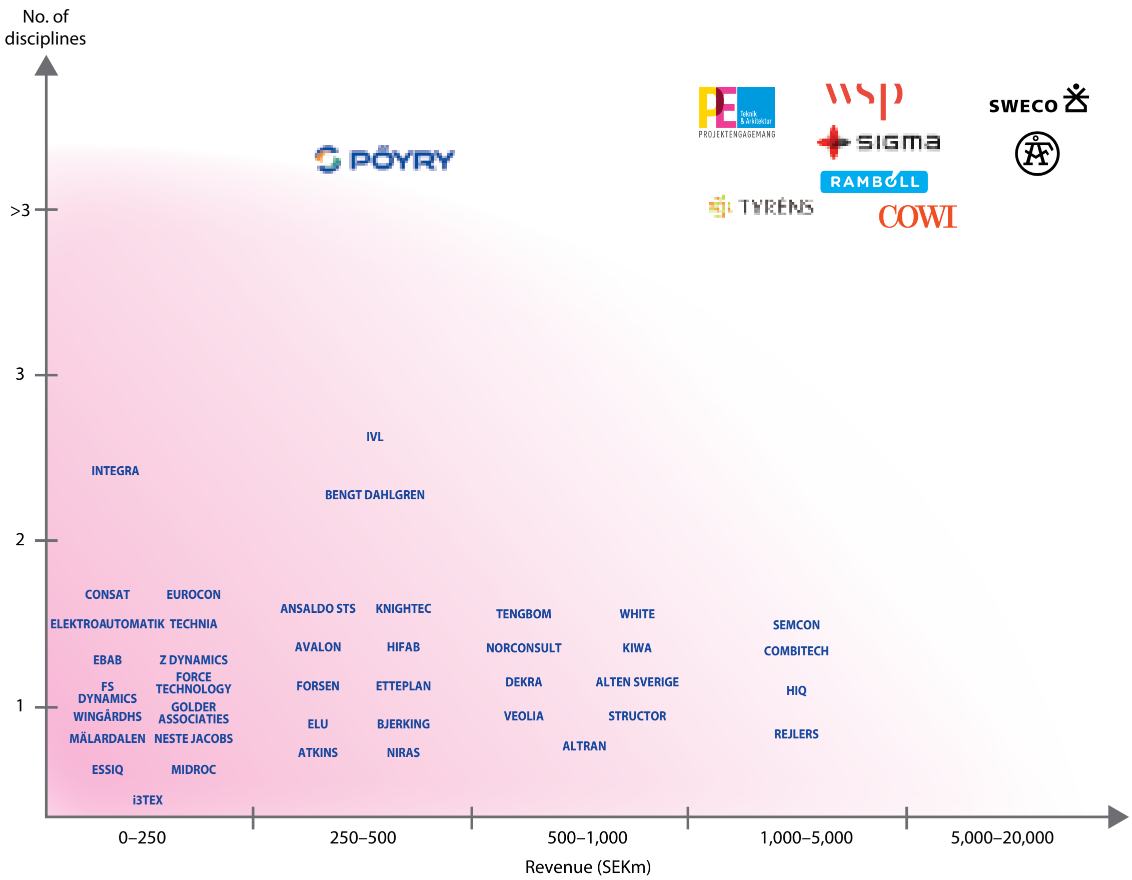
1) Swedish National Institute of Economic Research (Forecast database, December 2017).
2) European Commission (2030 Energy Strategy, 2014).
3) Government Offices (Energy Agreement, June 2016).
4) STD (Industry overview, December 2017, based on figures for 2016).

Overview of competitive landscape [1), 2)]

	PE Teknik & Arkitektur PROJEKTENGAGEMANG	semcon	ÅF	SWECO	REJLERS	Multiconsult
Revenue (SEKbn)	2015A: 0.7; 2016A: 0.8; 2017A: 1.2	2015A: 1.6; 2016A: 1.8; 2017A: 1.8	2015A: 9.9; 2016A: 11.1; 2017A: 12.7	2015A: 11.4; 2016A: 16.5; 2017A: 16.9	2015A: 1.9; 2016A: 2.3; 2017A: 2.5	2015A: 2.4; 2016A: 2.7; 2017A: 3.1
Revenue by region (2017)	Sweden 99%; Other 1%	Sweden 76%; Norway 5%; UK 9%; Other 10%	Sweden 75%; Norway 9%; Switzerland 7%; Other 9%	Sweden 42%; Norway 12%; Denmark 8%; Finland 11%; Netherlands 10%; Other 17%	Sweden 49%; Norway 13%; Finland 19%; Other 19%	Norway 94%; Other 6%
Avg. EBIT margin '15–'17	7.4%	4.8%	8.4%	7.4%	2.0%	7.0%
Avg. utilisation rate '15–'17	79.7%	N/A	77.4%	74.8%	74.4%	68.6%
No. of employees ('000)	2015A: 0.6; 2016A: 0.7; 2017A: 1.0	2015A: 2.0; 2016A: 2.0; 2017A: 2.1	2015A: 7.9; 2016A: 9.1; 2017A: 9.9	2015A: 10.2; 2016A: 14.4; 2017A: 14.5	2015A: 2.1; 2016A: 2.0; 2017A: 2.0	2015A: 2.1; 2016A: 2.3; 2017A: 2.0

1) Exchange rates of SEK/NOK 1.047 (2015), 1.020 (2016) and 1.033 (2017), pertaining to average exchange rate during the particular year, have been applied for Multiconsult. The Riksbank (Statistics database; Interest and exchange rates, from March 2018).
2) EBIT excluding items affecting comparability for Projektengagemang, Multiconsult and ÅF.

Swedish technical consultancy landscape (top 50 by net revenue)[1)]



Entry barriers

Entry barriers to the technical consulting market vary depending on the size of assignments. Large-scale multi-disciplinary assignments require that the supplier has a broad range of services and thus competencies in order to enhance the efficiency of processes and the quality of the performance. It is costly and time-consuming to build the organisation required to provide a range of competencies in multiple disciplines and, over the years, the major companies have accumulated valuable customer confidence based on relations and assignment references. The track record of the major companies in the market has generated well-known trademarks, which facilitates recruitment of new talent and new mandates.

International competition

Most foreign operators are established in the Swedish market, such as Ramböll, Cowi and WSP. However, existing construction norms and building standards impede the establishment of foreign competitors without knowledge and previous experience of local rules and regulations. A number of companies have decided to establish a position in the Swedish market through acquisitions of existing operations as a platform for further growth.

1) STD (Industry overview, December 2017, based on figures for 2016).

Business overview

Business overview

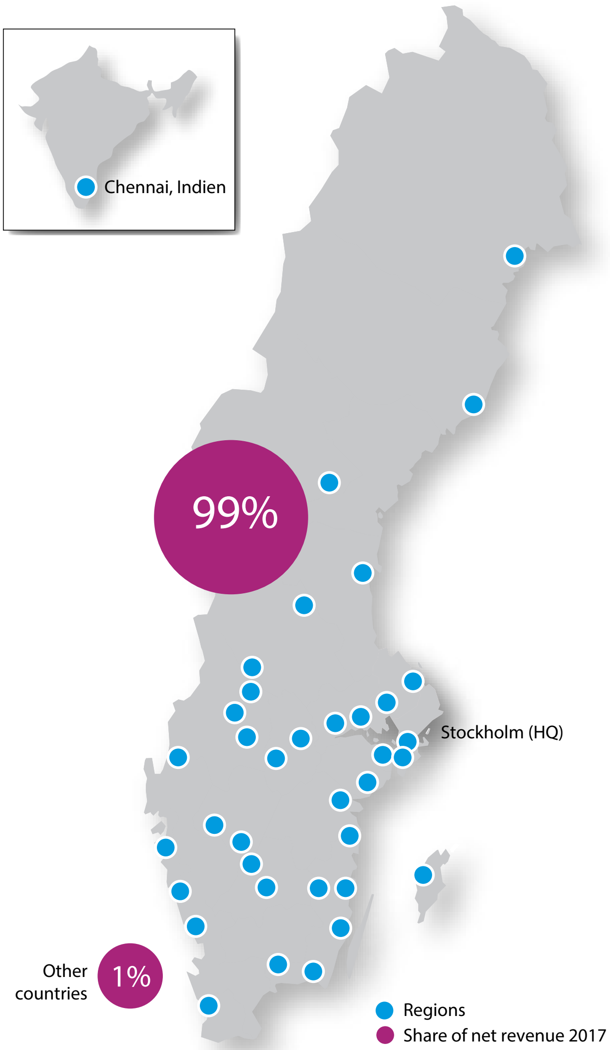
Introduction

Overview

Projektengagemang is a multi-disciplinary player in the Swedish technical consulting market and offers services in such areas as architecture, project management, urban planning, building design, infrastructure, industry and energy to customers in the private and the public sector. The Company is headquartered in Stockholm and is represented in more than 35 regions in Sweden through approximately 50 offices, as well as in Chennai, India, through its subsidiary PE-Aristi.[1] As of 31 March 2018, the Company had 986[2] employees.[3] Since its establishment in 2006, Projektengagemang has achieved strong net revenue growth, organically and through acquisitions. Projektengagemang operates through four divisions: Architecture & Management, Civil Engineering & Infrastructure, Systems and Industry & Energy.

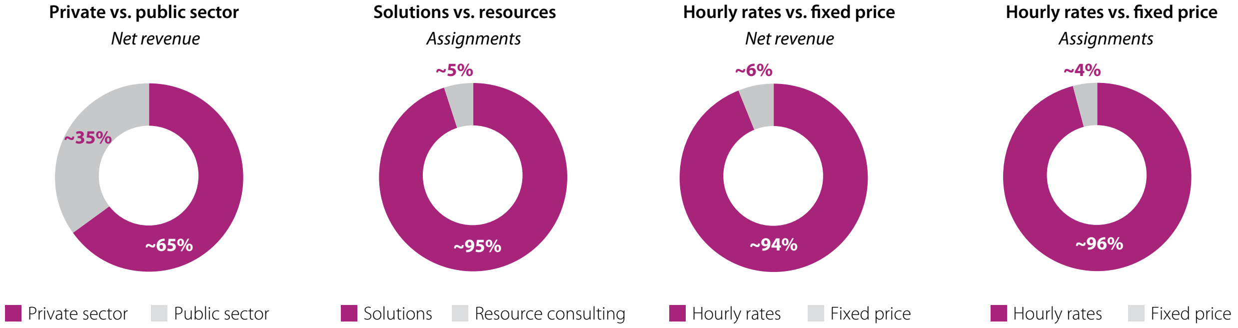
In 2017, Projektengagemang generated net revenue of SEK 1,171 million and it had 8,000 assignments at the end of 2017, allocated among 3,000 customers,[5] with the public and private sectors accounting for approximately 35 percent and 65 percent of net revenue, respectively.[6] The Company estimates that net revenue from customers active in residential construction represented 5–10 percent of the Company's total net revenue. Solutions or undertakings whereby Projektengagemang offers one of more services that satisfy given requirements from the client expressed in the call for tender accounted for approximately 95 percent of the assignments, while resource consultancy assignments accounted for approximately 5 percent of the assignments in 2017, in the Company's assessment. During the same period, assignments undertaken at hourly rates, including assignments with a given budget and responsibility for reporting reasons for budget revisions, accounted for approximately 94 percent of net revenue and 96 percent of the assignments, while assignments under the fixed price accounted for approximately 6 percent of net revenue and 4 percent of the assignments based on the Company's assessment. The Company estimates that the average assignment value[7] is SEK 200 thousand, but that the breakdown of assignment values varies considerably.

Geographic presence and net revenue split 2017A[4]



1) The information is derived from the Group's audited 2017 Annual Report.
2) Includes employees based in India.
3) The information is derived from the Group's reviewed interim report for January – March 2018.
4) The information is derived from the Group's internal accounting system.
5) The information is derived from the Group's audited 2017 Annual Report.
6) The information is derived from the Group's internal accounting system.
7) Since the length of assignments varies, it is not possible to calculate the average assignment value for a specific period.

Net revenue and assignment splits 2017A[1)]



Architecture & Management

The Architecture & Management division offers urban planning, building design, landscape and interior design as well as project management services, including strategic advice and management consulting in urban and regional development. In 2017, Architecture & Management accounted for 31 percent of the Company's net revenue and 17 percent of adjusted EBIT,[2)] with 276 FTEs.[3)]

Civil Engineering & Infrastructure

The Civil Engineering & Infrastructure division's offering includes construction engineering, environment/sustainability, energy-related property services, geotechnics, structural design of bridges, railways and roads, acoustics and civil engineering and infrastructure design of energy and environmental engineering. In 2017, Civil Engineering & Infrastructure accounted for 21 percent of the Company's net revenue and 33 percent of adjusted EBIT,[2)] with 187 FTEs.[4)]

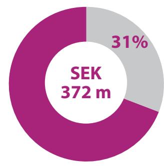
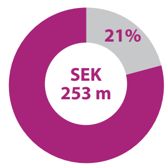
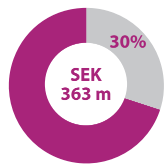
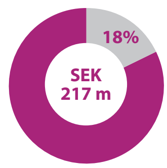
Systems

Systems offers solutions involving electricity, telecommunications and security systems, fire safety design and heating, ventilation and plumbing ("**HVAC**"). In 2017, Systems accounted for 30 percent of the Company's net revenue and 45 percent of adjusted EBIT,[2)] with 277 FTEs.[5)]

Industry & Energy

Industry & Energy offers services such as product development, automation, process, and manufacturing development and accounted for 18 percent of the Company's net revenue and 5 percent of adjusted EBIT in 2017, with 210 FTEs.[6)]

Division overview and net revenue split 2017A[7),8)]

Division	Services	Net revenue split 2017A
Architecture & Management	Urban planning Landscape design Project management	
Civil engineering & Infrastructure	Construction engineering Infrastructure Geotechnics	
Systems	Electricity HVAC Telecommunication	
Industry & Energy	Automation Product development Process technology	

1) The information is derived from the Group's internal accounting system.
2) Adjusted EBIT is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of adjusted EBIT with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*."
3) The information is derived from the Group's reviewed interim report for January – March 2018.
4) The information is derived from the Group's reviewed interim report for January – March 2018.
5) The information is derived from the Group's reviewed interim report for January – March 2018.
6) The information is derived from the Group's reviewed interim report for January – March 2018.
7) Breakdown of net revenue by division before internal eliminations at Group level. The information is derived from the Group's reviewed interim report for January – March 2018.
8) The information is derived from the Group's reviewed interim report for January – March 2018.

Vision, mission and values

Vision

Projektengagemang was formed with the vision of creating a company that would renew the architectural and technical consulting industry through entrepreneurship and individual influence. The Company has the ambition to continuously challenge conventions in order to find new and better ways of doing things. Projektengagemang is driven by the interaction of dedicated and competent employees who create value – not only for customers but also for society at large. The Company aims to shape a society where employees, families, friends and colleagues want to live in and develop. Projektengagemang wants to create for life.

Business mission and overall objective

Projektengagemang's business mission is to deliver high-quality consultancy services and solutions within Architecture & Management, Civil Engineering & Infrastructure, Systems and Industry & Energy that add social value in people's everyday life. Projektengagemang's overall objective is to create long-term value for shareholders and other stakeholders through profitable and sustainable growth. In line with the vision, the Company aims to position Projektengagemang as an innovative and multi-disciplinary consultant within value-adding and sustainable urban and regional development in the markets served by the Company. This means that the Company strives to build a comprehensive geographic presence, a highly innovative competence base, collaboration skills and the capacity to deliver value-based holistic solutions.

Core values

Projektengagemang's vision and strategic foundation are based on the Company's values and corporate culture which from the Company's foundation have been built upon a strong belief in entrepreneurship, collaboration and the personal drive of each employee. Projektengagemang's value foundation consists of the Company's three core values, which also guide employees in their daily work:

- *Knowledge as a base*: Fundamentally, Projektengagemang is a knowledge company with specialist expertise in the Company's various operating areas. This means that the Company's fundamental drivers and value are based on the knowledge offered by Projektengagemang's employees to its customers, colleagues and society at large. Projektengagemang's employees work passionately to develop and apply smart technologies and innovative solutions.
- *Integrated approach*: The foundation of Projektengagemang's organisation is constituted by its people and the Company's assignments are driven by the development of society. This means that Projektengagemang's employees adopt an integrated approach and seek interaction between customer needs, technology, sustainability, the individual, cost and value. Projektengagemang integrates processes and specialist areas to be able to manage increasingly complex and demanding assignments.
- *Focus on value*: Projektengagemang's employees adopt a value-oriented approach, which means that their starting point is the value that they can create together with the Company's customers, but also that the employees have the courage and the will to challenge conventions in order to find new and better ways of doing things. According to Projektengagemang, value takes the form of social and environmental responsibilities as much as financial results.

Strengths and competitive advantages

Projektengagemang considers its operations to have the following principal strengths and competitive advantages:

Well positioned to capitalise on underlying growth factors in the market

Projektengagemang is active in the Swedish technical consulting market and the Company's core business thus benefits from the structural growth factors that favour this market, which include:

- Expected favourable macro environment with high potential of public sector investments.
- Population growth and urbanisation.
- Prioritisation of infrastructure investments in Sweden after several years of underinvestment.
- Increased investments in areas including automation and digital solutions within the industrial sector.
- Increased demand for effective holistic solutions.
- Increased demand for energy efficient solutions.

Broad competence base

Projektengagemang has a broad service offering enabling the Company to offer multi-disciplinary solutions, which the Company believes add value and profitability that is attractive for the customers and society. The Company's strategy is to clarify the total value delivered by Projektengagemang to customers through a holistic offering which, in addition to consultancy services, includes deliveries of materials. Furthermore, Projektengagemang believes that only a few players on the Swedish market have the capability to deliver multi-disciplinary services[1] on par with Projektengagemang. The Company also considers that it has an edge in relation to most competitors through its offering of architects and project management services, which enables Projektengagemang to enter assignments at an early stage and offer an efficient and sustainable process and thus create a credible base for sales of other services. The Company sees great potential for multi-disciplinary solutions as customers increasingly focus on their core business and outsource non-core services. In 2017, multi-disciplinary solutions accounted for approximately 20 percent of net revenue, according to the Company. In the opinion of Projektengagemang, net revenue growth attributable to the multi-disciplinary offering derived in part from the increasing use of internal coordinators, which systematises cooperative assignments in the tendering process and implementation phases, and from improved marketing that focuses on highlighting the customer value of the multi-disciplinary offering.

1) Multi-disciplinary services are defined as service offerings that include two or more areas of expertise.

Driven entrepreneurial organisation that works closely with customers and focuses on active collaboration

Since Projektengagemang was founded the corporate culture has been based on entrepreneurship, which has enabled the Company to rapidly establish the Company in the segments of the market where growth has been identified. Projektengagemang has established a solid platform with central functions and systems to support local units and managers working closely with customers. In addition, Projektengagemang's decision-making process and P&L responsibility are decentralised in the local units to rapidly meet customers' demands. The Company prioritises proactive collaboration between units which improves best-practice sharing, efficiency and the offering to customers.

Strong track record of acquisitions in a fragmented market coupled with organic net revenue growth[1)]

The Swedish technical consulting market is highly fragmented with more than 11,000 companies.[2)] Thus, there are ample opportunities for consolidation on the market. As per 30 April 2018, Projektengagemang had acquired 37 companies since 2007 and regards itself as a natural player in the market's continued consolidation.[3)] Projektengagemang's acquisitions contributed considerably to net revenue increasing from SEK 387 million[4)] in 2012 to SEK 1,171 million in 2017.[5)] Projektengagemang has a well-defined acquisition strategy and a structured acquisition process for continuing to complement the Group's organic growth and considers that it has a strong offering to entrepreneurs that want to sell their companies. According to Projektengagemang, the Company is often considered an attractive buyer since Projektengagemang is able to offer an attractive workplace to employees of the acquired company. In 2017, a number of activities were launched to increase job satisfaction and strengthen competencies, such as through a leadership development programme for both formal managers and assignment leaders. Sustainability is a watchword at Projektengagemang, which also reflects the reception enjoyed by employees. By offering an opportunity for a stimulating and developmental workplace, the potential for retaining competent employees is also enhanced. In addition, Projektengagemang offers the acquired company an entrepreneurial management philosophy that attaches considerable importance to the management of the Company and an opportunity, together with the acquired company, to accelerate development through cooperation with other units within Projektengagemang's larger and more complex assignments. Projektengagemang continuously identifies approximately 50 potential M&A candidates and has ongoing discussions with approximately 5–10 M&A candidates.

Asset-light business model with diversified and highly cash generative net revenue streams

Projektengagemang has a broad customer base with approximately 3,000 customers allocated among 8,000 assignments, and no single customer represented more than 3 percent of total net revenue in 2017, according to the Company. The broad customer base, together with the fact that the public sector accounted for approximately 35 percent of net revenue, generates a low risk profile, according to the Company. Projektengagemang almost doubled its total net revenue between 2014 and 2017. Acquisitions have accounted for most of this growth, but have also been complemented with organic growth. Between 2014 and 2017, organic growth accounted for 28 percent of total growth, which was driven by increased cooperation between the various local units and an increased share of multi-disciplinary assignments. The Company is of the opinion that acquired growth will account for the majority of net revenue growth during a future business cycle. In addition to strong growth and favourable profitability, the Company has had a strong cash flow with asset-light operations. Cash conversion (excluding the change in net working capital),[6)] amounted to 9 percent in 2015, 85 percent in 2016 and 95 percent in 2017. Cash conversion (including the change in net working capital),[7)] amounted to 45 percent in 2015, –4 percent in 2016 and 94 percent in 2017. Adjusted for investments in Soleed Sweden AB,[8)] cash conversion amounted to 46 percent in 2015 excluding changes in net working capital and 82 percent including changes in net working capital.[9)]

Financial targets and dividend policy[10)]

On March 27th 2018, the Company's Board of Directors adopted the below listed financial targets:

Growth

Projektengagemang has a target to reach an average annual net revenue growth of 15 percent over a business cycle.

Profitability

Projektengagemang has a target to reach an EBITA margin of at least 8.0 percent over a business cycle.

1) Net revenue growth is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of net revenue growth with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Sales measures.*"
2) STD (Industry overview, December 2017, based on figures for 2016).
3) The information is derived from the Group's reviewed interim report for January – March 2018.
4) The information is derived from the Group's audited 2016 Annual Report.
5) The information is derived from the Group's audited 2017 Annual Report.
6) Operating cash flow (excluding the change in net working capital) is defined as adjusted EBITDA less investments in tangible and intangible assets (excluding acquisitions). Cash conversion is defined as operating cash flow divided by adjusted EBITDA. Cash conversion (excluding the change in net working capital) is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of cash conversion (excluding the change in net working capital) with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Cash flow and return measures.*"
7) Operating cash flow (including the change in net working capital) is defined as adjusted EBITDA less investments in tangible and intangible assets (excluding acquisitions) less the change in net working capital. Cash conversion is defined as operating cash flow divided by adjusted EBITDA. Cash conversion (including the change in net working capital) is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of cash conversion (including the change in net working capital) with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Cash flow and return measures*."
8) The adjustments refer to investments attributable to Soleed Sweden AB and amounted to SEK 23.4 million in 2015.
9) The information is derived from the Group's internal accounting system.
10) Adjusted EBITA excluding items affecting comparability.

Capital structure

Projektengagemang's target is to have a net debt/adjusted EBITDA (rolling 12 months)[1),2)] between 1.5x–2.0x over a business cycle. However, this level can be temporarily exceeded for example to finance acquisitions.

Dividend policy

Projektengagemang's objective is to distribute 30–50 percent of net profit.

Future opportunities

To become the best employer in the industry

Projektengagemang will continue to invest in structural capital and will develop and implement systems and programmes for increasing its attractiveness as an employer through a fair production model and delivery capacity and through more successful recruitment of architects and engineers. Strategic initiatives include leadership development, internal training programmes concentrated in the PE Academy, offering structured mentorship, a focus on professional induction of new employees and improved recruitment processes.

Proactive cooperation

The strategy for positive cooperation is based on creating a unique ability to proactively identify and develop cooperation potential in customer assignments. With Projektengagemang's core values as a starting point, tangible initiatives, such as customer surveys for collecting information about customer preferences and requirements, and for increasing synergies from multi-disciplinary assignments will enable employees to develop and focus on specialist areas as part of a strong team and to identify opportunities in new technology and digitalisation. The proactive cooperation also encompasses a seamless working approach based on smart tools and efficiency enhancement of cooperation in business processes.

Expansion through acquisitions and organic growth

Projektengagemang strives to continue to grow and to strengthen its market positions through acquisitions in defined geographical locations where the Company wants to offer a complete offering (known as PE buildings). In addition, the Company intends to acquire companies with attractive competencies that can provide a favourable basis for organic growth. Organic growth will be mainly achieved through increased net recruitment, increased prices and an increased utilisation rate, combined with expanded delivery scope, expanded volumes with subcontractors and packaging of the service offering.

Efficiency enhancement of operating processes

Projektengagemang strives to continuously enhance the efficiency of the Group's joint platform by developing processes and systems and improving cooperation between units in order to reduce administrative costs, including leasing and IT costs. In addition, Projektengagemang has worked actively to reduce the number of operating units to approximately 20 as per 31 March 2018, compared with approximately 50 operating units as per 31 December 2016.[3)] The Company's ambition is to have five or fewer operating units and thus fewer legal entities, which is expected to reduce IT expenses, since software is often charged per legal entity. The Company sees opportunities for generating additional synergism through proactive cross-sales of proprietary services within its multi-disciplinary undertakings and to explore new technological and digital solutions.

History

The Company was founded in 2006 by Per-Arne Gustavsson with a clear vision of reshaping the industry and Per-Arne Gustavsson, jointly with Per Göransson, are the co-owners of the Company through Projektengagemang Holding i Stockholm AB. The foundation was a strong belief in entrepreneurship and the personal drive of each employee for offering smart holistic solutions and integrated consultancy services within urban and regional development and industry. Projektengagemang started with five subsidiaries that rapidly grew by ten subsidiaries[4)] in 2009 and the Company had 140 employees at the end of 2009.[5)] In 2010, the strategy of organic growth was supplemented with an acquisition-based strategy. In 2015, Projektengagemang was represented in more than 30 regions in Sweden. During the same year, Projektengagemang acquired 60 percent of PE-Aristi, a consultancy focused on processing industry solutions, based in Chennai, India. As a result of the acquisition of PE-Aristi, Projektengagemang gained access to competent and cost-efficient employees, as well as an opportunity to undertake assignments in Asia and Africa. During the autumn of 2015, a new issue of SEK 80 million was also implemented to admit external investors in the form of Investment AB Öresund, LK Finans AB, Allba Holding AB, Jensen Invest AB and TMC Real Estate AB.[6)] In 2016, Projektengagemang celebrated its tenth anniversary and that year was characterised by continued strong growth and the Company achieved its long-term objective of having 1,000 employees. In October 2017, Per Hedebäck was recruited to succeed Per-Arne Gustavsson as Chief Executive Officer. Per Hedebäck has a background as business area manager in companies including Munters and began his professional career as a technical consultant at WSP. During the first quarter of 2018, Projektengagemang introduced a new organisational structure, which includes the divisions: Architecture & Management, Civil Engineering & Infrastructure, Systems and Industry & Energy. During the same period, the Company finalised two acquisitions and signed acquisition agreements for an additional two companies, of which possession was taken in the second quarter.[7)]

1) Excluding items affecting comparability.
2) Net debt/adjusted EBITDA (rolling 12 months) is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of net debt/adjusted EBITDA (rolling 12 months) with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Calculation of working capital and working capital in relation to net revenue*".
3) The information is derived from the Group's internal accounting system.
4) The information is derived from the Group's audited 2017 Annual Report.
5) The information is derived from the Group's audited 2009 Annual Report.
6) The information is derived from the Group's audited 2015 Annual Report.
7) The information is derived from the Group's reviewed interim report for January – March 2018.

Operations

Architecture & Management

Overview

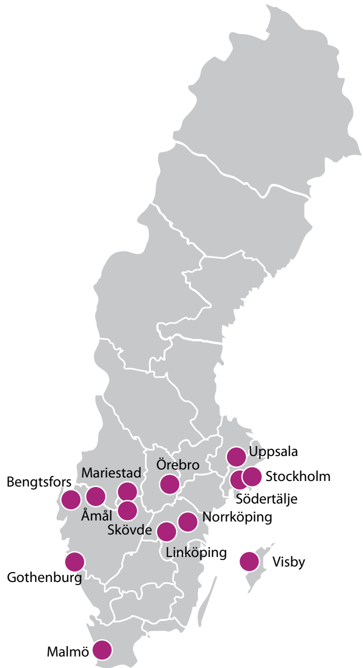
The Architecture & Management division consists of two business areas: Architecture and Project Management & Management. Architecture & Management offers analyses, conceptual designs, building design and detailed plans within urban planning, industry, landscape and interior design for hospitals, schools, residential and commercial buildings. The business area's service offering within urban planning includes smart and sustainable cities, which represents a new kind of urban planning that combines digitalisation within innovations with environmental and climate technology. Project Management & Management offers services within project management and management consulting, as well as strategic advice in urban and regional development, with a focus on digitalisation, business development and sustainability, to the customers' management teams. The customer base consists of both the public and private sectors and major customers include Skanska, Akademiska Hus and Stockholm City. In 2017, net revenue from customers active in residential construction accounted for approximately 5 percent of the division's net revenue, in the Company's assessment. Since the services within the division are utilised in early stages of customer assignments, the Architecture & Management division occupies an important strategic position in Projektengagemang's offering. Through efficient and structured processes that offer the customers credible quality and efficiency improvements, increased opportunities are provided to sell services from other divisions and to increase the number of multi-disciplinary assignments. The Architecture & Management division has a sustainable approach and has implemented a large number of assignments involving eco-friendly housing. In the assessment of Projektengagemang, architecture and project management services account for only approximately 10 percent of the total value of individual assignments, whereby scope is offered for cross-sales of services from Projektengagemang's other divisions. In the future, the division will prioritise customers who are interested in multi-disciplinary services. In 2016, Temagruppen was acquired with 155 employees, of whom approximately two thirds were architects and approximately one third were project managers and other personnel.[1)] After the acquisition, Projektengagemang is one of the five largest suppliers of architectural services in Sweden, according to STD.[2)] The Architecture & Management division employed 276 FTEs in 2017,[3)] of whom approximately 55 percent were architects and 45 percent project managers.[4)] A large proportion of the division's project managers are certified according to the International Project Management Association ("**IPMA**"), which issues international project manager certifications for professionals active in the project area; this association validates the competencies of the division's employees. In addition, the Company is one of a few companies in Sweden that are entitled to perform the IPMA's training programmes. At the end of 2017, the division was represented in 13 regions in Sweden, including Uppsala, Stockholm, Södertälje, Visby, Skövde/Mariestad, Gothenburg/Kungsbacka and Malmö. Competitors to the Architecture & Management division are, inter alia, White, Tengbom, Sweco, ÅF, Ramböll and Hifab.

In 2017, net revenue within Architecture & Management totalled SEK 372 million, corresponding to an increase of 44.8 percent compared with 2016, primarily driven by acquisitions. Adjusted EBIT[5)] amounted to SEK 16 million in 2017, corresponding to an adjusted EBIT margin of 4.3 percent during the year,[6)] a decline of 1.8 percentage points[7)] compared with 2016, due to integration of acquired companies and the closure of offices. In 2017, the Architecture & Management division accounted for 31 percent of the Company's total net revenue and 17 percent of the Company's total adjusted EBIT.[8)]

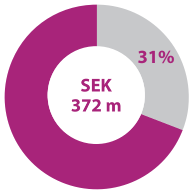
1) The information is derived from the Group's internal accounting system.
2) STD (Industry overview, December 2017, based on figures for 2016).
3) The information is derived from the Group's reviewed interim report for January – March 2018.
4) The information is derived from the Group's internal accounting system.
5) The information is derived from the Group's reviewed interim report for January – March 2018.
6) The information is derived from the Group's internal accounting system.
7) The information is derived from the Group's reviewed interim report for January – March 2018.
8) Adjusted EBIT and adjusted EBIT-margin are unaudited non-IFRS measures and are not substitutes for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of adjusted EBIT and adjusted EBIT-margin with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*."

Architecture & Management – geographical and financial overview 2017A[1), 2)]

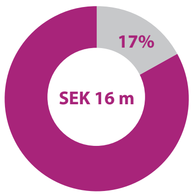
Geographic footprint



Net revenue 2017A (% of Group)



Adj. EBIT[3)] 2017A (% of Group)



Case studies

Tomtebodaskolan School, Stockholm

- *Overview*: During the renovation and expansion of Tomtebodaskolan, Projektengagemang is assisting with services within areas such as project management, design management, architecture, environmental aspects and acoustics.
- *Client*: Akademiska Hus
- *Services*: Project management, system design, design management, acoustics, architecture, fire safety, electricity, geotechnics, risk analysis, elevators, construction design, landscape architecture, coordination and monitoring, systems technology, IT, accessibility for disabled persons, HVAC design and water treatment.
- *Assignment time*: 2017 – ongoing
- *Multi-disciplinary*: Yes

Ångström laboratory, Uppsala

- *Overview*: Akademiska Hus and Uppsala University are jointly pursuing a venture involving the expansion of the Ångström laboratory. Projektengagemang is the manager of the overall consultancy assignment and is responsible for architecture and project management.
- *Client:* Akademiska Hus in Uppsala
- *Services*: Architecture, landscape design, project management, system design and coordination of the overall consultancy assignment.
- *Assignment time*: 2011 – ongoing
- *Multi-disciplinary*: Yes

Development opportunities

In the opinion of Projektengagemang, 2018 will be a year of readjustment for the Architecture & Management division; however, the underlying positive long-term market trend will continue, although there is some concern regarding the short-term trend for residential construction. In addition, the Company sees opportunities for acquisitions in regions of Sweden where Architecture & Management already has an established presence, such as Gothenburg and Stockholm. The Company is taking actions to adjust the organisation to achieve more distinct decentralised responsibility and increased internal operational efficiency, as well as for an increased focus on sales. The Company is also pursuing an ambition to additionally utilise project management and architecture to establish a position in the early stages of assignments. It also intends to increase the focus on commoditisation and combining separate services, as well as increasing cooperation across regional offices, to boost the proportion of multi-disciplinary services.

1) Breakdown of net revenue by division before internal eliminations at Group level. Eliminations attributable to internal sales between the Group's divisions. EBIT adjusted for items affecting comparability. Percentage of the Group's adjusted EBIT excluding Other.
2) The information is derived from the Group's reviewed interim report for January – March 2018.
3) 3) Adjusted EBIT is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures.*" For a reconciliation of adjusted EBIT with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures.*"

Civil Engineering & Infrastructure

Overview

Civil Engineering & Infrastructure consists of two business areas: Civil engineering and Infrastructure. Civil Engineering offers services within construction engineering, acoustics, geotechnics, 3D laser scanning, energy, environment and sustainability. Infrastructure offers services within structure design of bridges, railways and roads, as well as environmental and water treatment solutions and environmental impact assessments. The customer base consists of both the public and private sectors and major customers include Skanska, Volvo and NCC. In 2017, net revenue from customers active in residential construction accounted for 10–15 percent of the division's total net revenue, in the Company's assessment. The division employed 187 FTEs in 2017.[1] Civil Engineering & Infrastructure is represented in nine regions in Sweden, including Stockholm, Gothenburg, Malmö, Uppsala and Umeå. Civil Engineering & Infrastructure has a broad competency base, whereby the division can be competitive in both multi-disciplinary and specialist assignments. Competitors to the Civil Engineering & Infrastructure division are, inter alia, Sweco, ÅF and WSP.

In 2017, net revenue in Civil Engineering & Infrastructure totalled SEK 253 million, corresponding to an increase of 48.1 percent compared with 2016, and adjusted EBIT amounted to SEK 32 million, corresponding to an adjusted EBIT margin of 12.5 percent[2] in 2017, an increase of 7.0 percentage points[3] compared with 2016. The increases in net revenue and the adjusted EBIT margin derived primarily from the acquisition of Konkret Rådgivande Ingenjörer and from organic factors, such as packaging of multi-disciplinary services and an increased proportion of private customers in the division. In 2017, the Civil Engineering & Infrastructure division accounted for 21 percent of the Company's total net revenue and 33 percent of the Company's total adjusted EBIT.[4, 5]

Malagaområdet, Tjörn. Picture: Mats & Arne Arkitektkontor

1) The information is derived from the Group's reviewed interim report for January – March 2018.
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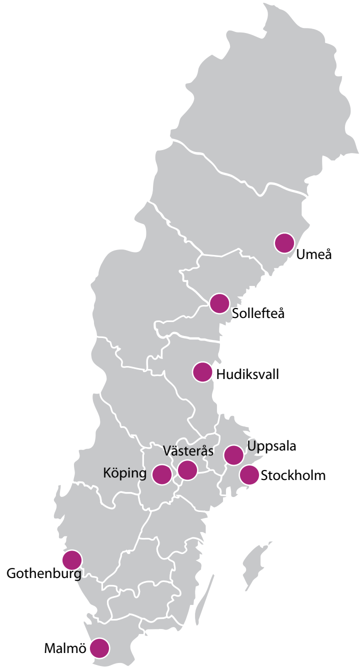
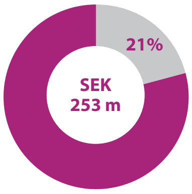
Civil Engineering & Infrastructure – geographical and financial overview 2017A[1), 2)]

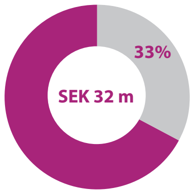
Geographic footprint



Net revenue 2017A (% of Group)



Adj. EBIT[3)] 2017A (% of Group)

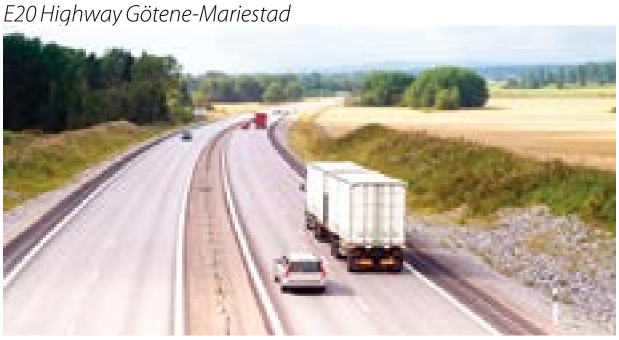


Case studies

Västland water-treatment plant, Tierp

- *Overview*: The municipality of Tierp was in need of a new or renovated waterworks system. After Projektengagemang suggested a unique solution, the waterworks could be renovated with substantial profits for the citizens of the region.
- *Client*: Temab, Municipality of Tierp
- *Services*: Expertise in drinking water, project management, construction management and inspection.
- *Assignment time*: 2014–2016
- *Multi-disciplinary*: Yes

E20 Highway Götene-Mariestad



- *Overview*: Projektengagemang is conducting a localisation investigation for 20 kilometres of new European-standard highway passing through the Municipalities of Götene and Mariestad with the aim of optimising conditions for both motorists and animals.
- *Client*: Swedish Transport Administration via Aecom Nordic
- *Services*: Project management, electricity, calculations, environment, noise, traffic and rock engineering, geotechnics, data coordination and water drainage.
- *Assignment time*: 2016 – ongoing
- *Multi-disciplinary*: Yes

Malaga area, Tjörn

- *Overview*: The Malaga area of the island of Tjörn is a former shipyard that is being converted into a residential area. As the mandated consultant for design and geotechnics, Projektengagemang has devised solutions for a number of challenges. In the next phase, Projektengagemang has been commissioned to devise design drawings and a continuation plan in respect of geotechnics for stage 1.
- *Client*: AB Toftö
- *Services*: Construction engineering, geotechnics and inspection.
- *Assignment time*: 2016 – ongoing
- *Multi-disciplinary*: Yes

Development opportunities

The strategic initiatives include increased marketing and optimisation of the recruitment process, as well as formulation of internal development programmes for employees. According to the Company, these activities are expected to increase brand recognition and boost organic growth. In addition, the Company intends to focus on larger multi-disciplinary assignments through increased cooperation between disciplines and with PE-Aristi, and to enhance the efficiency of resource allocation. The Company has also identified development opportunities from strengthening its offering in specialist competencies and offering more clearly defined solutions in specialist areas such as acoustics, geotechnics and water treatment, which are expected to lead to increased profitability and organic growth. The business strategy also includes supplementation and strengthening of the organisation in current locations and establishment of operations in new regions to increase Projektengagemang's share of the assignments outsourced by existing customers.

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Systems

Overview

The Systems division comprises two business areas: HVAC Design and Electricity, Communications & Security. HVAC Design offers services and solutions related to HVAC and automatic water sprinkler systems. Electricity, Communications & Security offers services and solutions in areas such as electrical systems, telecom systems, security systems and fire and safety systems. The Systems division undertakes a number of security-classified defence assignments, which is evidence of Projektengagemang's specialist expertise and the confidence shown by a discerning customer. The division is also focusing on increasing its offering of sustainable solutions, such as solar panels. The division employed 277 FTEs in 2017.[1] The majority of the assignments are conducted in the Stockholm area, and in part in central and southern Sweden. In total, the division is represented in 17 regions in Sweden, such as Stockholm, Uppsala, Gothenburg, Helsingborg and Malmö. The customer base is found in both the public and private sectors and major customers include Vasakronan, JM, SISAB, Fabege and PEAB, with recurring customers accounting for approximately 80 percent of the total, in the Company's assessment. In 2017, net revenue from customers active in residential construction accounted for 10–15 percent of the division's total net revenue, in the Company's assessment. Competitors to the Systems division are, inter alia, Sweco, ÅF and WSP.

In 2017, Systems' net revenue totalled SEK 363 million, corresponding to an increase of 75.1 percent compared with 2016, primarily driven by acquisitions. Adjusted EBIT was SEK 43 million, corresponding to an adjusted EBIT margin of 11.8 percent[2] in 2017, an increase of 2.3 percentage points[3] compared with 2016. The increases in net revenue and the adjusted EBIT margin derived primarily from the acquisition of HJR and from organic factors, such as price increases within the division and the transfer of 20 FTEs from Industry & Energy to Systems. In 2017, the Systems division accounted for 30 percent of the Company's total net revenue and 45 percent of the Company's total adjusted EBIT.[4),5)]

Nya Karolinska, Stockholm. Picture: White Tengbom Team

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2) The information is derived from the Group's reviewed interim report for January – March 2018.
3) The information is derived from the Group's internal accounting system.
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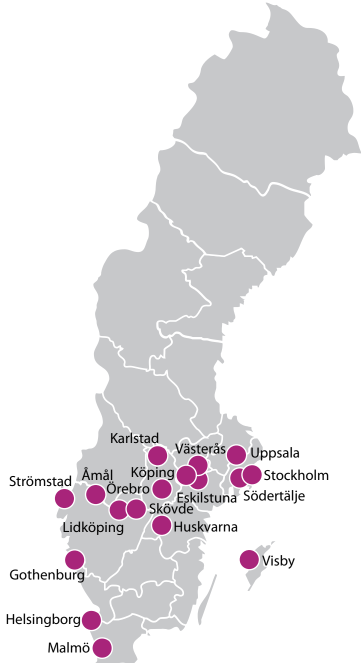
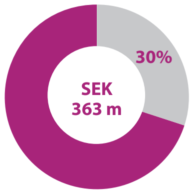
Systems – geographical and financial overview 2017A[1), 2)]

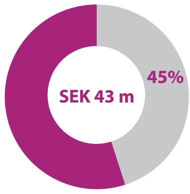
Geographic footprint



Net revenue 2017A (% of Group)



Adj. EBIT[3)] 2017A (% of Group)



Case studies

Danderyd Centre, Stockholm

Picture: Wester+Elsner

- *Overview*: Projektengagemang is participating in the renovation and extension of Danderyd Centre, a commercial shopping centre previously known as Mörby Centrum that is located in a suburb of Stockholm, by performing simulations and controls of energy, indoor climate and daylight. Projektengagemang is devising solutions for HVAC, automation and control, energy, environment, the supply of drinking water and treatment of sewage water ("**VA**"), surface water and wastewater treatment, electricity, telecommunications, security, power, lighting and transport systems.
- *Client*: Skandia Fastigheter
- *Services*: Projektengagemang is devising solutions for HVAC, automation and control, energy, environment, the supply of drinking water and treatment of sewage water, surface water and wastewater treatment, electricity, telecommunications, security, power, lighting and transport systems.
- *Assignment time*: 2010 – ongoing
- *Multi-disciplinary*: Yes

IKEA Museum, Älmhult

Picture: IKEA

- *Overview*: In 2016, the world's first and only IKEA museum was opened in the building that originally housed the first IKEA store. Projektengagemang had overall responsibility for electricity, telecommunications, security and elevators.
- *Client*: IKEA
- *Services*: Overall responsibility for electricity, telecommunications, security and elevators.
- *Assignment time*: 2015–2016
- *Multi-disciplinary*: No

New Karolinska Hospital, Stockholm

- *Overview*: With the building of Nya Karolinska, a hospital located in a suburb of Stockholm, Projektengagemang was mandated at an early stage to develop ventilation solutions compliant with strict air-quality regulations aimed at reducing the risk of infection in operating theatres.
- *Client*: Skanska and Sweco/ÅF
- *Services*: Validation of clean rooms
- *Assignment time*: 2010–2016
- *Multi-disciplinary*: No

Development opportunities

Projektengagemang sees opportunities for acquisitions within growth regions in Sweden in which Systems already has an established presence, such as Gothenburg, in order to strengthen its competencies and service offering. The Company's ambition is to develop digital solutions to enhance the efficiency of most work streams and to improve internal training programmes. The initiative involving the digital offering encompasses control, monitoring and integrated project design between disciplines and the division intends to utilise technologies that arise in such areas as solar energy and safety. Projektengagemang is also focusing on sharpening its competitive edge by improvements in structured internal cooperation and by expanding market-oriented skills development. The Company is also striving to increase the number of multi-disciplinary assignments and to strengthen the offering of specialist expertise, such as fire protection, safety/security and solar energy. According to the Company, customers demanding specialist expertise are less price-sensitive, whereby a strengthened offering of specialist expertise should contribute to increased profitability.

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Industry & Energy

Overview

Industry & Energy offers automation, digitalisation and measurements as well as process, product and manufacturing development within such industries as automotive, pulp and paper, consumer products and nuclear power. The Industry & Energy division is represented in 13 regions in Sweden such as Gothenburg, Kalmar, Karlstad, Olofström, Karlskrona, Malmö and Lidköping, as well as Chennai, in India. The division employed 210 FTEs in 2017.[1)] Historically, a large part of the division's assignments have comprised resource consulting assignments, but the Company is focusing increasingly on offering holistic solutions involving automation and digital solutions with greater profitability potential. In 2017, Industry & Energy had approximately 400 customers and the division's major customers include Volvo, Atlas Copco, Husqvarna and Alstom. In 2017, net revenue from the ten largest customers represented approximately 40 percent of the division's net revenue and net revenue from customers active in residential construction was essentially non-existent, in the Company's assessment. Competitors to the Industry & Energy division are, inter alia, Sweco, ÅF and WSP. In 2015, PE-Aristi was acquired, a Projektengagemang subsidiary that offers services locally and remotely involving project management, mechanical engineering, calculations, energy and processing industry. PE-Aristi is based in Chennai on the east coast of India and had 20 employees when the acquisition became effective in June 2015 and, at year-end 2017, PE-Aristi had 40 employees.[2)] PE-Aristi is part of the Industry & Energy division and generated net revenue of SEK 6.8 million and EBIT of SEK 0.1 million in 2017.[3)] PE-Aristi's operations enable Projektengagemang to offer high-quality, cost-efficient services, and supplies Projektengagemang with many well-educated employees. Projektengagemang is striving to fully integrate PE-Aristi's operations.

In 2017, Industry & Energy' net revenue amounted to SEK 217 million, corresponding to an increase of 0.9 percent compared with 2016. Adjusted EBIT amounted to SEK 4 million, corresponding to an adjusted EBIT margin of 2.0 percent[4)] in 2017, down 3.3 percentage points[5)] compared with 2016. The modest increase in net revenue and the decline in the adjusted EBIT margin were primarily due to an unfavourable services mix and to increased competition. To offset the negative trend, Management has initiated an action programme comprising an analysis of the profitability of offices, which could lead to the closure of small, non-profitable offices, and a focus on larger regions. In 2017, the Industry & Energy division accounted for 18 percent of the Company's total net revenue and 5 percent of the Company's total adjusted EBIT.[6), 7)]

Cortus Energy, Höganäs

1) The information is derived from the Group's reviewed interim report for January – March 2018.
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3) The information is derived from the Group's internal accounting system.
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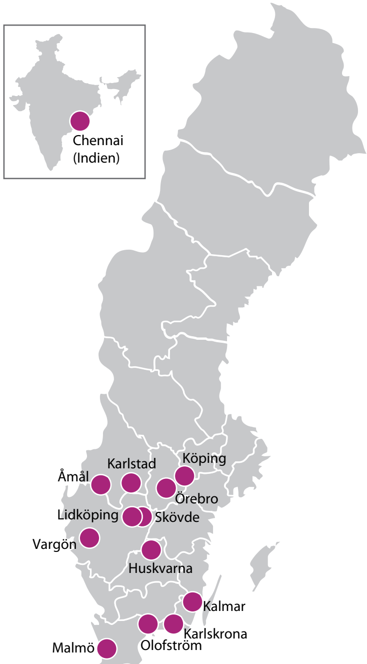
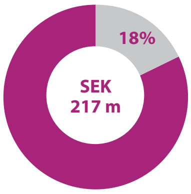
Industry & Energy – geographical and financial overview 2017A[1), 2)]

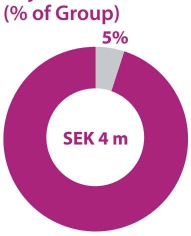
Geographic footprint



Net revenue 2017A (% of Group)



Adj. EBIT[3)] 2017A (% of Group)



Case studies

Waves4Power, Fosnavåg, Norway

Photograph courtesy of Waves4Power AB, Sweden.

- *Overview*: Projektengagemang is developing solutions to extract electricity from waves and created all management systems of communication in a new wave power plant. Projektengagemang was also involved in the construction of the power plant and, in June 2017, the wave power system was connected to the island of Runde, Norway.
- *Client*: Waves4Power
- *Services*: Product development, project management, control and monitoring system, calculation and simulation, mechanical construction, electrical, purchasing and site services.
- *Assignment time*: 2016 – ongoing
- *Multi-disciplinary*: Yes

Volvo Powertrain, Skövde

- *Overview*: Volvo Powertrain's old foundry in Skövde had an old casting line from the 1970s that needed updating. Projektengagemang updated the safety systems and replaced the control system in one of the nuclear harvesters that provide the casting with sand cores.
- *Client*: Volvo Powertrain
- *Services*: Programming of control functions, electrical engineering, security update, installation and disassembly.
- *Assignment time*: 2016–2017
- *Multi-disciplinary*: Yes

Cortus Energy, Höganäs

- *Overview*: Cortus Energy manufactures power metals in an advanced and energy-demanding process with the help of biomass, which differs from the traditional method in which fossil fuels are used. Projektengagemang is assisting Cortus Energy with services within energy and automation, construction design, fortitude calculations, manufacturing drawings, project management, technical advice and coordination of subcontractors.
- *Client*: Cortus Energy
- *Services*: Project management, energy and automation, fortitude calculations for pipes and vessels as well as plant construction.
- *Assignment time*: 2017–2018
- *Multi-disciplinary*: Yes

Development opportunities

Projektengagemang's future development opportunities within recruitment, development of key individuals and the offering of internal training programmes include a focus on using digital tools. An optimised recruitment process and an enhanced competency base are expected to lead to increased opportunities to offer multi-disciplinary assignments and to a further improved reputation as an employer among engineers. Industry & Energy's ambition is to acquire companies with digitalisation and automation competencies, and with efficient work methods and internal infrastructure, which is expected to contribute to a high-quality comprehensive offering. The Company is striving to focus on multi-disciplinary assignments involving automation, efficiency enhancement through digitalisation and increased cooperation with PE-Aristi, which will require operational control with a focus on risk management and operational procedures. Industry & Energy intends to strengthen its digital capacity and to establish a new focus area targeted at method and process development. In addition, the division intends to build stronger partnerships and relations with customers through key-account sales. Projektengagemang's ambition is that repeat customers will account for the majority of the division's net revenue. In 2018, Projektengagemang will proactively assign priority to key accounts, to which the Company can offer its entire range of services, including digitalisation and automation solutions.

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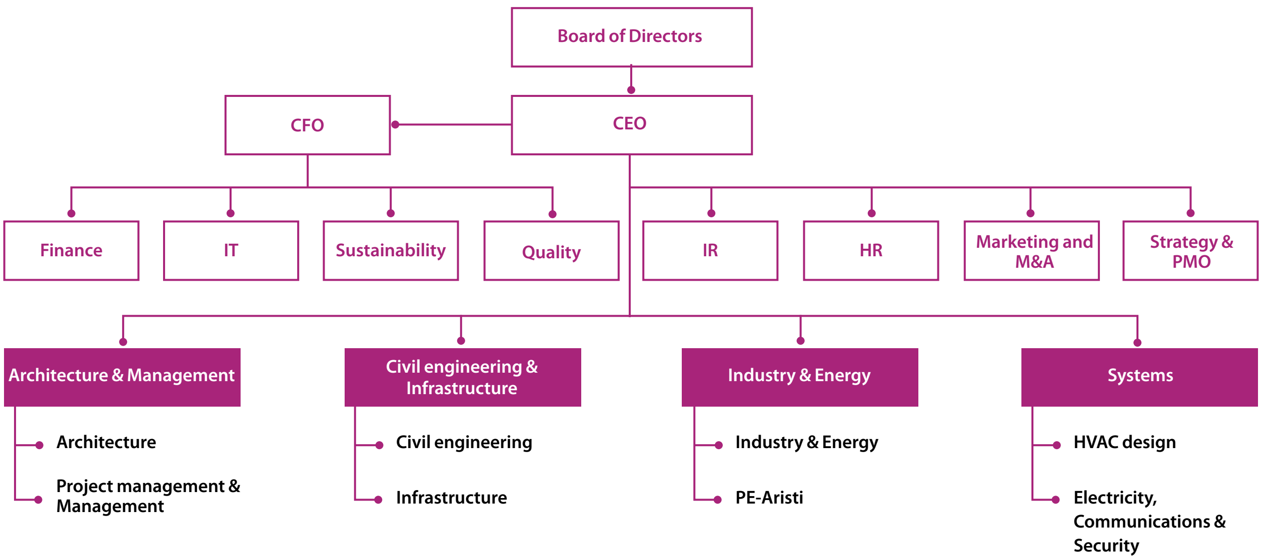
Organisation and internal processes

Organisation

Projektengagemang is organised in the four divisions: Architecture & Management, Civil Engineering & Infrastructure, Industry & Energy and Systems. The divisions are further divided into seven business areas: Architecture and Project Management & Management in the Architecture & Management division, Civil Engineering and Infrastructure in the Civil Engineering & Infrastructure division, Industry & Energy in the Industry & Energy division, and HVAC Design and Electricity, Communications & Security in the Systems division. Under the business area managers, there are local units in more than 35 regions, which are managed by unit managers with their own responsibility for customers, services, employees and earnings. In addition, Projektengagemang has eight central support functions, Financial Control and Finance, IT, Sustainability, Quality, IR, Market and Strategy and PMO. The central support functions are headed by five managers with individual responsibility for accounting, acquisitions, marketing, strategy, business development, HR issues and investor relations. All the offices within the organisation work with the same IT system and in total Projektengagemang consists of about 30 profit centres. Financial Control and Finance, IT, Sustainability and Quality report to the CFO, who together with the Divisional Heads and the managers of IR, HR, Market and Strategy & PMO report directly to the CEO. The current Group structure matches the Group Management that applies as of the listing date.

Projektengagemang's organisation



Internal processes

Projektengagemang has eight processes for controlling the operations. These processes comply with the overall objectives and the strategies, and are described below:

- *Management process*: Comprises corporate governance, business development, strategic goals and regulatory compliance.
- *Market*: Comprises brand management, structuring of sales processes and procurement management.
- *Finance*: Comprises corporate control and information management for making decisions based on correct information.
- *Acquisitions*: Comprises the acquisition and integration process, such as evaluation, integration and follow-up.
- *Assignments*: Comprises assignment and quality processes, procedures, work methods, project management systems for Projektengagemang as a whole and for each division, and risk management.
- *Environmental management*: Comprises insuring sustainable performance and sustainability within assignments according to corporate guidelines.
- *HR*: Comprises employee and management processes, skills development and manager training programmes with the aim of securing the best employees with advanced skills and for promoting organic growth.
- *Improvement and control*: Comprises continued development of processes and procedures and control functions for securing quality.

Employees

At the end of March 2018, Projektengagemang had 986[1] employees and the number of FTEs was 971.[2), 3)] The number of FTEs is defined as the average number of employees during the year converted to full-time positions and the actual number of employees is higher because of part-time positions and because certain employees work for only a proportion of the year. The number of FTEs has increased from 565 in 2015 to 988[4] at the end of 2017, which corresponds to an annual average of approximately 32 percent, with the increase driven by both acquisitions and new recruitment made possible by a stronger brand. The percentages of women and men were 29 percent and 71 percent, respectively, at the end of 2017.[5] In 2015, 2016 and 2017, employee sickness absence amounted to 2.8 percent, 3.0 percent and 3.1 percent, respectively.[6] In 2017, Projektengagemang's employee turnover was slightly lower than the industry average, which was approximately 18 percent.[7]

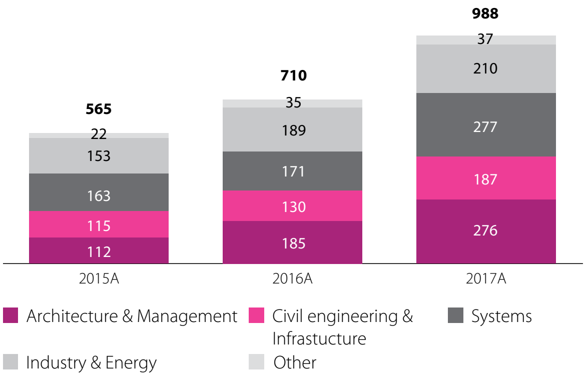
Recruitment process and brand development

The Company plans to increase marketing activity in most channels, such as social media, cooperation with universities and participation in trade fairs, in order to increase brand awareness and attract and recruit new architects and engineers. In the Företagsbarometern survey in 2016, Projektengagemang was the highest ranking newcomer among engineering students and was named "Rookie of the Year." In the survey, which has been carried out for the past 29 years, thousands of students throughout Sweden answered questions about their future dream employer. Despite its relatively short track record, Projektengagemang ranked 66th in the 2016 survey. In 2017, Projektengagemang's ranking improved 12 places to 54th place. Projektengagemang participates in approximately 20 university fairs annually. Projektengagemang was also awarded certification as "Career Company" in both 2017 and 2018. Since 2002, Karriärföretagen has examined in excess of 5,000 companies and 600 administrative authorities and municipalities each year, and awards distinctions to those companies in Sweden that best succeed in their brand building in relation to existing and potential employees. In addition, Projektengagemang's recruitment and brand management has a very strong focus on increasing the proportion of women in the industry and therefore started the female engineer network KVIST, which had 600 members at the beginning of 2018.[8]

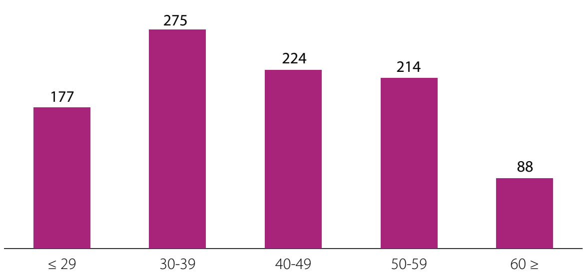
Sustainability

Projektengagemang has a long-term commitment to sustainability, which pervades all assignments that Projektengagemang offers and delivers to its customers. It is in these assignments that the Company's major contribution to a more sustainable society is generated. In 2017, the Company performed a number of internal activities aimed at ensuring that Projektengagemang will continue to develop its internal sustainability work. The Company's activities in the sustainability area included the introduction of a Code of Conduct for the Company's employees and the formulation of the "Sustainable development at Projektengagemang" manual, which establishes guidelines for the Company's sustainability work. A comprehensive audit of the operations was also conducted during the year to create understanding of how the Company contributes to the achievement of global sustainability targets, as well as Sweden's environmental quality targets. In addition, Projektengagemang is subject to a series of binding certification requirements and the Company has switched to the new standards – ISO 9001:2015 and ISD 14001:2015 – which included an update of Projektengagemang's environmental management and environmental policy. Another central issue is to establish which sustainability work is most significant for the stakeholders; i.e. customers, suppliers, citizens, authorities and employees. For this reason, Projektengagemang annually implements a materiality analysis, the results of which serve as documentation for the Group's business strategy.

FTE trend per division 2015–2017A[9), 10]



Employee age distribution 2017A[11), 10)]



1) Includes employees based in India.
2) Includes employees based in India.
3) The information is derived from the Group's reviewed interim report for January – March 2018.
4) Includes employees based in India.
5) The information is derived from the Group's audited 2017 Annual Report.
6) The information is derived from the Group's internal accounting system.
7) STD (Investeringssignalen, March 2018).
8) The information is derived from the Group's audited 2017 Annual Report.
9) The information for 2017 is derived from the Group's reviewed interim report for January – March 2018 and the figures for 2015–2016 are derived from the Group's internal accounting system.
10) Includes employees based in India.
11) The information is derived from the Group's audited 2017 Annual Report.

Projektengagemang also has a distinct plan for the future in respect of sustainability, which focuses on the following five areas:

- *Focus on digitalisation*: Projektengagemang is at the cutting edge of digitalisation and continues to invest so that it will remain an industry leader. Digitalisation initiatives focus on saving resources and offering more value to society.
- *Circular economy*: Circular economy in the technical consulting industry entails the re-use of building materials and interior design products. Projektengagemang is a member of a group that is working with these issues and has started up a project designed to assess potential and solutions for increased re-use of interior design products.
- *Non-toxic society*: Projektengagemang has extensive knowledge of sustainable purchases and environmental impact assessments, and the Company is a member of an independent group that is working to improve Sweden's environmental quality, with the aim of contributing to a non-toxic society.
- *ISO standard for cooperation*: Projektengagemang has contributed to the development of a new international framework, with the ultimate objective of making civic buildings more sustainable. The framework focuses on management systems that promote business relations and the entire Company's project management activities are now certified.
- *Work environment manual*: A manual featuring comprehensive work-environment procedures and training programmes for all managers. The manual includes clear-cut procedures for how responsible managers should work in respect of the work environment.

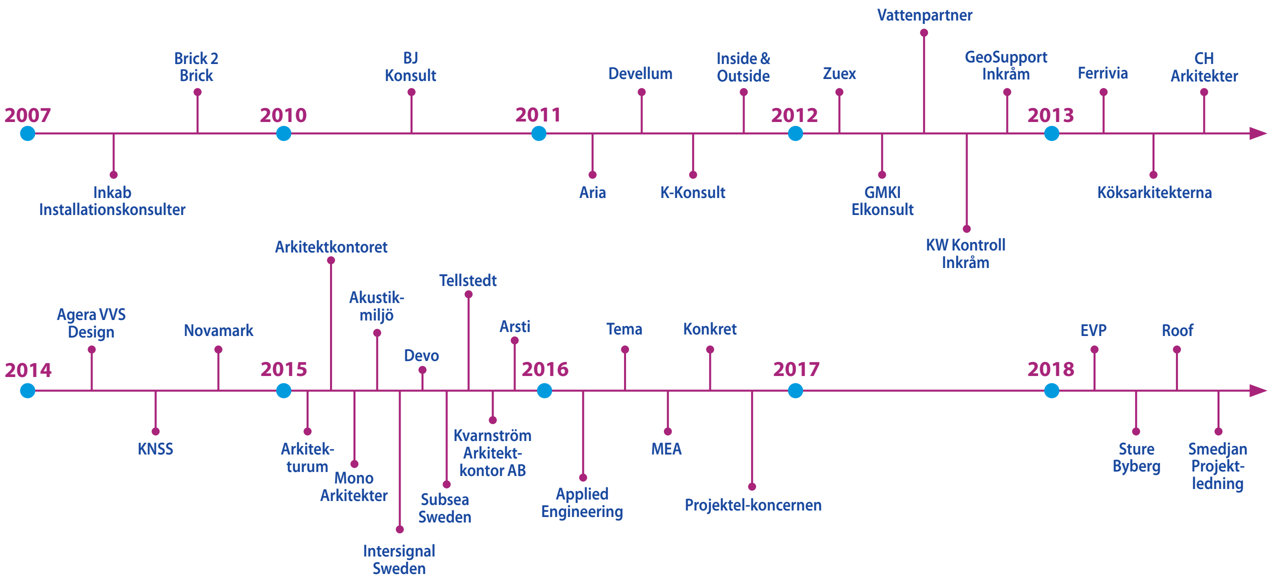
Acquisitions

The Swedish market for technical consultants comprises 11,000 companies and is thus highly fragmented.[1)] Due to the fragmentation, a few firms have initiated a consolidation process based on acquisition strategies. One of these firms is Projektengagemang, which had completed 37 acquisitions as per 30 April 2018 and has ambitious plans for continuing to grow by acquiring firms with net revenue of SEK 15–250 million. According to Projektengagemang, historical acquisitions pertain to companies with only a few employees to companies with more than 150 employees and, the Company states that these acquisitions have been completed at multiples of approximately 5–6 times EV/EBITDA.[2)]

Acquisition strategy

Projektengagemang has an established acquisition strategy that focuses on continuing to create complete PE buildings, which entails an opportunity for the Company to offer a comprehensive range of services. The purpose of PE buildings is to strengthen Projektengagemang's position as a regionally strong employer and an important partner to companies in the public and private sector, and PE buildings will primarily be focused on selected regions in Sweden such as, Stockholm, Gothenburg, Skåne, Mälardalen, Uppsala and Örebro. Examples of acquisitions completed by the Company to strengthen the establishment of the PE building concept are those of HJR, Brandgruppen AB and LN Akustikmiljö AB. In addition, Projektengagemang intends to grow its infrastructure by strengthening and/or complementing the Company's existing offering with competencies, customer relations and geographical reach, as exemplified by the acquisition of Intersignal Sweden AB in 2015. In the Industry & Energy business area, Projektengagemang aims to implement acquisi-

Acquisition history (1 January 2007 – 31 March 2018)[3)]



1) STD (Industry overview, December 2017, based on figures for 2016).
2) Refers to Projektengagemang's historical acquisition multiples since 2015. The information is derived from the Group's internal accouting system. Actual multiples vary by size and target and can be both higher and lower than indicated. The EV/EBITDA multiple has been calculated by dividing the enterprise value with the EBITDA from the annual accounts for the financial year preceding the acquisition (with the exception of the acquisition of Temagruppen where an averaged EBITDA over five years was used). Enterprise value is calculated by subtracting cash and cash equivalents from the sum of the market value of the company's equity and debts recorded.
3) The information is derived from the Group's internal accounting system.

tions that contribute to an improved service offering within industrial IT and automation, which the Company has demonstrated through the acquisition of Mariestads Elautomatik AB. Projektengagemang does not exclude the possibility of additional acquisitions that are ground-breaking or add innovative ideas and strategic competencies, such as the acquisition of PE-Aristi.

An attractive buyer

In the opinion of Projektengagemang, the Company is often regarded as an attractive buyer in discussions with potential acquisition candidates. An important aspect, according to Projektengagemang, is that the Company is regarded as an attractive employer, which has been confirmed through the employer awards received by Projektengagemang, such as "Rookie of the Year" as awarded by Företagsbarometern and "Career Company" as awarded by Karriärföretagen. The Company can offer attractive career and development opportunities to the acquired company's employees. Projektengagemang's size also gives the acquired companies the opportunity to continue in a decentralised organisation with local responsibility and great independence, and also facilitates accelerated growth through exposure to multi-disciplinary assignments as well as knowledge sharing within the Company. There are also potential synergies to generate in the area of fixed costs, such as rent for premises, IT and finance, which facilitate improved profitability.

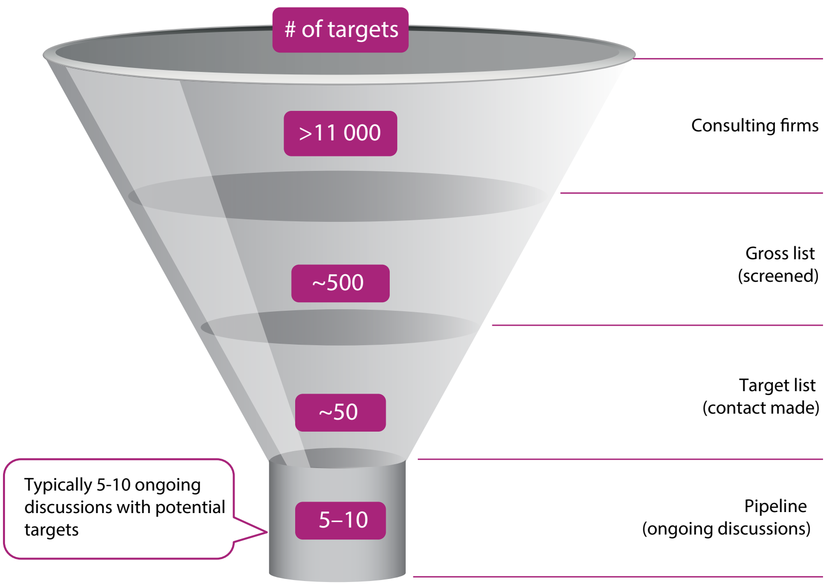
Acquisition criteria and identification of acquisition targets

Projektengagemang has a structured process for identifying acquisition targets. The process starts by formulating a list of all consultancies in Sweden, following which companies outside the focus regions of Gothenburg, Stockholm, Skåne, Örebro and Uppsala are removed to make a more manageable list. Additional limitations are then made by rejecting companies that do not satisfy the following criteria:

- *Strategy*
  - In line with Projektengagemang's acquisition strategy regarding competencies and/or geographical location.
  - Opportunity to contribute to strategic initiatives such as strengthening multi-disciplinary services.
- *Company specific*
  - Strong local market position with net revenue of SEK 15–250 million.
  - Renowned among customers for high-quality deliveries combined with good assignment references.
  - Strong human-capital base reinforced by performance measures such as education, net revenue per employee and utilisation rate.
  - Solid financial track record and potential for future profitability improvements.
  - Experienced and entrepreneurial management team.
  - Similar corporate culture and shared vision.
- *Risks*
  - Integration of a smoothly functioning unit with experienced management.
  - Warning flags from due diligence (limited project risk, financial control).

Projektengagemang continuously reviews its pipeline of prospective acquisitions and, as per 31 March 2018, there were approximately 50 potential acquisition candidates. The Company generally has five to ten ongoing discussions with various companies that can add breadth and/or a cutting edge to the current competency base.

Structured screening process



Acquisition process

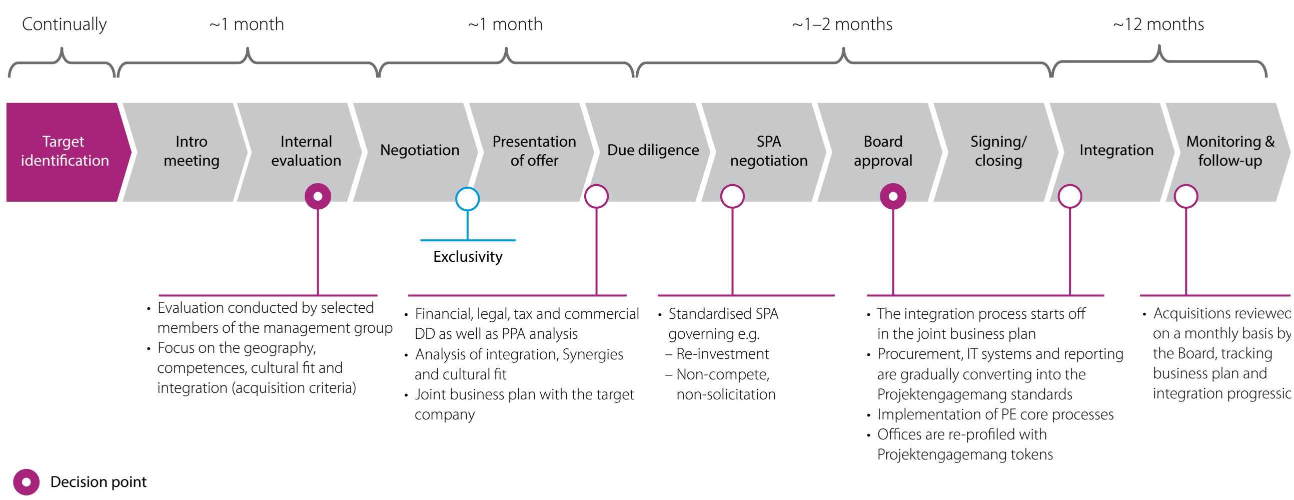
Identification of suitable acquisition candidates often occurs through the management and networks of local units or, for example, by Projektengagemang having worked with the acquisition candidate on a joint assignment. Projektengagemang has a substantial list of potential acquisition candidates. The acquisition process is headed by Projektengagemang's Acquisition & Market Manager, together with selected members of the management team. Division and business area managers are also involved in the acquisition process. Historically, the Company has only implemented one acquisition mediated by a broker. Projektengagemang has a standardised and structured acquisition process, whereby the acquisition candidate is initially analysed with the help of Projektengagemang's acquisition criteria, with a focus on competencies, corporate culture and opportunities for successful integration. A shorter list of potential acquisition candidates is continuously presented to the Company's board of directors for process clarification. Subsequently, Projektengagemang initiates negotiations with the owners of the acquisition candidate and implements comprehensive due diligence. Before the purchase agreement is signed, the proposal is presented to the board for approval. The entire acquisition process normally takes from three to four months, following which Projektengagemang spends about 12 months integrating, examining and following up the acquisition.

Integration

Projektengagemang attaches considerable importance to integrating acquisitions into Projektengagemang and has divided the integration process into three phases, as described below:

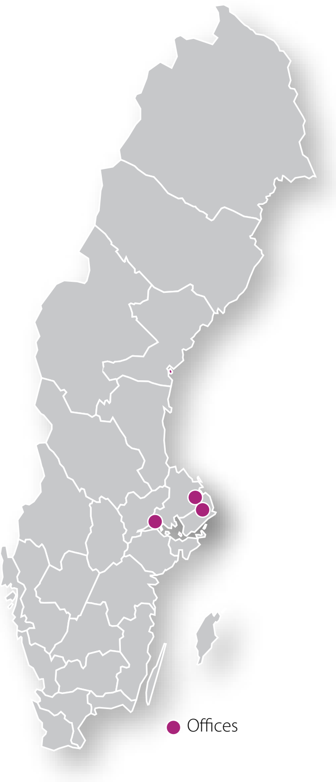
- *Communications after acquisitions*: After the acquisition, Projektengagemang has a structured programme for external and internal communications. The external communications comprise press releases, websites, social media, communication with new customers, newsletters, PR activities and advertisements. The internal communications comprise verbal and digital communications regarding the acquisition, a data base of frequently asked questions that employees can use as aids in communicating with customers and a straightforward presentation of the integration process.
- *Implementation of integration*: Projektengagemang has a structured integration process for which selected project managers from the acquired company and Projektengagemang are jointly responsible. The project managers are then assigned to train personnel in the work methods and benefits of the new organisation. Responsibility for implementing the integration is assigned in consultation between the heads of the business areas and the division managers and is effected based on the integration plan established as part of the acquisition process according to the evaluation, including processes in respect of corporate culture and a decentralised organisation. Projektengagemang's standardised integration process is applied regardless of the size of the acquired company, although depending on the size, there may be certain flexibility in respect of the time for integration and the number of employees actively involved in the integration effort. Implementation of the integration process is also developed on the basis of experience from previously completed acquisitions.

Overview of acquisition process



- *Follow-up process*: In parallel with and after the integration effort, Projektengagemang works to examine and follow up the acquisition and the integration process. By means of standardised templates that measure the agreed synergies and performance measures, the follow-up focuses on ensuring that key individuals stay with the Company and that acquired competencies are fully integrated into the multi-disciplinary offering. In addition, Projektengagemang monitors the Company's ability to utilise the acquired firm's customer relations in order to sell additional services and how assignment references are used to secure new mandates. Projektengagemang also monitors how successfully operational and support functions have been combined with Projektengagemang and how the consolidation of administrative functions has contributed to increased profitability. Finally, the integration process also includes implementation of the corporate culture and values.

Case study of the acquisition of HJR[1)]



projektel

Overview

- Founded in 1987
- Acquired by Projektengagemang in 2016
- Net revenue SEK 147m (electricity 56%, fire safety 22% and telecommunication / security 22%) (2015)
- 116 employees (2015)
- Top 10 customers generated 34% of total net revenues in 2015

Deal rationale

- Technical consultancy firm with competences within electricity, telecommunication and security systems
- Competent employees, service offering complementary to Projektengagemang, strong market position in Mälardalen and a diversified customer base
- Potential to contribute to price increases, strengthened market position and easily integrated into Projektengagemang

1) The information is derived from HJR Projekt-El AB's audited 2015 Annual Report, HJR Projekt-El's internal accounting system and the Group's audited 2016 Annual Report.

Selected historical financial information

Selected historical financial information

Presentation of selected historical financial information

The selected historical financial information presented below has been derived from:

- Projektengagemang's unaudited consolidated financial statements for the three months ended 31 March 2018, which were prepared in accordance with IFRS as adopted by the EU and reviewed by PricewaterhouseCoopers AB, in accordance with the auditors' review report that is included elsewhere in this Prospectus (with comparative information for the three months ended 31 March 2017);
- Projektengagemang's audited consolidated financial statements for the 2017 and 2016 financial years, which were prepared in accordance with IFRS as adopted by the EU and audited by PricewaterhouseCoopers AB, in accordance with the auditors' reports that are included elsewhere in this Prospectus; and
- Projektengagemang's audited consolidated financial statements for the 2015 financial year, which were prepared in accordance with IFRS as adopted by the EU and audited by Hummelkläppen i Stockholm AB, in accordance with the auditors' report that is included in this Prospectus by reference. See also "*Legal considerations and supplementary information – Documents incorporated by reference*".

Certain performance measures are presented below that are not defined according to IFRS (alternative performance measures). Group management uses these alternative performance measures to monitor the underlying development of the Company's operations and believes that they help investors to understand the Company's development from period to period and facilitate comparison with similar companies. Not all companies calculate these and other alternative performance measures in the same way; accordingly, the way in which the Company has chosen to calculate the alternative performance measures presented in this Prospectus could mean that these performance measures are not comparable with similar measures presented by other companies. Accordingly, alternative performance measures should be considered separate from, or as substitutes for, financial information prepared according to IFRS. Certain performance measures presented below in the section "*Selected performance measures*" are based on information from the Company's continuous bookkeeping and internal reporting and operating systems. See also "*Definitions of key performance indicators*" for definitions and explanations of the use of alternative performance measures as presented below. The information in this section should be read together with the information in the section "*Operational and financial overview*" and the Company's consolidated financial statements with associated notes, which are provided in the section "*Historical financial information*".

Condensed consolidated income statement and condensed consolidated statement of comprehensive income

MSEK	For the three months ended 31 March 2018	2017 (unaudited)	For the year ended 31 December 2017	2016 (audited)	2015
Net revenue	307.1	302.7	1,170.7	833.4	683.7
Other external expenses	–74.5	–75.2	–338.1	–281.3	–238.8[1)]
Personnel expenses	–198.0	–195.2	–741.5	–503.9	–384.1
Income from associated companies	–	–	–	1.1	4.3
Operating income, EBITDA	**34.6**	**32.3**	**91.1**	**49.4**	**65.0**
Amortisation, depreciation and impairment	–4.9	–5.6	–22.4	–48.7	*
Operating income, EBITA	**29.7**	**26.7**	**68.7**	**0.7**	*****
Acquisition-related items	–0.9	–0.9	–3.7	–0.3	*
Amortisation, depreciation and impairment of intangible and tangible assets	*	*	*	*	–32.7
Operating income, EBIT	**28.8**	**25.8**	**65.0**	**0.4**	**32.3**
Net financial items	–1.4	–0.9	–7.6[2)]	–8.9[2)]	–8.6[2)]
Income before tax	**27.3**	**24.9**	**57.4**	**–8.5**	**23.7**
Tax	–5.2	–9.1	–19.9	3.6	–0.8
Net income for the period	**22.2**	**15.8**	**37.5**	**–5.0**	**22.9**

* Amortisation, depreciation and impairment of intangible and tangible assets corresponds to the total of the items Amortisation, depreciation and impairment and Acquisition-related items. The breakdown between Amortisation, depreciation and impairment and Acquisition-related items is not included in the audited annual report for the financial year 2015 and is thus aggregated in the item Amortisation, depreciation and impairment of intangible and tangible assets.

1) The item other external expenses is a total of several items in the consolidated income statement that are included in the Company's audited consolidated financial statement for the 2015 financial year according to the table below. The items of purchases of services and materials and other external expenses are added to other external expenses from 2016.

MSEK	For the year ended 31 December 2015 (audited)
Purchases of services and materials	–147.5
Other external expenses	–91.3
Total other external expenses	**–238.8**

For further information, see section *"Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated income statement"*.

2) The item net financial items is a total of several items in the consolidated income statement that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

MSEK	For the year ended 31 December 2017	2016 (audited)	2015
Loss from sale of subsidiaries	–	–	–0.6
Financial income	0.6	0.8	3.2
Financial costs	–8.2	–9.7	–11.2
Net financial items	**–7.6**	**–8.9**	**–8.6**

For further information, see section *"Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated income statement"*.

Condensed consolidated statement of financial position

MSEK	The three months ended 31 March 2018	2017 (unaudited)	The three months ended 31 March 2017	2016 (audited)	2015
ASSETS					
Non-current assets					
Goodwill	338.1	302.4	322.6	303.0	90.1
Other intangible assets	15.3	18.4	16.1	19.5	27.8
Tangible assets	43.2	53.6	47.3	57.6	51.6
Investment in associated companies	–	–	–	–	5.3
Deferred tax assets	–	–	–	28.0	21.2
Financial assets	4.3	4.0	4.2[1)]	4.0[1)]	3.4[1)]
Total non-current assets	**400.9**	**378.4**	**390.3**	**411.9**	**199.4**
Current assets					
Current assets excluding cash and cash equivalents	335.7	328.5	328.2[2)]	321.3[2)]	193.9[2)]
Cash and cash equivalents including short-term investments	7.8	23.6	5.0[3)]	16.5[3)]	39.9[3)]
Total current assets	**343.5**	**352.1**	**333.2**	**337.8**	**233.8**
TOTAL ASSETS	**744.4**	**730.4**	**723.5**	**749.7**	**433.2**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Shareholders' equity attributable to parent company's shareholders	249.8	205.8	227.7	190.4	196.8
Non-controlling interests	0.8	0.5	0.8	0.6	–0.3
Total shareholders' equity	**250.6**	**206.3**	**228.5**	**191.0**	**196.5**
Liabilities					
Non-current liabilities	160.1	227.9	174.1[4)]	232.1[4)]	33.5[4)]
Deferred tax liabilities	18.3	2.2	13.5	25.8	15.8
Total non-current liabilities	**178.4**	**230.1**	**187.6**	**257.8**	**49.4**
Current liabilities	315.4	294.1	307.5[5)]	300.9[5)]	187.3[5)]
Total liabilities	**493.8**	**524.1**	**495.1**	**558.7**	**236.6**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**744.4**	**730.4**	**723.5**	**749.7**	**433.2**

1) The line item financial assets is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

MSEK	For the year ended 31 December 2017	2016 (audited)	2015
Financial investments	3.3	3.2	2.7
Non-current receivables	1.0	0.8	0.6
Financial assets	**4.2**	**4.0**	**3.4**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

2) The line item current assets excluding cash and cash equivalents is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
	2017	**2016**	**2015**
MSEK		*(audited)*	
Accounts receivable	167.8	160.2	105.9
Accrued revenues not yet invoiced	94.8	99.2	63.7
Current tax assets	15.5	23.3	0.5
Other receivables	17.6	6.0	6.1
Prepaid expenses	32.5	32.6	17.7
Current assets excluding cash and cash equivalents	**328.2**	**321.3**	**193.9**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

3) The line item cash and cash equivalents including short-term investments is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
	2017	**2016**	**2015**
MSEK		*(audited)*	
Short-term investments	1.6	3.3	3.0
Cash and cash equivalents	3.5	13.2	36.9
Cash and cash equivalents including short-term investments	**5.0**	**16.5**	**39.9**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

4) The item non-current liabilities is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
	2017	**2016**	**2015**
MSEK		*(audited)*	
Pension liabilities	0.3	3.4	3.4
Non-current interest-bearing liabilities	173.8	228.7	30.1
Non-current liabilities	**174.1**	**232.1**	**33.5**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

5) The item current liabilities is a total of several items in the consolidated balance sheet that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

	For the year ended 31 December		
	2017	**2016**	**2015**
MSEK		*(audited)*	
Current interest-bearing liabilities	77.5	85.9	50.1
Liabilities to customers and suppliers	69.2	49.6	40.1
Other liabilities	91.5	93.9	54.0
Accrued expenses and deferred income	69.2	71.5	43.1
Current liabilities	**307.5**	**300.9**	**187.3**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated balance sheet*".

Condensed consolidated statement of cash flows

MSEK	The three months ended 31 March 2018	2017	For the year ended 31 December 2017	2016	2015
	(unaudited)			*(audited)*	
OPERATING ACTIVITIES					
Income before tax	27.3	24.9	57.4	–8.5	23.7
Of which, net interest income paid	*	*	*–6.5*	*4.2*	*
Adjustments for non-cash items	5.5	8.5	20.0	58.4	26.4
Taxes paid	–0.7	–4.1	0.5	–3.6	–2.5
Cash flow before change in working capital	**32.1**	**29.3**	**77.9**	**46.3**	**47.6**
Cash flow from change in working capital	–20.5	–5.2	–1.3[1)]	–60.2[1)]	26.2[1)]
Cash flow from operating activities	**11.6**	**24.0**	**76.6**	**–13.9**	**73.9**
Investment activities					
Acquisition of tangible and intangible assets	–0.9	–1.4	–5.8[2)]	–10.4[2)]	–66.6[2)]
Sale of tangible assets	–	–	1.1	–0.6	–
Sale of group companies	–	–	0.9	–	–
Acquisition of subsidiaries, net of acquired cash	–10.9	–1.3	–15.2	–226.5	–41.3
Change in financial assets	–0.1	–0.0	–	–	9.2
Cash flow from investing activities	**–11.9**	**–2.8**	**–18.9**	**–237.5**	**–98.7**
Cash flow before financing	**–0.3**	**21.2**	**57.7**	**–251.4**	**–24.8**
Financing activities					
Dividend paid	–	–	–	–2.9	–14.2
New share issue	–	–	–	–	80.0
Acquisition/sale of company shares	–	–	–	–	7.9
Loans raised	–	–	–	280.7	–
Repayment of loans	–15.4	–16.2	–62.6	–72.7	–34.7
Change in overdraft facilities	19.7	2.0	–4.7	22.6	–
Cash flow from financing activities	**4.3**	**–14.2**	**–67.3**	**227.7**	**39.1**
Cash flow for the year	**4.0**	**7.0**	**–9.6**	**–23.8**	**14.2**
Cash and cash equivalents at the beginning of the year	3.5	13.2	13.2	36.9	22.6
Exchange-rate difference in cash and cash equivalents	–0.0	0.0	–0.1	0.0	–
Cash and cash equivalents at the end of the year	7.5	20.2	3.5	13.2	36.9

* Not reported per quarter and not reported for the fiscal year 2015.

1) The item cash flow from change in working capital is a total of several items in the consolidated cash flow statement that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

MSEK	For the year ended 31 December 2017	2016	2015
		(audited)	
Change in operating receivables	–9.9	–58.7	8.4
Change in operating liabilities	8.6	–1.5	17.9
Cash flow from change in working capital	**–1.3**	**–60.2**	**26.2**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated cash flow statement*".

2) The line item acquisition of tangible and intangible assets is a total of several items in the consolidated cash flow statement that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

MSEK	For the year ended 31 December 2017	2016	2015
		(audited)	
Acquisition of tangible assets	–4.8	–10.4	–39.2
Acquisition of intangible assets	–1.0	–	–27.4
Acquisition of tangible and intangible assets	**–5.8**	**–10.4**	**–66.6**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated cash flow statement*".

Selected performance measures

Unless stated otherwise, the performance measures presented below are alternative performance measures; i.e. they are not defined in accordance with IFRS. Alternative performance measures are not a substitute for performance measures calculated in accordance with IFRS. See also " – *Definitions of key performance indicators*" for a description of the calculation of and explanations for the use of alternative performance measures.

The table below shows selected performance measures for the periods indicated. The information has been derived from Projektengagemang's internal reporting and operating systems, as well as reviewed (for the three months ended 31 March 2018 and 2017) and audited financial statements and notes for the periods indicated and that are included in this Prospectus.

	The three months ended 31 March		**For the year ended 31 December**		
	2018	**2017**	**2017**	**2016**	**2015**
MSEK	*(unaudited)*		*(unaudited unless otherwise stated)*		
Sales measures					
Net revenue	*307.1*	*302.7*	*1,170.7*	*833.4*	*683.7*
Net revenue growth (%)	*1.4 %*	*55.6 %*	*40.0 %*	*21.9 %*	*11.6 %*
Organic net revenue growth (%)	*0.5 %*	*4.8 %*	*4.1 %*	*2.4 %*	*8.1 %*
Acquired net revenue growth (%)	*1.0 %*	*50.8 %*	*35.9%*	*19.5 %*	*3.4 %*
Earnings measures					
Operating income, EBIT[1)]	28.8	25.8	65.0	0.4	32.3
EBITA	29.7	26.7	68.7	0.7	32.5
EBITDA	34.6	32.3	91.1	49.4	65.0
Adjusted EBIT	31.1	31.6	93.7	47.9	57.3
Adjusted EBITA	32.0	32.5	97.4	48.2	57.4
Adjusted EBITDA[2)]	36.9	38.1	119.7	67.6	72.8
Margin measures					
EBIT margin (%)	*9.4 %*	*8.5 %*	*5.6 %*	*0.0 %*	*4.7 %*
EBITA margin (%)	*9.7 %*	*8.8 %*	*5.9 %*	*0.1 %*	*4.7 %*
EBITDA margin (%)	*11.3 %*	*10.7 %*	*7.8 %*	*5.9 %*	*9.5 %*
Adjusted EBIT margin (%)	*10.1 %*	*10.4 %*	*8.0 %*	*5.7 %*	*8.4 %*
Adjusted EBITA margin (%)	*10.4 %*	*10.7 %*	*8.3 %*	*5.8 %*	*8.4 %*
Adjusted EBITDA margin (%)	*12.0 %*	*12.6 %*	*10.2 %*	*8.1 %*	*10.7 %*
Cash flow measures					
Operating cash flow (including change in working capital)	15.5	31.5	112.6	–3.0	32.5
Operating cash flow (excluding change in working capital)	36.0	36.7	113.9	57.2	6.3
Cash conversion (%) (including change in working capital)	42.0 %	82.6 %	94.1 %	–4.4 %	44.6 %
Cash conversion (%) (excluding change in working capital)	97.6 %	96.3 %	95.1 %	84.6 %	8.6 %
Capital structure					
Working capital	96.6	82.7	82.8	83.1	56.2
Working capital in relation to net revenue (rolling 12 months) (%)	*8.2 %*	*8.8 %*	*7.1 %*	*10.0 %*	*8.2 %*
Net debt	247.4	277.0	246.3	298.1	40.3
Net debt/adjusted EBITDA (rolling 12 months)	2.1x	3.3x	2.1x	4.4x	0.6x
Other					
FTEs[3)]	971	980	988	710	565
Utilisation rate (%)	79.3 %	77.1 %	78.6 %	77.9 %	82.1 %

1) An unaudited non-IFRS measure that is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*".
2) Soleed discontinued its operations in the third quarter of 2016 and thus historical costs for 2015–2016 attributable to Soleed Sweden AB are considered to affect comparability.
3) Including co-workers based in India.

Unaudited quarterly information[1)]

MSEK	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Sales measures									
Net revenue	307.1	319.3	249.3	299.4	302.7	271.4	159.5	208.0	194.6
Change in net revenue compared with the corresponding period in the preceding year (%)	*1.4 %*	*17.6 %*	*56.3 %*	*44.0 %*	*55.6 %*	–	–	–	–
EARNINGS MEASURES									
Operating income, EBIT*	28.8	22.4	2.0	14.8	25.8	–33.6	3.4	16.4	14.2
EBITA	29.7	23.3	3.0	15.7	26.7	–33.5	3.4	16.5	14.3
EBITDA	34.6	29.0	8.3	21.4	32.3	–3.2	9.2	22.5	20.9
Adjusted EBIT	31.1	31.0	8.8	22.3	31.6	7.4	5.3	18.0	17.2
Adjusted EBITA	32.0	32.0	9.7	23.2	32.5	7.5	5.4	18.0	17.3
Adjusted EBITDA**	36.9	37.6	15.1	28.9	38.1	14.2	9.4	22.3	21.7
Margin measures									
EBIT margin (%)	*9.4 %*	*7.0 %*	*0.8 %*	*4.9 %*	*8.5 %*	*–12.4 %*	*2.1 %*	*7.9 %*	*7.3 %*
EBITA margin (%)	*9.7 %*	*7.3 %*	*1.2 %*	*5.2 %*	*8.8 %*	*–12.3 %*	*2.1 %*	*7.9 %*	*7.3 %*
EBITDA margin (%)	*11.3 %*	*9.1 %*	*3.3 %*	*7.1 %*	*10.7 %*	*–1.2 %*	*5.8 %*	*10.8 %*	*10.8 %*
Adjusted EBIT margin (%)	*10.1 %*	*9.7 %*	*3.5 %*	*7.4 %*	*10.4 %*	*2.7 %*	*3.3 %*	*8.6 %*	*8.8 %*
Adjusted EBITA margin (%)	*10.4 %*	*10.0 %*	*3.9 %*	*7.7 %*	*10.7 %*	*2.8 %*	*3.4 %*	*8.7 %*	*8.9 %*
Adjusted EBITDA margin (%)	*12.0 %*	*11.8 %*	*6.0 %*	*9.7 %*	*12.6 %*	*5.2 %*	*5.9 %*	*10.7 %*	*11.2 %*
Capital structure									
Working capital	96.6	82.8	120.6	80.6	82.7	83.1	84.8	70.9	78.9
Working capital in relation to net revenue (rolling 12 months) (%)	*8.2 %*	*7.1 %*	*10.7 %*	*7.8 %*	*8.8 %*	*10.0 %*	*11.1 %*	*9.5 %*	*12.5 %*
Net debt	247.4	246.3	296.4	267.5	277.0	298.1	119.4	34.3	55.8
Net debt/adjusted EBITDA (rolling 12 months)	2.1x	2.1x	3.1x	3.0x	3.3x	4.5x	1.5x	–	–
Other									
FTEs	971	955	996	983	980	824	769	674	649
Utilisation rate (%)	*79.3 %*	*78.2 %*	*78.3 %*	*79.4 %*	*77.1 %*	*78.1 %*	*76.4 %*	*78.5 %*	*77.8 %*

* An unaudited non-IFRS measure that is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*".

** Soleed discontinued its operations in the third quarter of 2016 and thus historical costs for 2015–2016 attributable to Soleed Sweden AB are considered to affect comparability.

1) For further information on quarterly financial information, refer to "*Presentation of financial and other information – Financial quarterly information*".

Reconciliation tables

The following tables show a reconciliation of net revenue growth, organic net revenue growth, acquired net revenue growth, EBIT, EBIT margin, EBITA, EBITA margin, EBITDA, EBITDA margin, adjusted EBIT, adjusted EBIT margin, adjusted EBITA, adjusted EBITA margin, adjusted EBITDA, adjusted EBITDA margin, operating cash flow, cash conversion, working capital, working capital in relation to net revenue, net debt and net debt/equity ratio. For a description of the calculation on non-IFRS measures and the reason for their use, see section "*Selected historical financial information – Definitions of key performance indicators.*"

Sales measures

		The three months ended 31 March		For the year ended 31 December		
MSEK		**2018**	**2017**	**2017**	**2016**	**2015**
SALES MEASURES						
Calculation of net revenue growth, organic net revenue growth and acquired net revenue growth						
(A)	Net revenue preceding year	302.7	194.6	833.4	683.7	612.8[1]
(B)	Net revenue	307.1	302.7	1,170.7	833.4	683.7
(B/A–l)	*Net revenue growth, (%)*	*1.4 %*	*55.6 %*	*40.0 %*	*21.9 %*	*11.6 %*
(C)	Organic net revenue	1.4	9.3	33.8	16.3	49.7
(C/A)	*Organic net revenue growth, (%)*	*0.5 %*	*4.8 %*	*4.1 %*	*2.4 %*	*8.1 %*
(D)	Acquired net revenue	3.0	98.8	303.5	133.4	21.1
(D/A)	*Acquired net revenue growth (%)*	*1.0 %*	*50.8 %*	*35.9 %*	*19.5 %*	*3.4 %*

1) Net revenue for 2014 was obtained from the 2015 audited annual report.

Earnings and margin measures

	The three months ended 31 March		For the year ended 31 December		
MSEK	**2018**	**2017**	**2017**	**2016**	**2015**
EARNINGS AND MARGIN MEASURES					
(A) EBITDA	**34.6**	**32.3**	**91.1**	**49.4**	**65.0**
Items affecting comparability					
Termination of businesses[1]	–	0.3	0.9	9.0	7.8
Acquisition and integration costs[1]	–	4.4	19.5	8.3	0.0
IPO costs[1]	2.3	1.1	8.3	0.9	0.0
Total items affecting comparability	2.3	5.8	28.7	18.2	7.8
(B) Adjusted EBITDA	**36.9**	**38.1**	**119.7**	**67.6**	**72.8**
Amortisation, depreciation and impairment	–4.9	–5.6	–22.4	–48.7	–32.6
(C) EBITA	**29.7**	**26.7**	**68.7**	**0.7**	**32.5**
Items affecting comparability					
Total items affecting comparability EBITDA	2.3	5.8	28.7	18.2	7.8
Amortisation, depreciation and impairment of non-acquisition-related intangible and tangible assets[1]	0.0	0.0	0.0	29.3	17.1
Total items affecting comparability	**2.3**	**5.8**	**28.7**	**47.5**	**24.9**
(D) Adjusted EBITA	**32.0**	**32.5**	**97.4**	**48.2**	**57.4**
Acquisition-related items	–0.9	–0.9	–3.7	–0.3	–0.2
(E) Operating income, EBIT	**28.8**	**25.8**	**65.0**	**0.4**	**32.3**
Items affecting comparability					
Total items affecting comparability EBITA	2.3	5.8	28.7	47.5	24.9
Total items affecting comparability	2.3	5.8	28.7	47.5	24.9
(F) Adjusted EBIT	**31.1**	**31.6**	**93.7**	**47.9**	**57.3**
(G) Net revenue	**307.1**	**302.7**	**1,170.7**	**833.4**	**683.7**
(A/G) EBITDA margin (%)	*11.3 %*	*10.7 %*	*7.8 %*	*5.9 %*	*9.5 %*
(C/G) EBITA margin (%)	*9.7 %*	*8.8 %*	*5.9 %*	*0.1 %*	*4.7 %*
(E/G) EBIT margin (%)	*9.4 %*	*8.5 %*	*5.6 %*	*0.0 %*	*4.7 %*
(B/G) Adjusted EBITDA margin (%)	*12.0 %*	*12.6 %*	*10.2 %*	*8.1 %*	*10.7 %*
(D/G) Adjusted EBITA margin (%)	*10.4 %*	*10.7 %*	*8.3 %*	*5.8 %*	*8.4 %*
(F/G) Adjusted EBIT margin (%)	*10.1 %*	*10.4 %*	*8.0 %*	*5.7 %*	*8.4 %*

1) For additional information, see "*Operational and financial overview – Factors affecting comparability*".

MSEK	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
EARNINGS AND MARGIN MEASURES									
(A) EBITDA	34.6	29.0	8.3	21.4	32.3	–3.2	9.2	22.5	20.9
Items affecting comparability									
Termination of businesses	–	0.1	0.3	0.0	0.3	8.2	0.2	–0.2	0.8
Acquisition and integration costs	–	6.3	2.6	6.2	4.4	8.3	0.0	0.0	0.0
IPO costs	2.3	2.3	3.8	1.3	1.1	0.9	0.0	0.0	0.0
Total items affecting comparability	2.3	8.6	6.7	7.5	5.8	17.4	0.2	–0.2	0.8
(B) Adjusted EBITDA	**36.9**	**37.6**	**15.1**	**28.9**	**38.1**	**14.2**	**9.4**	**22.3**	**21.7**
Amortisation, depreciation and impairment	–4.9	–5.7	–5.4	–5.7	–5.6	–30.2	–5.8	–6.0	–6.7
(C) EBITA	**29.7**	**23.3**	**3.0**	**15.7**	**26.7**	**–33.5**	**3.4**	**16.5**	**14.3**
Items affecting comparability									
Total items affecting comparability EBITDA	2.3	8.6	6.7	7.5	5.8	17.4	0.2	–0.2	0.8
Amortisation, depreciation and impairment of non-acquisition-related intangible and tangible assets	0.0	0.0	0.0	0.0	0.0	23.6	1.8	1.8	2.2
Total items affecting comparability	2.3	8.6	6.7	7.5	5.8	41.0	2.0	1.6	3.0
(D) Adjusted EBITA	**32.0**	**32.0**	**9.7**	**23.2**	**32.5**	**7.5**	**5.4**	**18.0**	**17.3**
Acquisition-related items	–0.9	–0.9	–0.9	–0.9	–0.9	–0.1	–0.1	–0.1	–0.1
(E) Operating income, EBIT	**28.8**	**22.4**	**2.0**	**14.8**	**25.8**	**–33.6**	**3.4**	**16.4**	**14.2**
Items affecting comparability									
Total items affecting comparability EBITA	2.3	8.6	6.7	7.5	5.8	41.0	2.0	1.6	3.0
Total items affecting comparability	2.3	8.6	6.7	7.5	5.8	41.0	2.0	1.6	3.0
(F) Adjusted EBIT	**31.1**	**31.0**	**8.8**	**22.3**	**31.6**	**7.4**	**5.3**	**18.0**	**17.2**
(G) Net revenue	**307.1**	**319.3**	**249.3**	**299.4**	**302.7**	**271.4**	**159.5**	**208.0**	**194.6**
(A/G) EBITDA margin (%)	*11.3 %*	*9.1 %*	*3.3 %*	*7.1 %*	*10.7 %*	*–1.2 %*	*5.8 %*	*10.8 %*	*10.8 %*
(C/G) EBITA margin (%)	*9.7 %*	*7.3 %*	*1.2 %*	*5.2 %*	*8.8 %*	*–12.3 %*	*2.1 %*	*7.9 %*	*7.3 %*
(E/G) EBIT margin (%)	*9.4 %*	*7.0 %*	*0.8 %*	*4.9 %*	*8.5 %*	*–12.4 %*	*2.1 %*	*7.9 %*	*7.3 %*
(B/G) Adjusted EBITDA margin (%)	*12.0 %*	*11.8 %*	*6.0 %*	*9.7 %*	*12.6 %*	*5.2 %*	*5.9 %*	*10.7 %*	*11.2 %*
(D/G) Adjusted EBITA margin (%)	*10.4 %*	*10.0 %*	*3.9 %*	*7.7 %*	*10.7 %*	*2.8 %*	*3.4 %*	*8.7 %*	*8.9 %*
(F/G) Adjusted EBIT margin (%)	*10.1 %*	*9.7 %*	*3.5 %*	*7.4 %*	*10.4 %*	*2.7 %*	*3.3 %*	*8.6 %*	*8.8 %*

Cash flow and return measures

MSEK	The three months ended 31 March 2018	The three months ended 31 March 2017	For the year ended 31 December 2017	For the year ended 31 December 2016	For the year ended 31 December 2015
CALCULATION OF OPERATING CASH FLOW AND CASH CONVERSION (INCLUDING CHANGE IN WORKING CAPITAL)					
(A) Adjusted EBITDA	**36.9**	**38.1**	**119.7**	**67.6**	**72.8**
Acquisition of tangible and intangible assets (excluding acquisitions)	–0.9	–1.4	–5.8	–10.4	–66.6
Cash flow from change in working capital	–20.5	–5.2	–1.3	–60.2	26.2
(B) Operating cash flow (including change in working capital)	**15.5**	**31.5**	**112.6**	**–3.0**	**32.5**
(B/A) Cash conversion (%) (including change in working capital)	*42.0 %*	*82.6 %*	*94.1 %*	*–4.4 %*	*44.6 %*
CALCULATION OF OPERATING CASH FLOW AND CASH CONVERSION (EXCLUDING CHANGE IN WORKING CAPITAL)					
(C) Adjusted EBITDA	36.9	38.1	119.7	67.6	72.8
Acquisition of tangible and intangible assets (excluding acquisitions)	–0.9	–1.4	–5.8	–10.4	–66.6
(D) Operating cash flow (excluding change in working capital)	**36.0**	**36.7**	**113.9**	**57.2**	**6.3**
(D/C) Cash conversion (%) (excluding change in working capital)	*97.6 %*	*96.3 %*	*95.1 %*	*84.6 %*	*8.6 %*

Capital structure

	The three months ended 31 March		For the year ended 31 December		
MSEK	**2018**	**2017**	**2017**	**2016**	**2015**
CALCULATION OF WORKING CAPITAL AND WORKING CAPITAL IN RELATION TO NET REVENUE					
Accounts receivable	157.0	136.1	167.8	160.2	105.9
Accrued revenues not yet invoiced	121.5	109.4	94.8	99.2	63.7
Other receivables	9.6	15.3	17.6	6.0	6.1
Prepaid expenses	26.7	39.8	32.5	32.6	17.7
Liabilities to customers and suppliers	–51.1	–34.3	–69.2	–49.6	–40.1
Other liabilities	–81.6	–93.4	–91.5	–93.9	–54.0
Accrued expenses and deferred income	–85.4	–90.3	–69.2	–71.5	–43.1
(A) Working capital	**96.6**	**82.7**	**82.8**	**83.1**	**56.2**
(B) Net revenue (rolling 12 months)	1,175.0	941.6	1,170.7	833.4	683.7
(A/B) Working capital in relation to net revenue (rolling 12 months) (%)	*8.2 %*	*8.8 %*	*7.1 %*	*10.0 %*	*8.2 %*
CALCULATION OF NET DEBT AND NET INDEBTEDNESS					
Non-current interest-bearing financial liabilities	158.0	224.5	173.8	228.7	30.1
Current interest-bearing financial liabilities	97.2	76.1	77.5	85.9	50.1
Cash and cash equivalents and other short-term investments	–7.8	–23.6	–5.0	–16.5	–39.9
(A) Net debt	**247.4**	**277.0**	**246.3**	**298.1**	**40.3**
(B) Adjusted EBITDA (rolling 12 months)	118.6	83.8	119.8	67.6	72.8
(A/B) Net debt/ Adjusted EBITDA (rolling 12 months)	**2.1x**	**3.3x**	**2.1x**	**4.4x**	**0.6x**

MSEK	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
CALCULATION OF WORKING CAPITAL AND WORKING CAPITAL IN RELATION TO NET REVENUE									
Accounts receivable	157.0	167.8	134.8	158.2	136.1	160.2	105.4	107.2	109.2
Accrued revenues not yet invoiced	121.5	94.8	114.1	103.2	109.4	99.2	106.7	84.2	74.4
Other receivables	9.6	17.6	18.9	13.7	15.3	6.0	7.8	9.5	9.1
Prepaid expenses	26.7	32.5	29.9	34.9	39.8	32.6	19.5	16.1	16.6
Liabilities to customers and suppliers	–51.1	–69.2	–59.7	–41.4	–34.3	–49.6	–33.3	–32.0	–34.7
Other liabilities	–81.6	–91.5	–69.6	–82.2	–93.4	–93.9	–66.1	–53.7	–45.5
Accrued expenses and deferred income	–85.4	–69.2	–47.8	–105.9	–90.3	–71.5	–55.2	–60.3	–50.3
(A) Working capital	**96.6**	**82.8**	**120.6**	**80.6**	**82.7**	**83.1**	**84.8**	**70.9**	**78.9**
(B) Net revenue (rolling 12 months)	1,175.0	1,170.6	1,122.7	1,033.0	941.6	833.4	764.8	744.6	632.8
(A/B) Working capital in relation to net revenue (rolling 12 months) (%)	**8.2 %**	**7.1 %**	**10.7 %**	**7.8 %**	**8.8 %**	**10.0 %**	**11.1 %**	**9.5 %**	**12.5 %**
CALCULATION OF NET DEBT AND NET INDEBTEDNESS									
Non-current interest-bearing financial liabilities	158.0	173.8	187.5	217.3	224.5	228.7	29.2	24.2	28.5
Current interest-bearing financial liabilities	97.2	77.5	113.5	55.4	76.1	85.9	108.5	48.5	69.2
Cash and cash equivalents and other short-term investments	–7.8	–5.0	–4.6	–5.2	–23.6	–16.5	–18.3	–38.4	–41.9
(A) Net debt	**247.4**	**246.3**	**296.4**	**267.5**	**277.0**	**298.1**	**119.4**	**34.3**	**55.8**
(B) Adjusted EBITDA (rolling 12 months)	118.6	119.7	96.3	90.4	83.8	67.6	78.3	–	–
(A/B) Net debt/ Adjusted EBITDA (rolling 12 months)	**2.1x**	**2.1x**	**3.1x**	**3.0x**	**3.3x**	**4.5x**	**1.5x**	**–**	**–**

Definitions of key performance indicators

Alternative performance measures	Definition	Explanation for use
Acquired net revenue growth	Acquired net revenue is based on estimated annual net revenue in the target company on the acquisition date and is taken into account during the subsequent 12-month period to show the amount that the acquired net revenue constitutes in relation to annual net revenue.	Acquired net revenue growth reflects the acquired units' impact on net revenue.
Adjusted EBIT	EBIT adjusted for items affecting comparability.	Adjusted EBIT increases comparability of EBIT.
Adjusted EBIT margin	EBIT adjusted for items affecting comparability as a percentage of net revenue.	Adjusted EBIT margin excludes the effect of items affecting comparability, thus enabling comparison of underlying operating profitability.
Adjusted EBITA	EBITA adjusted for items affecting comparability.	Adjusted EBITA increases comparability of EBITA.
Adjusted EBITA margin	EBITA adjusted for items affecting comparability as a percentage of net revenue.	Adjusted EBITA margin excludes the effect of items affecting comparability, thus enabling comparison of underlying operating profitability.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA increases comparability of EBITDA.
Adjusted EBITDA margin	EBITDA adjusted for items affecting comparability as a percentage of net revenue.	Adjusted EBITDA margin excludes the effect of items affecting comparability, thus enabling comparison of underlying operating profitability.
Cash conversion (excluding change in working capital)	Operating cash flow excluding change in working capital as a percentage of adjusted EBITDA.	Cash conversion is used to monitor how effectively the Group manages continuous investments.
Cash conversion (including change in working capital)	Operating cash flow including change in working capital as a percentage of adjusted EBITDA.	Cash conversion is used to monitor how effectively the Group manages continuous investments and working capital.
EBIT margin	EBIT as a percentage of net revenue.	The EBIT margin is used to measure operating profitability.
EBITA	Operating profit (EBIT) excluding acquisition-related items, which are defined as amortisation, depreciation and impairment of goodwill, acquisition-related intangible assets, revaluation of contingent considerations and gains and losses related to divestments of companies, businesses, land and buildings.	EBITA provides an overall view of profit generated by the operating activities.
EBITA margin	Operating profit (EBIT) excluding acquisition-related items, which are defined as amortisation, depreciation and impairment of goodwill, acquisition-related intangible assets, revaluation of contingent considerations and gains and losses related to divestments of companies, businesses, land and buildings, as a percentage of net revenue.	The EBITA margin is used to measure operating profitability.
EBITDA	EBIT before amortisation and impairment of acquisition-related intangible assets and amortisation, depreciation and impairment tangible and intangible assets.	EBITDA, together with EBITA, provides an overall view of profit generated by the operating activities.

Definitions of key performance indicators, *cont.*

Alternative performance measures	Definition	Explanation for use
EBITDA margin	EBIT before amortisation and impairment of acquisition-related intangible assets and amortisation, depreciation and impairment of tangible and intangible assets as a percentage of net revenue.	The EBITDA margin is used to measure operating profitability.
Items affecting comparability	Items affecting comparability, such as acquisition and integration costs, IPO costs and depreciation/ amortisation of non-acquisition-related intangible and tangible assets and costs attributable discontinued operations.	Excluding items affecting comparability increases comparability of earnings between periods.
Net debt	Non-current and current interest-bearing liabilities less cash and cash equivalents and other short-term investments.	Net debt is used as a measure to show the Group's total indebtedness.
Net debt/ Adjusted EBITDA (rolling 12 months)	Net debt at the end of the preceding period divided by adjusted EBITDA, rolling 12 months.	Net debt/adjusted EBITDA is relevant for showing the ability of the Company's operations to pay its liabilities.
Net revenue growth	Change in net revenue as a percentage of net revenue in the comparative period, preceding year.	Change in net revenue reflects the Group's realised net revenue growth over time.
Operating cash flow (excluding change in working capital)	Adjusted EBITDA less investments in tangible and intangible assets (excluding acquisitions).	Operating cash flow excluding change in working capital excludes effects of change in working capital that, for example, acquisitions could impact, which facilitates a comparison of the underlying cash flow generated by the operating activities.
Operating cash flow (including change in working capital)	Adjusted EBITDA less investments in tangible and intangible assets (excluding acquisitions), and cash flows from change in working capital.	Operating cash flow including change in working capital is used to monitor cash flows generated by operating activities.
Operating income, EBIT	Profit or loss for the period excluding financial income, financial expenses and tax on the profit for the year.	Operating income, EBIT is a useful measure to show the Company's earnings generated by the operating activities.
Organic net revenue growth	The organic contribution to net revenue growth during the year that is not acquired (total net revenue growth less acquired net revenue growth is equal to organic net revenue growth).	Organic net revenue growth does not include the effects of changes in the Group's structure, which facilitates comparisons of net revenue over time.
Working capital	Inventories, accounts receivable, receivables from clients, prepaid expenses and accrued income and other current assets less provisions, accounts payable, liabilities to clients, accrued expenses and deferred income and other current liabilities.	Working capital is used to measure the Company's capacity to meet its current capital requirements.
Working capital in relation to net revenue (rolling 12 months)	Working capital at the end of the period as a percentage of net revenue during the most recent 12-month period.	Working capital in relation to net revenue is used to assess the company's tied-up working capital.

Operational and financial overview

Overview

Projektengagemang is a multi-disciplinary player in the Swedish technical consulting market and offers services in such areas as architecture, project management, urban planning, building design, infrastructure and industry and energy to customers in both the private and the public sector. The Company has its head office in Stockholm and is also represented in over 35 towns in Sweden through approximately 50 offices, as well as in Chennai, India, through the subsidiary PE-Aristi. As per 31 March 2018, Projektengagemang had 986[1)] employees. Since its establishment in 2006, Projektengagemang has shown strong growth, both organic and through acquisitions.

Projektengagemang generated net revenue of SEK 1,171m in 2017 and had 8,000 assignments at the end of 2017, allocated among 3,000 clients, with the public and private sectors accounting for approximately 35 percent and 65 percent of net revenue, respectively, at the end of 2017. In 2017, net revenue from clients active in residential construction accounted for approximately 5–10 percent of the Company's total net revenue. Solutions or undertakings whereby Projektengagemang offers one of more services that satisfy given requirements from the client expressed in the call for tender accounted for about 95 percent of the assignments, while resource consultancy assignments accounted for about 5 percent of the assignments in 2017, according to the Company's assessment. During the same period, assignments undertaken at hourly rates, including the assignment in return for a given budget with responsibility for reporting of reasons for budget revisions, accounted for approximately 94 percent of net revenue and 96 percent of the assignments, while assignments with fixed price (primarily in the Industry & Energy division) accounted for about 6 percent of net revenue and 4 percent of the assignments based on the Company's assessment.

Projektengagemang conducts its operations in four divisions: Architecture & Management, Civil Engineering & Infrastructure, Systems and Industry & Energy.

- The Architecture & Management division offers urban planning, building configuration, landscape and interior design as well as project management services, including strategic matters and management consulting in urban and regional development. In 2017, Architecture & Management accounted for 31 percent of the Company's net revenue and 17 percent of adjusted EBIT[2)], with 276 FTEs.
- The Civil Engineering & Infrastructure division's offering includes building design, environment/sustainability, energy-related property services, geotechnics, bridge and civil engineering, acoustics and civil engineering and infrastructure design of energy and environmental engineering, and in 2017 Civil Engineering & Infrastructure accounted for 21 percent of the Company's net revenue and 33 percent of adjusted EBIT[2)], with 187 FTEs.
- Systems offers solutions involving electricity, telecommunications and security systems, fire safety design and heating, ventilation and plumbing. In 2017, Systems accounted for 30 percent of the Company's net revenue and 45 percent of adjusted EBIT[2),] with 277 FTEs.
- Industry & Energy offers services such as automation, process, product and manufacturing development and accounted for 18 percent of the Company's net revenue and 5 percent of adjusted EBIT[2)] in 2017, with 210 FTEs.

Segment reporting and divisions

Projektengagemang conducts its operations in four divisions corresponding to the Group's operating segments under IFRS: Architecture & Management, Civil Engineering & Infrastructure, Industry & Energy and Systems (refer to "*– Overview*"). The Group governs its operations in each of the divisions based on net revenue, EBIT, average number of employees and adjusted EBIT. The Group also has an "Other" segment, comprising Projektengagemang Sweden AB (the parent company of the Group), Group adjustments that are not segment-specific and companies that cannot be categorised under other segments. Segment reporting was applied for the first time in the 2016 year-end report, and in the 2016 Annual Report. For further information, refer to the section "*Key factors affecting Projektengagemang's result – Seasonal variations*."

1) Including co-workers based in India.
2) Adjusted EBIT is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*". For a reconciliation of adjusted EBIT with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*".

Key factors affecting comparability

The table below presents the key factors affecting comparability for the financial years 2015, 2016 and 2017 as well as the first quarters of 2017 and 2018.

	January – March		Full-year		
	2018	**2017**	**2017**	**2016**	**2015**
MSEK	*(unaudited)*			*(audited)*	
Termination of businesses[1]	–	0.3	0.9	9.0	7.8
Acquisition and integration costs[2]	–	4.4	19.5	8.3	–
IPO costs[3]	2.3	1.1	8.3	0.9	–
Depreciation/amortisation of non-acquisition-related intangible and tangible assets[4]	–	–	0.0	29.3	17.1
Total items affecting comparability	**2.3**	**5.8**	**28.7**	**47.5**	**24.9**

1) Termination of businesses primarily refers to operating costs attributable to the companies that were organised in specialty companies and impacts EBITDA, EBITA and EBIT. Specialty companies refer to companies that are not part of the normal consulting business. Costs are primarily attributable to the subsidiary Soleed Sweden AB. Soleed Sweden AB discontinued its operations in the third quarter of 2016 and thus historical costs for 2015–2016 attributable to Soleed Sweden AB are considered to affect comparability.
2) Acquisition and integration costs include costs attributable to the scope of acquisitions carried out in 2016 (the total net revenue from acquisitions in 2016 amounted to SEK 400 million) and impact EBITDA, EBITA and EBIT in 2016 and 2017.
3) IPO costs refer to costs attributable to the Offering, such as financial, tax and legal due diligence services and other external consulting costs and impact EBITDA, EBITA and EBIT.
4) Depreciation/amortisation of non-acquisition-related intangible and tangible assets is primarily related to the impairment of intangible and tangible assets for the subsidiary Soleed Sweden AB and impacts EBITA and EBIT.

Key factors affecting Projektengagemang's result

General economic and political circumstances

Projektengagemang is a Swedish multi-disciplinary player in the technical consulting market and offers services in areas such as architecture, urban planning, building design, infrastructure, industry and energy and project management in both the private and the public sector. Macroeconomic factors impact customer demand, and thus Projektengagemang's earnings, in the markets in which Projektengagemang conducts its operations. In particular, Projektengagemang is impacted by macroeconomic trends in the Swedish technical consulting market.

In periods of strong GDP growth, Projektengagemang's sales are driven by investments in industry, commercial construction and infrastructure. During economic downturns, reduced investments by the Company's customers may lead to a decline in Projektengagemang's operations. Regardless of the economic climate, demand for technical consulting services may fall as a result of political decisions and uncertainty, which could impact Projektengagemang's operations.

Furthermore, part of Projektengagemang's sales derive from public-sector assignments. Changes in economic circumstances and political decisions, combined with other factors, could impact budgets for public-sector players and investment decisions in different ways. For example, certain government agencies or public bodies may reduce their expenses in periods of economic downturn due to lower economic activity or tax net revenue, while other players could increase the number of investments and initiate new projects to stimulate economic growth. Generally, increased public-sector investments can boost demand in the technical consulting services market when, for example, residential construction, renovation, maintenance and infrastructure assignments are carried out.

The Swedish technical consulting market in 2016 grew by 9.9 percent to SEK 72 billion[1] and the players in the market had an average EBIT margin of 7.2 percent. Between 2010 and 2016, the market for civil engineering, infrastructure and industrial-technical consultants increased by SEK 26 billion from SEK 46 billion to SEK 72 billion[1], which corresponds to annual average growth of 7.7 percent. According to STD's estimates, market growth was SEK 74 billion[2] in 2017, corresponding to year-on-year growth of 3.3 percent.

Competitive situation

Projektengagemang is active in a number of disciplines in the Swedish technical consulting market. Projektengagemang's operations are exposed to fierce competition, depending on division and business area, and entry barriers to the technical consulting market vary primarily based on assignment scope. Although competitive factors also include skills, references and customer relations, the price of the services is often a decisive factor.

Projektengagemang's competitors in procurements comprise both small, local companies and larger, diversified companies, depending on the scope and geographic spread of the assignments. Competition may intensify when individual, local service providers start to offer multi-disciplinary technical consulting services or when smaller companies are bought up by Projektengagemang's main competitors. Highly skilled individuals or teams may also leave larger companies, such as Projektengagemang, to initiate competing businesses.

Customer decisions in procurements may be affected by laws and regulations, for example, the Swedish Public Procurement Act and the Swedish Act on Procurement in the Water, Energy, Transport and Postal Services Sectors in public-sector procurements. Customers in the public sector accounted for approximately 35 percent of Projektengagemang's total net revenue in 2017. Projektengagemang's ability to secure certain procurements is also impacted by applicable standards and norms that apply to the specific assignment and/or customer-specific quality requirements. Accordingly, Projektengagemang is exposed to

1) Excluding control and certification companies, which generated net revenue of SEK 1.8bn in 2016.
2) Excluding net revenue from control and certification companies.

price pressure and must set aside financial and management resources to ensure that quality requirements and other rules and standards are met. This impacts Projektengagemang's profitability and means that Projektengagemang must continuously enhance its competitiveness in order to retain its market position and profitability. Projektengagemang also invests in resources to prepare tenders and participate in procurement processes, which has a direct effect on costs.

Factors driving net revenue growth[1)]

Projektengagemang has reported strong net revenue growth since the Group was founded in 2006. The average annual rate of growth between 2006 and 2012 was 90.6 percent, between 2010 and 2016 was 26.0 percent and between 2012 and 2017 was 24.8 percent.[2)] Projektengagemang's net revenue growth was driven by both organic growth factors and acquisitions. Projektengagemang's total net revenue growth was 12 percent in 2015, 22 percent in 2016 and 40 percent in 2017. Projektengagemang's organic net revenue growth was 8 percent in 2015, 2 percent in 2016 and 4 percent in 2017. Organic net revenue growth is defined as the organic contribution to net revenue growth during the year that is not acquired (total net revenue growth less acquired net revenue growth is equal to organic net revenue growth). Acquired net revenue is based on estimated annual net revenue in the target company on the acquisition date and is taken into account during the subsequent 12-month period to show the amount that the acquired net revenue constitutes in relation to annual net revenue.

Organic growth factors

Projektengagemang believes that its multi-disciplinary offering provides added value for customers, better conditions for solving social challenges, the opportunity to exert an influence at early stages of development processes and thus improved earnings. The technical consulting market is expected to grow to SEK 74 billion[3)] in 2017, corresponding to year-on-year growth of 3.3 percent, according to STD. Projektengagemang believes that it is well-positioned to capitalise on this growth and further consolidate its market position. The Group's offering centres on expertise, innovation and creativity, a work method focusing on integration and a holistic approach, both internally and in assignments, and solutions that contribute to added value for Projektengagemang's customers and society in general.

During the periods reviewed, Projektengagemang continued to develop its multi-disciplinary and value-based offering to drive organic net revenue growth and improve earnings. For example, Projektengagemang launched and carried out the following organic net revenue growth initiatives:

- Development of a collaboration manual for more efficient internal coordination of procurements and implementation of multi-disciplinary assignments.
- Implementation of customer activity projects to further develop and improve the Group's sales methods.
- Focus on training and development of section managers and group managers who have staff responsibility.
- Focus on coordinating tenders, meaning further developing the Group's structured processes for identifying and meeting customer needs.

In addition, Projektengagemang believes that its continued work on integrating acquired businesses into the existing organisation will strengthen Projektengagemang's total-package offering and thus enable additional organic net revenue growth, for example, by realising synergies. Projektengagemang focuses particularly on building shared PE buildings based on the total-package offering to strengthen the operations in growth areas, and on winning a higher number of and larger assignments through its expansion. Projektengagemang expects these ventures to result in a more attractive service offering, a strengthened brand and thus facilitate higher net revenue and improved profitability.

Acquisitions

Projektengagemang has conducted a total of 37 acquisitions (31 acquisitions between 2010 and 2017) as per 30 April 2018, which have expanded Projektengagemang's geographical range and broadened the service offering. Since 1 January 2014, Projektengagemang has conducted 18 acquisitions (15 acquisitions between 2015 and 2017) as per 31 March 2018, including the acquisitions of Temagruppen, HJR and Konkret in 2016, which particularly strengthened Projektengagemang's offering in Architecture & Management and Civil Engineering & Infrastructure. A key element of the Group's acquisition strategy was to strengthen the multi-disciplinary offering and build the Projektengagemang brand. These acquisitions also contributed to the overall net revenue growth of Projektengagemang's operations. Between 2014 and 2017, the Company's net revenue increased by an annual net revenue growth rate of 24 percent, mainly driven by acquisitions (about 82 percent of net revenue growth in 2014–2017 was attributable to acquisitions).

Projektengagemang intends to continue making acquisitions to expand its market presence and its service offering. In the past, Projektengagemang has acquired companies at advantageous multiples, corresponding to approximately 5x EV/EBITDA[4)] (since 2016), which the Company believes is partly connected to its ability to present an attractive total offering to its sellers and employees. Acquisition prices were historically driven by amount and earnings capacity, whereby Projektengagemang paid a slightly higher price for larger companies and companies with a strong earnings capacity.

1) Net revenue growth and organic net revenue growth are unaudited non-IFRS measures and are not substitutes for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*". For a reconciliation of net revenue growth and organic net revenue growth with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*".
2) Between 2006 and 2013, the Group prepared its financial statements in accordance with BFNAR 2003:3 and since 2014 the Group prepares its financial statements in accordance with IFRS.
3) Excluding net revenue from control and certification companies.
4) Refers to Projektengagemang's historical acquisition multiples since 2015. The information is derived from the Group's internal accounting system. Actual multiples vary according to size and target company, and can be both higher and lower than stated. The EV/EBITDA multiple was calculated by dividing the enterprise value (EV) by EBITDA for the preceding financial year from the Annual Report (except for Projektengagemang's acquisition of Temagruppen, for which an average EBITDA over five years was applied). Enterprise value is calculated by subtracting cash and cash equivalents from the sum of the market value of the company's equity and debts recorded.

Following an acquisition, Projektengagemang aims to increase the value of the acquired business by realising synergies. By integrating the acquisitions into its operations, Projektengagemang intends to improve its entire business by capitalising on the competitive advantages inherent in Projektengagemang and the acquired operations, particularly by facilitating the inflow of a higher number of and larger assignments and cross-selling of services from different divisions. Particularly focus in this respect is directed to incorporating Projektengagemang's strategy and business model into the acquired operations.

Integration processes, such as changes in the composition of employees, work methods and geographical location, could entail significant non-recurring costs for achieving subsequent reductions in the total cost base. For information on acquisition and integration costs, refer to " – *Key factors affecting comparability*" above.

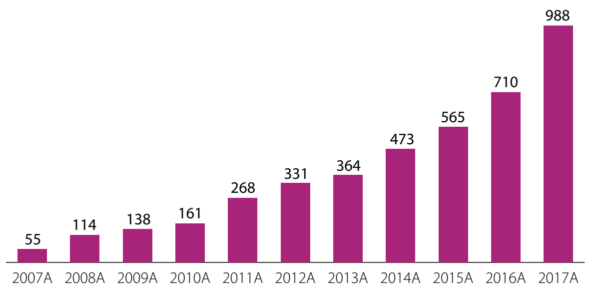
The acquisition analyses for the companies acquired in 2015 were established in 2016, which resulted in an increase of SEK 10.8 million in goodwill attributable to the acquisition of Devo Engineering AB. The acquisition analyses for the companies acquired in 2016 – HJR, Konkret, Temagruppen and the minor acquisition Applied Engineering AB and Mariestads Elektroautomatik AB – were established in 2017. The acquisition analysis for HJR was adjusted in respect of a long-term IT agreement that was identified as being unfavourable for the Group in connection with the acquisition. The impact of this change was an increase in goodwill of SEK 19.7 million in 2017. Other acquisition analyses were established without adjustment.

Competencies and employees

Projektengagemang's net revenue growth[1] and earnings are dependent on its ability to recruit and retain qualified employees who possess the level of skills and expertise about Projektengagemang's services and industry that is necessary for carrying out Projektengagemang's operations. The Group also works actively on building up a network of subcontractors who, for example, can supply in-demand niche skills. Projektengagemang needs to attract and retain highly qualified employees on acceptable terms in order to maintain and further develop its operations. Projektengagemang applies a recruitment strategy that is based on local demand and expertise combined with strong central support. Projektengagemang's ability to win assignments and maintain and raise billable rates depends on the Group's employees and subcontractors providing the services demanded by Projektengagemang's customers. In addition, Projektengagemang is dependent on its employees generating maximum net revenue in relation to personnel expenses, which are essentially fixed.

Projektengagemang increased its number of FTEs from 565 to 988[2] between 2015 and 2017. In the same period, the Company's net revenue rose from SEK 683.7 million to SEK 1,170.7 million. The increase in the number of FTEs and net revenue was primarily attributable to acquisitions in the 2016 financial year. The table below shows the trend in number of FTEs between 2007 and 2017.

FTE trend 2007–2017



Source: The Company's internal accounting system.

The quarterly trend in the number of FTEs per division at the end of the quarters indicated is shown below.

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Number of FTEs[1]									
Architecture & Management[2]	252	263	276	286	284	284	238	130	133
Civil Engineering & Infrastructure[3]	177	172	188	184	180	139	127	134	129
Industry & Energy[4]	184	182	221	202	212	204	204	205	179
Systems[5]	311	294	273	275	272	169	173	176	178
Total[6]	**971**	**955**	**996**	**983**	**980**	**824**	**769**	**674**	**649**

1) Including co-workers based in India.
2) The increase in the number of FTEs was due to the acquisition of Temagruppen in 2016. The number of FTEs declined slightly in 2017, partly due to management focusing on the integration of Temagruppen, while employee turnover in the Company remained at historical levels.
3) Konkret was acquired on 30 December 2016, which increased the number of FTEs by 50.
4) The number of FTEs was relatively stable in 2017. About 40 FTEs were transferred to Systems in the fourth quarter of 2014.
5) HJR was acquired on 30 December 2016, which increased the number of FTEs by 116.
6) The total includes the number of FTEs in the Other segment, meaning the employees of the parent company Projektengagemang Sweden AB.

1) Net revenue growth is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*". For a reconciliation of net revenue growth with the mos closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*".
2) Including co-workers based in India.

The quarterly trend in income per FTE per division for the periods indicated is shown below (the figures below exclude intra-group eliminations). For a description of seasonal variations, refer to "– *Seasonal variations*" below.

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Income per FTE (SEK thousand)									
Architecture & Management	355	361	292	336	352	358	232	415	343
Civil Engineering & Infrastructure	404	400	280	351	372	386	272	341	288
Industry & Energy	246	324	224	274	261	307	202	276	309
Systems	358	360	253	336	352	301	217	347	325

Utilisation rate and hourly rate

Projektengagemang's net revenue is directly dependent on employees performing billable work and on the work performed by the subcontractors engaged by the Group. Net revenue directly attributable to the work performed by the Group's employees depends on the amount of work performed and the level of hourly rate. At the same time, Projektengagemang's Personnel expenses are to a high degree fixed, which means that Projektengagemang's profitability depends on the relationship between employee salaries, utilisation rate and hourly rate.

Several different factors affect the utilisation rate for Projektengagemang's employees, i.e. the time billed to customers in relation to total working hours. A number of these factors are outside the Company's control and cannot be predicted with certainty, such as general economic and financial market conditions, the number, type, scope and timing of assignments, levels of demand for Projektengagemang's services, competition and acquisitions. Factors that may impact Projektengagemang's utilisation rate also include the status of the order backlog, current level of expertise (i.e. whether Projektengagemang possesses the know-how demanded by the customer), the efficiency of administrative procedures and processes, and the economic climate in the relevant market.

The level of Projektengagemang's hourly rate depends on the type of service performed, the scope and other properties of the assignment, such as industry, type of contract and procurement form. Projektengagemang considers many indicators, including staffing requirements, training costs and other factors, in order to assess the impact on pricing and to manage the Company's profitability. Projektengagemang typically continuously reviews and updates its rate based on local market conditions, type of customer, competitive situation and an analysis of the market and historical information.

According to the Company, a SEK 10 change in the hourly rate of the Group's services would impact the Group's earnings for 2017 by approximately SEK 13m.

The quarterly trend in the utilisation rate per division for the periods indicated is shown below.

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Utilisation rate (%)									
Architecture & Management[1)]	78	76	76	78	78	77	78	82	81
Civil Engineering & Infrastructure[2)]	82	82	82	82	80	82	80	77	75
Industry & Energy[3)]	78	80	83	79	78	81	77	79	79
Systems[4)]	90	89	87	89	87	87	85	89	89
Total[5)]	**79**	**78**	**78**	**79**	**77**	**78**	**76**	**79**	**78**

1) The utilisation rate was stable in 2017, although the utilisation rate was lower compared with 2016. The lower utilisation rate was due to the acquisition of Temagruppen in 2016.
2) The utilisation rate was positively impacted by operational improvements and the return on investments in environmental and water treatment solutions in Infrastructure.
2) The utilisation rate was relatively stable, with downturns in the third quarter due to seasonal variations.
4) The utilisation rate was stable in 2016 and 2017.
5) The Group's utilisation rate was adversely affected by employees in the parent company not billing time to customers.

Projektengagemang's assignments are based on either hourly rates or a fixed price. If Projektengagemang accepts fixed price assignments, Projektengagemang assumes the risk for the costs and the gross profit realised from these assignments that may vary, sometimes considerably, from the original calculations and thus impact earnings. In addition, Projektengagemang's ability to manage employees' working hours, employee turnover (including work on an employee survey) and other aspects of alternative fee arrangements impacts the Company's profitability and thus earnings. In 2017, the fixed price payment format (primarily in the Industry & Energy division) accounted for about 6 percent of net revenue and 4 percent of the assignments based on the Company's assessment.

Mix effects

Division mix

The billable rates and the salary levels for Projektengagemang's services differ between the various divisions, primarily due to the complexity of the assignments, demand and the supply of competing services. As a result, net revenue and profitability vary in Projektengagemang's divisions. For the year ended 31 December 2017 net revenue amounted to SEK 371.7 million and the adjusted EBIT margin[1)] to 4.3 in Architecture & Management; SEK 253.2 million and 12.5 percent in Civil Engineering & Infrastructure; SEK 217.4 million and 2.0 percent in Industry & Energy and SEK 363.0 million and SEK 11.8 million in Systems. As a consequence, Projektengagemang's earnings are dependent on the distribution of net revenue between the Projektengagemang's various divisions.

Assignment mix

Projektengagemang's earnings are also impacted by the scope of assignments. Larger assignments are often more complex and multi-disciplinary and also have longer terms. This enables higher total rate levels, the involvement of several Projektengagemang divisions and lower administrative costs as a percentage of net revenue. However, competition for larger assignments is fierce, which can drive a decrease of billable rates. Smaller assignments are often single-disciplinary and thus do not generally require the engagement of several Projektengagemang divisions. These types of assignments are also often associated with a higher percentage of costs as a percentage of net revenue. For resource consultants, profitability is general lower than for other consultants.

Personnel expenses

As a technical consulting company, Projektengagemang gains net revenue from sales of services generated through the work of employees. Accordingly, personnel expenses is Projektengagemang's single largest cost item. In the 2017, 2016 and 2015 financial years, Projektengagemang's personnel expenses amounted to SEK 741.5 million, SEK 503.9 million and SEK 384.1 million, respectively. Salaries are expected to increase in the next few years in the technical consulting services market, but at a slower rate.[1)]

The main factors impacting Projektengagemang's personnel expenses are the skills level and experience of employees, remuneration levels at competing employers, the general economic climate, salary agreements with the trade organisation STD and the level of taxes, contributions and pension premiums. Projektengagemang needs to offer competitive remuneration levels to attract personnel with the necessary skills and experience. At the same time, Projektengagemang's profitability is dependent on maintaining a balance between billable rates and remuneration. The Company believes that the historical salary trend in the industry has risen by about 2 percent per year, and that Projektengagemang's salary trend is in line with the industry. In the 2017, 2016 and 2015 financial years, Projektengagemang's personnel expenses in relation to net revenue amounted to 63.3 percent, 60.5 percent and 56.2 percent, respectively (net revenue also includes work performed by subcontractors engaged by the Group).

Projektengagemang also incurs costs for recruiting and training employees. Since Projektengagemang has carried out a significant number of acquisitions during the periods indicated (for further information about acquisitions, refer to the sections "*Business overview – Acquisitions*" and " *– Key factors affecting Projektengagemang's – Factors driving net revenue growth – Acquisitions*"), Projektengagemang's earnings were particularly impacted by costs for integrating employees from acquired operations and recruitment costs.

Seasonal variations

The Company's business is subject to certain seasonal variations. The third quarter normally has lower net revenue and a lower adjusted EBIT margin[1)] as a result of lower customer activity during the holiday period, while the Company incurs fixed costs for premises and other overheads. This seasonal effect is tangible in all of Projektengagemang's divisions.

Projektengagemang reports its net revenue from fixed price assignments according to the degree of completion of the assignment and its net revenue from assignments on current account once the work has been performed. Public holidays falling in certain interim periods lead to fewer working days, which results in a decrease in Projektengagemang's net revenue from current assignments.

Furthermore, change in working capital are subject to seasonal variations, with the third quarter normally having a less positive or negative impact on operating cash flow compared with other quarters. The reason for this is that accrued net revenue and accounts receivable increase in the third quarter as an effect of the holiday period.

1) Adjusted EBIT margin is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*" For a reconciliation of adjusted EBIT margin with the most closely related IFRS measure, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*".

2) Source: STD (Industry overview, June 2017, December 2017, based on figures for 2016).

The quarterly trend in net revenue, adjusted operating income EBIT, the adjusted EBIT margin and working capital in Projektengagemang's divisions is shown below.

MSEK (unless otherwise stated)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net revenue									
Architecture & Management	89	95	81	96	100	102	55	54	46
Civil Engineering & Infrastructure	72	69	53	65	67	54	35	46	37
Industry & Energy	45	59	50	55	53	62	41	56	55
Systems	111	106	69	92	96	51	37	61	58
Other	–11	–10	–3	–9	–13	3	–9	–9	–2
Total	**307**	**319**	**249**	**299**	**303**	**271**	**159**	**208**	**195**
Net revenue per quarter as a percentage of income for the financial year	**–**	**27%**	**21%**	**26%**	**26%**	**33%**	**19%**	**25%**	**23%**
Adjusted operating income EBIT[1)]									
Architecture & Management	2	5	1	3	8	7	1	4	3
Civil Engineering & Infrastructure	11	10	5	8	9	2	1	5	1
Industry & Energy	2	4	0	–1	1	4	1	2	4
Systems	20	15	1	13	14	2	1	8	8
Other	–4	–2	2	–0	–0	–9	1	–2	1
Total	**31**	**31**	**9**	**22**	**32**	**7**[2)]	**5**	**18**	**17**
Adjusted operating income EBIT per quarter as a percentage of adjusted operating income EBIT for the twelve months ended 31 December[1)]	**–**	**33%**	**9%**	**24%**	**34%**	**16%**	**11%**	**37%**	**36%**
Adjusted EBIT margin[3)]									
Architecture & Management	1.9%	5.1%	1.1%	2.8%	7.6%	7.3%	1.8%	8.2%	6.2%
Civil Engineering & Infrastructure	15.6%	14.4%	8.9%	12.1%	13.6%	4.6%	2.2%	10.3%	3.9%
Industry & Energy	4.1%	6.4%	0.3%	–1.3%	2.3%	6.3%	3.6%	4.2%	6.7%
Systems	18.3%	14.1%	2.0%	13.7%	14.6%	4.3%	2.9%	13.4%	14.5%
Total	**10.1%**	**9.7%**	**3.5%**	**7.4%**	**10.4%**	**2.7%**	**3.3%**	**8.6%**	**8.8%**
Working capital[4)]	97	83	121	81	83	83	85	71	79
Working capital in relation to net revenue (rolling 12 months)[4)]	**8.2%**	**7.1%**	**10.7%**	**7.8%**	**8.8%**	**10.0%**	**11.1%**	**9.5%**	**12.5%**

1) Adjusted operating income EBIT and adjusted operating income EBIT per quarter as a percentage of adjusted operating income EBIT for the financial year are unaudited non-IFRS measures and are not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures.*" For a reconciliation of adjusted operating income EBIT and adjusted operating income EBIT per quarter as a percentage of adjusted operating income EBIT for the financial year with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures.*"

2) Adjusted operating income EBIT for September–December 2016 was unusually weak due to a low utilisation rate, depreciation in assignments and increased investments in the internal infrastructure.

3) Adjusted EBIT margin is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures.*" For a reconciliation of adjusted EBIT margin with the most closely related IFRS measure, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures.*"

4) Working capital and working capital in relation to net revenue (rolling 12 months) are unaudited non-IFRS measures and are not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of key performance indicators*". For a reconciliation of working capital and working capital in relation to net revenue (rolling 12 months) with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Capital structure*". Rolling 12 months refers to the four most recently reported quarters.

Recent performance and current trends

Demand for the Company's products and solutions depends on the extent to which customers want to increase their multi-disciplinary services. As a result, demand for Projektengagemang's services is primarily driven by (i) population growth and urbanisation, (ii) investments in infrastructure, (iii) increased investments in industry, (iv) technological advances and digital development, and (v) greater focus on sustainability. In addition, demand for Projektengagemang's services is driven by general macroeconomic conditions, access to capital in the financial and credit markets, investment levels and changed legislation.

Furthermore, as regards the utilisation rate and hourly rate, Projektengagemang has seen a continuous increase in hourly rates in recent years. For further information about important trends and factors affecting Projektengagemang's result, refer to "*– Key factors affecting Projektengagemang's result*."

Significant changes since 31 March 2018

At the end of the first quarter of 2018, Projektengagemang signed agreements for the acquisition of ROOF Arkitekter AB in Örebro with 16 employees and Smedjan Projektledning AB in Gothenburg with five employees. The integration of these two companies into the Architecture & Management division has commenced and Projektengagemang expects integration to be finalised during 2018. The acquisitions of ROOF Arkitekter AB and Smedjan Projektledning AB were completed in the second quarter of 2018.

Nasdaq Stockholm's Listing Committee has on 16 May 2018 decided to admit the Company's Class B shares for listing on Nasdaq Stockholm subject to customary conditions, including that the distribution requirement for the shares has been met.

Explanation of certain income statement items

Net revenue

Net revenue corresponds to accrued work on ongoing assignments and primarily pertains to sales of services in Projektengagemang's divisions and internal eliminations. Assignments performed on current account are recognised when the work is performed and fixed price assignments are recognised based on the degree of completion on the balance-sheet date. An assignment's degree of completion is determined by comparing expenditure incurred on the balance-sheet date with the estimated total expenditure. If it is probable that the total expenditure on the assignment will exceed the total income from the assignment, the anticipated loss is recognised in its entirety as a reduction in income. Net revenue also includes expenses for subcontractors engaged by the Group.

Other external expenses

Other external expenses comprise fees to and remuneration of auditors, purchases of services, IT fees (licences and subscriptions), travel, leasing fees for operating leases and direct costs for performing assignments (subcontractors, materials, travel, expenses, etc.). Remuneration of auditors primarily comprises audit assignments, audit activities in addition to the audit assignment and tax advisory services. Leasing fees for operating leasing pertain to assets held through operating leases.

Personnel expenses

Personnel expenses encompass basic salaries and board fees, other benefits, pension costs and social security costs. Basic salary comprises fixed basic salary, pension and other remuneration. Where applicable, other benefits pertain to company cars. Personnel expenses are costs for defined-contribution pension plans. Personnel expenses also include costs for training, recruitment, collective agreement costs and travel allowances.

Income from associates

Income from associates comprises shares in income according to the equity method.

Amortisation, depreciation and impairment of intangible and tangible assets

Amortisation and impairment of intangible assets pertain to goodwill (when it arises in impairment testing), customer relations, other intangible assets and development expenditure. Goodwill and other intangible assets are allocated to the lowest identifiable cash-generating unit (which is per division). Goodwill and other intangible assets are tested for impairment annually during the fourth quarter or when there are indications of an impairment requirement by discounting expected future cash flows using an average cost of capital per cash-generating unit. The present value of cash flows, the value in use, is compared with the carrying amount, including goodwill and other intangible assets.

Depreciation and impairment of tangible assets pertain to buildings, leasehold improvements and machinery and equipment. Tangible assets are tested annually on the balance-sheet date to determine whether any impairment is required. If there is such an indication, the recoverable amount of the asset is calculated.

The Group's disposition to account for amortisation, depreciation and impairment as well as acquisition-related items is reflected in section "*Historical financial information – Historical financial information for the years ended 31 December 2017 and 2016 – Note 8 (Amortisation, depreciation and impairment)*" on page F-22, however, as the 2015 annual report is incorporated by reference, the item amortisation, depreciation and impairment of intangible and tangible assets corresponds to the aggregate of the items amortisation, depreciation and impairment and acquisition-related items.

Income from participations in group companies

Income from participations in group companies pertains to dividends from subsidiaries, income from sales and corrections of established acquisition analyses.

Financial income

Financial income consists of interest income on bank funds and receivables, dividend income and exchange-rate differences on loans. Interest income on receivables is calculated using the effective interest method. Effective interest is the interest rate that results in the present value of all estimated future cash receipts during the fixed-interest period becoming equal to the carrying amount of the receivable. Interest income includes accrued amounts for transaction costs and any discounts, premiums and other differences between the original value of the receivable and the amount that will be received on maturity. Dividend income is recognised when the right to receive payment has been determined.

Financial costs

Financial costs consist of interest expenses on loans, borrowing costs, dividend income and exchange-rate differences on loans. Interest expenses on liabilities are calculated using the effective interest method. Effective interest is the interest rate that results in the present value of all estimated future cash payments during the fixed-interest period becoming equal to the carrying amount of the liability. The interest-rate component of finance lease payments is recognised in profit or loss by applying the effective interest method. Borrowing costs are charged to profit or loss for the period to which they are attributable. Costs arising from the raising of loans are allocated over the term of the loan on the basis of the recognised liability.

Taxes

Taxes comprise current tax and deferred tax. Taxes are recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income. The relating tax effect is then recognised in other comprehensive income.

Current tax is tax to be paid or received in the current year, with the application of the rates that have been resolved, or in practice resolved, by the balance-sheet date. This also includes adjustments of current tax attributable to previous periods.

Deferred tax is calculated in accordance with the balance-sheet method based on temporary differences between the carrying amount of assets and liabilities and the value of assets and liabilities for tax purposes. Deferred tax assets represent a reduction of future tax attributable to temporary tax-deductible differences, loss carryforwards and other unutilised tax deductibles. Temporary differences are not taken into consideration in cases where they have resulted from the recognition of goodwill or in first-time recognition of assets and liabilities that do not affect either recognised profit or taxable profit. Nor are temporary differences attributable to shares in subsidiaries that are not expected to be reversed in the foreseeable future taken into consideration. The measurement of deferred taxes is based on how the carrying amount of assets or liabilities is expected to be realised or settled. Deferred taxes are calculated using the tax rates and tax rules resolved, or in practice resolved, as of the balance-sheet date.

Deferred tax liabilities and assets are calculated on the basis of the tax rate determined for the following year in each particular country. When changes occur in tax rates, the change is recognised in profit or loss in the consolidated financial statements. Tax-deductible temporary differences and loss carryforwards are only recognised insofar as it is considered likely they will result in lower tax payments in the future. The value of the deferred tax assets is reduced when it is no longer considered likely that they can be utilised.

Projektengagemang's result

The table below shows information about the Company's earnings for the periods indicated:

MSEK	For the three months ended 31 March 2018	2017	For the year ended 2017	2016	2015
	(Unaudited)			(audited)	
Net revenue	307.1	302.7	1,170.7	833.4	683.7
Other external expenses	–74.5	–75.2	–338.1	–281.3	–238.8[1)]
Personnel expenses	–198.0	–195.2	–741.5	–503.9	–384.1
Income from associates	–	–	–	1.1	4.3
Operating income, EBITDA	**34.6**	**32.3**	**91.1**	**49.4**	**65.0**
Amortisation, depreciation and impairment	–4.9	–5.6	–22.4	–48.7	*
Operating income, EBITA	**29.7**	**26.7**	**68.7**	**0.7**	*
Acquisition-related items	–0.9	–0.9	–3.7	–3.0	*
Amortisation, depreciation and impairment of intangible and tangible assets[1)]	*	*	*	*	–32.7
Operating income, EBIT	**28.8**	**25.8**	**65.0**	**0.4**	**32.3**
Net financial items	–1.4	–0.9	–7.6[2)]	–8.9[2)]	–8.6[2)]
Income before tax	**27.3**	**24.9**	**57.4**	**–8.5**	**23.7**
Tax	–5.2	–9.1	–19.9	3.6	–0.8
Net income for the period	**22.2**	**15.8**	**37.5**	**–5.0**	**22.9**

* Amortisation, depreciation and impairment of intangible and tangible assets corresponds to the total of the items amortisation, depreciation and impairment and acquisition-related items. The breakdown between amortisation, depreciation and impairment and acquisition-related items is not included in the audited annual report for the financial year 2015 and is thus aggregated in the item amortisation, depreciation and impairment of intangible and tangible assets.

1) The item other external expenses is a total of several items in the consolidated income statement that are included in the Company's audited consolidated financial statement for the 2015 financial year according to the table below. The items of purchases of services and materials and other external expenses are added to other external expenses as from 2016.

MSEK	For the year ended 31 December 2015 (audited)
Purchases of services and materials	–147.5
Other external expenses	–91.3
Total other external expenses	**–238.8**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated income statement*".

2) The item net financial items is a total of several items in the consolidated income statement that are included in the Company's audited consolidated financial statements for the 2017, 2016 and 2015 financial years according to the following:

MSEK	For the year ended 31 December 2017	2016 (audited)	2015
Loss from sale of subsidiaries	–	–	–0.6
Financial income	0.6	0.8	3.2
Financial costs	–8.2	–9.7	–11.2
Net financial items	**–7.6**	**–8.9**	**–8.6**

For further information, see section "*Historical financial information – Financial information for the 2017 and 2016 financial years – Consolidated income statement*".

The three months ended 31 March 2018 compared to the three months ended 31 March 2017

Net revenue

The Group's net revenue for the three months ended 31 March 2018 amounted to SEK 307.1 million, an increase of SEK 4.4 million or 1.4 percent, compared with SEK 302.7 million for the three months ended 31 March 2017. Organic net revenue growth[1)] was 0.5 percent. The increase in net revenue was primarily driven by the strong performance of the Civil Engineering & Infrastructure and Systems divisions.

In Civil Engineering & Infrastructure, the strong performance in the infrastructure services market, fuelled by investments in both new and existing infrastructure but also investments in the industrial sector, drove demand for Projektengagemang's services, which contributed to net revenue for this division increasing to SEK 72 million in the three months ended 31 March 2018, an increase of a corresponding 7 percent year-on-year. Demand, primarily for the division's services in acoustics, geotechnics and sustainability, increased in the three months ended 31 March 2018.

Net revenue in the Systems divisions in the three months ended 31 March 2018 amounted to SEK 111 million compared with SEK 96 million in the three months ended 31 March 2017, corresponding to growth of 16.5 percent. The positive trend was due to a number of factors, mainly the favourable synergies on the acquisitions made as a result of an effective integration process. The strong market scenario in civil engineering related services, particularly in the metropolitan regions, contributed to increased construction and continued investments in infrastructure, which drove demand for Projektengagemang's installation services, and the Company believes that it holds a strong position in HVAC.

In the Industry & Energy division, net revenue decreased from SEK 53 million in the three months ended 31 March 2017 to SEK 45 million in the three months ended 31 March 2018, primarily due to the reorganisation carried out by the Group under which about 40 employees were transferred from Industry & Energy to the Systems division.

The Group's total net revenue for the first quarter of 2018 was also adversely affected by the Architecture & Management division, in which net revenue declined to SEK 90 million in the three months ended 31 March 2018, a decrease of SEK 10 million compared with the three months ended 31 March 2017. The lower net revenue in Architecture & Management was mainly due to fewer employees and greater focus on the internal change process that was initiated at the end of 2017 (primarily related to the integration of Temagruppen).

The acquisitions of the consultancy firm Energi & VVS-planering i Helsingborg AB and the consultancy firm Sture Byberg Ingenjörsbyrå AB were finalised during the first quarter of 2018. Both companies were consolidated on 1 February 2018 and contributed net revenue of approximately SEK 3.0 million in the three months ended 31 March 2018. At the end of the first quarter of 2018, Projektengagemang signed agreements for the acquisition of ROOF Arkitekter AB in Örebro with 16 employees and Smedjan Projektledning AB in Gothenburg with five employees. The integration of these two companies into the Architecture & Management division has commenced and Projektengagemang expects integration to be finalised during 2018. The acquisitions of ROOF Arkitekter AB and Smedjan Projektledning AB were completed in the second quarter of 2018.

Other external expenses

The Group's other external expenses for the three months ended 31 March 2018 amounted to SEK 74.5 million, a decrease of SEK 0.7 million or 0.9 percent, compared with SEK 75.2 million for the three months ended 31 March 2017. This was primarily a result of transaction costs related to acquisitions, which are included in other external expenses, being lower (SEK 0.4 million) in the three months ended 31 March 2018 than in the three months ended 31 March 2017 (SEK 1.3 million).

Personnel expenses

The Group's personnel expenses for the three months ended 31 March 2018 amounted to SEK 198.0 million, an increase of SEK 2.8 million or 1.4 percent, compared with SEK 195.2 million for the three months ended 31 March 2017. This was primarily a result of higher salary levels in acquired companies and higher salary costs for recruited personnel in relation to existing personnel. The average number of employees in the Group declined from 980 in the three months ended 31 March 2017 to 971 in the three months ended 31 March 2018.

Operating income, EBITDA

The Group's operating income, EBITDA for the three months ended 31 March 2018 amounted to SEK 34.6 million, an increase of SEK 2.3 million or 7.1 percent, compared with SEK 32.3 million for the three months ended 31 March 2017. The change was primarily a result of the factors discussed in the preceding section, including increased net revenue and earnings improvements in the Civil Engineering & Infrastructure and Systems divisions. The acquisitions of Energi och VVS Planering AB and Sture Byberg Ingenjörsbyrå AB were completed in the three months ended 31 March 2018, and both companies made positive contributions to the Group's earnings for two months.

Amortisation, depreciation and impairment

The Group's amortisation, depreciation and impairment of intangible and tangible assets for the three months ended 31 March 2018 amounted to SEK 4.9 million, a decrease of SEK 0.7 million or 12.5 percent, compared with SEK 5.6 million for the three months ended 31 March 2017. The decrease was due to a decline in tangible assets, and thus the basis for depreciation, in 2017.

1) Organic net revenue growth is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*". For a reconciliation of organic net revenue growth with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*".

Operating income, EBITA
The Group's operating income, EBITA for the three months ended 31 March 2018 amounted to SEK 29.7 million, an increase of SEK 3.0 million or 11.2 percent, compared with SEK 26.7 million for the three months ended 31 March 2017. The change was primarily a result of the factors discussed in the preceding section, including higher operating income, EBITDA and related growth in the Civil Engineering & Infrastructure and Systems divisions, and slightly lower amortisation, depreciation and impairment.

Acquisition-related items
Acquisition-related items are defined as amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of earn-outs, and gains and losses on divestments of companies, operations, land and buildings. The Group's acquisition-related items for the three months ended 31 March 2018 amounted to SEK 0.9 million, the same result as for the three months ended 31 March 2017.

Operating income, EBIT
The Group's operating income, EBIT for the three months ended 31 March 2018 amounted to SEK 28.8 million, an increase of SEK 3.0 million or 11.6 percent, compared with SEK 25.8 million for the three months ended 31 March 2017. This was primarily a result of the factors discussed in the preceding section.

Net financial items
The Group's net financial items for the three months ended 31 March 2018 amounted to SEK 1.4 million, an increase of SEK 0.5 million or 55.6 percent, compared with SEK 0.9 million for the three months ended 31 March 2017. This was primarily a result of increased interest expenses due to higher indebtedness in connection with implementing acquisitions.

Income before tax
The Group's income before tax for the three months ended 31 March 2018 amounted to SEK 27.3 million, an increase of SEK 2.4 million or 9.6 percent, compared with SEK 24.9 million for the three months ended 31 March 2017. The change was primarily a result of improved EBIT.

Tax
The Group's tax for the three months ended 31 March 2018 amounted to SEK 5.2 million, a decrease of SEK 3.9 million or 42.9 percent, compared with SEK 9.1 million for the three months ended 31 March 2017. The tax expense for the three months ended 31 March 2017 included an adjustment of the tax expense attributable to 2016.

Result for the period
As a result of the factors discussed above, the Group's profit for the three months ended 31 March 2018 amounted to SEK 22.2 million, an increase of SEK 6.4 million compared with profit of SEK 15.8 million for the three months ended 31 March 2017.

Adjusted EBITA[1)]
The three months ended 31 March 2018 was charged with costs affecting comparability of SEK 2.3 million, a decrease of SEK 2.5 million from SEK 5.8 million for the three months ended 31 March 2017. The costs affecting comparability for the three months ended 31 March 2018 pertained in their entirety to consulting costs in connection with the Offering and the listing on Nasdaq Stockholm, while costs affecting comparability for the three months ended 31 March 2017 were primarily related to the acquisitions of Temagruppen, Konkret and HJR in 2016. The Group's adjusted EBITA for the three months ended 31 March 2018 amounted to SEK 32.0 million, a decrease of SEK 0.5 million or 1.5 percent, compared with SEK 32.5 million for the three months ended 31 March 2017. This was primarily a result of the Group's increased net revenue. The improvement in the Group's adjusted EBITA was attributable in its entirety to the Civil Engineering & Infrastructure and Systems divisions, which delivered strong earnings in the three months ended 31 March 2018.

2017 financial year compared with 2016 financial year

Net revenue
The Group's net revenue for the 2017 financial year amounted to SEK 1,170.7 million, an increase of SEK 337.3 million or 40.5 percent, compared with SEK 833.4 million for the 2016 financial year. Organic net revenue growth[2)] was 4 percent in 2017. The increase in net revenue was primarily driven by the acquisitions implemented in 2016 (particularly Temagruppen, HJR and Konkret). Architecture & Management was positively impacted by high demand for architectural services, particularly in the metropolitan regions. The increase was also a result of higher invoicing due to a greater inflow of assignments, which in turn was due to successful differentiation by focusing on value-creating multi-disciplinary services and thus organic net revenue growth. This was particularly tangible in Civil Engineering & Infrastructure and Systems. The calendar effect for 2017 corresponded to approximately 1.5 fewer working days than in 2016, which had a slightly negative impact on net revenue. The price trend was generally positive in 2017, but the effects were impeded by lower net revenue growth in Industry & Energy due to price pressure caused by intensified competition. In 2017, the trend in the utilisation rate was particularly strong in Civil Engineering & Infrastructure, while the utilisation rate in other divisions was more aligned to levels in 2016. The discontinuation of the subsidiary Soleed Sweden AB (including the subsidiary Soleed Production AB) in 2016 negatively impacted net revenue.

1) Adjusted EBITA is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*." For a reconciliation of adjusted EBITA with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures.*"
2) Organic net revenue growth is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures.*" For a reconciliation of organic net revenue growth with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures.*"

Other external expenses
The Group's other external expenses for the 2017 financial year amounted to SEK 338.1 million, an increase of SEK 56.8 million or 20.2 percent, compared with SEK 281.3 million for the 2016 financial year. This was primarily a result of higher leasing fees for operating leases, mainly attributable to increased costs for premises, equipment and services, and higher costs for purchases of goods and materials, which in turn was a result of Projektengagemang's net revenue growth[1)] during the period.

Personnel expenses
The Group's personnel expenses for the 2017 financial year amounted to SEK 741.5 million, an increase of SEK 237.6 million or 47.2 percent, compared with SEK 503.9 million for the 2016 financial year. This was primarily a result of a higher average number of employees due to the operations acquired in 2016 (Temagruppen, HJR and Konkret), which had partly higher salary levels and higher salary costs for recruited personnel in relation to existing personnel.

Income from associates
The Group's Income from associates for the 2017 financial year amounted to SEK million, a decrease of SEK 1.1 million or 100 percent, compared with SEK 1.1 million for the 2016 financial year. Income for 2016 pertained to the divestment of an associated company in 2016, which was thus not included in the Group in 2017.

Operating income, EBITDA
The Group's operating income, EBITDA for the 2017 financial year amounted to SEK 91.1 million, an increase of SEK 41.7 million or 84.3 percent, compared with SEK 49.4 million for the 2016 financial year. The change was primarily a result of the factors discussed in the preceding section, including increased net revenue due to organic and acquisition-driven net revenue growth.[1)]

Adjusted operating income, EBITDA
The Group's adjusted operating income, EBITDA for the 2017 financial year amounted to SEK 119.7 million, an increase of SEK 52.1 million or 77.1 percent, compared with SEK 67.6 million for the 2016 financial year. The change was primarily a result of the factors discussed in the preceding section, including higher net revenue and increased items affecting comparability mainly comprising acquisition and integration costs and IPO costs.

Amortisation, depreciation and impairment of intangible and tangible assets
The Group's amortisation, depreciation and impairment of intangible and tangible assets for the 2017 financial year amounted to SEK 26.1 million, a decrease of SEK 23.0 million or 46.8 percent, compared with SEK 49.0 million for the 2016 financial year. This was primarily a result of impairment in 2016 related to the subsidiary Soleed Sweden AB (including the subsidiary Soleed Production AB), which was not deemed to be part of the core operations.

Operating income, EBIT
The Group's operating income, EBIT for the 2017 financial year amounted to SEK 65.0 million, an increase of SEK 64.6 million compared with SEK 0.4 million for the 2016 financial year. The change was primarily a result of the factors discussed in the preceding section, including higher operating income, EBITDA and lower amortisation, depreciation and impairment of intangible and tangible assets.

Adjusted operating income EBIT[2)]
The Group's adjusted operating income EBIT for the 2017 financial year amounted to SEK 93.7 million, an increase of SEK 45.8 million or 95.7 percent, compared with SEK 47.9, for the 2016 financial year. The change was primarily a result of operational improvements and the acquisitions of Temagruppen, Konkret and HJR, and other factors described in this section.

Net financial items
The Group's financial income for the 2017 financial year amounted to SEK 0.6 million, a decrease of SEK 0.2 million or 29.5 percent, compared with SEK 0.8 million for the 2016 financial year. The Group's financial costs for the 2017 financial year amounted to SEK 8.2 million, a decrease of SEK 1.5 million or 15.5 percent, compared with SEK 9.7 million for the 2016 financial year. This was primarily a result of higher interest expenses due to a loan raised in 2016 to finance acquisitions. The item of SEK 3.6 million pertained to an earn-out related to the acquisition of the company Novamark that was not included in the original acquisition analysis and that was added when the acquisition analysis was established in 2016. No corresponding correction was made for 2017. As a result of what is described above under "– *Financial income*" and "– *Financial costs,*" the Group's net financial items for the 2017 financial year amounted to SEK 7.6 million, a decrease of SEK 1.3 million or 14.2 percent, compared with SEK 8.9 million for the 2016 financial year.

Income before tax
The Group's income before tax for the 2017 financial year amounted to profit of SEK 57.4 million, an increase of SEK 65.9 million compared with a loss of SEK 8.5 million for the 2016 financial year. The change was primarily a result of improved EBIT.

1) Organic net revenue growth and acquisition-driven net revenue growth are unaudited non-IFRS measures and are not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures.*" For a reconciliation of organic net revenue growth and acquisition-driven net revenue growth with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures.*"
2) Adjusted operating income EBIT is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures.*" For a reconciliation of adjusted operating income EBIT with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures.*"

Tax

The Group's tax for the 2017 financial year amounted to a tax expense of SEK 19.9 million, an increase of SEK 23.5 million compared with tax income of SEK 3.6 million for the 2016 financial year.

Result for the period

As a result of the factors discussed above, the Group's profit for the 2017 financial year amounted to SEK 37.5 million, an increase of SEK 42.5 million compared with a loss of SEK 5.0 million for the 2016 financial year.

Adjusted EBITA[1)]

The Group's adjusted EBITA for the 2017 financial year amounted to SEK 97.4 million, an increase of SEK 49.2 million or 102.0 percent, compared with SEK 48.2 million for the 2016 financial year. This was primarily a result of higher net revenue due to acquired and organic net revenue growth[2)] in 2017. Net revenue was adversely affected by increased costs due to acquisitions and the discontinuation of the subsidiary Soleed Sweden AB.

2016 financial year compared with 2015 financial year

Net revenue

The Group's net revenue for the 2016 financial year amounted to SEK 833.4 million, an increase of SEK 149.8 million or 21.9 percent, compared with SEK 683.7 million for the 2015 financial year. Organic growth was 2 percent. The net revenue growth was primarily a result of increased net revenue in Architecture & Management due to the acquisition of Temagruppen and increased net revenue in Industry & Energy (mainly related to the acquisitions of Applied Engineering AB and Mariestads Elektroautomatik AB) and Civil Engineering & Infrastructure. The increase was also due to income contributions from 11 companies acquired in the second half of 2015 (which only impacted part of 2015 but contributed to net revenue for all of 2016). The subsidiary Soleed Sweden AB was divested in 2016, which negatively impacted net revenue in 2016.

Other external expenses

The Group's other external expenses for the 2016 financial year amounted to SEK 281.3 million, an increase of SEK 42.5 million or 17.8 percent, compared with SEK 238.8 million for the 2015 financial year. This was primarily a result of the higher cost base due to implemented acquisitions, investments in the internal infrastructure (for example, related to IT) and increased marketing activities.

Personnel expenses

The Group's personnel expenses for the 2016 financial year amounted to SEK 503.9 million, an increase of SEK 119.7 million or 31.2 percent, compared with SEK 384.1 million for the 2015 financial year. This was primarily a result of increased costs for salaries and remuneration due to a higher average number of employees mainly from the acquisition of Temagruppen in 2016 and from companies acquired in 2015, which besides a larger cost base for consultants' salaries also led to increased costs for administration in the form of more employees in IT, marketing and accounting

Income from associates

The Group's income from associates for the 2016 financial year amounted to SEK 1.1 million, a decrease of SEK 3.2 million or 74.5 percent, compared with SEK 4.3 million for the 2015 financial year. This was a result of the divestment of an associate company in 2016.

Operating income, EBITDA

The Group's operating income, EBITDA for the 2016 financial year amounted to SEK 49.4 million, a decrease of SEK 15.7 million or 24.1 percent, compared with SEK 65.0 million for the 2015 financial year. The change was primarily a result of higher personnel expenses and increased other external expenses related to acquisitions implemented during the period.

Adjusted operating income, EBITDA

The Group's adjusted operating income, EBITDA for the 2016 financial year amounted to SEK 67.6 million, a decrease of SEK 5.2 million or 7.2 percent, compared with SEK 72.8 million for the 2015 financial year. The change was primarily a result of higher personnel expenses and increased other external expenses related to acquisitions implemented during the period.

Amortisation, depreciation and impairment of intangible and tangible assets

The Group's amortisation, depreciation and impairment of intangible and tangible assets for the 2016 financial year amounted to SEK 49.0 million, an increase of SEK 16.3 million or 49.8 percent, compared with SEK 32.7 million for the 2015 financial year. This was primarily a result of impairment in 2016 related to the subsidiary Soleed Sweden AB, which was not deemed to be part of the core operations.

Operating income, EBIT

The Group's operating income, EBIT for the 2016 financial year amounted to SEK 0.4 million, a decrease of SEK 31.9 million or 98.9 percent, compared with SEK 32.3 million for the 2015 financial year. This was primarily a result of higher personnel expenses and increased other external expenses related to acquisitions implemented during the period and the discontinuation of the subsidiary Soleed Sweden AB (including the subsidiary Soleed Production AB) in 2016.

1) Adjusted EBITA is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*". For a reconciliation of adjusted EBITA with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*".

2) Organic net revenue growth and acquisition-driven net revenue growth are unaudited non-IFRS measures and are not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*". For a reconciliation of organic net revenue growth and acquisition-driven net revenue growth with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*".

Adjusted operating income EBIT[1)]

The Group's adjusted operating income EBIT for the 2016 financial year amounted to SEK 47.9 million, a decrease of SEK 9.4 million or 16.4 percent, compared with SEK 57.3 million, for the 2015 financial year. This was primarily a result of higher personnel expenses and increased other external expenses related to acquisitions implemented during the period.

Net financial items

The Group's financial income for the 2016 financial year amounted to SEK 0.8 million, a decrease of SEK 2.4 million or 75.3 percent, compared with SEK 3.2 million for the 2015 financial year. This was primarily a result of a capital gain on sales of securities in a company acquired in 2015. The Group's financial costs for the 2016 financial year amounted to SEK 9.7 million, a decrease of SEK 1.5 million or 13.8 percent, compared with SEK 11.2 million for the 2015 financial year. This was primarily a result of lower interest expenses and costs incurred in 2015 in connection with the Company raising capital. SEK 3.6 million of the interest expenses for 2016 pertained to an earn-out related to the acquisition of the company Novamark that was not included in the established acquisition analysis and which was added in connection with the determination of the acquisition analysis in 2016. No corresponding adjustment was made in 2017. As a result of this the Group's net financial items for the 2016 financial year amounted to a loss of SEK 8.9 million, a decrease of SEK 0.3 million or 3.1 percent, compared with a loss of SEK 8.6 million for the 2015 financial year.

Income before tax

The Group's income before tax for the 2016 financial year amounted to a loss of SEK 8.5 million, a decrease of SEK 32.2 million or 135.9 percent compared with profit of SEK 23.7 million for the 2015 financial year. This was primarily a result of lower EBIT.

Tax

The Group's tax for the 2016 financial year amounted to tax income of SEK 3.6 million, a decrease of SEK 4.3 million or 555.2 percent compared with a tax expense of SEK 0.8 million for the 2015 financial year. This was primarily a result of capitalising loss carryforwards.

Result for the period

As a result of the factors discussed above, the Group's loss for the 2016 financial year amounted to SEK 5.0 million, a decrease of SEK 27.9 million compared with profit of SEK 22.9 million for the 2015 financial year.

Adjusted EBITA[2)]

The Group's adjusted EBITA for the 2016 financial year amounted to SEK 48.2 million, a decrease of SEK 9.2 million or 16.1 percent, compared with SEK 57.4 million for the 2015 financial year. This was primarily a result of higher net revenue due to acquisitions in 2016. Net revenue was adversely affected by increased costs due to acquisitions and the discontinuation of the subsidiary Soleed Sweden AB.

Liquidity and capital resources

Overview

The Group's primarily sources of liquidity have been cash flow from operating activities and loans under existing bank facilities. After the Offering, the Company expects, within the framework of its business activities, to rely on cash flow from operating activities and utilise credit facilities to acquire the funds required for the operations, refer to "– *Indebtedness.*"

Liquidity management is important to the Group. Accordingly, the Company continuously monitors liquidity and its cash position is evaluated every other week in connection with liquidity planning. Projektengagemang's objective is to achieve cost-efficient financing and to minimise the adverse impact of market fluctuations on the Group's profit. The aim of Projektengagemang's financing policy is to identify and ensure sound management of the financial risks arising in the Group, to ensure access to the necessary financing at the lowest possible cost within the framework of adopted risk levels, to ensure a high level of access to funds in order to meet the Group's payment commitments at any time and to achieve the optimal net financial items within specific risk mandates.

As per 31 March 2018, the Group had SEK 126.2 million in available funds. As per 31 March 2018, the Group had unutilised credit facilities of SEK 118.4 million. Projektengagemang endeavours to maintain sufficient liquid assets and short-term financing through agreed credit facilities to manage liquidity risk.

Investments

Projektengagemang's architectural and technical consulting services require only limited tangible assets. In the past, the Group's investments were mainly related to business combinations as part of Projektengagemang's efforts to create a value-based multi-disciplinary offering. The Group's investments comprise investments in tangible and intangible assets. Investments in tangible assets primarily refer to machinery and equipment, including car leases, acquisitions of equipment and tools, and computer leases. Investments in intangible assets primarily refer to business combinations, including goodwill and customer relations. In the periods indicated, Projektengagemang's investments declined as a result of a heightened focus on integrating acquired businesses and fewer business combinations.

1) Adjusted operating income EBIT is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures.*" For a reconciliation of adjusted operating income EBIT with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures.*"

2) Adjusted EBITA is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*". For a reconciliation of adjusted EBITA with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Earnings and margin measures*".

The table below illustrates the Group's investments for the periods indicated.

	January – March		Full-year		
	2018	2017	2017	2016	2015
MSEK (unless otherwise stated)	*(unaudited)*		*(audited)*		
Intangible assets	0	1	1	0	27
Tangible assets	1	2	5	10	39
Total	1	3	6	10	67
Total investments as a percentage of income	**0.3%**	**1.0%**	**0.5%**	**1.2%**	**9.7%**

The Group's lower investments in both tangible and intangible assets in the 2017 financial year compared with the 2016 and 2015 financial years was mainly a result of no business combinations being carried out in 2017. The lower investments in the 2016 financial year compared with the 2015 financial year were mainly attributable to investments in the subsidiary Soleed Sweden AB in 2015, which was also discontinued with impairment of assets in 2016.

The Company has not made any significant commitments pertaining to future investments.

Cash flow

	January – March		Full-year		
	2018	2017	2017	2016	2015
MSEK	*(unaudited)*		*(audited)*		
Cash flow from operating activities	11.6	24.0	76.6	–13.9	73.9
Cash flow from investing activities	–11.9	–2.8	–18.9	–237.5	–98.7
Cash flow from financing activities	4.3	–14.2	–67.3	227.7	39.1
Cash flow for the period	**4.0**	**7.0**	**–9.6**	**–23.8**	**14.2**
Cash and cash equivalents at the end of the period	**7.5**	**20.2**	**3.5**	**13.2**	**36.9**

Cash flow from operating activities

The Group's cash flow from operating activities decreased SEK 12.4 million from a cash inflow of SEK 24.0 million in the three months ended 31 March 2017 to a cash inflow of SEK 11.6 million in the three months ended 31 March 2018. This decrease was primarily a result of a SEK 20.5 million change in working capital related to major commitments and acquisitions.

The Group's cash flow from operating activities increased SEK 90.5 million from a cash outflow of SEK –13.9 million in the 2016 financial year to a cash inflow of SEK 76.6 million in the 2017 financial year. The change in working capital[1)] in 2017 amounted to SEK 1.3 million, compared to SEK 60.2 million in 2016. This increase was primarily a result of the improved earnings level and a more stable trend in the Group's tied-up capital.

The Group's cash flow from operating activities was adversely affected by SEK 87.8 million from a cash inflow of SEK 73.9 million in the 2015 financial year to a cash outflow of SEK 13.9 million in the 2016 financial year. This change was primarily a result of lower EBITDA in 2016 and increased capital formation in 2016, which had a negative impact on working capital.

Cash flow from investing activities

The Group's cash flow from investing activities increased SEK 8.8 million from a cash outflow of SEK 2.8 million in the three months ended 31 March 2017 to a cash outflow of SEK 11.6 million in the three months ended 31 March 2018. This increase was primarily a result of the acquisitions of the companies Energi och VVS Planering AB and Sture Byberg Ingenjörsbyrå AB, which accounted for SEK 10.9 million of the net outflow of SEK 11.9 million generated by the investing activities in the three months ended 31 March 2018.

The Group's cash flow from investing activities declined SEK 218.6 million from a cash outflow of SEK 237.5 million in the 2016 financial year to a cash outflow of SEK 18.9 million in the 2017 financial year. This increase was primarily a result of implementing acquisitions in 2016, which drove a cash outflow totalling SEK 227.1 million during the year. The cash outflow in 2017 pertained to repayment of bank loans and settling expensed purchase considerations for previously acquired companies.

The Group's cash flow from investing activities increased SEK 138.8 million from a cash outflow of SEK 98.7 million in the 2015 financial year to a cash outflow of SEK 237.5 million in the 2016 financial year. This increase was primarily a result of the Company carrying out five acquisitions in 2016, of which three are considered to be major acquisitions, while the acquisitions implemented in 2015 were significantly smaller.

1) Working capital is an unaudited non-IFRS measure and is not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of performance measures*" For a reconciliation of working capital with the most closely related IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Capital structure*".

Cash flow from financing activities

The Group's cash flow from financing activities increased SEK 18.5 million from a cash outflow of SEK 14.2 million in the three months ended 31 March 2017 to a cash inflow of SEK 4.3 million in the three months ended 31 March 2018. This increase was primarily a result of higher utilisation of credit facilities of SEK 19.7 million. The cash flow from financing activities was also impacted by the repayment of bank loans and other financial liabilities of SEK 15.5 million in the three months ended 31 March 2018.

The Group's cash flow from financing activities declined SEK 295.0 million from a cash inflow of SEK 227.7 million in the 2016 financial year to a cash outflow of SEK 67.3 million in the 2017 financial year. The change, and the high cash inflow in 2016, were attributable to raising new loans related to the acquisitions of Temagruppen, HJR and Konkret. The cash outflow in 2017 was primarily related to SEK 50.0 million in repayments of bank loans, lower utilisation of overdraft facilities of SEK 4.7 million and SEK 12.6 million in repayments of lease liabilities.

The Group's cash flow from financing activities increased SEK 188.5 million from a cash inflow of SEK 39.1 million in the 2015 financial year to a cash inflow of SEK 227.7 million in the 2016 financial year. This increase was primarily a result of signing a new credit agreement in 2016 for financing acquisitions.

Indebtedness

Existing credit facilities

The Company has signed a credit agreement ("**Credit Agreement**") for fixed-term credit facilities, a revolving credit facility and an overdraft facility with Skandinaviska Enskilda Banken AB (publ) ("**Lender**") as the lender ("**Credit Facilities**"). These Credit Facilities comprise fixed-term, amortising credit facilities of SEK 50 million, SEK 90 million and SEK 100 million, a revolving credit facility of SEK 100 million and an overdraft facility of SEK 60 million.

Each of the Credit Facilities falls due for payment three years after the contract date (December 2016), except for the overdraft facility for which separate terms apply according to the agreement with the Lender. The Credit Facilities, which will also form the Company's financing arrangements after the Offering, are unsecured.

The interest on one loan under the Credit Facilities (other than the overdraft facility for which separate terms apply according to the agreement with the Lender) for each interest period is the applicable STIBOR (with a floor of (0) percent for the applicable interest), plus an initial margin rate of 2.25 percent per year. The margin rate under each Credit Facility (other than the overdraft facility for which separate terms apply according to the agreement with the Lender) is subsequently adjusted based on the relationship between total net indebtedness for the Group and EBITDA for the Group for the relevant period. The Company is also obligated to pay a commitment commission under the Credit Agreement.

The Credit Agreement contains customary undertakings and guarantees provided on the date that the Credit Agreement is signed and, as regards certain undertaking and guarantees, on certain subsequent dates. Furthermore, the Credit Agreement contains customary commitments for the Company (and partly also for its subsidiaries), such as compliance with laws (including sanctions and anti-corruption), restrictions on changes to the Group's operations, restrictions regarding mergers, restrictions regarding divestments, negative undertakings, restrictions on the Group incurring any additional liabilities, restrictions regarding loans and collateral provided, and restrictions and fulfilment of certain requirements in connection with acquisitions. In addition, the Credit Agreement contains certain financial undertakings requiring that the relationship between the Group's total net indebtedness and the Group's EBITDA (including certain adjustments) does not negatively deviate from certain levels and that the Group's equity/assets ratio does not deviate from a certain level. The Credit Agreement does not contain any restrictions on dividends.

The Credit Facilities may be subject to mandatory early redemption and termination according to customary conditions in the event of certain circumstances, including certain changes in the control of the Company or the delisting of the Company's shares. The Credit Facilities may also be terminated or may fall due for payment in whole or in part if certain grounds for termination arise, including, but not limited to, non-payment, insolvency or cross-default. The grounds for termination are subject to customary exemptions, qualifications and corrective periods in accordance with the Credit Agreement.

MSEK (unless otherwise stated)	January – March 2018 (unaudited)	January – March 2017 (unaudited)	Full-year 2017 (audited)	Full-year 2016 (audited)	Full-year 2015 (audited)
Non-current interest-bearing liabilities	158.0	225	174	229	30
Current interest-bearing liabilities	97.2	76	78	86	50
Cash and cash equivalents	–7.8	–24	–5	–16	–40
Net debt[1)]	**247.4**	**277**	**246**	**298**	**40**
Net debt / adjusted EBITDA, (rolling 12 months)[1)]	**2.1x**	**3.3x**	**2.1x**	**4.4x**	**0.6x**

1) Net debt and net debt / adjusted EBITDA, (rolling 12 months) are unaudited non-IFRS measures and are not a substitute for IFRS measures. For further information about non-IFRS measures, including definitions and reasons for use, refer to "*Selected historical financial information – Definitions of key performance indicators*". For a reconciliation of net indebtedness and net debt / adjusted EBITDA (rolling 12 months) to the nearest IFRS measures, refer to "*Selected historical financial information – Reconciliation tables – Capital structure.*" Rolling 12 months refers to the four most recently reported quarters.

A 1 percent change in market interest rates would impact the Group's interest expenses by SEK 2.5 million.

Statement regarding working capital
Projektengagemang continuously generates the working capital required by the Company for carrying out the operations and for meeting its payment commitments. The Company assesses that the working capital is sufficient to meet Projektengagemang's actual needs over the coming 12-month period from the date of this Prospectus. Working capital refers to a company's ability to gain access to cash and cash equivalents to meet its payment commitments as they fall due for payment.

Off-balance sheet commitments and contingent liabilities
The Company has no off-balance sheet commitments or contingent liabilities other than the pledged assets and the contingent liabilities stipulated in "*Historical financial information – Financial information for the 2017 and 2016 financial years – Note 31 (Pledged assets, contingent liabilities and contingent assets).*"

Tangible assets
As per 31 December 2017, Projektengagemang's tangible assets amounted to SEK 47.3 million. These assets primarily comprise land and buildings, leasehold improvements and machinery and equipment. For further information on Projektengagemang's tangible assets, refer to "*Historical financial information – Financial information for the 2017 and 2016 financial years – Note 13 (Tangible assets)*" and Note 12 (Tangible assets) in the annual report for the 2015 financial year.

Quantitative and qualitative disclosures concerning management of financial risks
For further information on the Company's management of currency risk, interest rate risk, credit risk, liquidity risk and financing risk, refer to "*Historical financial information – Financial information for the 2017 and 2016 financial years – Note 29 (Financial risks and finance policies)*" and Note 28 (Financial risks and finance policies) in the annual report for the 2015 financial year.

Changes in accounting policies
The Company's financial statements may be impacted by changes in accounting policies that could affect comparability of earnings from different periods and the Company's statement of financial position. Refer to "*Historical financial information – Financial information for the 2017 and 2016 financial years – Note 1 (Material accounting policies, general accounting policies)*", "*Risk factors – Risks related to Projektengagemang's business and industry – Changes in accounting rules may diversely impact Projektengagemang's financial statements*" and Note 1 (Material accounting policies) in the annual report for the 2015 financial year.

Material accounting policies
For a description of Projektengagemang's material accounting policies, refer to "*Historical financial information – Financial information for the 2017 and 2016 financial years – Note 1 (Material accounting policies, general accounting policies)*", and "*– Note 35 Significant estimates and judgements)*" and Note 1 (Material accounting policies) and Note 34 (Significant estimates and judgements) in the annual report for the 2015 financial year, for a description of Projektengagemang's accounting policies and estimates when preparing the financial statements.

Capitalisation and indebtedness

The tables below set forth the Company's capitalisation and net indebtedness as of 31 March 2018 on actual basis reflecting the carrying amounts on the Company's consolidated balance sheet:

MSEK	As of 31 March 2018 Actual *Unaudited*
Current debt:	
Guaranteed	–
Secured[1]	97.2
Unguaranteed/unsecured	–
Total current debt	**97.2**
Non-current debt:	
Guaranteed	–
Secured[1]	159.8
Unguaranteed/unsecured	–
Total non-current debt	**159.8**
Total indebtedness	**257.0**
Shareholders' equity:	
Share capital	1.9
Legal reserve	–
Other reserves	248.7
Total shareholders' equity	**250.6**
Total capitalisation	**507.6**

1) Primarily pledges in shares of subsidiaries.

MSEK		As of 31 March 2018 Actual *Unaudited*
Net indebtedness:		
A.	Cash	7.5
B.	Cash equivalents (short-term deposits)	–
C.	Trading securities	0.3
D.	**Total liquidity (A+B+C)**	**7.8**
E.	**Current financial receivables**	**–**
F.	Current bank debt[1]	89.8
G.	Current portion of non-current debt	–
H.	Other current financial debt[1][2]	7.4
I.	**Total current financial debt (F+G+H)**	**97.2**
J.	**Net current financial indebtedness (I–E–D)**	**89.4**
K.	Non-current bank loans[1]	133.8
L.	Bonds issued	–
M.	Other non-current loans[1][2]	26.0
N.	**Non-current financial indebtedness (K+L+M)**	**159.8**
O.	**Net financial indebtedness (J+N)**	**249.2**

1) Interest-bearing debt.
2) Also includes interest-bearing components, such as financial leasing of material assets within IT equipment and cars.

The Group does not have any indirect liabilities or contingent liabilities.

The Company has no reason to believe that there has been any material change to the Company's actual capitalisation since 31 March 2018. For information about recent developments, see "*Operating and financial review – Recent developments and current trends*".

Board of Directors, Group management and auditors

Board of Directors

The following table sets forth certain information on the members of the Company's board of directors as of the date of this Prospectus. As of the date of this Prospectus, the Company's board of directors consists of seven ordinary members without any deputies, all elected at the 2018 annual general meeting up until the end of the 2019 annual general meeting.

Name	Elected	Position	Independent in relation to the Company and the Group management	Independent in relation to the Principal Owner	Shareholding[1)]
Gunnar Grönkvist	2015	Chairman	Yes	Yes	22,500
Lars-Erik Blom	2016	Board member	Yes	Yes	1,489,362
Britta Dalunde	2016	Board member	Yes	Yes	10,500
Øystein Engebretsen	2016	Board member	Yes	Yes	–
Per-Arne Gustavsson	2018	Board member	No	No	5,243,400[2)]
Per Göransson	2006	Board member	No	No	5,247,900[3)]
Carina Malmgren Heander	2017	Board member	Yes	Yes	–

1) Pertains to own shareholding and holdings for closely related natural and legal persons, as well as holdings in endowment policies after the completion of the Offering.
2) Pertains to shareholding for Projektengagemang Holding i Stockholm AB, the Company's Principal Owner. After the completion of the Offering, Projektengagemang Holding i Stockholm AB will own 5,243,400 shares. Per-Arne Gustavsson owns 50.5 % of the shares in Projektengagemang Holding i Stockholm AB.
3) Pertains to shareholding for Projektengagemang Holding i Stockholm AB, the Company's Principal Owner, and shareholding for G-Trading AB. After the completion of the Offering, Projektengagemang Holding i Stockholm AB and G-Trading AB will own 5,243,400 and 4,500 shares, respectively. Per Göransson owns 49.5 % of the shares in Projektengagemang Holding i Stockholm AB and controls G-Trading AB.

Gunnar Grönkvist (born 1943)

Position: Board member and Chairman of the board (since 2015), member of the audit committee and member of the remuneration committee.

Nationality: Swedish.

Education: M.Sc. in Politics, Stockholm University.

Current engagements: –

Previous engagements/experience: Chairman of the board of Awapatent AB. Board member of Midnatssloppet AB and Projektledarhuset AB.

Shareholding in the Company: 22,500.

Lars-Erik Blom (born 1960)

Position: Board member (since 2016) and member of the audit committee.

Nationality: Swedish.

Education: M.Sc. in Business Administration, Stockholm University.

Current engagements: CEO and board member of Optimum Ekonomiplanering AB and LK Finans AB. Chairman of the board of Lagerstedt and Krantz AB. Board member of FM Mattsson Mora Group AB, Its Nordic Holding AB, Connecting Capital Holding AB, Norvatek Invest AB, S&A Sverige AB, D-K Intressenter AB, TSS Holding AB and JEFF fastigheter AB.

Previous engagements/experience: Board member of Järntorget Byggintressenter AB. Chairman of the board for LK System AB and LK Pex AB.

Shareholding in the Company: 1,489,362.

Britta Dalunde (born 1958)

Position: Board member (since 2016) and chairman of the audit committee.

Nationality: Swedish.

Education: B.Sc. in International Business Administration, Uppsala University.

Current engagements: Chairman of the board of Boom Watch Company AB, Cereb AB, JuestBeforeTime AB, Chorus AB, Pamagi AB and StraightTalk AB; board member of Arlandabanan Infrastructure AB, Global Ports Investments PLC and HH Ferries AB as well as deputy board member of Dalmeo AB and Odd Fellow Huset i Stockholm AB.

Previous engagements/experience: CEO and board member of SJ Danmark A/S, Chairman of the board of several companies within the SJ group; board member of Boule Diagnostics AB, HANZA Holding AB, Oniva Online Group Europe AB, Kingtech AB, Schoolsoft AB, Linkon AB, Entertainment AB and Vikströms Buss AB. CFO of SJ AB.

Shareholding in the Company: 10,500.

Øystein Engebretsen (born 1980)

Position: Board member (since 2016) and member of the remuneration committee.

Nationality: Norwegian.

Education: M.Sc. in Economics and Business Administration, BI Norwegian Business School.

Current engagements: Board member of Scandi Standard AB and Eigenrac Holding AB. Head of Investments at Investment AB Öresund.

Previous engagements/experience: Board member of Investment AB Öresund, own consultancy business and Corporate Finance, HQ Bank. CEO and board member of Engebretsen Invest AB.

Shareholding in the Company: –

Per-Arne Gustavsson (born 1952)

Position: Board member (since 2018).

Nationality: Swedish.

Education: M.Sc. in Engineering, KTH Royal Institute of Technology.

Current engagements: Board member of several companies in the Group. Chairman of the board of Pagator AB and Fotbollsajten Scandinavia AB.

Previous engagements/experience: CEO of Projektengagemang Sweden AB. Board member of several companies in the Group.

Shareholding in the Company: 5,243,400. Pertains to shareholding of Projektengagemang Holding i Stockholm AB, the Company's Principal Owner. After the completion of the Offering, Projektengagemang Holding i Stockholm AB will own 5,243,400 shares. Per-Arne Gustavsson owns 50.5 % of the shares in Projektengagemang Holding i Stockholm AB.

Per Göransson (born 1953)

Position: Board member (since 2006).

Nationality: Swedish.

Education: M.Sc. in Engineering, KTH Royal Institute of Technology.

Current engagements: Board member of G-Trading AB and several companies in the Group. Chairman of the Mysk joint ownership organisation.

Previous engagements/experience: Board member of several companies in the Group.

Shareholding in the Company: 5,247,900. Pertains to shareholding of Projektengagemang Holding i Stockholm AB, the Company's Principal Owner, and shareholding of G-Trading AB. After the completion of the Offering, Projektengagemang Holding i Stockholm AB and G-Trading AB will own 5,243,400 and 4,500 shares, respectively. Per Göransson owns 49.5 % of the shares in Projektengagemang Holding i Stockholm AB and controls G-Trading AB.

Carina Malmgren Heander (born 1959)

Position: Board member (since 2017) and chairman of the remuneration committee.

Nationality: Swedish.

Education: M.Sc. in Business and Economics, Linköping University.

Current engagements: Executive Vice President, Chief of Staff at Scandinavian Airlines Systems. Chairman of the board of Svenska Flygbranschen. Board member of Scandinavian Track Group AB, Timezynk AB, the Swedish Confederation of Transport Enterprises and the Confederation of Swedish Enterprise.

Previous engagements/experience: Senior Vice President at Electrolux AB. Board member of S-Invest AB and Svedbergs AB.

Shareholding in the Company: –

Group management

The following table sets forth certain information on the members of Projektengagemang's Group management as of the date of this Prospectus.

Name	Employed since	Part of Group management since	Position	Shareholding[1)]
Per Hedebäck	2017	2017	President and CEO	53,238
Peter Edstrand	2014	2014	CMO and Head of M&A	16,521
Krister Lindgren	–	2018	IR Officer	–
Roger Lindvall	–	2015	HR Director	–
Hans Paulsson	2015	2015	Head of Industry & Energy	39,255
Johan Renvall	2013	2017	Head of Systems	48,000
Nicke Rydgren	2018	2018	Head of Strategy and Business Development	45,000
Peter Sandberg	2007	2007	CFO	330,750
Mathias Thorsson	2016	2016	Head of Civil Engineering & Infrastructure	5,004

1) Pertains to own shareholding and holdings for closely related natural and legal persons, as well as holdings in endowment policies after the completion of the Offering.

Per Hedebäck (born 1964)

Position: President and CEO.

Nationality: Swedish.

Education: Executive MBA (engineering), Stockholm School of Economics; M.Sc. in Energy and Environment, KTH Royal Institute of Technology; B.Sc. in Energy and Environment, Karlstad University; and four-year technical training in mechanical engineering from Rudbeck High School, Örebro.

Current engagements: Board member of Mestro AB and LifeAir AB.

Previous engagements/experience: Head of Mist Elimination business area at Munters Group AB. Chairman of the board of Munters Euroform GmbH and a number of subsidiaries in the Group.

Shareholding in the Company: 53,238.

Peter Edstrand (born 1973)

Position: CMO and Head of M&A

Nationality: Swedish.

Education: Marketing and Economics, IHM Business School.

Current engagements: Board member of Peter Edstrand Konsult AB.

Previous engagements/experience: Chairman of the board and board member of Länna Handelshus i Sverige Aktiebolag. Board member of Peter Edstrand Claes Nordbäck Invest AB, Simon Edvinsson Akustik AB, LN Akustikmiljö AB, Bostadsrättsföreningen Koppagruvan and Bostadsrättsföreningen Fajansen. Deputy board member of C.A.P.T AB and Novamark AB. Employed at BDO Mälardalen AB and consultant at BDO Göteborg KB.

Shareholding in the Company: 16,521.

Krister Lindgren (born 1956)

Position: IR Officer.

Nationality: Swedish.

Education: M.Sc. in Business Administration, University of Gothenburg.

Current engagements: Chairman of the board of Fiduciam Ekonomi AB.

Previous engagements/experience: Acting CFO of Rottneros AB (publ) and board member of a number of companies in the Rottneros group.

Shareholding in the Company: –

Roger Lindvall (born 1964)

Position: HR Director.

Nationality: Swedish.

Education: M.Sc. in Architecture, Swedish University of the Agricultural Sciences; licensed Gestalt psychotherapist, Nordisk Gestalt Institut.

Current engagements: CEO, board member, and owner of med eftertanke AB.

Previous engagements/experience: Deputy CEO, HR Director, and owner of Tengbom AB. CEO and owner of A5 arkitekter and ingenjörer AB. Office manager at Scandiaconsult AB. Coordinating Architect at Kjessler & Mannerstråle AB.

Shareholding in the Company: –

Hans Paulsson (born 1967)

Position: Head of Industry & Energy.

Nationality: Swedish.

Education: Management program, Karlstad University; upper secondary economics course, Tingvalla High School.

Current engagements: CEO of PE Industry och Energi AB. Board member and owner of Not Yet Group AB and Not Yet Fashion AB. Board member of Värmlands Handbollsförbund and a number of companies in the Group.

Previous engagements/experience: Business adviser for the Inova foundation.

Shareholding in the Company: 39,255.

Johan Renvall (born 1967)

Position: Head of Systems.

Nationality: Swedish.

Education: Degree from Företagsekonomiska Institutet.

Current engagements: Board member of Johren AB. Member of Sveriges Brandkonsultförening.

Previous engagements/experience: CEO of HJR Projekt-El AB; founder and CEO of Brandgruppen AB.

Shareholding in the Company: 48,000.

Nicke Rydgren (born 1976)

Position: Head of Strategy and Business Development.

Nationality: Swedish.

Education: Master of Business Administration, Stockholm School of Economics (in progress).

Current engagements: Board member of Fieldbranch Partners AB and Infuse Food Innovation AB.

Previous engagements/experience: Deputy CEO in the Projekt-El Group, Director Analytics & Advisory at Bisnode Sverige, Managing Partner at Great Consulting Group and Senior Product Marketing Manager EMEA at HP.

Shareholding in the Company: 45,000.

Peter Sandberg (born 1970)

Position: Chief Financial Officer.

Nationality: Swedish.

Education: M.Sc. in Finance and Business Administration, Uppsala University.

Current engagements: Board member of a number of subsidiaries in the Group.

Previous engagements/experience: Board member of ÅF-Industry AB and a number of subsidiaries in the Group.

Shareholding in the Company: 330,750.

Mathias Thorsson (born 1971)

Position: Head of Civil Engineering & Infrastructure.

Nationality: Swedish.

Education: M.Sc. in Civil Engineering, Chalmers University of Technology, and building engineering, Chalmers University of Technology.

Current engagements: CEO of Tellstedt i Göteborg AB. Board member of PE Infrastruktur AB.

Previous engagements/experience: Manager at ÅF Infrastructure AB. Regional Director for Reinertsen Sverige AB.

Shareholding in the Company: 5,004.

Other information regarding the Board of Directors and Group management

The business address of the members of the board of directors and the Group management of the Company is Årstaängsvägen 11, SE-117 43 Stockholm, Sweden.

There are no identified conflicts of interest or potential conflicts of interest between the duties of the members of the board of directors and Group management toward the Company and their private interests and/or other duties (however, some members of the board of directors and Group management have certain financial interests in the Company as a consequence of their holding of shares in the Company).

There are no family ties between members of the board of directors or Group management.

No members of the board of directors or Group management has been convicted of fraudulent conduct during the last five years or been subject to any public incrimination or sanctions by statutory or regulatory authorities and none of the members of the board of directors or Group management has ever been disqualified by a court from acting as a member of administrative, management or supervisory bodies of a company or from acting in the board of directors or management or otherwise from conducting the affairs of a company during the past five years. None of the members of the board of directors or Group management has neither during the last five years been involved in any bankruptcies, receiverships or liquidations in a capacity as members of or deputy members of the board of directors of a company or as members of such a company's management.

Auditors

The Company's auditors, PricewaterhouseCoopers AB, with Lennart Danielsson as the auditor in charge were elected for the first time at the 2016 annual general meeting. At the 2018 annual general meeting, PricewaterhouseCoopers AB was re-elected as auditor for the period until the end of the 2019 annual general meeting, with Lennart Danielsson as the auditor in charge. Lennart Danielsson (born 1959) is an authorised public accountant and member of the Swedish Institute of Authorized Public Accountants (Sw. *Föreningen Auktoriserade Revisorer*) ("**FAR**"). In addition to the Company, Lennart Danielsson is responsible for the audits of, among others, Mekonomen Group AB. The office address for PricewaterhouseCoopers AB is Torsgatan 21, SE-113 97 Stockholm, Sweden.

In the 2015 financial year, Hummelkläppen i Stockholm AB was the Company's auditor, with Tommy Nilsson as the auditor in charge. Tommy Nilsson (born 1974) is an authorised public accountant and a member of FAR. The office address for Hummelkläppen i Stockholm AB is Villagatan 19, SE-114 32 Stockholm, Sweden.

Corporate governance

Overview

The corporate governance of the Company is based upon Swedish law, mainly the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). As a company listed on Nasdaq Stockholm, the Company must also comply with Nasdaq Stockholm's Rulebook for Issuers and the Swedish Code of Corporate Governance (the "**Code**") (Sw. *Svensk kod för bolagsstyrning*) as well as statements by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) regarding good stock market practice on the Swedish securities market.

Companies are not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (the so-called "comply or explain" principle).

Projektengagemang intends to comply with all of the Code's rules as of the date on which the Company's Class B shares are listed on Nasdaq Stockholm.

General meetings of shareholders

Pursuant to the Companies Act, the general meeting is the Company's supreme decision-making body and shareholders exercise their voting rights at such meetings.

The annual general meeting must be held within six months of the end of each preceding financial year to consider, among other things, statutory accounts and reports, disposition of profit or loss and discharging the board of directors from liability. The Company's articles of association stipulate that notices convening the annual general meeting shall be published in the Official Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) and be made available on the Company's website. That such notice has been made, shall be published in the Swedish daily newspaper Dagens Industri. The notice convening the annual general meeting must be published no earlier than six weeks and no later than four weeks prior to the meeting.

Extraordinary general meetings are held when the board of directors considers such meetings appropriate or when either the auditor or shareholders representing at least one-tenth of all issued shares request such meeting in writing for a specified purpose. A notice convening an extraordinary general meeting will be announced in the same manner as the notice to the annual general meeting described above. Pursuant to the Swedish Companies Act, a notice convening an extraordinary general meeting must be made no earlier than six weeks and no later than four weeks prior to the date of the extraordinary general meeting if the general meeting will decide on a proposed amendment of the articles of association. To any other extraordinary general meeting the notice convening the meeting must be announced no earlier than six weeks and no later than three weeks prior to the date of the meeting.

Pursuant to the Swedish Companies Act, a general meeting may not adopt any resolution that is likely to give undue advantage to a shareholder or a third party to the detriment of the company or another shareholder of the company.

Right to participate in a general meeting of shareholders

Shareholders who wish to participate in a general meeting must be included in the share register maintained by Euroclear Sweden AB ("**Euroclear Sweden**") as of five workdays prior to the meeting, and notify the Company of their participation no later than the date stipulated in the notice convening the meeting.

Shareholders may attend a general meeting in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice of the general meeting.

A shareholder may vote for all shares owned or represented by the shareholder.

Shareholder initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the board of directors. Such requests must normally be received by the board of directors no later than seven weeks prior to the shareholders' meeting.

Nomination committee

Pursuant to the Code, the Company must have a nomination committee. The purpose of the nomination committee is to make proposals in respect of the chairman at general meetings, board member candidates, including the position of chairman, fees and other remuneration for each member of the board of directors as well as remuneration for committee work, and election of and remuneration for the external auditor.

At the annual general meeting held on 7 May 2018, it was resolved that the nomination committee, ahead of the 2019 annual general meeting, will be composed of representatives of the three largest shareholders or shareholder groups (this includes directly registered and trustee-registered shareholders) who are registered in the share register maintained by Euroclear

Sweden AB as of 30 June each year and the chairman of the board of directors. The member representing the largest shareholder will be appointed chairman of the nomination committee. If a change in the Company's ownership structure occurs after 30 June 2018, but before the date which occurs three months ahead of the 2019 annual general meeting, and if a shareholder that after this change has become one of the three largest shareholders in terms of votes and is registered in the share register of the Company, makes a request to the chairman of the nomination committee to be part of the nomination committee, the shareholder shall have the right, in the discretion of the nomination committee, either to appoint an additional member of the nomination committee or to appoint a member who has been appointed by the shareholder who, after the change in the ownership structure, is no longer among the three largest shareholders in the Company in terms of votes. Should a member resign from the nomination committee before its work is completed and the nomination committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the three largest shareholders, the largest shareholder in turn. Changes to the composition of the nomination committee shall be announced as soon as they occur.

The composition of the nomination committee will be announced not later than six months prior to the annual general meeting. No remuneration is payable to the members of the nomination committee. The nomination committee has the right to charge the Company for reasonable expenses that are required for the nomination committee to complete its assignment. The mandate period of the nomination committee will extend until such time as a new nomination committee is announced.

Board of Directors

Pursuant to the Swedish Companies Act, the board of directors is responsible for the organisation of the company and the management of the Company's affairs, which means that the board of directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of established targets, continuously assessing the financial position and profits, and evaluating the operating management. According to the Company's articles of association, the board of directors shall consist of no less than three ordinary members and no more than ten ordinary members, each of whom is elected at the annual general meeting until the end of the next annual general meeting. The chairman of the board of directors shall, pursuant to the Code, be appointed by the annual general meeting and has particular responsibility for the management of the work of the board of directors and ensuring that such work is well organised and conducted effectively. The chairman of the board of directors does not participate in the operating management of the Company.

The board of directors applies written rules of procedure, which are revised annually and adopted by the inaugural board meeting every year. Among other things, the rules of procedure govern the practice of the board of directors, its functions and the division of work between the members of the board of directors and the CEO. At the inaugural board meeting, the board of directors also adopts instructions for the CEO, including instructions for financial reporting.

As of the date of this Prospectus, the Company's board of directors consists of 7 ordinary members without any deputies, all elected at the 2018 annual general meeting up until the end of the 2019 annual general meeting. For a description of the members of the Company's board of directors, see "*Board of directors, Group management and auditors*".

Board committees

Overview

To streamline and increase the efficiency of the board of directors on remuneration and audit matters, the board of directors annually appoints a remuneration committee and an audit committee. The committees are appointed for a maximum of one year, and are appointed among the members of the board of directors itself. The primary objective of the committees is to provide preparatory and administrative support to the board of directors.

Remuneration committee

As of the date of this Prospectus, the Group has a remuneration committee comprising three members: Carina Malmgren Heander (chairman), Øystein Engebretsen and Gunnar Grönkvist. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the CEO and the Group management. The remuneration committee's tasks are governed by the Company's instructions for the remuneration committee. The committee is also tasked with following up and evaluating the Company's remuneration policy, remuneration programmes and remuneration structure.

Audit committee

As of the date of this Prospectus, the Group has an audit committee comprising three members: Britta Dalunde (chair), Lars-Erik Blom and Gunnar Grönkvist. The audit committee shall, without affecting the other responsibilities and duties of the board of directors, monitor the Company's financial reporting and make recommendations and proposals to ensure the reliability of the reporting in relation to the financial reporting, monitor the efficiency of the Company's internal controls and risk management, keep itself informed about the audit of the annual report and Group accounts and about the conclusions of the quality controls performed by the Swedish Inspectorate of Auditors (Sw. *Revisorsinspektionen*), inform the board of directors about the result of the audit and the way the audit contributed to the reliability of the financial reporting, and also about the function of the audit committee, review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the Company with services other than auditing services, and assist in preparing draft resolutions for election of auditors to be passed at a general meeting.

CEO and Group management

The CEO is subordinated to the board of directors and primarily has responsibility for the day-to-day management of the Company's affairs and the daily operations. The division of work between the board of directors and CEO is set forth in the Company's rules of procedure for the board of directors and the instructions for the CEO. The CEO is also responsible for preparing reports and management information ahead of board meetings and is the reporting person of the materials at the board meetings.

Pursuant to the instructions for the CEO, the CEO is responsible for the financial reporting in the Company and shall accordingly ensure that the board of directors receives sufficient information for the board to be able to continuously evaluate the Company's financial position. The CEO shall continuously keep the board of directors informed about the performance of the Company's operations, results of operations and financial position, as well as any other event or circumstance or condition that cannot be assumed to be irrelevant to the Company's shareholders.

Remuneration and terms of employment

Board of directors

The amount of remuneration granted to the board of directors, including the chairman, is determined by resolution at the annual general meeting. At the annual general meeting held on 7 May 2018, it was resolved that the remuneration to the chairman of the board shall be SEK 350,000 and that the remuneration to the other members of the board shall be SEK 175,000. It was also resolved that remuneration for work on the audit committee shall amount to SEK 80,000 for the chairman and SEK 40,000 to each of the other members of the committee. It was also resolved that remuneration for work on the remuneration committee shall amount to SEK 40,000 for the chairman and SEK 20,000 to each of the other members of the committee. The members of the board are not entitled to any benefits following termination of their assignments as members of the board.

The following table shows the remuneration paid to members of the Company's board during 2017 (amounts in SEK):

Name	Remuneration
Gunnar Grönkvist	390,000
Lars-Erik Blom	185,000
Britta Dalunde	210,000
Øystein Engebretsen	175,000
Carina Malmgren Heander	190,000
Per Göransson[1)]	–
Per-Arne Gustavsson[2)]	–
Total	**1,150,000**

1) Per Göransson became a member of Group management in 2017 and therefore did not receive any remuneration during the financial year.
2) Elected as board member at the annual general meeting held on 7 May 2018.

CEO and Group management

Overview

Projektengagemang's remuneration guidelines are adopted by a general meeting of shareholders. Individual remuneration of the CEO is approved by the board of directors while individual remuneration of other members of Group management is decided by the CEO following approval from the chairman of the board. All resolutions concerning individual remuneration of members of Group management are within the framework of the remuneration guidelines adopted by the general meeting of shareholders.

In accordance with the Group's remuneration policy above, the Company's board of directors have resolved on a short-term incentive programme for the CEO and the Group management. The outcome of this programme is determined by the fulfilment of targets. For both the CEO and the other members of the Group management the maximum outcome is 50 percent of the yearly base salary (which includes the yearly salary in cash, excluding pension costs, other benefits and such). Based on the current composition of the Group management, Projektengagemang estimates the maximum total costs under the programme to SEK 3.6 million (excluding social security costs).

Periods of notice and severance pay

The CEO is subject to a period of notice of six months if his employment contract is terminated by the Company or the CEO. Five other members of Group management are also subject to a period of notice of six months should the Company or the senior executive terminate the contract.

The CEO is entitled to severance pay amounting to 12 monthly salaries if his employment contract is terminated by the Company. Johan Renvall, Peter Edstrand and Peter Sandberg are entitled to severance pay amounting to six monthly salaries, deductible from new income from employment. Hans Paulsson, Mathias Thorsson and Nicke Rydgren are entitled to severance pay amounting to three monthly salaries.

In addition, the Company has entered into a consultancy agreement with Fiduciam Ekonomi AB, under which Krister Lindgren has been appointed IR Officer (IRO). The contract is subject to a period of notice of six months and a period of notice of 12 months after the Company's listing on Nasdaq Stockholm.

Other than the payments stated in the foregoing, no member of the Group management is entitled to any payments following a termination of employment.

Remuneration
The following table sets forth the remuneration paid to the members of the Group management during 2017 (amounts in SEK):

Name	Base salary	Other benefits	Pension cost[1)]	Total
Per Hedebäck, CEO[2)]	621,000	14,000	184,000	819,000
Per-Arne Gustavsson, CEO[3)]	1,773,000	34,000	387,000	2,194,000
Other members of Group management (5 persons)	6,462,000	158,000	950,000	7,570,000
Total	**10,006,000**	**206,000**	**1,521,000**	**11,733,000**

1) As per 31 December 2017, the Company's costs for defined-contribution pension plans amounted to SEK 61.5 million, according to the annual report. No other amounts have been reserved or accumulated for the provision of pensions or similar benefits for the current Group management.
2) Per Hedebäck took office as CEO of the Company on 1 October 2017.
3 Per-Arne Gustavsson stepped down as the Company's CEO on 1 October 2017 but remains with the Company until 31 July 2018.

Auditing

The Company's statutory auditor is appointed at the general meeting. The auditor shall review the Company's accounts and consolidated accounts, applied accounting principles as well as the management of the board of directors and the CEO. Following each financial year, the auditor shall submit an audit report to the shareholders at the annual general meeting.

Pursuant to the Company's articles of association, the Company shall have not less than one and not more than two auditors, and not more than two deputy auditors. For information on the Company's auditors, see "B*oard of directors, Group management and auditors*".

In 2017, the total remuneration to the Company's auditor amounted to SEK 1.9 million.

Internal control

Overview

Internal control is broadly defined as a process, effected by Projektengagemang's board of directors, Group management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The board of directors' responsibility for the internal control is governed primarily by the Companies Act, the Swedish Annual Reports Act (Sw. *årsredovisningslagen (1995:1554)*) and the Code. Information on the most important aspects of the Company's system for internal control and risk management in connection with financial reporting must each year be included in the Company's corporate governance report.

Internal control and management is an integrated part of the Company's operations and is broadly defined as a process, put in place by the Company's board of directors, Group management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives described below. The procedures for internal control, risk assessment, control activities, and monitoring with respect to the financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements, which may apply to companies listed on Nasdaq Stockholm. This work involves the board of directors, Projektengagemang's Group management and other personnel. The procedures for internal control also aim at promoting Projektengagemang's development and profitability, securing the Company's assets and preventing and detecting any fraud or error.

The responsibility and liability of the board of directors for the internal control within the Company cannot be assigned to any other party, see "– *Control environment*".

The description of Projektengagemang's internal control process is based on based on the COSO framework, which has been published by the Committee of Sponsoring Organisations of the Treadway Commission.

Control environment

The internal control, both of financial reporting and generally, is based on the overall control environment established by the board of directors and management, including the culture and the values communicated and applied by the board and management. Important components are organisational structure, management philosophy and management style, as well as responsibilities and authorities, and these are clearly defined and communicated at all levels of the organisation.

The board of directors has formulated clear-cut decision-making rules and rules of procedure, as well as instructions, for the work conducted by the board itself and by the remuneration committee, the audit committee and the CEO to achieve efficient management of the risks associated with the operations. Each year, the board of directors updates and adopts the board of directors' rules of procedure, the instructions for the CEO, attestation and company signatory rules and a financial policy, and conducts a review of the Group's other policy documents. There are rules of procedure for local boards of directors and instructions for local CEOs of all of the Group's companies and these are based on the same principles as those applying for the board of directors of the Company. Projektengagemang also has policies and guidelines governing financial information, financial policy and the financial manual, communication, IT security, CSR, crisis management, HR and quality and the environment. These policies and guidelines form the foundation for efficient internal control.

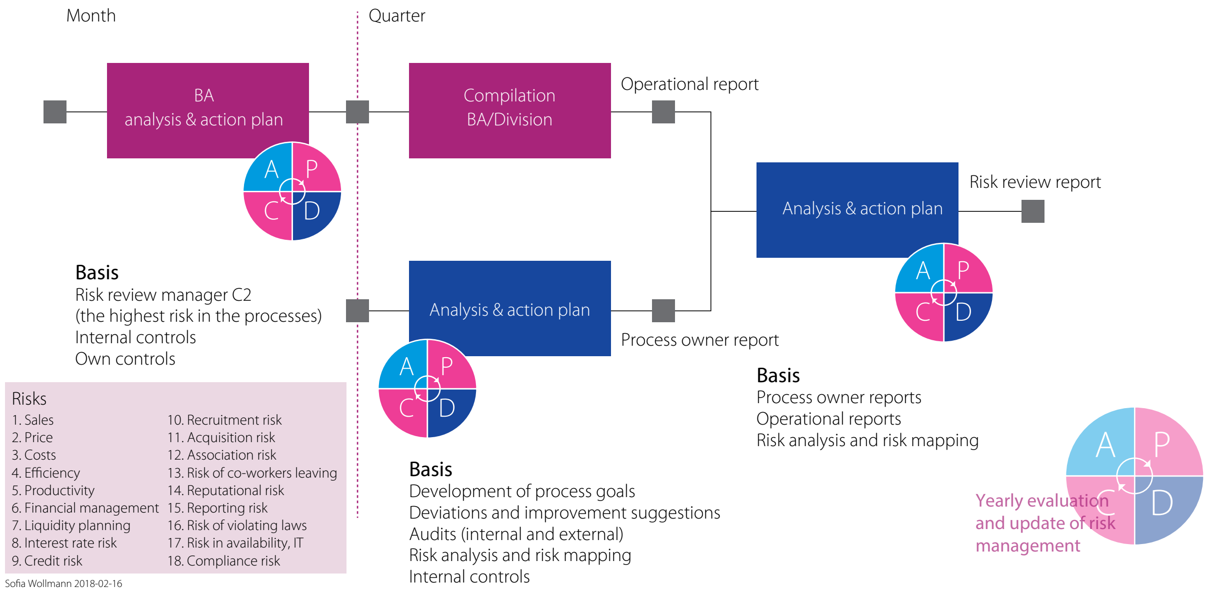
Projektengagemang's attestation and company signatory rules clearly regulate the authorities applying at each level, from the individual consultant to the Company's board of directors. The areas that are regulated include the submitting of tenders, investments, rental and leasing agreements, overhead costs and guarantees.

Through the audit committee, the board of directors monitors the internal controls with a view to ensure that reporting of the financial statement and general reporting to the board of directors work in the intended manner through the adoption and follow-up of these policies and procedures. The internal control is supported by the risk map reported in conjunction with the various processes. The results are reported to the audit committee.

Risks, risk assessments and control activities

Overview of Projektengagemang's risk reporting

Risk reporting



Projektengagemang's risk assessments are intended to identify the risks of material errors in the financial statements. Risk assessments are conducted at suitable intervals or as often as required. Under normal circumstances – i.e. within the framework of operating activities – assessments are normally conducted annually or every second year. Every year, Group management analyses and examines the risks on the basis of a strategic plan, taking into account both internal and external factors. The analysed risks are assessed and prioritised on the basis of what is known as a risk map. Using this risk map as a point of departure, an action plan is devised in order to eliminate or reduce the mapped risks in the future. Officers have been assigned responsibility and deadlines have been set for the various risks, and the action plan is followed up quarterly at Group management meetings, at which new measures and/or decisions are minuted.

Risk management, risk assessments and internal control are based on a certified business enterprise system that manages the Group's processes in the operating activities. Follow-up of the identification of risks and the management of identified risks are performed continuously on the basis of an established process for auditing and control management. Each month, responsible managers report and assess the operations on the basis of the risks identified by Projektengagemang, which are then compiled for assessment and governance of the operations. On a quarterly basis, risks are also compiled on the basis of processes and additional reports. The compilation of risks, with assessments of the relevant risks and corrective measures, is to be provided to the board of directors' audit committee, which informs Projektengagemang's board of directors. In addition, internal audits are continuously performed compared with the business enterprise system based on an annual and a three-year plan, during which the focus areas decided by management are discussed. External audits are also conducted continuously based on certification bodies.

The Company's risk map is reviewed annually by the board of directors and any comments from the board of directors and requirements for additional measures are minuted and submitted to Group management. The main risks that Projektengagemang has mapped pertain to risks associated with sales of Projektengagemang's services, prices and costs for such services and efficiency and productivity-related risks.

For more information about the Group's management of these risks, refer to "*Operational and financial overview – Quantitative and qualitative disclosures concerning management of financial risks*". Financial risks also include risks associated with Projektengagemang's internal reporting and financial reporting processes.

Information and communication
In accordance with external regulations, Projektengagemang discloses information on how the internal control is organised to ensure that it offers reasonable assurance concerning the reliability of the financial reporting. All policies and procedures are uploaded to Projektengagemang's intranet, which is available to all employees. The documents are examined regularly and updated where required and relevant stakeholders are informed about all amendments.

All published external reports are based on financial reports submitted by all legal entities in accordance with a standardised reporting procedure. External reports are also available on Projektengagemang's website.

The CFO is responsible for communication and information, including objectives and spheres of responsibility for the internal controls required to support the function of the internal control framework.

Projektengagemang has an information and communication policy that regulates both internal and external communications. The information and communication policy includes guidelines governing external disclosure of information to the public. These have been drafted with the aim of ensuring that the Company complies with the requirements for disseminating correct information to the market.

Follow-up
Each business area has a business controller and a quality and environmental manager who are responsible for ensuring compliance with policies, guidelines and procedures governing financial reporting. Projektengagemang's business controller is also responsible for ensuring that the reported financial information is correct and complete. The quality and environmental manager is responsible for ensuring compliance with procedures and legal requirements. As a further step to strengthening the internal control of financial reporting, a self assessment concerning internal control is formulated annually and issued to all business controllers in the Group. The survey focuses on ensuring that material internal controls concerning financial reporting function efficiently. The results of the survey are analysed and any shortcomings are identified and rectified.

The Group's business enterprise system/management system contains a number of functions for financial governance, control and monitoring. There is a report system for the follow-up of assignments, whereby the assignments are continuously examined by the assignment leader/assignment manager. As part of the report system, monthly results and performance measures are generated at the unit business area and segment level. The performance measures of relevance to the operations are followed up on a weekly basis at all of these levels. Each month, a consolidation of the entire Group is performed, whereby outcomes are monitored in relation to budgets and internal forecasts.

Communication concerning financial reporting also occurs in conjunction with the divisions' controller meetings, which are held regularly in the Group. There is a communication policy for external communication, which specifies divisions of responsibilities and regulations governing communication with external parties.

Insider and information policy

The Company has prepared a policy document for the purpose of informing employees and others concerned within the Company of the rules and regulations applicable to the dissemination of information by the Company and the special requirements imposed on persons who are active in a listed company with regard, for example, to inside information. In this context, the Company has established routines for handling the dissemination of information that has not been made public (commonly referred to as an insider list).

Ownership structure

Overview

The table below include some information on the ownership structure in the Company immediately before and directly after the Offering.

	Shareholding before the Offering			After the Offering (if the Over-allotment Option is not exercised)			After the Offering (if Over-allotment Option is exercised in full)[1]		
	Number of shares (votes)		Number of shares (votes)	Number of shares (votes)		Number of shares (votes)	Number of shares (votes)		Number of shares (votes)
Shareholders	**A shares**	**B shares**		**A shares**	**B shares**		**A shares**	**B shares**	
Major shareholders[2]									
Projektengagemang Holding i Stockholm AB[3]	4,391,676	2,128,320	37.14%,	4,391,676	851,724	21.90%,	4,391,676	851,724	20.61%,
	(43,916,760)	(2,128,320)	(68.71%)	(43,916,760)	(851,724)	(60.99%)	(43,916,760)	(851,724)	(59.77%)
LK Finans AB[4]	–	957,447	5.45%,	–	1,489,362	6.22%,	–	1,489,362	5.85%,
	(–)	(957,447)	(1.43%),	(–)	(1,489,362)	(2.03%),	(–)	(1,489,362)	(1.99%),
Investment AB Öresund[5]	–	957,447	5.45%,	–	2,553,192	10.67%,	–	2,553,192	10.04%,
	(–)	(957,447)	(1.43%),	(–)	(2,553,192)	(3.48%),	(–)	(2,553,192)	(3.41%),
Shareholding members of the board of directors and Group Management, as well as other shareholders[6]									
Britta Dalunde[7]	–	10,500	0.06%,	–	10,500	0.04%,	–	10,500	0.04%,
	(–)	(10,500)	(0.02%)	(–)	(10,500)	(0.01%)	(–)	(10,500)	(0.01%)
Hans Paulsson	–	78,510	0.45%,	–	39,255	0.16%,	–	39,255	0.15%,
	(–)	(78,510)	(0.12%)	(–)	(39,255)	(0.05%)	(–)	(39,255)	(0.05%)
Gunnar Grönkvist	–	22,500	0.13%,	–	22,500	0.09%,	–	22,500	0.09%,
	(–)	(22,500)	(0.03%)	(–)	(22,500)	(0.03%)	(–)	(22,500)	(0.03%)
Peter Edstrand[8]	–	16,521	0.09%,	–	16,521	0.07%,	–	16,521	0.06%,
	(–)	(16,521)	(0.02%)	(–)	(16,521)	(0.02%)	(–)	(16,521)	(0.02%)
Peter Sandberg[9]	309,000	163,500	2.69%,	309,000	21,750	1.38%,	309,000	21,750	1.30%,
	(3,090,000)	(163,500)	(4.85%)	(3,090,000)	(21,750)	(4.24%)	(3,090,000)	(21,750)	(4.15%)
Per Hedebäck	–	53,238	0.30%,	–	53,238	0.22%,	–	53,238	0.21%,
	(–)	(53,238)	(0.08%)	(–)	(53,238)	(0.07%)	(–)	(53,238)	(0.07%)
Per Göransson[10]	4,500	2,250	0.04%,	4,500	–	0.02%,	4,500	–	0.02%,
	(45,000)	(2,250)	(0.07%)	(45,000)	(–)	(0.06%)	(45,000)	(–)	(0.06%)
Johan Renvall	–	48,000	0.27%,	–	48,000	0.20%,	–	48,000	0.19%,
	(–)	(48,000)	(0.07%)	(–)	(48,000)	(0.07%)	(–)	(48,000)	(0.06%)
Nicke Rydgren[11]	–	45,000	0.26%,	–	45,000	0.19%,	–	45,000	0.18%,
	(–)	(45,000)	(0.07%)	(–)	(45,000)	(0.06%)	(–)	(45,000)	(0.06%)
Mathias Thorsson	–	5,004	0.03%,	–	5,004	0.02%,	–	5,004	0.02%,
	(–)	(5,004)	(0.01%)	(–)	(5,004)	(0.01%)	(–)	(5,004)	(0.01%)
Minority Shareholders, excluding board members, members of the Group management and other shareholders who do not offer existing shares in the Offering[12]	659,148	5,336,544	34.16%,	659,148	3,175,514	16.02%,	659,148	3,175,514	15.07%,
	(6,591,480)	(5,336,544)	(17.80%)	(6,591,480)	(3,175,514)	(13.31%)	(6,591,480)	(3,175,514)	(13.04%)
Other shareholders	131,676	2,233,461	13.47%,	131,676	2,233,461	9.88%,	131,676	2,233,461	9.30%,
	(1,316,760)	(2,233,461)	(5.30%)	(1,316,760)	(2,233,461)	(4.84%)	(1,316,760)	(2,233,461)	(4.74%)
Total	5,496,000	12,058,242	100.00%,	5,496,000	10,565,021	67.10%,	5,496,000	10,565,021	63.14%,
	(54,960,000)	(12,058,242)	(100.00%)	(54,960,000)	(10,565,021)	(89.27%)	(54,960,000)	(10,565,021)	(87.48%)
New shareholders[13]	–	–	–,	–	7,876,200	32.90%,	–	9,376,779	36.86%,
	(–)	(–)	(–)	(–)	(7,876,200)	(10.73%)	(–)	(9,376,779)	(12.52%)
Total	**5,496,000**	**12,058,242**	**100.00%,**	**5,496,000**	**18,441,221**	**100.00%**	**5,496,000**	**19,941,800**	**100.00%**
	(54,960,000)	**(12,058,242)**	**(100.00%),**	**(54,960,000)**	**(18,441,221)**	**(100.00%)**	**(54,960,000)**	**(19,941,800)**	**(100.00%)**

1) The maximum number of shares that may be sold under the Over-allotment Option equals 1,500,579.
2) Refers to shareholders with holdings exceeding 5 percent of the total number of shares in the Company.
3) The board members of the Company Per Arne-Gustavsson and Per Göransson holds shares in Projektengagemang Holding i Stockholm AB, whose business address is Mailbox 2451, SE-111 75 Stockholm, Sweden, corresponding to 50,5 percent and 49,5 percent, respectively.
4) Lars Erik Blom holds shares through LK Finans AB. Cornerstone Investor that has committed to acquire approximately 5 percent of the shares in the Offering.
5) Cornerstone Investor that has committed to acquire approximately 14 percent of the shares in the Offering.
6) Refers to own shareholding as well as holdings by closely-related natural and legal persons as well as shareholdings in a capital insurance, direct or indirect. Indirect holdings have, in relevant cases, been calculated based on the percentage held in the direct owner. The board members Per-Arne Gustavsson and Per Göransson holds shares through the Principal Owner.
7) Britta Dalunde holds shares through Pamagi Advisory AB.
8) Peter Edstrand holds shares indirectly through Peter Edstrand Konsult AB.
9) Peter Sandberg holds shares directly and indirectly through Heroine Holding AB.
10) Refers to direct holdings through G-Trading AB.
11) Nicke Rydgren holds shares indirectly through Fieldbranch Partners AB.
12) Refers to a group of in total approximately 180 existing shareholders in the Company, consisting primarily of employees and former employees in the Group, who have entered into an agreement with the Principal Owner regarding the sale of Class B shares. These Class B shares are consequently offered by the Principal Owner on behalf of the Minority Shareholders. The Principal Owner receives the proceeds from the sale of 1,276,596 Class B shares. No individual shareholder holds shares in the Company corresponding to 5 or more percent of the shares or votes in the Company.
13) Refers to persons who receives Class B shares as a result of the allotment in the Offering, including the Cornerstone Investors that are not existing shareholders, Swedbank Robur Fonder AB (18 percent) and Humle Småbolagsfond (7 percent) (see "*Legal considerations and supplementary information – Commitments from Cornerstone Investors*").

After the Offering, the Principal Owner will beneficially own approximately 21.9 percent of the shares and 61.0 percent of the votes in the Company assuming that the Over-allotment Option is not exercised and 20.6 percent of the shares and 59.8 percent of the votes assuming that the Over-allotment Option is exercised in full. Consequently, the Principal Owner will continue to have significant influence over the Company after the Offering. As a listed company, the Company will be subject to a comprehensive framework of laws and regulations aimed at, among other things, preventing abuse by a controlling shareholder. These laws and regulations include, but are not limited to, provisions protecting minority shareholders in the Swedish Companies Act and the Nasdaq Stockholm Rulebook for Issuers.

Shareholder's agreements

The Principal Owner and certain other shareholders have entered into a shareholder's agreement regarding shares in the Company. The shareholder's agreement will automatically cease in connection with the first day of trading, with the exception of certain customary provisions, such as confidentiality. Following the completion of the Offering, to the knowledge of the board of directors, none of the Company's shareholders will be parties to any shareholders agreements or similar agreements relating to the Company's shares. In addition, the board of directors is not aware of any agreements or similar arrangements that may lead to a change of control of the Company.

Lock-up-arrangements

See "*Legal considerations and supplementary information – Placing agreement*".

Shares and share capital

Set forth below is a summary of certain information concerning the Company's shares and certain provisions of the articles of association as well as Swedish laws in effect on the date of this Prospectus. This summary contains essentially all material information regarding the shares. However, the summary does not purport to be complete and is qualified in its entirety by reference to the articles of association and applicable Swedish laws.

Overview

According to the Company's articles of association, the share capital shall be not less than SEK 1,000,000 and not more than SEK 4,000,000, and the number of shares shall be not less than 10,000,000 and not more than 40,000,000. As of the date of this Prospectus, the Company's share capital amounts to SEK 1,950,471.34 divided between a total of 17,554,242 shares. The shares are denominated in SEK, and each share has a quota value of SEK 0.11. The shares in the Company have been issued in accordance with Swedish law. All issued shares are fully paid up and are freely transferable.

There has been no public market for the Company's shares prior to the Offering. It is expected that trading in the Company's Class B shares will commence on or about 19 June 2018. The shares encompassed by the Offering are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the offered Class B shares during the current or preceding financial year.

New share issue in connection with the Offering

The board of directors, by power of authorisation granted by the annual general meeting on 7 May 2018, intends to decide to issue new Class B shares. Entitlement to subscribe for the new Class B shares shall with deviation from the preferential rights of the existing shareholders, accrue to the general public and institutional investors in Sweden and certain institutional investors in other jurisdictions. The new share issue is expected to provide the Company with approximately SEK 267 million after deduction for costs related to the Offering. Provided that the Over-allotment option is exercised in full, the Company is expected to be provided approximately SEK 338 million in funds, after deduction for costs relating to the Offering.

Provided that the new share issue is subscribed in full, the number of Class B shares in the Company will amount to 6,382,979. Thus, following completion of the Offering, the number of Class B shares will increase from 12,058,242 to 18,441,221, corresponding to an increase of 52.9 percent. For existing shareholders, this would give rise to a dilution effect of 6,382,979 new shares, corresponding to 26.7 percent of the total number of shares following completion of the Offering. Provided that the new issue is fully subscribed and that the Over-allotment option is fully exercised, the amount of newly issued Class B shares will amount to 7,883,558. Thus, in this case the amount of Class B shares in the Company, after completion of the Offering, increase from 12,058,242 to 19,941,800, corresponding to an increase of 65.4 percent. Consequently, existing shareholders will be diluted by 7,883,558 new shares, corresponding to 31.0 percent of the total amount of shares after completion of the Offering.

The new share issue is expected to be registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on or about 19 June 2018.

Certain rights associated with the shares

Overview

Shares in the Company may be issued in two classes: Class A shares and Class B shares. The shares encompassed by the Offering are all Class B shares. The Company's articles of association contain a conversion clause according to which Class A shares can be converted to Class B shares. Holders of Class A shares are entitled to request, at any given time, that all or part of their holding of Class A shares be converted to Class B shares. Requests for such conversions shall be made in writing to the Company's board of directors and are to include information about the number of Class A shares to be converted. The board of directors shall immediately thereafter notify the Swedish Companies Registration Office of the conversion. A conversion becomes effective as soon as registration has been completed and the conversion has been registered in the central securities depositary register. The rights associated with shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act.

Voting rights

Each Class A share entitles the holder thereof to ten votes and each Class B share entitles the holder thereof to one vote. Each shareholder is entitled to cast votes equal in number to the number of shares in the Company held by the shareholder.

Rights to dividends and liquidation proceeds

All shares in the Company carry equal rights to dividends and the Company's assets and any surpluses in the event of liquidation. The shares of the Company that are the subject of the Offering will rank pari passu in all respects with each other and with all existing shares, and entitle the holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately following the listing of the shares.

Decisions regarding the distribution of profits are taken by the general meeting of shareholders. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the general meeting shall be entitled to dividends. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden, but may also be paid out in a manner other than cash (in-kind dividend). If a shareholder cannot be reached through Euroclear Sweden, the shareholder shall still have a claim to the money owed by the Company for the dividend and the claim is subject to a ten-year period of limitations. Upon the expiry of the period of limitations, the dividend shall pass to the Company.

There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. Shareholders not residing in Sweden for tax purposes must normally pay Swedish withholding tax. Refer also to "*Tax considerations in Sweden*."

Preferential rights to subscribe for new shares

If the Company issues new Class A and Class B shares in conjunction with a cash issue or an issue by way of set-off, all shareholders, regardless of whether their shares are of Class A or Class B, shall have a preferential right to subscribe for new shares of the same class in proportion to the number of shares held by them prior to the issue.

If the Company issues warrants or convertibles in conjunction with a cash issue or an issue by way of set-off, the shareholders shall have a preferential right to subscribe for warrants as if the issue applied to the shares that may be issued on the basis of the warrants, or a preferential right to subscribe for convertibles as if the issue applied to the shares for which the convertibles will be exchanged.

There are no provisions in the Company's articles of association restricting the possibility to issue new shares, warrants or convertibles disapplying the preferential rights of existing shareholders pursuant to the Swedish Companies Act.

Should the share capital be increased by means of a bonus issue, new shares shall be issued in proportion to the number of shares of the same class already outstanding. Old shares of a certain class shall entitle the holder thereof to subscribe for new shares of the same class. The aforementioned shall not constitute a restriction on the possibility of issuing shares of a new class by means of a bonus issue, after due amendment of the articles of association.

Share capital development

The following table sets forth the changes in the Company's share capital during the years prior to the date of this Prospectus as well as changes that will occur in connection with the listing of the Company's Class B shares on Nasdaq Stockholm:

Year	Transaction	Change in number of shares	Number of Class A shares	Number of Class B shares	Change in share capital (SEK))	Total share capital (SEK)	Total number of shares issued
2015	–	–	2,000,000	1,000,000	–	1,000,000	3,000,000
2015	New share issue	84,000	2,056,000	1,028,000	28,000	1,028,000	3,084,000
2015	New share issue	1,916,351	2,056,000	2,944,351	638,783.67	1,666,783.37	5,000,351
2015	New share issue	851,063	2,056,000	3,795,414	283,687.67	1,950,471.34	5,851,414
2016	–	–	2,056,000	3,795,414	283,687.67	1,950,471.34	5,851,414
2017	–	–	2,056,000	3,795,414	283,687.67	1,950,471.34	5,851,414
2018	Conversion of Class A shares to Class B shares	–	1,832,000	4,019,414	–	1,950,471.34	5,851,414
2018	Split 3:1	11,702,828	5,496,000	12,058,242	–	1,950,471.34	17,554,242
2018	New share issue as part of the Offering[1) 2) 3)]	6,382,979	5,496,000	18,441,221	709,219.89	2,659,691.24	23,937,221

1) Refer to "*New share issue in connection with the Offering*."
2) The calculation of the number of new Class B shares in the Offering is based on the Offering being fully subscribed and that the Over-allotment option is not exercised. Around 18 June 2018, the board of directors, with the support of authorisation granted at the annual general meeting on 7 May 2018, will decide to issue a maximum of 6,382,979 new Class B shares in connection with the Offering in accordance with this Prospectus. The maximum number of Class B shares that can be issued under the Over-allotment option is 1,500,579. Provided that the new share issue is fully subscribed and that the Over-allotment option is exercised in full, the number of Class B shares in the Company will, consequently, following the completion of the Offering, increase from 12 058 242 to 19,941,800, corresponding to an increase of the share capital from SEK 1,950,471.34 to SEK 2,826,422.25.
3) For technical share issue reasons, the shares will be subscribed for by the Sole Global Coordinator on behalf of the entitled subscribers, in accordance with this Prospectus. The shares encompassed by the Offering will thus be issued at a per-share subscription price corresponding to the quota value of the shares (approximately SEK 0.11), after which the Sole Global Coordinator, on behalf on the entitled subscribers, will make a capital contribution to the Company in a per-share amount corresponding to the difference between the Offer Price and the subscription price of SEK 47 per share.

Dividend history

As of the date of this Prospectus, a dividend of SEK 0.50 per share has been paid for the year ended 31 December 2015 and a dividend of SEK 2.00 per share has been paid for the year ended 31 December 2017. No dividend was paid for the year ended 31 December 2016.

Convertibles, warrants, etc.

The Company has no outstanding securities convertible into shareholders' equity, warrants or other share-related financial instruments.

Central securities depository

The Company's shares are registered with, and the share register managed by, the computerised share registration system administered by Euroclear Sweden (Box 191, SE-101 23 Stockholm, Stockholm). No share certificates have been, or will be, issued in respect of the Company's shares. The ISIN code for the Company's Class B shares is SE0011337666.

Listing application

The Company's board of directors has applied for the Company's Class B shares to be admitted for trading on Nasdaq Stockholm. On 16 May 2018, Nasdaq Stockholm's listing committee resolved to admit the Company's Class B shares for trading on Nasdaq Stockholm, subject to customary conditions, including fulfilment of the distribution requirement in respect of the Company's shares. The ticker symbol for the Company's Class B shares on Nasdaq Stockholm will be PENG.

Articles of association

Set forth below is an English-language translation of the articles of association of the Company, adopted at the extraordinary general meeting on 4 June 2018.

§ 1 Company name
The company name is Projektengagemang Sweden AB.
The company is a public company (publ).

§ 2 Registered office
The registered office of the company is in the municipality of Stockholm.

§ 3 Objects of the company
The object of the Company's business shall be to conduct technical and administrative consultancy business as well as conduct thereto ancillary business.

§ 4 Share capital
The share capital shall be not less than SEK 1,000,000 and not more than SEK 4,000,000.

§ 5 Number of shares and share classes
The number of shares shall be not less than 10,000,000 and not more than 40,000,000.

The shares may be issued in two classes, class A and class B. Shares of class A entitles to ten votes and shares of class B one vote. Shares of each class may be issued to a number corresponding to the maximum share capital.

If the company decides to issue new shares of class A or class B, through a new share issue or a set-off issue, owners of class A and class B shall have preferential rights to subscribe for new shares of the same class in proportion to the number of shares previously owned by the holder (primary preferential right).

Shares not subscribed for with primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). Unless the shares thus offered are sufficient for the subscription made through subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of shares they previously own, and in so far this cannot be made, through drawing of lots.

If the company resolves on an issue of shares of only class A or class B through a cash issue or a set-off issue, all shareholders, regardless of whether their shares are of class A or class B, shall have preferential rights to subscribe for new shares in proportion to the number of shares they previously own.

If the company resolves on an issue of warrants or convertibles through a cash issue or off-set issue, shareholders shall have preferential rights to subscribe for warrants as if the issue concerned the shares that may be subscribed for by the option right and preferential rights, respectively, to subscribe for convertibles as if the issue concerned the shares that the convertibles may be replaced with.

What has been described above shall not imply a restriction in the ability to resolve on a cash issue or a set-off issue with deviation from the shareholders' preferential rights.

In the event of an increase in the share capital through a bonus issue, new shares of each share class shall be issued in proportion to the number of previously existing shares. In such cases, old shares of a certain share class shall entitle to new shares of the same class. What has now been described shall not imply any restriction in the possibility of issuing new shares by way of a bonus issue, after the applicable adjustments as required by the articles of association.

§ 6 Board of directors
The board shall consist of not less than three and not more than ten members, with no deputy members. The board members shall be elected annually at an annual general meeting up until the end of the upcoming annual general meeting.

§ 7 Auditors
The company shall have one or two auditors in charge with or without deputy auditors.

§ 8 Notice
Notice convening a general meeting shall be published in the Swedish Official Gazette and on the company's website. It shall be published in Svenska Dagbladet that notice convening a general meeting has been made.

§ 9 General meeting
In order to participate at a general meeting a shareholder shall notify his or her attendance, including any number of deputies, to the company no later than the day that is stated in the notice to the meeting. This day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.

The annual general meeting shall be held annually within six months after the end of the financial year. The following matters shall be addressed at the annual general meeting:

(1) Election of chairman at the general meeting (annual general meeting).

(2) Drawing up and approval of the voting list.

(3) Election of one or two persons to certify the minutes.

(4) Determination as to whether the meeting has been duly convened.

(5) Approval of the agenda.

(6) Presentation of the submitted annual report and auditors' report and, where applicable, the consolidated annual report and auditors' report for the group.

(7) Resolutions
    (a) regarding the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and balance sheet;
    (b) regarding allocation of profit or loss in accordance with the adopted balance sheet; and
    (c) regarding the discharge from liability of the board members and of the managing director.

(8) Determination of remuneration to the board and to the auditors;

(9) Election of board and auditors; and

(10) Other matters which rest upon the meeting according to the Swedish Companies Act or the articles of association.

§ 10 Financial year

The company's financial year shall be 1 January – 31 December.

§ 11 CSD company

The company's shares shall be registered in a securities register in accordance with Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

§ 12 Share conversion

Shares of class A shall be able to be converted to shares of class B. Owners of shares of class A are at any time entitled to require that all of or parts of their holding of shares of class A are converted to shares of class B. Such request for conversion shall be made in writing to the board of directors of the company and shall include information on the number of shares of class A that are requested to be converted. The board of directors shall thereafter immediately notify the conversion for registration with the Swedish Companies Registration Office. The conversion is completed when registration has been undertaken and the conversion has been noted in the securities register.

Legal considerations and supplementary information

General corporate and other legal information

The legal and the commercial name of the Company is Projektengagemang Sweden AB. The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) incorporated on 4 July 1988 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 19 July 1988. The Group was founded and started conducting business during 2006. The Company's registered office is situated in the municipality of Stockholm and the Company's corporate registration number is 556330-2602.

Pursuant to the articles of association, the object of the Company's business shall be to conduct technical and administrative consultancy business as well as conduct thereto ancillary business. The business is conducted in accordance with the Swedish Companies Act.

The Company is the parent company of the Group, which as of the date of this Prospectus, comprise the 57 subsidiaries listed below in 2 countries. The following table shows the legal structure of the Group.

Subsidiary	Location	Shares and voting rights
PE Infrastruktur AB	Stockholm	100
Ferrivia AB	Stockholm	100
Projektengagemang Vattenpartner Sverige AB	Malmö	100
Projektengagemang Mark Holding i Sverige AB	Stockholm	100
Novamark AB	Stockholm	100
Internsignal Sweden AB	Hudiksvall	100
Projektengagemang Installation i Uppsala AB	Uppsala	100
Projektengagemang VVS i Stockholm AB	Stockholm	100
Projektengagemang Installation i Eskilstuna AB	Eskilstuna	100
Projektengagemang VVS i Örebro AB	Örebro	100
Projektengagemang Energi & Klimatanalys AB	Stockholm	100
EFOUR AB	Stockholm	100
Projektengagemang Aria AB	Rättvik	100
Projektengagemang Mätningsteknik AB	Stockholm	100
Projektengagemang Inside & Outside i Dalarna AB	Rättvik	100
Projektengagemang Process & Verksamhetsstyrning i Stockholm AB	Stockholm	100
Soleed Sweden AB	Stockholm	100
Soleed Production AB	Stockholm	100
Projektengagemang Projektledning i Sverige AB	Stockholm	100
Projektengagemang Projektledning Hus AB	Stockholm	100
Projektengagemang Byggnadsinformation i Stockholm AB	Stockholm	100
PE-KNSS AB	Köping	100
Projektengagemang Fastighetsutveckling AB	Stockholm	100
Projektengagemang Agera VVS Design AB	Gothenburg	100
Projektengagemang Industri & Energi i Sverige AB	Skövde	100
Projektengagemang i Öresund AB	Stockholm	100
PE MEA AB	Mariestad	100
PE Arkitektur Sverige AB	Visby	100
Arkitektkontoret Vallgatan Acron AB	Kungsbacka	100
Projektengagemang Köksarkitekterna AB	Stockholm	100
PE Arkitektur Skaraborg AB	Skövde	100
Arkitekturum AB	Mariestad	100
PE Arkitektur Södra Sverige AB	Malmö	100
Kvarnström Arkitektkontor Aktiebolag	Gothenburg	100
Temagruppen Sverige AB	Stockholm	100
Projektengagemang Finans i Stockholm AB	Stockholm	100

Subsidiary *, cont.*	Location	Shares and voting rights
KNSS-Gruppen	Köping	100
SN Elteknik AB	Köping	100
Inspector TP Aktiebolag	Stockholm	100
Torsten Palmqvist Aktiebolag	Stockholm	100
Projektengagemang Byggkonsult Sverige AB	Köping	100
Byggkonsult KNSS Projekt AB	Köping	100
LN Akustikmiljö AB	Stockholm	100
Tellstedt i Göteborg AB	Gothenburg	100
PE El, Tele och Säkerhet AB	Stockholm	100
Projektengagemang Elmiljö Sverige AB	Stockholm	100
Projektengagemang GMKI Elkonsult AB	Malmö	100
HJR Projekt-EL Aktiebolag	Stockholm	100
Brandgruppen i Sverige AB	Stockholm	100
Energi & VVS-planering i Helsingborg AB	Helsingborg	100
Sture Byberg Ingenjörsbyrå Aktiebolag	Gothenburg	100
Er omgivning AB	Stockholm	100
PE-Aristi	Chennai, India	60
Konkret Rådgivande Ingenjörer i Sthlm AB	Stockholm	100
ROOF Arkitekter AB	Örebro	100
ROOF Redovisning AB	Örebro	100
Smedjan Projektledning AB	Gothenburg	100

Material agreements

The following are the only agreements which the Company has entered into and which are, or may have been, material for the three years preceding the date of this Prospectus, or which have been entered into by the Company and contain any provision under which any member of Projektengagemang's Group management has any obligation or entitlement which are, or may be, material to the Group taken as a whole as of the date of this Prospectus.

Credit facilities

See "*Operating and financial review – Liquidity and capital resources – Indebtedness*".

Shareholder's agreement with PE-aristi

On 14 June 2015 Projektengagemang entered into a share purchase agreement through which Projektengagemang purchased 60 percent of the shares of Aristi Projects & Engineering Private Ltd ("**PE-Aristi**"). The remaining 40 percent is owned by the four founders of PE-Aristi. According to the shareholders' agreement between them the founders are considered key persons in PE-Aristi. The board shall consist of four directors of which Projektengagemang have the right to nominate two directors and the founders have the right to nominate two. There are no obligations for further capital contributions as PE-Aristi shall arrange for its own financing, on its own merits. In case PE-Aristi is unable to arrange requisite financing on its own merits the decisions of Projektengagemang on financing issues shall be final and binding for PE-Aristi and the founders. Projektengagemang may appoint an external party to review all books, records and other documentation. The external party shall submit a report to Projektengagemang and PE-Aristi shall not have the right to demand a copy of such report. A material breach of the obligations under the shareholder's agreement and failure to remedy such breach within 30 days after receipt of notice hereof the aggrieved party shall have an option to acquire the defaulting party's shares in PE-Aristi. In the case that PE-Aristi or the founders violates the anti-corruption policy, which is part of Projektengagemang's Code of Conduct, Projektengagemang shall have the right to terminate the agreement immediately.

The shareholders' agreement is valid up to and including the earlier of 31 December 2035 or if one party becomes the sole owner of all shares in PE-Aristi.

Placing agreement

The Company, the Principal Owner and the Sole Global Coordinator intend to enter into an agreement regarding the placing of shares in the Offering on or about 18 June 2018 (the "**Placing Agreement**"). The Offering is conditioned upon the Placing Agreement being entered into, the fulfilment of certain conditions of the agreement and that the Placing Agreement is not terminated. In the Placing Agreement, the Sole Global Coordinator will undertake to procure purchasers for or, if the Sole Global Coordinator fails to do so, to purchase themselves the shares included in the Offering at the Offer Price.

According to the Placing Agreement, the undertakings of the Sole Global Coordinator to procure purchasers for or, if the Sole Global Coordinator fails to do so, to purchase themselves the shares included in the Offering, are subject to the conditions that, among other things, the representations and warranties provided by the Company are true and accurate, that no events occur which have a material adverse effect on the Company as well as certain other conditions. The Sole Global Coordinator may terminate the Placing Agreement up to and including the settlement date, 21 June 2018, if any material adverse events were to occur, if the representations and warranties provided by the Company to the Sole Global Coordinator, or if any of the other conditions resulting from the Placing Agreement are not fulfilled. If the abovementioned conditions are not fulfilled and if the Sole Global Coordinator terminates the Placing Agreement, the Offering may be withdrawn. In such event, neither allotment of nor payment for the shares will occur under the Offering. In accordance with the Placing Agreement, the Company will undertake to indemnify the Sole Global Coordinator for certain claims under certain conditions.

In connection with the Offering approximately 400 current shareholders[1)] in the Company will undertake, with certain exemptions, not to sell their holdings during a lock-up period (“**Lock-up period**”). These shareholders are primarily current or former employees, current or former consultants and former owners of companies that have been acquired by Projektengagemang. The Lock-up period for these shareholders, including Minority Shareholders who are not members of the board of directors or the Group management, will be 180 days from the first day of trading in the Company’s shares. The Lock-up period for the Principal Owner, board members who own shares in the Company, Group management and certain key persons of the Group will be 360 days from the date of the Placing Agreement. The Lock-up period for LK Finans AB will be 360 days from the first day of trading in the Company’s shares and its Lock-up undertaking will cover both its existing shareholding before the Offering and the shares that are alloted to LK Finans AB as a Cornerstone Investor in the Offering. The Lock-up period for Investment AB Öresund will be 180 days from the first day of trading in the Company’s shares and its Lock-up undertaking will cover its existing shareholding before the Offering but not the shares that are alloted to Investment AB Öresund as a Cornerstone Investor in the Offering. At the end of each respective Lock-up period, the securities may be offered for sale, which may affect the market price of the Company’s shares. The Sole Global Coordinator may waive the undertakings. Pursuant to the Placing Agreement, the Company will undertake, inter alia, with certain exceptions, for a period of 180 days from the date of the Placing Agreement, not to, without a written consent from the Sole Global Coordinator, (i) offer, pledge, allot, issue, sell, undertake to sell or otherwise transfer or divest, either directly or indirectly, any shares in the Company or other securities which may be converted into or are possible to exercise or exchange for such shares, or (ii) enter into swap agreements or other arrangements which, fully or partly, transfer the economic risk adjacent to the ownership of the shares in the Company.

With the exception of LK Finans AB and Investment AB Öresund, the Cornerstone Investors will not be subject to lock-up undertakings.

Cornerstone investors

Commitments from Cornerstone Investors

The Cornerstone Investors have committed to, in aggregate, acquire up to 19.7 percent of the shares following completion of the Offering, assuming that the Over-allotment option is exercised in full. Swedbank Robur Fonder AB, Investment AB Öresund, Humle Småbolagsfond and LK Finans AB have agreed to acquire, at the Offer Price, shares in the Offering corresponding to 8.0 percent, 6.3 percent, 3.3 percent and 2.1 percent, respectively, of the total number of outstanding shares following the completion of the Offering, assuming that the Over-allotment option is exercised in full, subject to, among other things: (i) the first day of trading in the shares occurring no later than on 30 June 2018; (ii) such Cornerstone Investor being allocated in full the shares in the Offering relating to its commitment; (iii) the total equity value of the Company upon settlement of the Offering not exceeding SEK 1,197 million; and (iv) that there are no changes to the information contained in the Prospectus that would require the registration of a supplement prospectus. Based on the Offer Price, the implied total equity value of the Company following completion of the Offering is SEK 1,196 million. If such conditions are not satisfied, the Cornerstone Investors will not be required to acquire any shares in the Offering.

The Cornerstone Investors will not receive any compensation for their respective undertakings and the Cornerstone Investors’ investments are to be made at the Offer Price. These undertakings are, however, not secured through a bank guarantee, blocked funds or pledge of collateral or any other similar arrangement.

Cornerstone Investors	Commitment (%) of the total number of shares in the Company following the completion of the Offering provided that the Over-allotment option is exercised in full	Number of shares
Swedbank Robur Fonder AB	8.0	2,035,024
Investment AB Öresund	6.3	1,595,745
Humle Småbolagsfond	3.3	851,064
LK Finans AB	2.1	531,915
Total	**19.7**	**5,013,748**

1) Including the Minority Shareholders, not including the Principal owner, the Cornerstone Investors LK Finans AB and Investment AB Öresund and shareholding board members and members of the Group management.

Stabilisation

In connection with the Offering, the Stabilising Manager may, to the extent permitted in accordance with Swedish law, carry out transactions aimed to stabilise, maintain, or in other ways support the markets price of the Company's B-shares, for up to 30 days from the commencement of trading in the Company's B-shares on Nasdaq Stockholm. The Stabilising Manager may over-allot shares or effect transactions in order to maintain the market price of the shares at levels above those that might otherwise prevail in the open market. The Stabilising Manager is, however, not required to carry out such transactions and there is no assurance that such activities will be undertaken. Such transactions may be effected on any securities market, over-the-counter market or otherwise. The transactions, if commenced, may be discontinued at any time without prior notice but must be ended no later than the abovementioned 30-day period. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, it shall be made public that stabilising measures have been performed in accordance with article 5(4) in EU's Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period the Stabilising Manager will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred as well as the price range of the Offering within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out. Except as required by law or regulation the Stabilising Manager will not disclose the extent of any stabilisation and/or over-allotment transaction concluded in relation to the Offering.

Legal proceedings

Except for what is stated below Projektengagemang is not, and has not been, party to any legal or arbitral proceedings during the last 12 months which may have, or have had, significant effects on Projektengagemang's financial condition or profitability.

Projektengagemang previously conducted certain business relating to producing and distributing housing modules through the subsidiary Soleed Sweden AB. The business was completely liquidated in 2016 as it was assessed to not be a part of the Group's core business and in connection thereto all tangible and intangible assets relating to this business were impaired. Prior to the liquidation, Projektengagemang delivered housing modules to a customer. During the second quarter of 2017 Projektengagemang received claims from the customer concerning penalties for late delivery, remedy and damages. The customer's claims amounted to SEK 37.5 million. Projektengagemang has appointed an external legal counsel that assesses the claim is unfounded, and Projektengagemang has challenged the customer's claims by referring to the housing modules delivered by Projektengagemang not having been correctly assembled or handled. The customer has voluntarily filed for bankruptcy, entailing that the claim against Projektengagemang must be pursued by the bankruptcy administrator. As of the date of this Prospectus the bankruptcy administrator has not contacted Projektengagemang concerning the relevant claim, however it cannot be ruled out that the bankruptcy administrator in the future will put forward these claims against Projektengagemang. Projektengagemang has not made any provisions for this dispute in its accounts. When receiving the claim Soleed Sweden AB made a counterclaim amounting to approximately SEK 6.1 million for non-payment (this claim has, due to the bankruptcy of the customer, converted into an unprivileged claim in the estate).

Intellectual property

Projektengagemang owns or has the right to certain intellectual property that the Group uses in its business. Projektengagemang asserts, to the fullest extent under applicable law, title to these intellectual properties. For more information on risks relating to Projektengagemang's intellectual properties, see "*Risk factors – Risks relating to Projektengagemang's business and industry – Projektengagemang is exposed to risks relating to intellectual property rights*".

IT

Projektengagemang's IT infrastructure and platforms are handled centrally through a modular and dynamic system that has been established and is administrated in accordance with the IT Policy of the Group. This allows Projektengagemang to continuously update and adjust its IT infrastructure as needs change, including those that arise at acquisitions and integration of new businesses. The hardware used by Projektengagemang is standardised to a high degree. Thus Projektengagemang's dependency on sole suppliers of IT services is limited.

A base platform of products from well-established third-party suppliers form the base of Projektengagemang's IT infrastructure, which allow automatic configuration and surveillance. All offices are connected to dedicated networks that allow Projektengagemang to monitor the co-worker's usage of services and functions as well as sharing of information. Critical services and functions are doubled to avoid interruption of work and to decrease Projektengagemang's dependency on specific suppliers. Backup is automated and files are regularly copied, on a daily basis or in shorter intervals. The Group is protected against virus, unauthorised entries and other security risks by employing different security software and well-established values.

Insurance

Projektengagemang holds corporate insurance policies covering general liability, consultant liability, property insurance for property, offices and fire, as well as product and directors' liability insurance. The policies have been taken out for the Group as a whole with the Company as insurance holder and cover all active subsidiaries, with the exception of acquired companies that held their own corporate insurance policies at the acquisition. These companies are phased in under the Company's corporate insurance policy as their own policies expire.

The Group's insurance policies have certain coverage limits that vary depending on the type of liability involved and the policies are subject to customary limitations imposed by the insurance company. The Group's insurance policies are designed to protect the Group from material losses associated with for example, damage to third parties' property, the Group's machinery and inventory and damage caused by consultants. According to the Company the insurance coverage of the Group is equal to other companies' in the business and suitable for the risks generally associated with the business of the Group. Against co-workers the insurance coverage is compliant with collective bargaining and applicable law. For further information on risks associated with the Group's insurance protection, see "*Risk factor – Risks relating to Projektengagemang's business and industry – Projektengagemang's insurance coverage may not provide sufficient coverage*".

Related party transactions

In the three months ended 31 March 2018 Projektengagemang has bought consultant services from K-Konsult Management AB (owned by Peter Larsson) amounting to SEK 0.1 million. The transactions were conducted at market price.

In addition to the related party transactions described above and in the notes to Projektengagemang's consolidated financial statements (included elsewhere in this Prospectus), Projektengagemang has not been party to any related party transactions during the period covered by the financial information in this Prospectus up to and including the date of this Prospectus. See sections "*Historical financial information – Financial information for the years ended 31 December 2017 and 2016 – Note 32 (Transactions with group companies and related parties)*" and Note 31 *(Transactions with group companies and related parties)* of the annual reports for the year ended 31 December 2015.

Documents available for inspection

The following documents (except for the annual reports of subsidiaries) can be downloaded on the Company's website, www.projektengagemang.se. Copies of all documents can also be obtained at the Company's head office on weekdays during regular office hours:

1) the Company's articles of association;
2) the Company's consolidated unaudited interim report for the three months ended 31 March 2018 prepared in accordance with IFRS;
3) the Company's audited financial statements for the financial years ended 31 December 2017, 2016 and 2015 prepared in accordance with IFRS; and
4) annual reports of the Company's subsidiaries for the years ended 31 December 2017 and 2016.

Documents incorporated by reference

Projektengagemang's consolidated audited financial statement and the auditor's report for the financial year ended 31 December 2015 is part of this Prospectus and should be read as part thereof. This financial statement can be found in Projektengagemang's annual report for the financial year 2015 where reference is as follows.

- Annual report 2015: pages 37–40 (Consolidated income statement information, consolidated balance sheet information, consolidated statement of changes in shareholders' equity and consolidated cash flow information for the Group), pages 45–63 (Notes) and page 64 (Auditor's report).

The parts of Projektengagemang's annual report not incorporated by reference according to the above do not include information relevant to a prospective investor. Projektengagemang's consolidated audited financial statement for the financial year ended 31 December 2015 has been audited by the Company's former auditor (Hummelkläppen i Stockholm AB) and the audit report is attached to the annual report.

Advisers

SEB is the Sole Global Coordinator in connection to the Offering and provide financial advice and other services to Projektengagemang in connection with the Offering for which they will receive customary remuneration. The total compensation will be dependent on the success of the Offering. Further, SEB is one of the lenders under the current credit facilities.

White & Case Advokat AB provides legal advice to Projektengagemang in connection with the Offering.

Costs associated with the offering and the listing

Projektengagemang's costs attributable to the admission of its shares to trading on Nasdaq Stockholm and the Offering are estimated to amount to approximately SEK 33 million. Such costs primarily relate to costs for commission to the Sole Global Coordinator, auditors, legal advisors, printing of this Prospectus, costs related to management presentations, etc. The Sole Global Coordinator will, under certain circumstances, be compensated for costs related to work performed in connection with the listing of the Class B shares on Nasdaq Stockholm and the Offering.

Selling restrictions and transfer restrictions

Selling restrictions

United States

The shares in the Offering have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and may not be offered or sold within the United States except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act.

The shares in the Offering are only to be offered and sold outside the United States in offshore transactions in compliance with Regulation S and in accordance with applicable law. The terms used above have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each a "**Relevant Member State**") (with the exception of Sweden), no offer of the shares in the Offering may be made to the public in that Relevant Member State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Sole Global Coordinator for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, the Principal Owner or the Sole Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offered to the public" in relation to any shares in the Offering in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase any shares in the Offering, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (with amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State. The expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Any offer or sale of the shares in the Offering may only be made to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances that do not require publication by the Company of a prospectus pursuant to section 85(1) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) (the "**Order**").

Any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with persons who: (i) are outside the United Kingdom; (ii) are investment professionals falling within Article 19(5); or (iii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc."), of the Order or other persons to whom such investment or investment activity may lawfully be made available (all such persons together being referred to as "**relevant persons**"). Persons who are not relevant persons should not take any action on the basis of this Prospectus and should not act or rely on it.

General

No action has been or will be taken in any country or jurisdiction other than Sweden that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Company, the Principal Owner and the Sole Global Coordinator to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense. None of the Company, the Principal Owner or the Sole Global Coordinator accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the shares in the Offering, of any such restrictions.

Transfer restrictions

No action has been or will be taken in any country or jurisdiction other than Sweden by it that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Company, the Principal Owner and the Global Coordinator to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense.

The shares in the Offering have not been and will not be registered under the Securities Act and the shares in the Offering may not be offered or sold, directly or indirectly, within or into the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act.

Each purchaser of the shares in the Offering will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(a) the purchaser is purchasing shares in the Offering in an offshore transaction meeting the requirements of Regulation S;

(b) the purchaser acknowledges that the shares of the Company have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, are subject to restrictions on transfer;

(c) the purchaser is aware of the restrictions on the offer and sale of the shares in the Offering pursuant to Regulation S described in this Prospectus;

(d) the shares in the Offering have not been offered to it by means of any "directed selling efforts" as defined in Regulation S and the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S in the United States with respect to the shares in the Offering;

(e) to the purchaser will not offer, sell, pledge or otherwise transfer any shares acquired in the Offering, except in accordance with the Securities Act and any applicable laws of any state of the United States and any other jurisdiction; and

(f) the Company will not recognise any offer, sale, pledge or other transfer of the shares in the Offering made other than in compliance with the above stated restrictions.

Tax considerations in Sweden

Below is a summary of certain Swedish tax issues related to the Offering and the admission for trading of the Class B shares in the Company on Nasdaq Stockholm's main market for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide only general information regarding the shares in the Company as from the admission for trading on Nasdaq Stockholm. The summary does not cover: situations where shares are held as current assets in business operations; situations where shares are held by a limited partnership or a partnership; situations where shares are held in an investment savings account (Sw. investeringssparkonto) and subject to taxation on a standardised basis; the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares in the Company that are deemed to be held for business purposes (for tax purposes); the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares; the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. investeraravdrag); foreign companies conducting business through a permanent establishment in Sweden; or foreign companies that have been Swedish companies. Furthermore, special tax rules apply to certain categories of companies. The tax consequences for each individual shareholder depend on said shareholder's particular situation. Each shareholder is advised to consult an independent tax advisor as to the tax consequences that could arise from the Offering and the admission for trading of the Class B shares in the Company on Nasdaq Stockholm, including the applicability and effect of foreign tax legislation (including regulations) and tax treaties.

Private individuals

For private individuals resident in Sweden for tax purposes, capital income, such as interest income, dividends and capital gains, is taxed in the capital income category. The tax rate for the capital income category is 30 percent.

The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares. This method means that the acquisition value may be determined as 20 percent of the consideration less selling expenses.

Capital losses on listed shares are fully deductible against taxable capital gains realised in the same year on shares, as well as on listed securities taxed as shares (however not mutual funds (Sw. värdepappersfonder) or hedge funds (Sw. *specialfonder*) containing Swedish receivables only (Sw. *räntefonder*)). 70 percent of capital losses not absorbed by these set-off rules are deductible in the capital income category.

If there is a net loss in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 percent of the net loss that does not exceed SEK 100,000 and 21 percent of any remaining net loss. A net loss cannot be carried forward to future tax years.

For private individuals resident in Sweden for tax purposes, a preliminary tax of 30 percent is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

Allotments of shares to employees

Normally, the allotment of shares is not a taxable event. However, for employees allotment of shares may in certain situations give rise to benefits taxation. Benefits taxation should, however, not occur if the employees (including board members and deputy board members and existing shareholders), on the same terms and conditions as others, acquire not more than 20 percent of the total number of shares offered and the employee does not acquire shares for more than SEK 30,000.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 22 percent. Capital gains and capital losses are calculated in the same way as described for private individuals above. Deductible capital losses on shares may only offset taxable capital gains on shares and other securities taxed as shares. A net capital loss on shares that cannot be utilised during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this treatment for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons (e.g. investment companies).

Shareholders that are not tax resident in Sweden

For shareholders not resident in Sweden for tax purposes that receive dividends on shares of a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company, such as payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class. The withholding tax rate is 30 percent. The tax rate is, however, generally reduced under an applicable tax treaty. For example, the rate is generally reduced to 15 percent for dividends paid to U.S. Holder that are entitled to the benefits of the Treaty. In Sweden, withholding tax deductions are normally carried out by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee. The tax treaties Sweden has entered into generally enable the withholding tax deduction to be made in accordance with the tax rate stipulated in the treaty, provided that Euroclear Sweden or the nominee, as applicable, has the required information of the tax residency of the investor entitled to the dividend. Further, investors entitled to reduced tax rates under applicable tax treaties may seek a refund from the Swedish tax authorities if the full withholding tax rate at 30 percent has been withheld.

Shareholders not resident in Sweden for tax purposes are normally not liable for capital gains taxation in Sweden upon disposals of shares. Shareholders may, however, be subject to taxation in their state of residence.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares in the Company, if they have been residents of Sweden due to a habitual abode in Sweden or a stay in Sweden at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by tax treaties.

Definitions

In addition to the key performance measures defined in "*Selected historical financial information – Definitions of performance measures*," certain other terms used in this Prospectus are defined below:

"Acquirer" refers to an applicant for the Offering (as defined herein).

"**alternative performance measures**" refers to certain key operating metrics that are not measures of financial performance or financial position under IFRS (as defined herein).

"BEPS" refers to the OECD's current project against base erosion and profit shifting.

"Code" refers to the Swedish Corporate Governance Code (Sw: *Svensk kod för bolagsstyrning*).

"Company" refers to Projektengagemang Sweden AB (publ) or Projektengagemang Sweden AB (publ) and its subsidiary, as the context requires.

"Cornerstone Investors" refers to Investment AB Öresund, Swedbank Robur Fonder AB, Humle Småbolagsfond and LK Finans AB.

"Credit Agreement" refers to the Company's agreement for fixed-term credit facilities.

"Credit Facilities" refers to the Company's Credit Agreement, a revolving credit facility and an overdraft facility with SEB (as defined herein).

"EEA" refers to the European Economic Area.

"EU" refers to the European Union.

"Euroclear Sweden" refers to Euroclear Sweden AB, the Swedish Central Securities Depository.

"FAR" refers to the Swedish Institute of Authorised Public Accountants (Sw. *Föreningen Auktoriserade Revisorer*).

"Group" refers to Projektengagemang Sweden AB (publ) and its subsidiaries.

"HJR" refers to HJR Projekt-El AB.

"HVAC" refers to heating, ventilation and plumbing (Sw. *VVS*).

"IFRS" refers to the International Financial Reporting Standards, as adopted by the EU (as defined herein).

"IMF" refers to the International Monetary Fund.

"IPMA" refers to the International Project Management Association.

"Konkret" refers to Konkret Rådgivande Ingenjörer i Stockholm AB.

"Lender" refers to SEB (as defined herein) in its capacity as lender under the Credit Facilities (as defined herein).

"Lock-up Period" refers to a period of 360 days from the date of the Placing Agreement (as defined herein) for the Principal Owner, shareholding board members, senior executives and certain other key individuals in the Group including Minority Shareholders (who are not members of the board or the Group management) and to a period of 180 days from the date of the Placing Agreement for certain other shareholders, during which these individuals undertake, with certain exceptions, not to sell their holdings.

"Member State" refers to a member state of the EU (as defined herein).

"MiFID II" refers to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

The "**Minority Shareholders**" refers to a group of in total approximately 180 existing shareholders in the Company, consisting primarily of employees and former employees in the Group (including certain members of the Group management), who have entered into agreements with the Principal Owner regarding the sale of in total 2,344,285 Class B shares. These 2,344,285 Class B shares are, consequently, offered by the Principal Owner on behalf of the Minority Shareholders. The Principal Owner receives the proceeds from the sale of up to 1,276,596 existing Class B shares.

"OECD" refers to the Organisation for Economic Co-operation and Development.

"Offering" refers to the offering to the public in Sweden in connection with this Prospectus (as defined herein) and the listing of Class B shares in Projektengagemang Sweden AB on Nasdaq Stockholm.

"Offer Price" refers to the final price per share in the Offering (as defined herein).

"Over-allotment Option" refers to the over-allotment option described in "Invitation to acquire Class B shares in Projektengagemang Sweden AB (publ)."

"Placing Agreement" refers to the agreement concerning the placing of shares as described "*Terms, conditions and instructions – Terms and conditions for completion of the Offering*."

"Principal Owner" refers to Projektengagemang Holding i Stockholm AB.

"Product governance requirements of MiFID II" refers to product governance requirements in: (a) MiFID II, (b) Articles 9 and 10 of the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing MiFID II, and (c) Chapter 5 of the Swedish Financial Supervisory Authority's regulations regarding investment services and activities, FFFS 2017:2.

"Projektengagemang" refers to the Company (as defined herein) or the Group (as defined herein).

"Prospective Directive" refers to Directive 2003/71/EC.

"Prospectus" refers to this prospectus.

"SEB" Skandinaviska Enskilda Banken AB (publ).

"SEC" refers to the U.S. Securities and Exchange Commission.

"SEK" refers to Swedish kronor.

"Sole Global Coordinator" refers to SEB (as defined herein).

"Stabilising Manager" refers to SEB (as defined herein).

"STD" refers to the Swedish Federation of Consulting Engineers and Architects (Sw. *Svenska Teknik & Designföretagen*).

"target market" refers to the market for shares in the Company, which comprises each non-professional customer and investor who fulfils the requirements for professional investors and eligible counterparties under MiFID II (as defined herein).

"Temagruppen" refers to Temagruppen Sverige AB.

"U.S. Securities Act" refers to the United States Securities Act of 1933.

"VA" refers to the supply of drinking water and treatment of sewage water (Sw. *vatten och avlopp*).

Historical financial information

Historical financial information

Historical financial information for the period 1 January to 31 March 2018 and 2017

Consolidated income statement

SEKm	3 months Jan–Mar 2018	3 months Jan–Mar 2017	12 months Jan–Dec 2017	12 months Rolling 12 months
Net revenue	**307.1**	**302.7**	**1,170.7**	**1,175.0**
Other external expenses	-74.5	-75.2	-338.1	-337.5
Personnel expenses	-198.0	-195.2	-741.5	-744.2
Operating income, EBITDA	**34.6**	**32.3**	**91.1**	**93.3**
Amortisation, depreciation and impairment	-4.9	-5.6	-22.4	-21.6
Operating income, EBITA	**29.7**	**26.7**	**68.7**	**71.7**
Acquisition-related items	-0.9	-0.9	-3.7	-3.7
Operating income, EBIT	**28.8**	**25.8**	**65.0**	**68.0**
Net financial items	-1.4	-0.9	-7.6	-7.8
Income before tax	**27.3**	**24.9**	**57.4**	**60.2**
Tax	-5.2	-9.1	-19.9	-13.2
Net income for the period	**22.2**	**15.8**	**37.5**	**47.0**
Attributable to:				
Parent company's shareholders	22.1	15.9	37.3	46.7
Non-controlling interests	0.1	-0.1	0.2	0.3
Earnings per share, SEK, before and after dilution	3.78	2.73	6.38	7.97

Consolidated statement of comprehensive income

SEKm	3 months Jan–Mar 2018	3 months Jan–Mar 2017	12 months Jan–Dec 2017	12 months Rolling 12 months
Net income for the year	22.2	15.8	37.5	47.0
Comprehensive income for the year	**22.2**	**15.8**	**37.5**	**47.0**

Consolidated balance sheet

SEKm	31 Mar 2018	31 Mar 2017	31 dec 2017
ASSETS			
Non-current assets			
Goodwill	338.1	302.4	322.6
Other intangible assets	15.3	18.4	16.1
Tangible assets	43.2	53.6	47.3
Financial assets	4.3	4.0	4.2
Total non-current assets	**400.9**	**378.4**	**390.3**
Current assets			
Current assets, excluding cash and cash equivalents	335.7	328.5	328.2
Cash and cash equivalents, including short-term investments	7.8	23.6	5.0
Total current assets	**343.5**	**352.1**	**333.2**
TOTAL ASSETS	**744.4**	**730.4**	**723.5**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Shareholders' equity attributable to parent company's shareholders	249.8	205.8	227.7
Non-controlling interests	0.8	0.5	0.8
Total shareholders' equity	**250.6**	**206.3**	**228.5**
Liabilities			
Non-current liabilities	160.1	227.9	174.1
Current liabilities	315.4	294.1	307.5
Deferred tax liabilities	18.3	2.2	13.5
Total liabilities	**493.8**	**524.1**	**495.1**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**744.4**	**730.4**	**723.5**

Consolidated cash flow statement

SEKm	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017
Operating activities			
Income before tax	27.3	24.9	57.4
Adjustments for non-cash items	5.5	8.5	20.0
Taxes paid	-0.7	-4.1	0.5
Cash flow before changes in working capital	**32.1**	**29.3**	**77.9**
Cash flow from changes in working capital	-20.5	-5.2	-1.3
Cash flow from operating activities	**11.6**	**24.0**	**76.6**
Acquisition of tangible and intangible assets	-0.9	-1.4	-4.7
Acquisition of subsidiaries, net of acquired cash	-10.9	-1.3	-15.2
Sale of group companies	-	-	0.9
Change in financial assets	-0.1	-0.0	-
Cash flow from investing activities	**-11.9**	**-2.8**	**-18.9**
Cash flow before financing	**-0.3**	**21.2**	**57.7**
Repayment of loans	-15.4	-16.2	-62.6
Change in credit facilities	19.7	2.0	-4.7
Cash flow from financing activities	**4.3**	**-14.2**	**-67.3**
Cash flow for the period	**4.0**	**7.0**	**-9.6**
Cash and cash equivalents at beginning of period	3.5	13.2	13.2
Exchange-rate difference in cash and cash equivalents	-0.0	0.0	-0.1
Cash and cash equivalents at the end of the period	**7.5**	**20.2**	**3.5**

Notes

NOTE 1 Acquisitions

The acquisitions of the consultancy firm Energi & VVS-planering i Helsingborg AB and the consultancy firm Sture Byberg Ingenjörsbyrå AB were finalised during the first quarter. The companies have been consolidated since 1 February and contributed net revenue of SEK 3.0m. The companies' annual revenue is estimated at about SEK 20m.

At the end of the first quarter, agreements were also concluded concerning two company acquisitions – ROOF Arkitekter i Örebro and Smedjan Projektledning i Göteborg. Integration of these two companies has commenced and is scheduled to be finalised during 2018. The companies have estimated annual revenue of about SEK 30m.

Transaction costs for the period totalled SEK 0.4m (1.3) and are recognised on the income statement line "Other external expenses".

Acquisition analysis for Energi & VVS-planering and Sture Byberg

SEKm	31 Mar 2018
Goodwill	15.4
Other non-current assets	0.0
Current receivables	4.3
Cash and cash equivalents	2.5
Current and non-current liabilities	-4.1
Purchase consideration	**18.1**
Unpaid purchase consideration	-4.8
Cash and cash equivalents in acquired businesses	2.5
Purchase consideration paid, incl. cash balances	**10.9**

NOTE 2 Fair value of financial instruments

31 March 2018

SEKm	Measured at fair value through profit or loss measured at amortised cost	Financial assets measured at fair value	Financial liabilities value through profit or loss	Of which, fair value per level* 1	2	3
Financial instruments, assets						
Financial investments	3.2	-	-	-	-	3.2
Accounts receivable	-	157.0	-	-	-	-
Current investments	0.3	-	-	-	-	0.3
Other non-current receivables	-	1.0	-	-	-	-
Total financial assets	**3.5**	**158.0**	**-**	**-**	**-**	**3.5**
Financial instruments, liabilities						
Expensed purchase consideration	20.9	-	-	-	-	20.9
Liabilities to customers and suppliers	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Non-current interest-bearing liabilities	-	-	159.8	-	-	-
Current interest-bearing liabilities	-	-	97.2	-	-	-
Total financial liabilities	**20.9**	**-**	**257.0**	**-**	**-**	**20.9**

NOT 2 Fair value of financial instruments, cont.

31 March 2017

SEKm	Measured at fair value through profit or loss	Loan receivables and accounts receivable	Financial assets available-for-sale measured at fair value	Financial liabilities measured at amortised cost	Of which, fair value per level* 1	2	3
Financial instruments, assets							
Financial investments	-	-	-	-	-	-	-
Accounts receivable	-	136.1	-	-	-	-	-
Current investments	-	3.4	-	-	-	-	3.4
Cash and cash equivalents	-	20.2	-	-	-	-	-
Other non-current receivables	-	0.8	-	-	-	-	-
Total financial assets	**-**	**160.5**	**-**	**-**	**-**	**-**	**3.4**
Financial instruments, liabilities							
Expensed purchase consideration	29.9	-	-	-	-	-	29.9
Liabilities to customers and suppliers	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-
Non-current interest-bearing liabilities	-	-	-	173.8	-	-	-
Current interest-bearing liabilities	-	-	-	77.5	-	-	-
Total financial liabilities	**29.9**	**-**	**-**	**251.3**	**-**	**-**	**29.9**

Financial assets and financial liabilities that are measured at fair value in the balance sheet, or where disclosures about fair value are provided, are classified in one of three levels based on the information that is used to establish the fair value. There were no transfers between the levels in either 2017 or 2016.

Level 1

Financial instruments whose fair value is established on the basis of observable (non-adjusted) quoted prices in an active market for identical assets and liabilities. A market is regarded as active if quoted prices from a stock exchange, broker, industrial group of companies, pricing service or supervisory authority are easily and regularly available and these prices represent real and regularly occurring arm's length market transactions.

Level 2

Financial instruments whose fair value is established using valuation models based on observable data for the asset or liability other than quoted prices included in level 1, either directly (i.e. price quotations) or indirectly (i.e. derived from price quotations). Examples of observable data in level 2 are:

- Quoted prices for similar assets and liabilities.
- Data that can constitute a basis for assessment of price; i.e. market interest rates and yield curves.

Level 3

Financial instruments whose fair value is established on the basis of valuation models where material input data is based on unobservable data. There were no material transfers between the levels during the periods. For other financial assets and financial liabilities, carrying amounts are estimated to match the fair value in all significant respects. Expensed purchase considerations and financial investments are measured based on future projections of profit.

NOTE 3 Deferred tax assets/tax liabilities

Refer to the table below for more specific components of the Group's deferred tax assets and tax liabilities and how these are recognised in the balance sheet.

Deferred tax effect

SEKm	31 Mar 2018	31 Mar 2017
Deferred tax assets		
Loss carryforwards	15.0	22.5
Untaxed reserves	0.0	0.0
Current assets	0.8	0.9
Total deferred tax assets	**15.9**	**23.4**
Deferred tax liabilities		
Untaxed reserves	3.6	6.3
Current assets	30.5	19.2
Total deferred tax liabilities	**34.1**	**25.6**
Deferred tax effect, net	**-18.3**	**-2.1**

NOTE 4 Breakdown of income

Projektengagemang's income consists of one income type pertaining to the delivery of assignments to clients. Income is broken down on the basis of the company's fields of technology, which are divided into the Divisions in which Projektengagemang's segments are active. For further information on the Group's income recognition, refer to the accounting policies in the 2017 Annual Report.

	3 months		12 months	
SEKm	Jan–Mar 2018	Jan–Mar 2017	Jan–Dec 2017	Rolling 12 months
Net revenues				
Architecture & Management	43.2	71.9	248.7	220.0
Project management & Management	46.1	27.8	123.0	141.3
Architecture & Management	**89.3**	**99.7**	**371.7**	**361.3**
Civil Engineering	48.9	45.3	170.9	174.5
Infrastructure	22.8	21.9	82.3	83.2
Civil Engineering & Infrastructure	**71.7**	**67.2**	**253.2**	**257.7**
Industry & Energy	**45.2**	**53.3**	**217.4**	**209.3**
Electricity, Communications & Security	74.9	64.9	246.4	256.4
HVAC design	36.6	30.8	116.6	122.4
Systems	**111.5**	**95.7**	**363.0**	**378.8**
Internal eliminations	-10.6	-13.2	-34.6	-32.0
Total	**307.1**	**302.7**	**1,170.7**	**1,175.1**

Auditor's report

Projektengagemang Sweden AB (publ) reg. no. 556330-2602

Introduction
We have reviewed the condensed interim financial information (interim report) of Projektengagemang Sweden AB (publ) as of 31 March 2018 and the three-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34, regarding the Group.

Stockholm, 27 April 2018

PricewaterhouseCoopers AB
Lennart Danielsson
Authorised Public Accountant

Historical financial information for the years ended 31 December 2017 and 2016

Consolidated income statement and statement of comprehensive income

SEK thousand	Note	2017	2016
Net revenue	2	1,170,700	833,430
Other external expenses	5, 30	-338 148	-281,251
Personnel expenses	6, 7	-741,491	-503,874
Income from associates	15	-	1,093
Operating income, EBITDA		**91,062**	**49,397**
Operating income, EBITDA (adjusted)		**119,749**	**67,629**
Amortisation, depreciation and impairment	8, 12, 13	-22,332	- 48,732
Operating income, EBITA		**68,730**	**665**
Operating income, EBITA (adjusted)		**97,417**	**18,897**
Acquisition-related items	8, 12, 13	-3 742	- 300
Operating income, EBIT		**64,989**	**366**
Operating income, EBIT (adjusted)		**93,675**	**18,597**
Financial income		565	801
Financial costs		-8,184	-9 687
Net financial items	9	**-7,620**	**-8,886**
Income before tax		**57,369**	**-8,520**
Tax	25	-19,854	3,564
Net income for the year		**37,515**	**-4,956**
Attributable to:			
Parent company's shareholders		37,329	-5,148
Non-controlling interests		186	192

Consolidated statement of comprehensive income

SEK thousand	Note	2017	2016
Net income for the year		**37,515**	**-4,956**
Other comprehensive income for the year		-	-
Comprehensive income for the year		**37,515**	**-4,956**
Attributable to:			
Parent company's shareholders		37,329	-5,148
Non-controlling interests		186	192
Earnings/loss per share attributable to the parent company's shareholders, SEK	11	6.38	-0.88

There are no share-based programmes that could lead to dilution.

Consolidated balance sheet

SEK thousand	Note	2017	2016
ASSETS	4		
Non-current assets			
Goodwill	12	322,649	302,963
Other intangible assets	12	16,078	19,471
Tangible assets	13	47,335	57,576
Investment in associates	15	-	-
Financial investments	16	3,260	3,173
Deferred tax assets	25	-	27,960
Non-current receivables	18	973	800
Total non-current assets		**390,295**	**411,943**
Current assets			
Accounts receivable	19, 29	167,836	160,212
Accrued revenues not yet invoiced	20	94,751	99,240
Current tax assets	25	15,453	23,265
Other receivables	18	17,623	6,012
Prepaid expenses	21	32,536	32,599
Current investments		1,567	3,308
Cash and cash equivalents	22, 31	3,477	13,154
Total current assets		**333,243**	**337,790**
TOTAL ASSETS		**723,538**	**749,733**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	23		
Shareholders' equity attributable to parent company's shareholders		227,701	190,428
Non-controlling interests		753	593
Total shareholders' equity		**228,454**	**191,021**
Liabilities			
Pension liabilities		303	3,416
Non-current interest-bearing liabilities	24	173,801	228,661
Deferred tax liabilities	25	13,501	25,751
Total non-current liabilities		**187,605**	**257,828**
Current interest-bearing liabilities	24	77,545	85,895
Liabilities to customers and suppliers	29	69,197	49,561
Other liabilities	26	91,548	93,879
Accrued expenses and deferred income	27	69,189	71,549
Total current liabilities		**307,479**	**300,884**
Total liabilities		**495,084**	**558,712**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**723,538**	**749,733**

Consolidated statement of changes in shareholders' equity

	Attributable to parent company's shareholders						
SEK thousand	**Share capital**	**Other contributed capital**	**Reserves**	**Retained earnings incl. net income for the year**	**Total**	**Non-controlling interests**	**Total shareholders' equity**
Opening balance as per 1 January 2016 according to adopted balance sheet	1,950	123,306	20	71,566	196,842	-298	196,544
Net income for the year				-5,148	-5,148	192	-4,956
Other comprehensive income for the year				-	-	-	-
Comprehensive income for the year	**-**	**-**	**-**	**-5,148**	**-5,148**	**192**	**-4,956**
Dividend				-2,926	-2,926		-2,926
Other				1,660	1,660	699	2,359
Balance as of 31 December 2016 according to adopted balance sheet	**1,950**	**123,306**	**20**	**65,152**	**190,428**	**593**	**191,021**
Net income for the year				37,329	37,329	186	37,515
Other comprehensive income for the year				-	-	-	-
Comprehensive income for the year	**-**	**-**	**-**	**37,329**	**37,329**	**186**	**37,515**
Transactions with shareholders in their capacity as owners:							
Translation differences				-56	-56	-26	-82
Balance as of 31 December 2017	**1,950**	**123,306**	**20**	**102,425**	**227,701**	**753**	**228,454**

Consolidated cash flow statement

SEK thousand	Note	2017	2016
Operating activities			
Income before tax		57,369	-8,520
Of which interest payments	24	-6,510	4,187
Adjustments for non-cash items	33	20,030	58,408
Taxes paid		474	-3,628
Cash flow before changes in working capital		**77,873**	**46,259**
Cash flow from operating activities			
Changes in operating receivables		-9,886	-58,721
Change in operating liabilities		8,582	-1,480
Cash flow from operating activities		**76,569**	**-13,942**
Investing activities			
Purchases of tangible assets		-4,764	-10,388
Purchases of intangible assets		-1,048	-
Sale of tangible assets		1,115	-624
Sale of group companies		949	-
Acquisition of subsidiaries	4	-15,169	-226,482
Cash flow from investing activities		**-18,917**	**-237,494**
Cash flow before financing		**57,652**	**-251,436**
Financing activities	37		
Dividend paid		-	-2,926
Loans raised		-	280,727
Repayment of loans		-62,597	-72,720
Change in overdraft facilities		-4,669	22,586
Cash flow from financing activities		**-67,266**	**227,667**
Cash flow for the year		**-9,614**	**-23,769**
Cash and cash equivalents at the beginning of the year		13,154	36,878
Exchange-rate difference in cash and cash equivalents		-63	44
Cash and cash equivalents at the end of the year		**3,477**	**13,154**

Notes

NOTE 1 Material accounting policies, general accounting policies

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU, the Swedish Annual Accounts Act and RFR 1 Additional Accounting Regulations for Groups.

The parent company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. In those cases where the parent company applies accounting policies that differ from those of the Group, this is specified separately in "Parent company accounting policies." The deviations that arise between the parent company's and the Group's policies are caused by limitations in the possibility of applying IFRSs in the parent company due to the provisions of the Annual Accounts Act and, in certain cases, for tax purposes.

Basis for preparing the company's consolidated financial statements

The parent company's functional currency is Swedish kronor (SEK), which also constitutes the reporting currency for the parent company and for all of the Group's subsidiaries, with the exception of the Indian subsidiary PE-Aristi Pvt Ltd, which reports in local currency. Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are measured at fair value.

Preparing the financial statements in accordance with IFRS requires that executive management makes judgements and estimates and makes assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and on a number of other factors that are considered reasonable in the present circumstances. The results of these judgements and estimates are used to determine the carrying amounts of assets and liabilities that are not readily apparent from other resources. The actual outcome may differ from these estimates and judgements.

The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period when the change is made if the change affects this period only, or in the period when the change is made and in future periods if the change affects the current period as well as future periods.

Assessments made by executive management in the application of IFRS that have a material impact on the financial statements and estimates made that could entail significant adjustments of the financial statements of subsequent years are described in greater detail in the notes.

The accounting policies stated below for the Group have been applied consistently for all periods presented in the consolidated financial statements, unless specifically stated otherwise. The Group's accounting policies have been applied consistently in the reporting and consolidation of the parent company and subsidiaries in the consolidated financial statements.

Changed accounting policies and disclosure requirements

Introduction of new and revised IASs/IFRSs

Amended accounting policies 2017

The new and revised IASs/IFRSs published in 2017 did not have any material impact on Projektengagemang's financial statements.

Amended accounting policies 2018 and forward

A number of new or amended standards and interpretations become effective in 2018 or future years and these have not been applied prospectively when preparing these financial statements. There are no plans to prospectively apply new standards or amendments that become applicable in the 2019 financial year or subsequent years. Insofar as expected effects on the financial statements of the application of new or revised standards and interpretations are not described below, the Group has made the judgement that these will not have any material impact on the consolidated financial statements.

• *IFRS 9 Financial Instruments and the impact on the consolidated financial statements*

IFRS 9 is published in three parts: Classification and Measurement, Impairment and Hedge Accounting, and will replace the current IAS 39 Financial Instruments: Recognition and Measurement. The Group's financial instruments consist of available-for-sale securities and endowment policies, expensed purchase considerations measured at fair value through profit or loss and interest-bearing liabilities comprising loan liabilities and finance leases, which are measured at amortised cost.

Financial assets and financial liabilities measured at fair value in the balance sheet, or where disclosures about fair value are provided, are classified in one of three levels based on the information that is used to establish the fair value. Also refer to how these financial assets and liabilities are categorised under Note 28.

IFRS 9 replaces IAS 39 Financial Instruments. The new standard includes a forward-looking model based on expected rather than occurred loan losses.

In 2017, the Group conducted a review to analyse the impact of the new policies. Projektengagemang is applying the transition prospectively and, by taking into account historical credit losses, has been able to conclude that the new standard will not have any material impact on the consolidated financial statements, whereby no restatement of opening balances will be performed.

The date for statutory application is 1 January 2018 and, for retroactive application, the starting date for the comparative year is 1 January 2017.

• *IFRS 15 Net revenue from Assignments with Customers and the impact on the consolidated financial statements*

IFRS 15 is a new framework for recognising revenue, including associated disclosure requirements. The new net revenue standard is structured according to a "control-based" five-step model for estimating when the net revenue should be recognised. According to the current standard, net revenue is to recognised when risks and benefits associated with a product have been transferred at the rate that a service has been performed. Under the new standard, it is transfer of control over the promised asset that is decisive for when the net revenue is to be recognised. IFRS 15 will replace IAS 11 Construction Assignments and IAS 18 Revenue. The standard will be implemented by using the retroactive method, with the accumulated effect recognised as an adjustment of the opening balance for shareholders' equity in 2017.

Since the Group largely applies standard assignments, we have conducted a review of our various types of assignments and our net revenue recognition of these. Projektengagemang's conclusion is that the new standard will not have a material impact on the consolidated financial statements, whereby an adjustment of opening balances will not be necessary.

The date for statutory application is 1 January 2018, with earlier application possible and, for retroactive application, the starting date for the comparative year is 1 January 2017.

• *IFRS 16 Leases*

IFRS 16 "Leases" is a new standard that replaces IAS 17 Leases and the associated interpretations, IFRIC 4, SIC 15 and SIC 27. The standard requires that all assets and liabilities attributable to leases, with few exceptions, be recognised in the balance sheet. This recognition is based on the approach that the lessee is entitled to use an asset during a specific period of time while simultaneously being liable to pay for this right. The lessor's accounting procedures will remain essentially unchanged. The standard is applicable for financial years commencing on 1 January 2019 or later. Advance application is permissible.

Impact on the consolidated financial statements of application of IFRS 16

When application of IFRS 16 becomes legally effective, it will impact how Projektengagemang recognises EBITDA in profit or loss. Today, operating leases are recognised as other external expenses in operating activities before EBITDA. When application becomes legally effective, this cost will instead be recognised as depreciation over the lease term and be recognised after EBITDA, and be included as a cost at the level of EBIT. This will impact Projektengagemang's EBITDA.

It will also have an impact in respect of the financial receivables and liabilities that Projektengagemang currently has and these will increase when this method is applied. A project for evaluating the effects of IFRSs has been initiated.

The assessment is that other new or revised accounting standards will not have a material impact on the consolidated financial statements.

Consolidated financial statements

Acquisition method

The Group applies IFRS 3 Business Combinations and all acquisitions are recognised in accordance with the acquisition method. This method entails that the acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is determined through an acquisition analysis performed in connection with the business combination.

The fair value on the date of acquisition of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests, is determined in the acquisition analysis. For a business combination in which transferred compensation, any non-controlling interests and the fair value of previously owned interests (in connection with step acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative, what is known as a bargain acquisition, this is recognised directly in profit or loss.

Conditional purchase considerations are measured at fair value at the date of acquisition. These are remeasured in connection with every reporting occasion and the change is recognised in profit or loss. In connection with acquisitions that occur in steps, goodwill is set on the date when controlling influence arises. Previous holdings are measured at fair value and the change in value is recognised in profit or loss. Acquired and divested companies are included in the consolidated income statement, balance sheet and cash flow statement during the holding period.

Projektengagemang has prepared pro forma financial statements as per 31 December 2016. The pro forma financial statements for 2016 are based on Projektengagemang's original consolidated financial statements in accordance with the Group structure at that time. The accounting policies then applying are described in the 2016 annual report. The pro forma statements show Projektengagemang's earnings, including the earnings of all companies acquired during the year as if they had been owned as of 1 January 2016, regardless of when a company was acquired during the year. This is done to be able to show the earnings that Projektengagemang would have had if the Group had owned the acquired companies as of 1 January of the current year and to thus obtain a better impression of the Group's overall financial statements. To the best of our ability, the figures reported by the acquired companies have been adjusted to comply with Projektengagemang's current accounting policies. The adjustments mainly refer to accrual of net revenue recognition and recognition of finance leases. The financial pro forma information has been compiled and presented in accordance with Projektengagemang's accounting policies.

The financial pro forma information was applied for the first time in the year-end report, and in the Annual Report for the 2016 financial year.

Subsidiaries

The Group has a controlling influence over a company when it is exposed, or is entitled, to variable returns from its holding in the Company and has the ability to affect those returns through its controlling influence over the Company.

The financial statements of subsidiaries are included in the consolidated financial statements as of the acquisition date until the time when the controlling influence ceases.

Non-controlling interests

Non-controlling interests are recognised as a separate item in the Group's shareholders' equity and constitute the proportional share of the acquired business's net assets. The Group's earnings and other comprehensive income are attributable to the owners of the parent company and to non-controlling interests. Losses attributable to non-controlling interest are recognised even if this results in the proportional share being negative. The effects of all transactions with non-controlling interests are recognised in shareholders' equity as long as the controlling influence is retained.

Associate companies

Associate companies are companies in which the Group has a significant, but not a controlling, influence over operational and financial control, usually through holdings of between 20% and 50% of the voting rights. Companies in which the Group owns less than 20% of voting rights but exercises a significant influence are also classified as associate companies. From the time at which significant influence is achieved, investment in associatess are recognised in the consolidated financial statements using the equity method. According to the equity method, the carrying amount of the shares in associate companies recognised in the Group corresponds to the Group's share of the shareholders' equity in the associate companies and consolidated goodwill and any other residual value for the consolidated surplus or deficit value. The carrying amount of shares in associate companies is adjusted by the Group's shares in the profit/loss of associate companies that accrued after the acquisition, reduced by dividends received.

As in the case of full consolidation of subsidiaries, an acquisition analysis is prepared in accordance with IFRS 3 Business Combinations. Non-current assets are measured at fair value and any surplus value is depreciated over their estimated useful lives. This depreciation affects the carrying amount of associate companies. Any goodwill that arises is not amortised but is subject to continuous impairment testing performed at least once a year.

In the consolidated income statement, the Group's share of the associate company's net after-tax profit/loss and non-controlling interests, adjusted for any amortisation, depreciation and impairment or reversals of acquired surplus or deficit values, is recognised as "Income from associates." When the Group's portion of the recognised losses in the associate company exceeds the carrying amount of the shares in the Group, the value of these shares is reduced to zero.

Settlement of losses also occurs for long-term financial transactions without collateral, which, in financial terms, are part of the holding company's net investment in the associate company. Continued losses are not recognised unless the Group has provided guarantees to cover losses arising in the associate company. The equity method is applied until the date on which the significant influence ceases.

In the parent company, associate companies are recognised at cost less any impairment. Dividends received are recognised as revenue.

Elimination of intra-group transactions

Intra-group receivables and liabilities, income and expenses, and unrealised gains and losses arising from transactions between group companies are eliminated in their entirety when preparing the consolidated financial statements. Unrealised gains that arise from transactions with associate companies and jointly controlled companies are eliminated to an extent corresponding to the Group's shareholding in the Company. Unrealised losses are eliminated in the same way as unrealised gains, but only insofar as there are no indications of impairment.

Foreign currency translation

Transactions in foreign currency

In the consolidated financial statements, SEK is used, which is the parent company's functional currency and reporting currency. Transactions in foreign currency are translated to the functional currency using the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate prevailing on the balance-sheet date. The exchange-rate differences arising from translation are recognised as a separate component of other comprehensive income and are accumulated in shareholders' equity. Functional currency is the currency of the primary economic environments in which the companies incorporated in the Group conduct their operations.

Financial statements for foreign operations

Assets and liabilities in foreign entities, including goodwill and other consolidated surplus values and deficits, are translated from the foreign entity's functional currency to the Group's reporting currency, SEK, using the exchange rate prevailing on the balance-sheet date. Income and expenses in foreign operations are translated to SEK at the average exchange rate, which constitutes an approximation of the foreign-exchange rates prevailing at each transaction date.

Translation differences arising from the translation of foreign operations are recognised in statement of comprehensive income and accumulated in a separate component of shareholders' equity called reserves. When a foreign operation is sold, accumulated translation differences attributable to the divested operation are reclassified from shareholders' equity to net income as a reclassification adjustment at the same time as a gain or loss on the sale is recognised.

Cash flow statement

The cash flow statement is prepared according to the indirect method in accordance with IAS 7, whereby adjustments are made for transactions that had no effect on receipts or disbursements.

Income

Income from services rendered is recognised in accordance with IAS 18. Income is recognised in profit or loss when it is possible to reliably calculate the income and it is probable that the financial benefits will accrue to the Group. Income is not recognised if payment is subject to material uncertainty or to associated costs.

Assignments on cost-plus account

The Group's and the parent company's assignments are performed on a cost-plus basis, whereby income is recognised when the work has been performed and invoiced to the customers, normally during the following month.

Fixed price assignments

In the event of fixed price assignments, income is recognised in profit or loss based on the degree of completion on the balance-sheet date. An assignment's degree of completion is determined by comparing expenditure incurred on the balance-sheet date with the estimated total expenditure. If it is probable that the total expenditure on the assignment will exceed the total income from the assignment, the anticipated loss is recognised in its entirety as a cost.

Financial income and costs

Financial income and costs consist of interest income on bank funds and receivables, interest expenses on loans, borrowing costs, dividend income and exchange-rate differences on loans.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. Effective interest is the interest rate that results in the present value of all estimated future cash receipts and payments during the fixed-interest period becoming equal to the carrying amount of the receivable or liability. The interest-rate component of finance lease payments is recognised in profit or loss by applying the effective interest method.

Interest income includes accrued amounts for transaction costs and any discounts, premiums and other differences between the original value of the receivable and the amount that will be received on maturity.

Borrowing costs are charged to profit or loss for the period to which they are attributable. Costs arising from the raising of loans are allocated over the term of the loan on the basis of the recognised liability.

Dividend income is recognised when the right to receive payment has been determined.

Taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income, with the relating tax effect recognised in other comprehensive income.

Current tax is tax to be paid or received in the current year, with the application of the rates that have been resolved, or in practice resolved, by the balance-sheet date. This also includes adjustments of current tax attributable to previous periods.

Deferred taxes are calculated in accordance with the balance-sheet method based on temporary differences between the carrying amount of assets and liabilities and the value of assets and liabilities for tax purposes. Deferred tax assets represent a reduction of future tax attributable to temporary tax-deductible differences, loss carryforwards and other unutilised tax deductibles. Temporary differences are not taken into consideration in cases where they have resulted from the recognition of goodwill or in first-time recognition of assets and liabilities that do not affect either recognised profit or taxable profit.

Nor are temporary differences attributable to shares in subsidiaries that are not expected to be reversed in the foreseeable future taken into consideration.

The measurement of deferred taxes is based on how the carrying amount of assets or liabilities is expected to be realised or settled. Deferred taxes are calculated using the tax rates and tax rules resolved, or in practice resolved, as of the balance-sheet date.

Deferred tax liabilities and assets are calculated on the basis of the tax rate determined for the following year in each particular country. When changes occur in tax rates, the change is recognised in profit or loss in the consolidated financial statements. Tax-deductible temporary differences and loss carryforwards are only recognised insofar as it is considered likely they will result in lower tax payments in the future.

The value of the deferred tax assets is reduced when it is no longer considered likely that they can be utilised.

Earnings per share

The calculation of earnings per share is based on the Group's net income for the year attributable to the parent company's shareholders and on the weighted average number of shares outstanding during the year. The calculation of earnings per share is not affected by preference shares or convertible debentures, since the Group has no such items.

Intangible assets

Goodwill

Goodwill represents the difference between the cost of a business combination and the fair value of the Group's share of the identifiable net assets of the acquired business on the acquisition date. Goodwill from the acquisition of operations is recognised as an intangible asset.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combinations that gave rise to the goodwill item. Goodwill is tested annually to identify any impairment and is recognised at cost less accumulated impairment. Impairment of goodwill is not reversed. Gains or losses from the divestment of an entity include the divested share of the carrying amount of goodwill. Goodwill arising from the acquisition of associate companies is included in the carrying amount of investment in associates.

For business combinations where the acquisition price exceeds the net value of acquired assets and assumed liabilities, the difference is recognised directly in profit or loss.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and impairment.

Costs incurred for internally generated goodwill and internally generated brands are recognised in profit or loss when the cost is incurred.

Additional expenditures

Additional expenditures for capitalised intangible assets are recognised as an asset in the balance sheet only when they increase the future financial benefits of the specific asset to which they are attributable and the amounts can be calculated reliably. All other expenditures are expensed as incurred.

Amortisation

Amortisation is based on original cost less any residual value. Amortisation is recognised in profit or loss on a straight-line basis over the intangible assets' estimated useful life, unless such useful life is indefinite. Goodwill and intangible assets with an indefinite useful life are impairment tested on an annual basis, or as soon as there are indications that the asset in question has declined in value. Amortisable intangible assets are amortised from the date they become available for use.

The estimated useful lives are: Capitalised development expenditure Acquired intangible assets.

Tangible assets

Acquired assets

Tangible assets are recognised as assets in the balance sheet if it is probable that future financial benefits will flow to the Company and the cost of the asset can be measured reliably.

Tangible assets are recognised in the Group at cost less accumulated depreciation and any impairment.

Cost includes the purchase price and costs directly attributable to the transport of the asset to the site and preparing it for utilisation in the manner intended by the acquisition.

Additional fees are added to the asset's carrying amount or recognised as a separate asset only if it is probable that the future financial benefits associated with the asset will accrue to the Group and the asset's cost can be measured in a reliable manner.

The carrying amount of a tangible asset is derecognised from the balance sheet when it is disposed of or divested or when no future financial benefits are expected from the use or disposal/divestment of the asset. Gains or losses arising from the sale or disposal of an asset consist of the difference between the selling price and the asset's carrying amount less direct selling expenses. Gains and losses are recognised as other operating income/expenses. Repairs and maintenance of tangible assets are recognised as costs in profit or loss during the period when they arise.

Depreciation of assets to allocate their cost down to the estimated residual value over the estimated useful life is applied straight-line as follows:

Depreciation policies for tangible assets:

Useful life	
IT equipment	3 years
Office equipment	5 years
Office furniture	5 years
Vehicles	5 years

The residual value and useful life of assets are tested on every balance-sheet date and adjusted as necessary.

Leased assets

In the consolidated financial statements, leases are classified as either finance or operating leases in accordance with IAS 17. Finance leases exist if the financial risks and benefits associated with ownership are essentially transferred to the lessee. All other cases are regarded as operating leases.

Finance leases

Non-current assets that are disposed of through leases are classified in accordance with the financial implications of the lease. Leases for non-current assets under which the Group is subject to essentially all economic risks and benefits associated with ownership are classified as finance leases. At the beginning of the leasing period, finance leases are recognised as non-current assets at the lower of the leased object's fair value and the present value of minimum leasing fees. Corresponding payment commitments are recognised as a liability in the balance sheet. Each leasing payment is allocated between repayment of the debt and financial costs to achieve a fixed interest rate for the recognised liability.

The recognised liability is included in the balance sheet item "Current interest-bearing liabilities." The interest portion of financial costs is recognised in profit or loss and distributed over the leasing period so that an amount is recognised in every leasing period that corresponds to a fixed interest rate for the recognised liability during the respective period. Non-current assets held according to finance leases are amortised over the asset's anticipated useful life. The finance leases primarily pertain to the Projektengagemang Group's cars and measurement instruments.

Operating leases

Operating leases are recognised in profit or loss and the cost is recognised straight-line over lease term. Leasing fees are distributed on the basis of use, which could differ from the leasing fee paid during the year under review. Benefits received in connection with signing a lease are recognised in profit or loss as a part of the total lease cost. Variable fees are expensed in the periods in which they arise.

In the parent company, leases are recognised according to the rules for operating leases and finance leases.

Non-current assets held for sale

The fact that an asset is classified as available for sale means that its carrying amount will primarily be recovered through a sale and not through use.

For the 2016 and 2017 financial years, no non-current assets or operations covered by the above standard were identified.

On initial classification as an asset held for sale, non-current assets are recognised at the lower of their carrying amount and their fair value after a deduction for selling expenses.

Financial instruments

Financial instruments recognised in the balance sheet include, on the assets side, marketable securities, loan receivables, accounts receivable and endowment policies.

Liabilities and shareholders' equity include expensed purchase considerations, interest-bearing liabilities such as loan liabilities and finance leases.

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the instrument's contractual terms and conditions. Liabilities are recognised once the counterparty has performed and thus a contractual obligation to pay arises, even if the invoice has not yet been received.

A financial asset is derecognised from the balance sheet when the rights in the contract have been realised or matured, or the Company loses control over them. The same applies to portions of a financial asset. A financial liability is derecognised from the balance sheet when the obligation in the contract is met or eliminated in another manner. The same applies to portions of a financial liability.

Acquisitions and divestments of financial assets are recognised on the date of transaction, meaning the date on which the Company undertakes to acquire or divest the asset.

The fair value of quoted financial assets corresponds to the asset's quoted price on the balance-sheet date. For further information, refer to Note 28.

Loan receivables and accounts receivable

The category comprises financial assets with fixed payments or with payments that can be fixed, and which are not listed in an active market. The receivables arise when money, goods or services are provided directly to a third party without an intention to trade in the receivables. Assets in this category are measured at amortised cost less any provisions for loss of value. This category includes accounts receivable and cash and cash equivalents.

Accounts receivable

Since the maturity of accounts receivable is short, they are recognised in the amount expected to flow in based on individual assessment of doubtful receivables, without discounting, according to the amortised cost method. Any impairment on accounts receivable impacts EBIT.

Cash and cash equivalents

Cash and cash equivalents consist of cash balances with financial institutions with a maturity of less than three months. Cash and cash equivalents are recognised in nominal amounts.

Financial liabilities measured at fair value through profit or loss
This category includes financial liabilities held for sale and expensed purchase considerations. Liabilities in this category are measured at fair value and changes in value are recognised in profit or loss.

Financial liabilities measured at amortised cost
This category includes financial liabilities not held for sale, such as loan liabilities and accounts payable. These are initially measured at fair value, net after transaction costs, and subsequently at amortised cost using the effective interest method.

Classification and measurement
Financial instruments that are not derivatives are initially recognised at cost corresponding to the instrument's fair value with additions for transaction costs for all financial instruments except those that belong to the category financial assets measured at fair value through profit or loss, which are measured at fair value excluding transaction costs. On initial recognition, a financial instrument is classified on the basis of the purpose for which the instrument was acquired. The classification determines how the financial instrument is measured following first-time recognition as follows: financial assets measured at fair value through profit or loss, investments held to maturity, available-for-sale financial assets, financial liabilities measured at fair value through profit or loss and other financial liabilities.

Financial assets measured at fair value through profit or loss
This category includes the Group's short-term investments. Changes in fair value are recognised among net financial items in profit or loss. All financial instruments in this category are available for sale. This category includes the Group's short-term investments and expensed purchase considerations.

Investments held to maturity
Investments intended to be held to maturity comprise interest- bearing securities with fixed or calculable payments and a determined maturity that were acquired with the intention and possibility of being held to maturity. Investments intended to be held to maturity are measured at amortised cost. Assets with a remaining maturity exceeding 12 months after the balance-sheet date are recognised as non-current assets. Other assets are recognised as current assets.

Available-for-sale financial assets
This category includes financial assets that do not fall into any of the other categories, or those assets that the Company has elected to classify in this category. Holdings of shares and participations that are not recognised as subsidiaries, associate companies or joint ventures are recognised here. These assets are measured at fair value. Impairment is recognised when testing shows that impairment is required. If the asset is sold, the accumulated gain/loss that was previously recognised in other comprehensive income is recognised in profit or loss.

Depending on the intention of the holding, financial investments comprise either financial assets if the holding period exceeds one year or short-term investments if the holding period is shorter than one year.

Other financial liabilities
Loans and other financial liabilities are included in this category. Liabilities are recognised at amortised cost.

Non-current liabilities have an expected maturity exceeding one year, while current liabilities have a maturity of less than one year.

Financial instruments in the parent company
Financial instruments in the parent company are recognised at cost less any impairment and taking into account earnings effects accrued up to the balance-sheet date. Since the Group applies Group-wide risk management, qualitative and quantitative risk information is described above for the entire Group.

Impairment

The carrying amount of the Group's assets, with the exception of assets held for sale recognised according to IFRS 5 and deferred tax assets, is tested on each balance-sheet date to determine whether there are any indications of an impairment requirement. If there is such an indication, the recoverable amount of the asset is calculated. The measurement of exempted assets in accordance with the above is tested in compliance with the relevant standard. Impairment testing of tangible assets, intangible assets and shares in subsidiaries and investment in associates.

The recoverable amount is the highest of the fair value less selling expenses and value in use. For the purpose of calculating the value in use, future cash flows are discounted using a discount factor that reflects risk-free interest and the risk associated with the specific asset. For an asset that does not generate cash flows and is essentially independent of other assets, the value in use is calculated for the cash-generating unit to which the asset belongs. Impairment is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment of assets attributable to a cash-generating unit are allocated to goodwill in the first instance. Proportional impairment charges are then made against other assets included in the unit.

Impairment testing of financial assets
At each reporting date, the Company evaluates whether there is objective evidence that a financial asset or group of assets is in need of impairment. Objective evidence comprises, firstly, observable circumstances that have occurred and that have a negative impact on the possibility of recovering the cost and, secondly, a material or protracted decline in the fair value of a financial investment classified as an available-for-sale financial asset. Several assumptions and estimates are made concerning future conditions, which are taken into account when calculating the discounted cash flow upon which the estimated recoverable amount has been based. Important assumptions include expected growth, margins and the discount rate. If these assumptions change, the value of the remaining goodwill is affected. The recoverable amount for assets belonging to the loan receivables and accounts receivables category, which are recognised at amortised cost, is calculated as the present value of future cash flows discounted by the effective interest rate prevailing at the first time the asset was recognised. Assets with short remaining terms are not discounted. Impairment is recognised in profit or loss.

Reversal of impairment
Impairment is reversed if there is an indication that the impairment need no longer prevails and there has been a change in the assumptions that formed the basis for calculating the recoverable amount. However, impairment of goodwill is never reversed. A reversal is only performed insofar as the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less any depreciation/amortisation where relevant, if no impairment had been carried out.

Impairment on loan receivables and accounts receivable recognised at amortised cost is reversed if a later increase in the recoverable amount can objectively be attributed to an event that occurred after impairment was charged.

Employee benefits

Projektengagemang differentiates between defined-contribution pension plans and defined-benefit pension plans. Defined-contribution plans are pension plans for which the Company pays fixed fees to a separate legal entity and does not assume any obligations for payments of additional fees, even if the legal entity lacks sufficient assets to pay benefits accrued for employment up to and including the balance-sheet date. Other pension plans are defined-benefit plans. The defined-benefit pensions existing in Projektengagemang are those that are secured in the ITP plan's defined-benefit pension obligations for retirement and family pensions through insurance with Alecta. Since these pension plans are secured through insurance in Alecta, they are recognised as a defined-contribution plan.

Defined-contribution pension plans
The Group's obligations with respect to fees for defined-contribution plans are recognised as a cost in profit or loss as they arise.

Benefits in the case of termination
In conjunction with notice of employment termination, a provision is posted only if the Company is contractually obliged to terminate an employment position before the normal time, or when payments are made as an offering to encourage voluntary termination. For cases in which the Company implements personnel cutbacks, a detailed plan is prepared that covers at least the workplace concerned, positions, and the approximate number of affected employees and disbursements for every personnel category or position, as is a time schedule for the plan's implementation. If severance payment requirements arising from personnel cutbacks extend beyond 12 months after financial year-end, such payments are discounted..

Provisions

Provisions differ from other liabilities in that there is a degree of uncertainty concerning when payment will occur or concerning the size of the amount required to settle the provision. A provision is recognised in the balance sheet when the Group has a current legal or informal obligation resulting from a transpired event and when it is probable that an outflow of financial resources will be required to settle the obligation, and an accurate assessment of the amount can be made.

Provisions are made in an amount that corresponds to the most reliable estimate of the amount required to settle the existing commitment on the balance-sheet date. Where the effect of when a payment is made is significant, provisions are calculated through the discounting of the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks related to the liability.

A provision for restructuring is recognised when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either begun or been publicly announced. No provisions are posted for future operating expenses.

Pledged assets

Projektengagemang recognises collateral pledged for the Company or group liabilities and/or contingent liabilities as pledged assets. These may be liabilities, provisions included in the balance sheet or obligations not recognised in the balance sheet. The collateral may be related to assets entered in the balance sheet or mortgages. Assets are recognised at the carrying amount and mortgages at the nominal amount. Shares in group companies are recognised at their value in the Group.

Contingent liabilities

A contingent liability is recognised when there is a possible commitment originating from events that have occurred and whose occurrence is confirmed only by one or several uncertain future events or when there is a commitment that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required, or that the amount cannot be calculated with sufficient reliability.

Events after the balance-sheet date

Projektengagemang takes into account events that confirm a condition that prevailed on the balance-sheet date. If events occur after the balance-sheet date that are not of such nature that they should be considered when the income statement and balance sheet are adopted, but are so significant that a lack of information about them would affect opportunities for readers to make correct assessments and well-founded decisions, Projektengagemang will provide information about every such event in a note and in the administration report.

Critical estimates and assessments

Estimates and assessments that affect the consolidated financial statements are presented in Note 35.

NOTE 2 Allocation of income

Consolidated net revenue essentially derive from service agreements.

NOTE 3 Reporting by segment

The Group's operations are divided into operating segments based on the parts of the organisation monitored by the CEO. The division into segments focuses on market segments with architect operations viewed from a market and business perspective. The Group's legal entities are recognised in their entirety in relation to associated segments. The segment "Other" comprises Projektengagemang Sweden AB (the parent company of the Group), Group adjustments that are not segment-specific and companies that cannot be categorised under other segments.

The Group is currently divided into four operating segments plus the "Other" segment:

- **Architecture & Management.** Within the Architecture & Management segment, Projektengagemang offers services involving architecture, landscape
- **Civil Engineering & Infrastructure.** The offering of the Civil Engineering & Infrastructure segment comprises strategic advice, specialised services and total-package solutions in the areas of building design, Infrastructure and Project Management.
- **Industry & Energy.** In the Industry & Energy segment, Projektengagemang offers strategic advice, specialist assignments and total-package undertakings to companies active in industrial production with a focus on engineering, automotive, food, defence, paper and pulp and energy industries.
- **Systems.** In the Systems segment, Projektengagemang offers technical installation services at all stages of the construction process, specialising in the HVAC, electricity and telecom technology segments, as well as security.
- **Other.** (Parent company and Group adjustments)

Operations are monitored and assessed on the basis of segments and their constituent units based on the performance of revenue, EBITDA and EBIT. From an accounting viewpoint, eliminations are applied within the segments. Projektengagemang's assessment, from an external reporting viewpoint, is that this will improve information about the business and show how the operations are governed from an overall perspective.

Segment reporting was applied for the first time in the year-end report, and in the 2016 Annual Report.

	2017					
SEK thousand	**Architecture & Management**	**Civil Engineering & Infrastructure**	**Industry & Energy**	**Systems**	**Other**	**Total**
Total net revenue *	371,653	253,139	217,366	362,976	-34,434	1,170,700
of which, net revenue, external customers	328,380	227,439	207,438	328,579	78,864	1,170,700
of which, net revenue between segments	43,273	25,723	9,928	34,398	-113,322	0
EBITDA *	19,517	38,006	8,280	50,462	-25,204	91,062
Depreciation/amortisation *	-3,478	-6,433	-3,864	-7,472	-4,826	-26,074
Operating income, EBIT *	16,040	31,574	4,415	42,990	-30,030	64,989
EBIT margin, % *	4.3	12.5	2.0	11.8	87.2	5.6
Financial items						-7,620
Income before tax *						57,369
Goodwill	50,476	120,159	40,034	115,663	-3,683	322,649
Average number of employees	277	186	210	278	37	988

	2016					
SEK thousand	**Architecture & Management**	**Civil Engineering & Infrastructure**	**Industry & Energy**	**Systems**	**Other**	**Total**
Total net revenue *	256,707	170,901	215,422	207,335	-16,935	833,430
of which, net revenue, external customers	212,756	155,894	207,526	190,947	66,307	833,430
of which, net revenue between segments	43,951	15,007	7,896	16,388	-83,242	0
EBITDA *	17,505	13,949	14,918	23,138	-20,114	49,397
Depreciation/amortisation *	-1,911	-4,591	-3,407	-3,265	-35,858	-49,032
Operating income, EBIT *	15,594	9,358	11,511	19,873	-55,971	366
EBIT margin, % *	6.1	5.5	5.3	9.6	330.5	0.0
Financial items						-8,886
Income before tax *						-8,520
Goodwill	50,544	120,055	38,898	97,149	-3,683	302,963
Average number of employees	185	130	189	171	35	710

* What is shown for the segments Architecture & Management, Civil Engineering & Infrastructure, Industry & Energy and Systems, is Net revenue, EBITDA, Depreciation/Amortisation, EBIT and Income before tax excluding items affecting comparability because items affecting comparability are included in the column Other. Consolidated net revenue pertain solely to sales in Sweden. Pertains mainly to technical consultancy services.

NOTE 4 Business combinations

During the 2017 financial year, Projektengagemang focused on integrating its operations and no additional acquisitions were completed. The acquisition analyses for the companies acquired in 2016 – HJR Projekt-El AB, Konkret Rådgivande Ingenjörer i Stockholm AB, Temagruppen AB – and the minor acquisitions – Applied Engineering AB and Mariestads Elektroautomatik AB have now finally been completed. The acquisition analysis for HJR Projekt-El AB has been adjusted in respect of a long-term IT agreement that was identified as being unfavourable for the Group in connection with the acquisition. The impact of this change was an increase in goodwill by SEK 19.7m, an increase in accrued expenses by SEK 22.2m and a provision for deferred tax liabilities of SEK 4.9m. Other acquisition analyses have been established without adjustment.

The Group applies IFRS 3 Business Combinations and all acquisitions are recognised in accordance with the acquisition method. Acquired identifiable assets – both tangible assets and intangible assets – and liabilities are measured at fair value.

The entire purchase consideration, including the expensed purchase consideration, is measured at fair valueon the acquisition date. If the expensed purchase consideration is a debt (cash or shares in a specific amount), each subsequent revaluation of the debt must be recognised in profit or loss. In the case of a step acquisition, a business combination is considered to have occurred in connection with the receipt of controlling influence and it is at this point that goodwill is established.

An expensed purchase consideration of SEK 15.2m was paid during the year.

Acquisition analysis HJR Projekt-El AB

The acquisition had the following impact on the Group's assets and liabilities:

SEK thousand	Adjusted acquisition analysis	31 Dec 2016
Goodwill	87,542	67,858
Other non-current assets	15,664	15,664
Current receivables	40,076	35,195
Cash and cash equivalents	6,170	6,170
Current and non-current liabilities	-60,639	-38,449
Purchase consideration	**88,813**	**86,438**
Transaction cost	1,203	820
Total payments	**90,016**	**87,258**

The acquisitions had the following impact on the Group's assets and liabilities:

SEK thousand 2016	31 Dec 2016	HJR-Projektel	Konkret rådgivande ingenjörer	Temagruppen	ACQUISITION <SEK 50m
Goodwill	202,351	67,858	81,500	37,047	15,946
Intangible assets	17,107	7,332	5,318	4,457	-
Other non-current assets	16,078	9,642	2,515	3,877	44
Current receivables	77,758	35,195	19,306	22,258	999
Cash and cash equivalents	31,645	6,170	5,131	18,912	1,432
Current and non-current liabilities	-77,257	-39,759	-13,766	-21,550	-2,182
Purchase consideration	**267,682**	**86,438**	**100,004**	**65,001**	**16,239**
Transaction cost	2,400	820		1,267	313
Contingent consideration, not yet paid	-11,955	-	-10,005		-1,950
Total payments	**258,127**	**87,258**	**89,999**	**66,268**	**14,602**
Cash and cash equivalents in the acquired company	31,645	6,170	5,131	18,912	1,432
Impact on the Group's cash and cash equivalents	226,482				

All assets and liabilities are measured at fair value.

Acquisition costs amounted to SEK 2,400 thousand and have been charged against consolidated profit and recognised in other external expenses. The acquisitions had an impact on cash flow in 2017 of SEK 15,169 thousand and pertained to paid purchase considerations for the preceding year's acquisition of the companies Konkret Rådgivande Ingenjörer AB, LN Akustik AB and Novamark AB.

Impact of completed acquisitions

	Net revenue		EBIT	
Mkr	2017	2016	2017	2016
Architecture & Management	170	65	3	7
Civil Engineering & Infrastructure	71	–	14	–
Industry & Energy	17	12	3	1
Systems	159	–	22	–
	417	**77**	**42**	**8**

NOTE 5 Fees and remuneration paid to auditors

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
PWC				
Audit assignment	1,015	796	1,015	650
Audit activities in addition to audit assignment	273	40	-	40
Tax advisory services	14	-	14	-
Other	589		589	
Total PWC	**1,890**	**836**	**1,618**	**690**
Revisionsbolaget Hummelkläppen i Stockholm AB				
Audit assignment	-	1,318	-	467
Audit activities in addition to audit assignment	-	7	-	7
Total Revisionsbolaget Hummelkläppen i Stockholm AB	**-**	**1,325**	**-**	**474**
Other auditors				
Audit assignment	61	103	49	-
Audit activities in addition to audit assignment	-	22	-	-
Total other auditors	**61**	**125**	**49**	**-**
Total	**1,951**	**2,286**	**1,667**	**1,164**

NOTE 6 Employees and personnel expenses

Average number of FTEs and gender breakdown

SEK thousand	2017 Women	2017 Men	2016 Women	2016 Men
Parent company	10	26	15	12
Subsidiaries	272	680	167	516
Group total	282	706	182	528
Total average number of FTEs	**988**		**710**	

The Group has an average number of 988 (710) employees, of whom 42 (30) are employed in India and 946 (680) in Sweden.

* Variable remuneration is not payable

Gender breakdown of the board of directors and other senior executives

Group	2017 Percentage of women, %	2016 Percentage of women, %
Board of directors	**20%**	**20%**
Other senior executives	0%	0%

Expensed remuneration and other benefits

2017 Board of Directors, CEO and other senior executives	Basic salary/ director fees	Other benefits	Pension cost	Total
Chairman of the board (Gunnar Grönkvist)	390	-	-	390
Board member (Lars Erik Blom)	185	-	-	185
Board member (Britta Dalunde)	210	-	-	210
Board member (Öystein Engebretsen)	175	-	-	175
Board member (Carina Malmgren Heander)	190			190
Board member (Per Göransson)	-	-	-	-
CEO (Per Hedebäck)	621	14	184	819
CEO (Per-Arne Gustavsson), outgoing	1,773	34	387	2,194
Deputy CEO (Per Göransson)	1,875	75	472	2,422
Other senior executives (4 persons)	4,587	83	478	5,148
Remuneration of the board of directors, CEO and other senior executives	**10,006**	**206**	**1,521**	**11,733**

* Variable remuneration is not payable

2016 Board of Directors, CEO and other senior executives	Basic salary/ director fees*	Other benefits	Pension cost	Total
Chairman of the board (Gunnar Grönkvist)	300	-	-	300
Board member (Lars Erik Blom)	188	-	-	188
Board member (Britta Dalunde)	188	-	-	188
Board member (Öystein Engebretsen)	188	-	-	188
Board member (Per Göransson) **	-	-	-	-
CEO (Per-Arne Gustavsson)	1,439	29	395	1,862
Other senior executives (3 persons)	3,297	168	814	4,279
Remuneration of the board of directors, CEO and other senior executives	**5,599**	**197**	**1,209**	**7,004**

* Variable remuneration is not payable
** Active in the Company and included among other senior executives

Salaries and other remuneration distributed among senior executives and other employees

Personnel expenses	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Salaries and remuneration of senior executives	8,856	4,932	8,856	4,932
Salaries and remuneration of other employees	472,730	331,190	16,976	11,277
Total salaries and remuneration	**481,586**	**336,122**	**25,832**	**16,210**
Social security costs excl. pension costs	165,507	109,433	8,619	5,119
Pension costs, senior executives	1,521	1,209	1,521	1,209
Pension costs, other	60,007	35,146	1,762	1,018
Total personnel expenses	**708,621**	**481,910**	**37,734**	**23,555**

Remuneration to board of directors

Remuneration for work on the board of directors is not paid if the board member is an employee of Projektengagemang, including subsidiaries. At the annual general meeting of Projektengagemang Sweden AB (Publ) on 11 May 2017, it was resolved that the external chairman would receive a fee of SEK 320 thousand and that other external board members would each receive half of this fee, namely SEK 160 thousand. The committee chairman received a fee of SEK 50 thousand and members each received a fee of SEK 25 thousand.

Remuneration of senior executives in Projektengagemang

Basis

Remuneration is based on market terms and comprises fixed basic salary, pension and other remuneration.

Pension

Pension terms and conditions are based on a provision of pension premium totalling 4.5% of salary up to 7.5 income base amounts and 30% on additional amounts. Projektengagemang has no outstanding pension obligations to current or previous and directors and CEOs.

Other remuneration

Where applicable, this pertains to company cars.

Employment termination

The CEO and Deputy CEO are subject to a period of notice of six months if they resign and to a period of notice of 18 months if employment is terminated by the Company. Periods of notice for other senior executives are governed by industry agreements. The remuneration payable during the periods of notice stated above also includes severance pay.

NOTE 7 Pension costs

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Costs for defined-contribution pension plans	61,528	36,355	3,282	2,227

According to a statement from the Swedish Financial Reporting Board, an obligation secured through pension insurance in Alecta, pertaining to retirement pensions and family pensions in Sweden, is a defined benefit multi-employer plan. For the 2017 financial year, Projektengagemang did not have access to information that would enable it to recognise this plan as a defined-benefit plan; it is therefore recognised as a defined-contribution plan. Fees for the year for pension insurance taken up in Alecta totalled approximately SEK 61m (36). It is estimated that the fees for 2018 will be in line with those for 2017. The consolidation ratio for Alecta was 154% (149) in December 2017.

NOTE 8 Amortisation, depreciation and impairment

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Acquisition-related intangible assets	3,742	300		
Other intangible assets	699	25,142	17	
Tangible assets*	21,633	23,610	4,809	6,586
Total amortisation, depreciation and impairment	**26,074**	**49,052**	**4,826**	**6,586**
* Of which, depreciation of leased equipment	15,322	13,088	3,180	4,730

NOTE 9 Net financial items

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Income from participations in group companies				
Dividends from subsidiaries	-	-	16,100	-
Income from participations and financial investments				
Dividends from group companies	-	-	-	2,840
Result from financial investments	149	423	-21	-
Interest income and similar items				
Interest income, group companies	-	-	1,623	916
Interest income, other	10	67	0	0
Other financial income	406	310	0	0
Interest expenses and similar items				
Interest expenses, group companies	0	0	-13	-1
Interest expenses, other	-6,528	-2,916	-5,588	-2,062
Other financial costs	-1,656	-6,771	-10,656	-579
Net financial items	**-7,619**	**-8,886**	**1,445**	**1,114**

NOTE 10 Appropriations

Parent company	2017	2016
Group contributions received	20,283	49,700
Group contributions paid	-	-49,700
Total	**20,283**	**-**

NOTE 11 Earnings per share

Group	2017	2016
Net income for the year	37,329	-5,149
Earnings per share, SEK	6.38	-0.88
Dividend per share, SEK	2.00	-
Dividend	11,703	-

Earnings per share for 2017 and 2016 are calculated based on net income for the year, attributable to holders of ordinary shares in the parent company, amounting to SEK 37,329 thousand (-5,149) and on the weighted average number of ordinary shares outstanding during the period, amounting to 5,851,414 (5,851,414).

There is no dilution.

NOTE 12 Intangible assets

	Group					Parent company		
2017	**Goodwill**	**Customer relationships**	**Other intangible assets**	**Development expenditure**	**Total**	**Development expenditure**	**Other intangible assets**	**Total**
Accumulated cost								
Opening balance, 1 Jan 2017	304,728	17,107	50,997	8,475	381,307	8,475		8,475
Adjustment of acquisition analysis	19,684	-	-	-	19,684	-	-	-
Procurements	-	-	1,048	-	1,048	-	1,048	1,048
Exchange-rate differences	2	-	-	-	2	-	-	-
Closing balance, 31 Dec 2017	**324,414**	**17,107**	**52,045**	**8,475**	**402,041**	**8,475**	**1,048**	**9,523**
Accumulated amortisation according to plan								
Opening balance, 1 Jan 2017	-	-	-19,144	-8,475	-27,619	-8,475	-	-8,475
Amortisation for the year	-	-3,420	-1,021	-	-4,441	-	-17	-17
Closing balance, 31 Dec 2017	**-**	**-3,420**	**-20,165**	**-8,475**	**-32,060**	**-8,475**	**-17**	**-8,492**
Accumulated impairment								
Opening balance, 1 Jan 2017	-1,765	-	-29,489	-	-31,254	-	-	-
Impairment for the year	-	-	-	-	-	-	-	-
Closing balance, 31 Dec 2017	**-1,765**	**-**	**-29,489**	**-**	**-31,254**	**-**	**-**	**-**
Planned residual value, 31 Dec 2017	**322,649**	**13,687**	**2,391**	**-**	**338,727**	**-**	**1,031**	**1,031**

2016	Group Goodwill	Customer relationships	Other intangible assets	Development expenditure	Total	Parent company Development expenditure	Summa
Accumulated cost							
Opening balance, 1 Jan 2016	91,524	-	49,805	8,475	149,804	8,475	8,475
Adjustment of errors in preceding year, opening balance	-	-	1,192	-	1,192	-	-
Business combinations	213,151	17,107	-	-	230,258	-	-
Exchange-rate differences	53	-	-	-	53	-	-
Closing balance, 31 Dec 2016	**304,728**	**17,107**	**50,997**	**8,475**	**381,307**	**8,475**	**8,475**
Accumulated amortisation according to plan							
Opening balance, 1 Jan 2016	-	-	-10,520	-8,475	-18,995	-8,475	-8,475
Adjustment of errors in preceding year, opening balance	-	-	-1,516	-	-1,516	-	-
Amortisation for the year	-	-	-7,108	-	-7,108	-	-
Closing balance, 31 Dec 2016	**-**	**-**	**-19,144**	**-8,475**	**-27,619**	**-8,475**	**-8,475**
Accumulated impairment							
Opening balance, 1 Jan 2016	-1,400	-	-11,500	-	-12,900	-	-
Impairment for the year	-365	-	-17,989	-	-18,354	-	-
Closing balance, 31 Dec 2016	**-1,765**	**-**	**-29,489**	**-**	**-31,254**	**-**	**-**
Planned residual value, 31 Dec 2016	**302,963**	**17,107**	**2,364**	**-**	**322,434**	**-**	**-**

Impairment testing of goodwill in cash-generating units

Goodwill totalling SEK 302,963 thousand (90,124) is included in Projektengagemang's balance sheet. The Group's intangible assets mainly derive from business combinations. These acquired intangible assets predominantly consist of goodwill, since the value of consultancy firms mainly comprises human capital in the form of employee expertise. Other intangible assets are customer relationships totalling SEK 17,107 thousand.

Other intangible assets identified in connection with acquisitions include order backlogs, the client base and reference objects. The period of use for these other intangible assets ranges from three to ten years.

Goodwill and other intangible assets have been allocated to the lowest identifiable cash-generating unit. Goodwill is not amortised continuously; instead its value is tested at least once a year during the fourth quarter or when there are indications of an impairment requirement by discounting expected future cash flows using a weighted average cost of capital per cash-generating unit. The present value of cash flows, the value in use, is compared with the carrying amount, including goodwill and other intangible assets.

When calculating the value in use of cash-generating units, assumptions about future conditions and estimates of parameters have been made. Changes in these assumptions and estimates could impact the carrying amount of goodwill. The calculation model is based on the discounting of forecast cash flows, which are placed in relation to the carrying amounts for the units. The future cash flows have been based on five-year forecasts, compiled by the management teams of the various cash-generating units. Cash-generating units are calculated based on segments. The following key assumptions were used:

Net revenue: The competitiveness of the operations, expected business trend for construction production, general socio-economic development, investment plans for public sector and municipal clients, interest rate scenario and local market conditions.

Investment requirements: The operations' investment requirements are assessed on the basis of the investments required to achieve forecast cash flows in the current situation; i.e. without expansion investments. Normally, the investment level has matched the rate of depreciation of tangible assets.

Tax burden: The tax rate used in the forecasts is based on Projektengagemang's expected tax situation in respect of tax rates, loss carryforwards, etc.

Long-term growth: In all valuations, a long-term sustainable growth rate of 2% (2) has been assumed for years beyond the forecast period, which is assessed to reflect the market's long-term growth rate. Subject to the exceptions specified below, it is assumed that the growth rate also applies to net revenue during the forecast period.

EBIT margin: The forecast EBIT margin has been assumed to equal the average for the past three years.

Working capital and reinvestment requirement: The requirement has been assumed to match the figure for 2016, with a growth rate equal to the sustainable long-term growth rate.

Discount interest rate after tax: This has been established based on the following variables: risk-free interest rate, market premium, beta ratio, capital structure and local tax rates. Forecast cash flows and residual values have been discounted to present value using a weighted average cost of capital (WACC). This is based on assumptions concerning the average interest rate for 10-year government bonds and a company-specific risk factor. The interest rate for borrowed capital has been set at the average interest rate for the Group's net indebtedness. The required return on shareholders' equity is based on the Capital Asset Pricing Model. For completed calculations of value in use, the Group's average discount interest rate for 2017 was set at 11.02% (11.52) before tax and 8.59% (8.98) after tax.

The same discount interest rate has been used for all cash-generating units, which is regarded as warranted because they are similar operations active in the same geographical areas.

A sensitivity analysis shows that the goodwill amounts would be defensible even if the discount interest rate were to be raised by 10% or if the sustainable growth rate (beyond the five-year period) were to be reduced to 10%, or if the EBIT margin were to be reduced by 6%.

The conclusion of this testing is that no impairment requirement exists because the values in use exceeded the carrying amount including goodwill and other intangible assets. It is executive management's assessment that no reasonable potential change in key assumptions for cash-generating units would result in an impairment requirement.

NOTE 13 Tangible assets

2017	Group: Buildings and land	Group: Leasehold improvements	Group: Machinery and equipment	Group: Total	Parent company: Machinery and equipment	Parent company: Total
Accumulated cost						
Opening balance, 1 Jan 2017	1,726	1,739	148,755	152,220	30,015	30,015
Procurements	-	-	18,762	18,762	985	985
Divestment and scrapping	-	-	-34,571	-34,571	-5,810	-5,810
Exchange-rate differences	-	-	-41	-41	-	-
Closing balance, 31 Dec 2017	**1,726**	**1,739**	**132,905**	**136,370**	**25,190**	**25,190**
Accumulated depreciation according to plan						
Opening balance, 1 Jan 2017	-146	-614	-90,266	-91,026	-17,523	-17,523
Depreciation for the year	-6	-295	-21,330	-21,631	-4,809	-4,809
Divestment and scrapping	-	-	27,218	27,218	5,810	5,810
Reclassifications	-	177	-177	-	-	-
Exchange-rate differences	-	-	23	23	-	-
Closing balance, 31 Dec 2017	**-152**	**-732**	**-84,531**	**-85,415**	**-16,522**	**-16,522**
Accumulated impairment						
Opening balance, 1 Jan 2017	-	-	-3,618	-3,618	-	-
Impairment for the year	-	-	-2	-2	-	-
Closing balance, 31 Dec 2017	**-**	**-**	**-3,620**	**-3,620**	**-**	**-**
Planned residual value, 31 Dec 2017	**1,574**	**1,007**	**44,754**	**47,335**	**8,668**	**8,668**

2016	Group Buildings and land	Group Leasehold improvements	Group Machinery and equipment	Group Total	Parent company Machinery and equipment	Parent company Total
Accumulated cost						
Opening balance, 1 Jan 2016	-	-	113,035	113,035	34,034	34,034
Adjustment of errors in preceding year, opening balance	-	-	-2,492	-2,492	-	-
Business combinations	1,726	1,979	40,608	44,313	-	-
Procurements	-	144	22,083	22,227	5,848	5,848
Divestment and scrapping	-	-385	-24,537	-24,922	-9,867	-9,867
Exchange-rate differences	-	-	57	57	-	-
Closing balance, 31 Dec 2016	**1,726**	**1,738**	**148,754**	**152,218**	**30,015**	**30,015**
Accumulated depreciation according to plan						
Opening balance, 1 Jan 2016	-	-	-61,436	-61,436	-21,336	-21,336
Adjustment of errors in preceding year, opening balance	-	-	2,457	2,457	-	-
Business combinations	-141	-631	-29,687	-30,459	-	-
Depreciation for the year	-6	-326	-19,585	-19,917	-6,585	-6,585
Divestment and scrapping	-	343	18,009	18,352	10,398	10,398
Exchange-rate differences	-	-	-21	-21	-	-
Closing balance, 31 Dec 2016	**-146**	**-614**	**-90,263**	**-91,023**	**-17,523**	**-17,523**
Accumulated impairment						
Opening balance, 1 Jan 2016	-	-	-	-	-	-
Adjustment of errors in preceding year, opening balance	-	-	35	35	-	-
Impairment for the year	-	-	-3,654	-3,654	-	-
Closing balance, 31 Dec 2016	**-**	**-**	**-3,619**	**-3,619**	**-**	**-**
Planned residual value, 31 Dec 2016	**1,580**	**1,124**	**54,872**	**57,576**	**12,492**	**12,492**

* The Group's finance leases on the balance-sheet date were SEK 42,444 thousand (37,690); the parent company's finance leases amounted to SEK 10,194 thousand (9,292). The leases mainly pertain to leasing of IT equipment and vehicles.

** The year's depreciation pertaining to finance leases amounts to SEK –13,088 thousand (–10,534); the parent company's depreciation for finance leases was SEK -4,730 thousand (-5,593).

NOTE 14 Participations in group companies

Parent company	2017	2016
Carrying amount at the beginning of the year	**372,596**	**115,079**
Acquisitions	1,378	265,733
Sales	-86	-8,216
Impairment	-9,018	-
Shareholders' contributions	4,835	-
Carrying amount at year-end	**369,705**	**372,596**

SEK thousand Name	Corp. Reg. No.:	Domicile	Net income for the year 2017	Shareholders' equity share, % 2017	Number of participations 2017	Carrying amount 2017	Carrying amount 2016
PE Infrastruktur AB	556745-0688	Stockholm	1,634	100	3,000	6,793	362
Ferrivia AB	556757-0691	Stockholm	2,465	100	5,000	4,078	4,078
Vattenpartner AB	556657-2102	Stockholm	-68	100	1,000	400	2,986
PE Mark Holding i Sverige AB	556977-1883	Stockholm	-306	100	500	50	50
Novamark AB	556337-1045	Stockholm	1,199	100	1,000	-	-
Internsignal Sweden AB	556515-7814	Hudiksvall	-869	100	1,000	300	3,849
PE Installation i Uppsala AB	556710-2248	Uppsala	-145	100	1,000	502	502
PE VVS i Stockholm AB	556716-4586	Stockholm	-192	100	1,000	1,242	1,242
PE Installation i Eskilstuna AB	556355-1646	Eskilstuna	651	100	2,000	659	659
PE VVS i Örebro AB	556744-8872	Örebro	-960	100	3,241	1,265	1,265
PE Energi & Klimatanalys AB	556716-4602	Stockholm	-261	100	1,000	1,462	1,462
Efour AB	556780-0882	Stockholm	-4	100	3,000	300	300
PE Aria AB	556486-4345	Rättvik	5	100	4,350	546	546
PE Mätningsteknik AB	556714-8183	Stockholm	-256	100	4,000	400	697
PE Inside & Outside i Dalarna AB	556683-8529	Rättvik	-461	100	1,000	900	2,600
PE Process & Verksamhetsstyrning i Stockholm AB	556707-7192	Stockholm	-1,190	100	1,000	1,023	1,023
Soleed Sweden AB	556710-3873	Stockholm	3,262	100	4,000	1,252	442
Soleed Production AB	556674-6300	Stockholm	949	100	1,000	-	-
PE Projektledning i Sverige AB	556736-7809	Stockholm	5,365	100	3,000	6,022	1,630
PE Projektledning Hus AB	556670-1222	Stockholm	-1,552	100	1,450	500	3,192
PE Byggnadsinformation i Stockholm AB	556905-4702	Stockholm	-896	100	1,000	98	98
PE KNSS AB	556278-2184	Köping	11	100	1,000	100	100
PE Fastighetsutveckling AB	556958-1399	Stockholm	-9	100	500	90	870
Agera VVS Design AB	556162-9485	Göteborg	488	100	350	1,744	1,744
PE Industri & Energi i Sverige AB	556731-8315	Skövde	-6,521	100	36,000	5,980	4,810
PE i Öresund AB	556771-2806	Stockholm	-200	100	3,000	300	300
PE MEA AB	559069-4674	Mariestad	255	100	500	12,205	12,205
PE Arkitektur i Sverige AB	556166-6073	Visby	1,347	100	5,000	1,193	2,794
Arkitektkontoret Vallgatan Acron AB	556120-5989	Kungsbacka	162	100	1,000	-	-
Projektengagemang Köksarkitekterna AB	556539-3575	Stockholm	-376	100	1,020	400	4,197
PE Skaraborg Arkitektur AB	556620-5919	Skövde	668	100	1,000	7,708	7,708
Arkitekturum AB	556613-9308	Mariestad	3	100	1,020	-	-
PE Arkitektur Södra Sverige AB	556290-7435	Malmö	341	100	1,000	1,400	4,242
Kvarnström Arkitektkontor AB	556075-9341	Göteborg	11	100	1,000	400	513
TEMA Gruppen AB	556105-8131	Uppsala	-886	100	665,752	74,620	66,267
Thurfjell Gruppen AB	556069-4803	Uppsala	-	-	-	-	-
Arkab Arkitekter AB	556412-5275	Uppsala	-	-	-	-	-
BK Byggkoordination AB	556164-1053	Uppsala	-	-	-	-	-
Pertti Bengtsson Arkitekter AB	556637-3410	Uppsala	-	-	-	-	-
PE Finans AB	556868-1075	Stockholm	-566	100	1,000	100	100
KNSS Gruppen	556483-0114	Köping	-54	100	1,000	5,949	14,376
SN Elteknik AB	556319-6160	Köping	-791	100	1,000	-	-
Inspector TP	556534-2432	Stockholm	-	100	1,000	-	-
Torsten Palmqvist AB	556534-2424	Stockholm	-135	100	1,000	-	-
Byggkonsult KNSS AB	556203-2887	Köping	1,180	100	1,000	-	-
Byggkonsult KNSS Projekt AB	556535-1425	Köping	-12	100	1,000	-	-
LN Akustikmiljö AB	556621-4622	Stockholm	-83	100	1,000	18,508	7,075
Tellstedt i Göteborg AB	556454-0861	Göteborg	1,454	100	1,000	9,369	9,369
PE El, Tele och Säkerhet AB	556896-8308	Stockholm	5,800	100	100,000	6,674	3,631
PE Elmiljö Sverige AB	556385-7100	Stockholm	-1,869	100	2,500	-	-
PE GMKI Elkonsult AB	556545-9038	Malmö	1,542	100	545,000	3,339	3,339
HJR Projekt-EL AB	556306-7262	Stockholm	22,563	100	100,000	87,641	87,258
HJR Projekt-Hiss AB	556617-4149	Danderyd	-	-	-	-	-
HJR Projekt-Energi AB	556760-1025	Danderyd	-	-	-	-	-
HJR Projekt-Säkerhet AB	556342-7540	Danderyd	-	-	-	-	-
HJR Projekt-El i Uppsala AB	556336-1004	Uppsala	-	-	-	-	-
Brandgruppen i Sverige AB	556542-9122	Stockholm	1,532	100	25,000	-	-
Er omgivning AB	556886-8847	Stockholm	208	100	500	415	415
PE-Aristi	U74999TN- 2013PTC09267	Chennai	464	60	1,000	2,778	2,778
Simon Edvinsson Akustik AB	556983-6322	Stockholm	-12	-	-	-	11,519
Konkret Rådgivande Ingenjörer i Sthlm AB	556579-7536	Stockholm	523	100	1,005	101,000	100,005
Total participations in group companies						**369,705**	**372,596**

NOTE 15 Investment in associates

Parent company	2017	2016
Carrying amount at the beginning of the year	-	240
Divestments	-	-240
Carrying amount at year-end	**-**	**-**

SEK thousand			Net income for the year		Owned share, %		Carrying amount in the parent company		Carrying amount in the Group	
Name	**Corp. Reg. No.:**	**Domicile**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
PE Bro & Stålkontroll AB	556697-8861	Stockholm	-	-	-	-	-	-	-	-
PE Anläggningsunderhåll i Stockholm AB	556736-6769	Stockholm	-	-	-	-	-	-	-	-
			-	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 16 Financial investments

Group	2017	2016
Shares and participations	3,260	3,173
Total	**3,260**	**3,173**

Securities holdings at year-end	Corp. Reg. No.	Domicile	Share of equity, %	Carrying amount
2017				
Amrox Group AB	556614-5974	Stockholm	10	3,200
Other shares and participations			-	60
Total shares and participations				**3,260**
2016				
Orbitex Holding AB	556697-8861	Stockholm	25	-
Kapitalförsäkringar			-	3,114
Other shares and participations			-	59
Total shares and participations				**3,173**

NOTE 17 Financial assets

Parent company	Participations in group	Other non-current securities	Total
2017			
Recognised cost at beginning of the year	372,596	-	372,596
Assets added	6,213	3,200	9,413
Assets removed	-9,104	-	-9,104
Recognised cost at year-end	**369,705**	**3,200**	**372,905**
Residual value at year-end	**369,705**	**3,200**	**372,905**
2016			
Recognised cost at beginning of the year	115,079	-	115,079
Assets added	265,733	-	265,733
Assets removed	-8,216	-	-8,216
Recognised cost at year-end	**372,596**	**-**	**372,596**
Residual value at year-end	**372,596**	**-**	**372,596**

NOTE 18 Non-current receivables and other receivables

Group	2017	2016
Non-current receivables classified as non-current assets		
Prepaid leasing fees	669	652
Deposits paid	304	148
Total	**973**	**800**
Other receivables classified as current assets		
Other advance payments	127	315
Other current receivables	17,496	5,697
Total	**17,623**	**6,012**

NOTE 19 Accounts receivable

Accounts receivable are recognised after taking into account credit losses during the year, which amounted to SEK 4,970 thousand (7,175) for the Group. Credit losses for the parent company amounted to SEK 5 thousand (100). Credit losses consist of both confirmed and expected credit losses. Refer also to Note 29, where information on credit risks and an age analysis are also presented.

NOTE 20 Accrued revenues not yet invoiced

Group	2017	2016
Accrued revenues for non-completed work	1,133,230	1,243,628
Invoicing on non-completed work	-1,038,479	-1,144,388
Total	**94,751**	**99,240**

Accrued revenues from ongoing assignments is recognised on current account according to standard practice in the industry. In the balance sheet, ongoing assignments are recognised either as Accrued revenues not yet invoiced among current assets or as Invoiced but not accrued revenues among current liabilities. The assignments for which accrued revenues exceed the amount invoiced are recognised as an asset while the assignments for which invoicing exceeds accrued revenues are recognised as a liability.

NOTE 21 Prepaid expenses and accrued income

Group	2017	2016
Prepaid leasing expenses	10,980	11,663
Prepaid insurance costs	5,732	3,604
Prepaid IT and licence costs	9,060	9,113
Other prepaid expenses	5,735	7,096
Other accrued income	1,028	1,123
Total	**32,536**	**32,599**

NOTE 22 Cash and cash equivalents

	Group		Parent company	
SEK thousand	**2017**	**2016**	**2017**	**2016**
Cash and bank balances	3,477	13,154	-	-
Total	**3,477**	**13,154**	**-**	**-**

Variable interest is received for bank balances in certain accounts, which is calculated according to the bank's daily deposit rate. Fair value of cash and cash equivalents in the Group amounts to SEK 3,477 thousand (13,154) and for the parent company SEK 0 thousand (0).

NOTE 23 Shareholders' equity

Period	Share capital trend	Class A shares	Class B shares	Number of shares	Share capital
89-07-19	Company's formation			500	50
97-01-28	Bonus issue			500	50
06-10-01	New share issue			9,000	900
10-11-19	Split 100 for 1			990,000	-
15-04-27	Split 3 for 1*	2,000,000	1,000,000	2,000,000	-
15-04-27	New share issue	56,000	28,000	84,000	28
15-11-25	New share issue		851,063	851,063	284
15-11-26	New share issue		1,916,351	1,916,351	639
Total		**2,056,000**	**3,795,414**	**5,851,414**	**1,950**

* Split whereby one share provided entitlement to two Class A shares carrying ten votes and one Class B share carrying one vote.

At year-end:	Number	Votes
Class A shares	2,056,000	10
Class B shares	3,795,414	1
Total	**5,851,414**	

OTHER CONTRIBUTED CAPITAL

Pertains to shareholders' equity contributed by the owners. It includes the part of share premium reserves transferred to statutory reserves. Provisions to share premium reserves are also recognised as capital contributions

RESERVES

Retained earnings
Retained earnings including net income for the year include retained earnings in the parent company and its subsidiaries and associate companies.

PARENT COMPANY

Restricted reserves
Restricted reserves may not be reduced through the distribution of profit.

Unrestricted shareholders' equity
Retained earnings, together with net income for the year, constitute unrestricted shareholders' equity; i.e. the amount that is available for dividends to the shareholders.

Retained earnings
Comprises retained earnings from the preceding year and earnings less dividends paid during the year.

NOTE 24 Interest-bearing liabilities

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Non-current liabilities				
Loans and credit facilities	144,409	196,235	144,000	193,000
Finance lease liabilities	29,392	32,426	6,722	9,041
Total	**173,801**	**228,661**	**150,722**	**202,041**
Current liabilities				
Loans and credit facilities	70,156	74,825	70,156	74,825
Finance lease liabilities	7,388	11,070	1,680	2,039
Total	**77,544**	**85,895**	**71,836**	**76,864**
Total interest-bearing liabilities	**251,345**	**314,556**	**222,558**	**278,905**

During the year, SEK 5.6m was disbursed in respect of the Group's credit facilities and SEK 0.9m in respect of interest payments for lease financing. These two payments affected the item Interest paid in the financial analysis.

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Bank overdraft facilities				
Overdraft facilities granted	60,300	60,000	60,000	60,000
Utilised portion	17,917	22,522	17,917	22,522

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Revolving credit facilities				
Overdraft facilities granted	100,000	100,000	100,000	100,000
Utilised portion	4,239	4,239	4,239	4,239

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Assets pledged for liabilities to credit institutions				
Floating charge	56,470	61,310	-	8,000

During the fourth quarter of 2016, Projektengagemang entered into a new three-year credit agreement with SEB, totalling SEK 400m, which expires in December 2019. Total facility consists of an overdraft facility of SEK 60m, a revolving credit facility of SEK 100m and acquisition loans of SEK 240m. Liabilities are subject to customary terms and conditions (covenants) related to earnings and financial position in the form of a shareholders' equity/assets ratio, as well as net debt in relation to EBITDA. At 31 December 2017, the Group fulfilled both of these covenants.

The average interest rate in 2017 was 2.3%.

NOTE 25 Taxes

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Current tax expense (-) / tax net revenue (+)				
Tax expense for the period	-4,940	-3,657	-	-
Deferred tax expense (-) / tax net revenue (+)				
Adjustment of deferred tax attributable to prior years	-4,686	-69	325	-
Deferred tax on temporary differences	-3,387	2,771	-1,857	149
Deferred tax assets recognised for loss carryforwards	-6,841	4,519	683	2,046
Total recognised tax expense/ tax revenue	**-19,854**	**3,564**	**-849**	**2,195**
Reconciliation of effective tax				
Profit before tax	57,369	-8,520	5,771	-6,004
Tax in accordance with current tax rate for the parent company	-12,621	1,874	-1,270	1,321
Impairment of consolidated goodwill, shareholdings	-	-	-1,984	-
Non-deductible costs	-2,540	-1,042	-564	-146
Non-taxable income	-	1,352	3,542	1,020
Tax effects of non-capitalised loss carryforwards	-	1,336	-	-
Tax attributable to prior years	-4,686	-69	511	-
Other	-1	113	-62	-
Recognised effective tax	**-19,854**	**3,564**	**-849**	**2,195**

Deferred tax expense attributable to changed accounting policies amounted to SEK 0 (0).

At 31 December 2017, a deferred tax liability of SEK 24.9m was recognised in the Group related to temporary differences in fixed and current assets. Deferred tax assets at year-end amounted to SEK 11.4m, which corresponds to 22% of the Group's total remaining loss carryforwards of SEK 51.8m. The loss carryforwards have an unlimited life. Deferred tax assets and tax liabilities are attributable to the following categories:

SEK thousand	2017 Deferred tax assets	2017 Deferred tax liabiliti	2016 Deferred tax asset	2016 Deferred tax liability
Group				
Untaxed reserves	-	-	-	2,765
Fixed/current assets	-	24,894	2,228	22,986
Loss carryforwards	-	-11,393	25,732	-
Total	**-**	**13,501**	**27,960**	**25,751**
Parent company				
Current assets	-2,733	-	-	573
Loss carryforwards	9,792	-	8,784	-
Total	**7,059**	**-**	**8,784**	**573**

NOTE 26 Other liabilities

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Value added tax liability	42,911	39,072	6,194	701
Taxes and contributions for employees	30,114	26,016	1,636	908
Earn-outs	16,100	26,106	2,500	12,505
Other	2,423	2,685	60	28
Total	**91,548**	**93,879**	**10,390**	**14,142**

NOTE 27 Accrued expenses and deferred income

SEK thousand	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Accrued holiday pay and salary, incl. social security contributions	38,797	43,451	3,185	2,457
Accrued payroll tax on pension costs	-	19,488	1,231	635
Accrued interest expenses	15	8	15	8
Accrued audit expenses	1,071	1,431	80	80
Prepaid IT and licence costs	22,662	-	227	-
Accrued consulting costs	2,751	1,103	1,554	49
Deferred income	-38	-	-	-
Other accrued expenses	3,930	6, 069	809	1,302
Total	**69,189**	**71,549**	**7,100**	**4,531**

NOTE 28 Financial instruments by category

31 Dec 2017 SEK thousand	Measured at fair value through profit or loss	Loan receivables and accounts receivable	Available-for-sale financial assets, measured at fair value	Financial liabilities measured at amortised cost	Of which, fair value per level* 1	2	3
Financial instruments, assets					**1**	**2**	**3**
Financial investments	-	-	3,260	-	-	-	3,260
Accounts receivable	-	167,836	-	-	-	-	-
Current investments	-	-	1,567	-	-	-	1,567
Cash and cash equivalents	-	3,477	-	-	-	-	-
Other non-current receivables	-	973	-	-	-	-	-
Total financial assets	**-**	**172,286**	**4,827**	**-**	**-**	**-**	**4,827**
Financial instruments, assets							
Expensed purchase consideration	16,100	-	-	-	-	-	16,100
Liabilities to customers and suppliers	-	-	-	69,197	-	-	-
Other non-current liabilities	-	-	-	303	-	-	-
Non-current interest-bearing liabilities	-	-	-	173,801	-	-	-
Current interest-bearing liabilities	-	-	-	77,545	-	-	-
Total financial liabilities	**16,100**	**-**	**-**	**320,846**	**-**	**-**	**16,100**

31 Dec 2016 SEK thousand	Measured at fair value through profit or loss	Loan receivables and accounts receivable	Available-for-sale financial assets, measured at fair value	Financial liabilities measured at amortised cost	Of which, fair value per level* 1	2	3
Financial instruments, assets					**1**	**2**	**3**
Financial investments	-	-	3,173	-	-	-	3,173
Accounts receivable	-	160,212	-	-	-	-	-
Current investments	-	-	3,308	-	-	-	3,308
Cash and cash equivalents	-	13,154	-	-	-	-	-
Other non-current receivables	-	800	-	-	-	-	-
Total financial assets	**-**	**174,166**	**6,481**	**-**	**-**	**-**	**6,481**
Financial instruments, assets							
Expensed purchase consideration	17,405	-	-	-	-	-	17,405
Liabilities to customers and suppliers	-	-	-	49,561	-	-	-
Other non-current liabilities	-	-	-	3,416	-	-	-
Non-current interest-bearing liabilities	-	-	-	228,661	-	-	-
Current interest-bearing liabilities	-	-	-	85,895	-	-	-
Total financial liabilities	**17,405**	**-**	**-**	**367,533**	**-**	**-**	**17,405**

Financial assets and financial liabilities measured at fair value in the balance sheet, or where disclosures about fair value are provided, are classified in one of three levels based on the information that is used to establish the fair value.

The carrying amount is considered to be an approximation of fair value for all financial assets and liabilities. The financial assets and liabilities belong to the measurement categories 2 and 3.

Acquisitions in 2016 consisted of Applied Engineering AB, Temagruppen AB, Mariestads Elektroautomatik AB, HJR Projekt-El AB and Konkret Rådgivande Ingenjörer i Stockholm AB. The acquisitions pertained to 100% of the share capital and votes. The acquisition analyses for the companies acquired in 2016 – HJR Projekt-El AB, Konkret Rådgivande Ingenjörer i Stockholm AB, Temagruppen AB – and the minor acquisitions – Applied Engineering AB and Mariestads Elektroautomatik AB – are now definitively established. The acquisition analysis for HJR Projekt-El AB has been adjusted in respect of a long-term IT agreement that was identified as being unfavourable for the Group in connection with the acquisition. The effect of the change was an increase in goodwill by SEK 19.7m, an increase in accrued expenses by SEK 22.2m and a provision for taxes of SEK 4.9m. Other acquisition analyses have been established without adjustment.

Financial assets and financial liabilities measured at fair value in the balance sheet, or where disclosures about fair value are provided, are classified in one of three levels based on the information that is used to establish the fair value.

There were no transfers between the levels in either 2017 or 2016.

Level 1

Financial instruments whose fair value is established on the basis of observable (non-adjusted) quoted prices in an active market for identical assets and liabilities. A market is regarded as active if quoted prices from a stock exchange, broker, industrial group of companies, pricing service or supervisory authority are easily and regularly available and these prices represent real and regularly occurring arm's length market transactions.

Level 2

Financial instruments whose fair value is established using valuation models based on observable data for the asset or liability other than quoted prices included in level 1, either directly (i.e. price quotations) or indirectly (i.e. derived from price quotations). Examples of observable data in level 2 are:

- Quoted prices for similar assets and liabilities.
- Data that can constitute a basis for assessment of price; i.e. market interest rates and yield curves.

Level 3

Financial instruments whose fair value is established on the basis of valuation models where material input data is based on unobservable data. There were no material transfers between the levels during the periods. For other financial assets and financial liabilities, carrying amounts are estimated to match the fair value in all significant respects. Expensed purchase considerations and financial investments are measured based on future projections of profit forecasts.

NOTE 29 Financial risks and finance policies

The Group is exposed to various financial risks through its business activities. Financial risks refer to fluctuations in the Company's earnings and cash flow due to changes in exchange rates, interest rates, financing and credit risks. The overriding objective for the finance function is to provide cost-efficient financing and to minimise the adverse impact of financial risks on consolidated profit. The Group's financial policy for managing financial risks has been decided by Projektengagemang's board of directors and constitutes a framework of guidelines and rules in the form of risk mandates and limits for finance activities. The corporate accounting/finance support function is responsible for coordinating the Group's finance operations. The overriding objective for the finance function is to provide cost-efficient financing and to minimise the adverse impact of financial risks on consolidated profit.

Liquidity risks

The liquidity risk is the risk that the Group will encounter problems in meeting its obligations associated with financial liabilities. The Group applies rolling one-month liquidity planning covering all Group units. This planning is updated continuously. The Group's forecasts also include medium-term liquidity planning. Liquidity planning is used to be able to manage the liquidity risk and costs for financing the Group. The objective is that the Group will be able to cope with its financial undertakings in business upturns and declines without incurring significant unforeseen costs. The liquidity risks of the entire Group are managed by the central finance department.

The Group is to have a capital structure that is optimised for minimising the cost of capital and for simultaneously safeguarding the ability to continue as a going concern, and to have a balanced distribution between deposited and borrowed capital. In order to maintain or adjust the capital structure, the Group may raise new loans, adjust the amount of dividends paid to shareholders, pay back capital to shareholders, issue new shares or sell assets to reduce debt. The Group assesses capital on the basis of the debt/equity ratio. This performance measure is calculated as net debt/cash as a percentage of shareholders' equity.

Interest rate risk

The interest rate risk is the risk that Projektengagemang's cash flow or the value of financial instruments will vary due to changes in market interest rates. Interest rate risk could result in a change in fair value and changes in cash flow. The fixed-interest period is a factor that has a material impact on the interest rate risk. The Group's interest-bearing net debt on 31 December 2017 was SEK 246m (298). Total interest-bearing liabilities amounted to SEK 251m (315), of which current liabilities accounted for SEK 78m (86). Interest on interest-bearing liabilities is charged on the basis of liquidity planning, an analysis of interest rate trends and current financing agreements. Projektengagemang currently has a short fixed-rate period (three months) for outstanding loans.

Since large parts of the financial liabilities are subject to a short fixed-interest period, most of the interest rate risk may be regarded as a cash-flow risk. A change in interest rates by 1% would affect profit by SEK 2.5m.

Currency risk

Currency risk arises through future business transactions, assets and liabilities recognised in foreign currency and net investments in foreign operations. Currency risk is extremely limited in Projektengagemang.

Credit risk

Credit risk is defined as the risk of losing money due to the counterparty not being able to fulfil its undertakings.

Credit risks in financial operations

The credit risk in financial operations is minor because Projektengagemang deals solely with counterparties with the highest creditworthiness. This mainly comprises counterparty risks in connection with claims on banks and other counterparties. The financial policy contains specific counterparty regulations, which state the maximum credit exposure for various counterparties.

Credit risks in accounts receivable

The risk that the Company's customers will not fulfil their obligations, meaning that payment is not received from the customers, is a customer credit risk. Credit losses are normally minor thanks to a very large number of assignments and customers, with invoicing occurring continuously throughout the production period. The credit rating of the Group's customers is checked before a project is initiated, whereby information on the customers' financial position is obtained from various credit information companies.

The Group has formulated a credit policy for governing how customer credits are to be managed. This includes regulations for how to take decisions on credit limits of various sizes and how doubtful receivables are to be managed. Bank guarantees or other collateral are required for customers with a low credit rating or an insufficient credit history. The maximum credit exposure can be seen in the carrying amount in the consolidated balance sheet. On the balance-sheet date, the total provision for doubtful accounts receivable was SEK 4,970 thousand (7,175).

Maturity structure, financial liabilities

Group 2017	Due date within one year	Due in 1–2 years	Due in three years or longer
Loans	48,960	49,940	93,983
Finance leases	7,388	7,348	22,044
Overdraft facilities	17,917	-	-
Revolving credit facility	4,239	-	-
Other liabilities	73,405	12,094	6,049
Total	**151,909**	**69,382**	**122,076**

Group 2016	Due date within one year	Due in 1–2 years	Due in three years or longer
Loans	48,960	49,939	143,923
Finance leases	11,070	8,107	24,320
Overdraft facilities	22,586	-	-
Revolving credit facility	4,239	-	-
Other liabilities	93,879	-	-
Total	**180,734**	**58,046**	**168,242**

Parent company 2017	Due date within one year	Due in 1–2 years	Due in three years or longer
Loans	48,960	49,940	93,983
Finance leases	1,680	1,680	5,041
Overdraft facilities	17,917	-	-
Revolving credit facility	4,239	-	-
Other liabilities	10,390	-	-
Total	**83,187**	**51,620**	**99,024**

Parent company 2016	Due date within one year	Due in 1–2 years	Due in three years or longer
Loans	48,960	49,939	143,923
Finance leases	2,039	2,260	6,781
Overdraft facilities	22,586	-	-
Revolving credit facility	4,239	-	-
Other liabilities	14,142	-	-
Total	**91,966**	**52,200**	**150,704**

Credit facilities

Group 2017	Nominal	Utilised	Available
Bank loans	192,000	192,000	-
Overdraft facility	60,300	17,917	42,383
Revolving credit facility for acquisitions	100,000	4,239	95,761
Cash and cash equivalents, current investments	5,044	-	5,044
Total	**353,344**	**214,156**	**143,188**

Group 2016	Nominal	Utilised	Available
Bank loans	240,000	240,000	-
Overdraft facility	60,000	22,586	37,414
Revolving credit facility for acquisitions	100,000	4,239	95,761
Cash and cash equivalents, short-term investments	16,462	-	16,462
Total	**416,462**	**266,825**	**149,637**

Age analysis, accounts receivable

	Group		Parent company	
	2017	2016	2017	2016
Not past due	148,820	143,138	11,848	4,942
1-30 days past due	10,201	9,036	556	16
31-60 days past due	1,957	3,055	-8	-
61-90 days past due	1,087	415	-3	110
>91 days past due	12,607	11,843	127	1,116
Total	**174,672**	**167,487**	**12,520**	**6,184**

Impaired accounts receivable

	Group		Parent company	
	2017	2016	2017	2016
Accounts receivable paid/ settled	-7,275	-646	-100	-221
Confirmed credit losses	4,988	465	100	121
Konstaterade kundförluster	419	81	-	-
Provision for doubtful receivables	-4,970	-7,175	-5	-
Total	**-6,838**	**-7,275**	**-5**	**-100**

* The increase in impairment for accounts receivable pertains to the Soleed companies

NOTE 30 Leasing fees for operating leases

	2017	2016
Assets held through operating leases		
Minimum leasing fees	82,551	50,420
Total leasing costs	**82,551**	**50,420**

Future undertakings, leases

The nominal amount of future minimum leasing fees for non-cancellable leases falls due as follows:

	2017	2016
Within one year	47,939	48,987
Between one and five years	55,964	75,386
Total	**103,903**	**124,373**

NOTE 31 Pledged assets, contingent liabilities and contingent assets

	Group		Parent company	
Pledged assets	**2017**	**2016**	**2017**	**2016**
For own debts and provisions				
Floating charge	56,470	61,310	-	8,000
Blocked bank funds	-	1,824	-	-
Total pledged assets	**56,470**	**63,134**	**-**	**8,000**
Contingent liabilities				
Guarantees on behalf of subsidiaries	-	-	Un-limited	Un-limited
Total contingent liabilities	**-**	**-**	**-**	**-**

All pledged assets pertain to the Group's credit facilities.

NOTE 32 Transactions with group companies and related parties

Transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation and disclosures concerning these transactions are thus not presented in this note. Disclosures concerning transactions between the Group and other related parties are presented below.

The parent company has a related-party relationship with its subsidiaries; refer to Note 14.

Purchases from companies controlled by senior executives
Sales and purchases from related parties are conducted at normal market prices at arm's length. Up to 30 September 2017, Per-Arne Gustavsson, one of the main shareholders and CEO, owned the company Pagator AB, from which purchases totalled SEK 0 thousand (225). There were no outstanding transactions on the balance-sheet date. Peter Larsson owns the company Pagator AB, from which purchases totalled SEK 874 thousand (0).

NOTE 33 Statement of cash flows

	Group		Parent company	
SEK thousand	**2017**	**2016**	**2017**	**2016**
Adjustments for non-cash items and Other				
Amortisation, depreciation and impairment	26,074	49,032	4,752	6,465
Impairment on goodwill/shares in associate companies	-	-	9,018	-
Impairment on accounts receivable	-	7,055	-	-
Change in financial assets	-6,387	1,709	-3,139	3,869
Capital loss on disposal of business/subsidiaries	-	-	-	-3,278
Capital gain on disposals	128	582	-	1
Changes in provisions	-	15	-	-
Non-cash impacting interest expenses	8	15	8	8
Other	207	-		-
Total	**20,030**	**58,408**	**10,639**	**7,065**
Unutilised credit facilities				
Unutilised credit facilities amount to:	143,188	149,637	142,888	149,337

NOTE 34 Events after the balance-sheet date

On 1 January 2018, Nicke Rydgren took office as Head of Strategy and Business Development at Projektengagemang. Nicke Rydgren also becomes a member of Projektengagemang's group management.

Effective 14 March 2018, Projektengagemang was organised on the basis of divisions. Projektengagemang's structure comprises four business-operating divisions: Architecture & Management, Civil Engineering & Infrastructure, Industry & Energy and Systems. A Division Head has been appointed for each division, all of whom are members of the Group's management team. The reasons for introducing a divisional structure were to create increased opportunities for cooperation, to clarify the offering to customers and to enhance the efficiency of internal processes. Financial reporting will be based on the divisions.

Effective 14 March 2018, Projektengagemang's Group management team comprises President and CEO Per Hedebäck (also Head of Architecture & Management), CFO Peter Sandberg, CMO and Head of M&A Peter Edstrand, Head of Strategy and Business Development Nicke Rydgren, HR Director Roger Lindvall, IR Director Per-Anders Nyman, Head of Civil Engineering & Infrastructure Mathias Thorsson, Head of Industry & Energy Hans Paulsson and Head of Systems Johan Renvall.

On 29 March 2018, it was announced that Projektengagemang had entered into agreements to acquire the Örebro-based company ROOF Arkitekter AB and the Gothenburg-based company Smedjan Projektledning AB.

Possession of these companies will become effective in the second quarter.

In the first quarter, the acqisitions of the consultancy company Energi & VVS-planering i Helsingborg AB and the consultancy company Sture Byberg Ingenjörs-byrå AB.

As of 29 March 2018, Projektengagemang announced thatit had entered into a purchase agreement with the consultancy company Roof Arkitekter AB, based in Örebro, as well as the company Smedjan Projektledning AB, based in Gothenburg. Both companies were taken into possession in April.

The annual general meeting of Projektengagemang Sweden AB was held on 7 May 2018. The meeting resolved on a dividend of SEK 2.00 per share, corresponding to SEK 11,802,828 to be paid on 15 May 2018.

On 16 May 2018, the Nasdaq listing committee resolved to, subject to customary terms, approve the company for listing.

On 24 May, the company announced its intention to become listed on Nasdaq Stockholm.

The company has held an extraordinary general meeting on 4 June to resolve on a split of 1:3.

NOTE 35 Significant estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom match the related actual results. Estimates and judgements are evaluated regularly and are based on historical experience and other factors, including expectations regarding future events that are considered reasonable under the prevailing circumstances. Certain important accounting estimates made in the application of the Group's accounting policies are described below.

Impairment testing of goodwill

When calculating the recoverable amount of cash-generating units for assessments of any impairment requirements for goodwill, several assumptions about future conditions and estimates of parameters have been made. An account of these is presented in Note 12. As understood from the description in Note 12, changes in 2017 in the circumstances underlying these assumptions and estimates could have a material impact on the value of goodwill.

Valuation of accounts receivable and accrued revenues not yet invoiced

Receivables and liabilities associated with current assignments amounted to SEK 95m (99) for the Group. Accrued revenues not yet invoiced are measured at the amount invoiced to clients less confirmed losses and expected risks. Assessments of the risks associated with the assignments are made continuously based on specific conditions and previous experience of similar assignments.

The balance-sheet item comprises a large number of assignments. Accordingly, a miscalculation of an individual assignment would not have a material impact on the value of the Group's earnings and its financial position. Although a general miscalculation could have a material impact, this is not considered likely.

Projektengagemang's accounts receivable total SEK 168m (160). These receivables are measured at fair value. Fair value is affected by a number of assessments, of which credit risk is the one that is most important to Projektengagemang and thus to any need to post provisions for doubtful receivables. Although each receivable must be valued individually, special circumstances are generally required for a provision not to be posted in full or in part for receivables exceeding 60 days past due.

NOTE 36 Outcome 2017 compared with pro forma 2016

SEK thousand	2017	Proforma 2016
Net revenue	1,170,700	1,137,721
Other external expenses	-338,148	-319,847
Personnel expenses	-741,491	-712,827
Income from associates	-	1,093
Operating income, EBITDA	**91,062**	**-**
Adjusted operating income, EBITDA	**119,749**	**106,140**
Amortisation, depreciation and impairment of intangible and tangible assets	-26,074	-23,904
Operating income, EBIT	**64,989**	**-**
Adjusted operating income, EBIT	**93,675**	**82,235**

NOTE 37 Cash flow

SEK thousand	1 Jan 2017	Cash flow-impacting items	Non-cash impacting changes: Transfer from short to long	Non-cash impacting changes: Exchange rate difference	Non-cash impacting changes: Change leasing	31 Dec 2017
Current interest-bearing liabilities	74,825	-52,669	48,000			70,156
Non-current interest-bearing liabilities	196,235	-3,826	-48,000			144,409
Finance lease liabilities	43,496	-10,771			4,055	36,780
Total	**314,556**	**-67,266**	**0**	**0**	**4,055**	**251,345**
Cash and bank balances	**13,154**	**-9,614**		**-63**		**3,477**

NOTE 38 Information about the parent company

Projektengagemang Sweden AB (publ) is a Swedish limited liability company domiciled in Stockholm. The address of the head office is Årstaängsvägen 11, SE-117 43 Stockholm, Sweden. The consolidated financial statements for 2017 relate to the parent company and its subsidiaries, jointly designated the Group.

N.B. This is a literal translation of the Swedish original report included in RevR 5

The Auditor's Report on historical financial statements

To the Board of Directors of Projektengagemang Sweden AB (publ) corporate identity number 556330-2602

We have audited the financial statements for of Projektengagemang Sweden AB (publ) on pages F-9–F-36, which comprise the balance sheet as of 31 December 31 December 2016 and 31 December 2017 and the consolidated income statement, consolidated statement of other comprehensive income, changes in consolidated equity and consolidated cash flow statement, for the two years then ended, and a description of significant accounting policies and other explanatory notes.

The Board of Directors' and the Managing Director's responsibility for the financial statements

The Board of Directors and the Managing Director are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation in accordance with the requirements in the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses*. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Projektengagemang Sweden AB (publ) on in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

An audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses* involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU/Annual Accounts Act and additional applicable framework of the financial position of the Projektengagamang Sweden AB group as of 31 December 31 December 2017 and 31 December 2016 and its financial performance, statement of other comprehensive income, changes in consolidated equity and cash flows for these two years.

Stockholm, 7 June 2018

PricewaterhouseCoopers AB

*Signature on original auditor's' report in Swedish**
Lennart Danielsson
Authorised Accountant

*) *This is a translation of the original auditor's report in Swedish. In the event of any differences between the translation and the original statement in Swedish, the Swedish version shall prevail.*

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PE employs approximately one thousand architects, engineers, project managers and specialists. Together we create value for our customers – and for society at large. We are present in over 35 locations and offer solutions that work here and now and for future generations. We create for life. Learn more at **www.pe.se**.

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