Annual Report 2021

Projektengagemang Sweden AB

PE Teknik & Arkitektur

PE is one of Sweden's leading consultants specialising in buildings. As urban planners, we create innovative and sustainable solutions that play a part in developing and renewing communities. We operate throughout Sweden. Our annual revenue is in excess of SEK 1 billion. We were founded in 2006 and are listed on Nasdaq Stockholm. Find out more at pe.se.

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We are experts in buildings

Projektengagemang Sweden AB (publ) is one of Sweden's leading consultants specialising in buildings and their local environment. Working with our clients, we plan and design sustainable buildings and communities.

Drive to innovate

As engineers, architects and specialists, we have a great opportunity to shape a more sustainable society. Every year, we help 4,000 clients to make more sustainable choices in more than 13,000 assignments. It is together that we make the greatest difference and it is in part via the projects that we achieve our vision of renewing our communities through innovative and sustainable solutions. What we do now must work now, and for future generations.

A proud history

PE was founded in 2006, but our history stretches back to the 1950s. Acquisitions have been crucial to our rapid growth and the companies that we have had the pleasure of welcoming to PE have been among the most accomplished in our industry. Today, we are represented across the whole of Sweden, are experts in our local markets and work close to our clients.

Our business concept

By working together in strong teams, we create value not just for our clients but also for society at large. This is based on an unshakeable belief in the personal drive of each and every employee. Together, we deliver high-level consulting services and solutions in and around buildings of all kinds.

Name of Group: Projektengagemang Sweden AB (publ)

Operating activities: PE Teknik & Arkitektur AB

Founded: 2006

President & CEO: Helena Hed

Number: 795 employees at 20 locations

Areas of expertise: Advanced consultancy services in and around buildings

> ”
> We work on everything in and around buildings. Together with our clients, we are helping shape a society in which we ourselves want to live and grow
>
> Helena Hed, President and CEO

795

employees

20

locations

91%

think that their work has purpose

4,000

clients

13,000

assignments

client ratings on working with us

Interview with Helena Hed, CEO

2021 has been the first year with Helena Hed as President and CEO of PE. It has been eventful one, and Helena sees great potential for the future.

How would you sum up 2021?
Looking back at 2021, it's clear that it was an eventful year for us at PE, and it was also my first year as CEO of the Company. During the year, we built on our strengths, established a new strategic direction and updated our financial targets. We worked with more than 4,000 clients and I'm proud that together we contributed to positive progress in society, through more than 13,000 assignments. I see great potential, going forward, and our strategic focus gives us a unique and distinct position in the market that engages both employees and clients.

How would you sum up the year in figures?
Net revenue for the full year 2021 was just over a billion Swedish kronor. EBITA totalled SEK 57 million, which equates to an EBITA margin of 5.6 percent. Both revenue and profit have fallen, mainly because of the decline in the market during the pandemic and the efficiency measures we took as a result. These measures were implemented at the end of 2020 and had a negative impact on the number of employees both at the start, of and during the first quarter, of 2021. During the year, we also adapted our operations to the new strategy, and here the discontinuation of the railway business had an impact.

You've taken a new clear position with a focus on buildings, what does that mean?
Our new position is that in 2025, we will be Sweden's leading consultant specialising in buildings and their local environment. We've focused our services and taken up a unique and distinct position in the market. Our new direction puts the accent on our offering to clients, and highlights how we create value, win new business, attract people. It also defines how we will move forward. Our new position isn't just words. Concrete steps were taken during the year to create a more efficient organisation. For example, we've removed a senior management position and merged business areas into larger units. Two clear examples of where we've streamlined the business were the divestment of our railway business and the winding-down of our operations in India. We also focused a major effort on the strategic, long-term development of our leaders. Every PE employee should have the opportunity to develop, have an impact and make a difference, and that starts with strong leadership. We're seeing that this work is paying off in terms of increased employee engagement, greater trust in management and a clearer sense of contributing to a sustainable society.

During the year, the Company's financial targets were updated, why?
The updated financial targets and our strategic plan reflect our direction going forward. The wide-ranging measures we've taken to align our business with a clear focus on buildings mean that we see great opportunities to increase value creation for our stakeholders in the years ahead.

> In 2025, we will be Sweden’s leading consultant specialising in buildings and their local environment

Growth is a key component going forward; how did this work go in 2021?
In 2021, we were delighted to welcome more than 120 new colleagues, which is a record for the Group. Never before have so many people been hired in one year, and many more are interested in joining PE. We have a good reputation in the industry and can see our recruitment activities having a positive impact. However, labour market mobility, together with the downsizing initiated in 2020, the divestment of the railway business and the closure of the Indian operations meant that we didn’t achieve growth during the year.

How do you see the market for your services?
The requirements related to climate transition, digitalisation and urbanisation remain strong and there is solid underlying demand for our services. We also see a great need to build new buildings, but above all to develop, upgrade and extend the life of existing buildings. In addition, the security aspect of our services and missions is becoming increasingly important. We have the expertise that’s needed to help our customers. There’s always work for talented consultants and we’re operating in a favourable business climate. When we started out in 2022, we had a healthy order book behind us, and we anticipate continued strong demand for our services and a good willingness to invest going forward. With some reservations about the war in Ukraine, the effects of the pandemic and other unpredictable external factors, we’re positive about market conditions.

PE’s vision is to renew society through innovative and sustainable solutions; how successful were you with that in 2021?
As engineers, architects and specialists, we have a great opportunity to shape a more sustainable society. In our role as a consultant and expert partner, the aim is to work with our clients in making the changes necessary to move towards a more sustainable, circular society. It’s through our client engagements that we make the biggest difference and it’s through them that we progress towards our vision. We also understand the value of taking a long-term approach to working on sustainability in-house, and are constantly seeking ways to improve. That's why we're working to reduce carbon emissions from business travel, to improve workplace well-being and to bring about a more equal gender balance among managers and employees. We also have an overarching goal to be climate neutral by 2030 in our own operations and by 2045 throughout the value chain – in line with the Paris Agreement.

What’s your focus for 2022?
As engineers, architects and specialists, we play an important role in addressing the opportunities and challenges of climate change, digitalisation and urbanisation. In the year ahead, we’ll continue to work with our clients on renewing society through innovative and sustainable solutions. We’ll focus on profitable growth and invest heavily in our sales and recruitment activities. We also take a positive view of the opportunity to make acquisitions in strategic areas. I’m looking forward to the journey of continuing to develop the Company to its full potential.

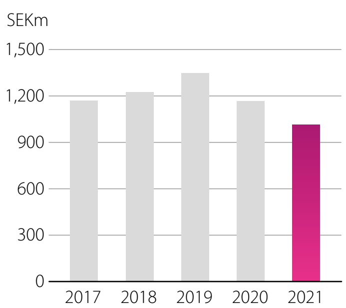
Strong position for growth

2021 was a year in which we have developed and positioned our business in line with our new strategic direction – to become Sweden's leading consultant in buildings. We have built a solid platform for profitable growth and, despite a decline in revenue, reported stable profitability. During the year, we worked with more than 4,000 clients and together contributed to positive societal development through more than 13,000 assignments.

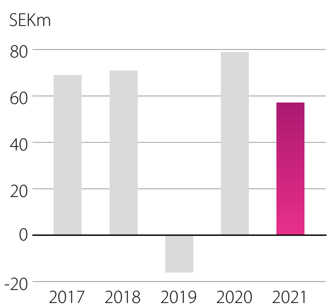
- Net revenue totalled SEK 1,013 million (1,167)
- EBITA was SEK 57 million and the EBITA margin 5.6 percent
- The Board updated the financial targets to better reflect the Company's ambition and potential
- A new record in employee satisfaction was set
- Client satisfaction rose to new record levels

Key performance indicators

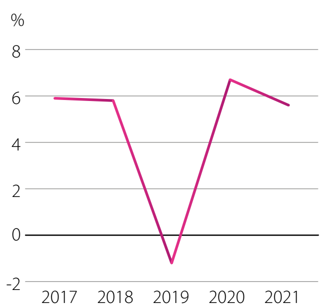
SEKm	2021	2020
Net revenue	1,013	1,167
EBITA	57	79
EBITA margin, %	5.6	6.7
Operating profit/loss, EBIT	40	67
Operating margin EBIT, %	3.9	5.8
Profit/loss for the year	20	37
Earnings per share for the period, SEK (no dilution effect)	0.82	1.54



Net revenue



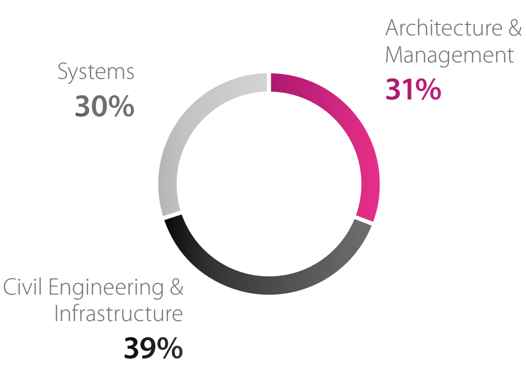
EBITA profit/loss



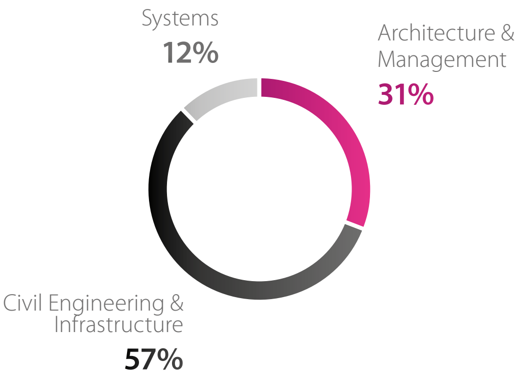
EBITA margin

Our financial targets

- Profitability of 10 percent EBITA margin over time
- Annual growth of 15 percent over time, including acquisitions
- A net borrowings/EBITDA ratio of max. 2.5
- 30–50 percent of profit for the year will be distributed to shareholders



Net revenue per segment, of total



EBITA per segment, of total

Our strategic framework

We deliver high-level consulting services and solutions in and around buildings. With a clear vision, shared values and long-term strategies, we can work with our clients to create a more sustainable society. Our ambition is that in 2025, we will be Sweden's leading consultant specialising in buildings and their local environment.

Who we are

Our vision

- We renew society with innovative and sustainable solutions

Our strategies

- Highest client value
- Profitable growth
- Best workplace

Our values

- Commitment
- Entrepreneurship
- Responsibility

Our ambition

In 2025, PE will be Sweden's leading consultant specialising in buildings. We will achieve that with breadth, height and sustainability.

The way forward

We will grow profitably, while contributing to the long-term development and renewal of society, by:

- Being a committed and long-term partner
- Developing and growing in our core areas
- Being a creative and learning organisation
- Contributing to combating climate change
- Being at the forefront of development, using digitalisation and new technologies

Market and trends

The megatrends of digitalisation, sustainability and urbanisation have continued to shape our world, our cities and our business. The transformation that the world is facing, driven by the three trends, is huge, and it is engineers, architects and specialists who will help shape the societies of tomorrow.

The Swedish market continued to expand during the year, with an average growth rate of 8.3 percent between 2010 and 2020, according to the Federation of Swedish Innovation Companies. In total, the country's architects and engineering consultants have annual revenue of around SEK 60 billion, and architectural and engineering consultancies employ altogether around 45,000 people. The high rate of consolidation that temporarily stalled during the pandemic has now resumed.

Climate transition

Sustainable development is crucial to our future. In urban planning, regulations and legal requirements are becoming ever more exacting, but clients and users too are expecting more and are imposing increasingly high demands. In our role as a consultant and expert partner, the aim is to work with our clients in making the changes necessary to move towards a more sustainable, circular and safe society.

Digitalisation

Technological developments are reshaping the way we look at and use our buildings, cities and communities. Our cities are growing smarter, and the physical and digital infrastructures are merging. We are strengthening our expertise and building partnerships in order to play a driving role in this accelerating trend.

Urbanisation

Our cities are growing and expanding, but their nature is also changing as buildings and districts have to be adapted and our habits evolve. There are major needs for developing buildings and their local environments, in the form of new community buildings, housing, communal areas, retail zones and workplaces.

Work that makes a difference

As engineers, architects and specialists, we have a great opportunity to shape a more sustainable society. We work with sustainability in three ways: through collaboration in society, in our business with our employees, and above all by contributing our know-how in our assignments.

At PE, we work towards common, overarching sustainability goals. This is because we believe that we can achieve more if we all work towards the same goals. Working towards goals is part of the annual business planning process, and our overarching goals are based on various sustainability topics, which in turn are grouped according to three perspectives. These are Collaboration in Society, Know-How and Assignments and Business and Employees.

Biggest difference through our assignments

In our role as a consultant and expert partner, the aim is to work with our clients in making the changes necessary to move towards a more sustainable, circular society. Every year, we help more than 4,000 clients to make more sustainable choices in altogether 13,000 assignments. It is through our client assignments that we make the greatest difference, and it is in them that in part we realise our vision of renewing our society through innovative and sustainable solutions.

In partnership with others

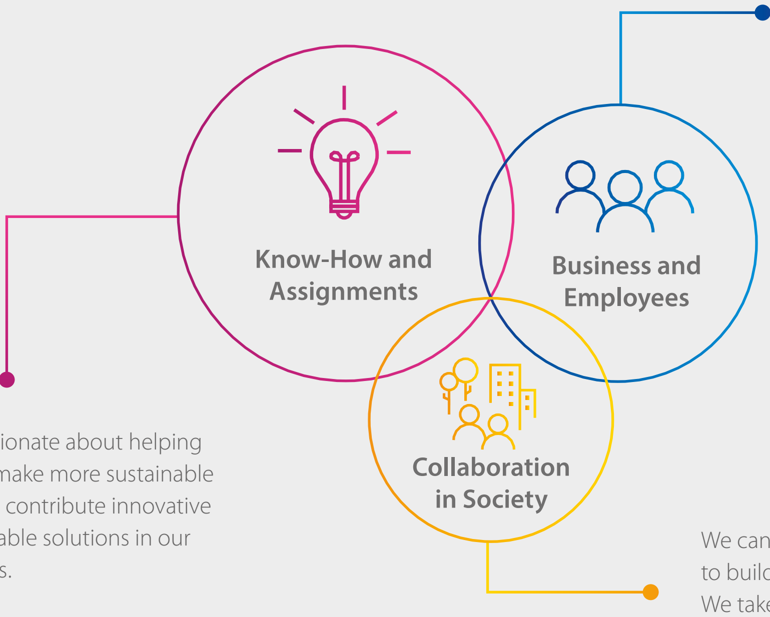
We can and want to contribute to building a sustainable society. In partnership with others, we take responsibility for the future by contributing innovation, discussion and sustainable solutions that can be directly linked to our strategic platform.

Our own contribution

We understand the value of taking a long-term approach to working with sustainability in our organisation and are constantly seeking ways to improve. That's why we're working on sustainability within our in-house activities to reduce carbon dioxide emissions from business travel, improve workplace well-being and achieve a more equal gender balance among managers and employees. We have an overarching goal to be climate neutral by 2030 in our own operations and by 2045 throughout the value chain – in line with the Paris Agreement.

The whole of our Sustainability Report – the statutory sustainability report that we are required under Swedish law to present – is available at **pe.se**. The Sustainability Report complies with guidelines set forth in the Global Reporting Initiative.

Our framework for sustainability



We practise what we preach. We understand the value of taking a long-term approach to working with sustainability in our organisation and are constantly seeking ways to improve.

We are passionate about helping our clients make more sustainable choices. We contribute innovative and sustainable solutions in our assignments.

We can and want to contribute to building a sustainable society. We take responsibility for the future in cooperation with our stakeholders.

We are experts in buildings

Architecture & Management

Architecture & Management offers services in architecture, societal development and project management at all stages of the building process. We help our clients to plan and develop buildings and cities, from concept to sustainable reality.

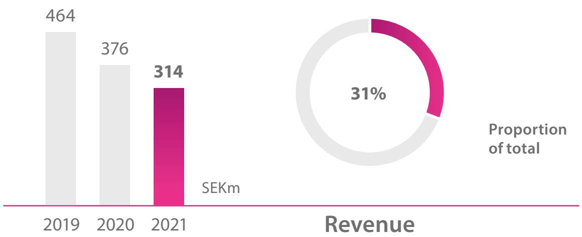
Innovative ways of working in urban planning and architecture play a pivotal role in how we tackle society's challenges with expanding cities, increased digitalisation and demands for sustainability. As a multidisciplinary urban planner, we combine our various areas of expertise both in and beyond our assignments. With a high degree of collaboration and a holistic approach, we can deliver great value to both our clients and society at large.

When the Ångström Laboratory, one of Uppsala University's major facilities, was to be renewed and expanded with two new buildings, we won the contract in a parallel assignment. Work has been in progress since 2011, with our contribution being expertise in architecture, landscape architecture, electrical, telecoms and security, design management and coordination of general consulting assignments.

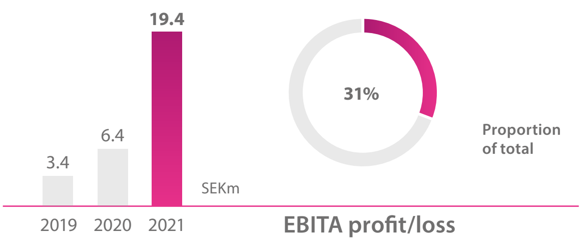
SEKm	2019	2020	2021
Net revenue, SEKm	464	376	314
Net revenue growth	2.1%	-18.9%	-16.4%
Operating profit/loss, EBITA, SEKm	3.4	6.4	19.4
EBITA margin	0.7%	1.7%	6.2%

6.2%

EBITA margin



Revenue

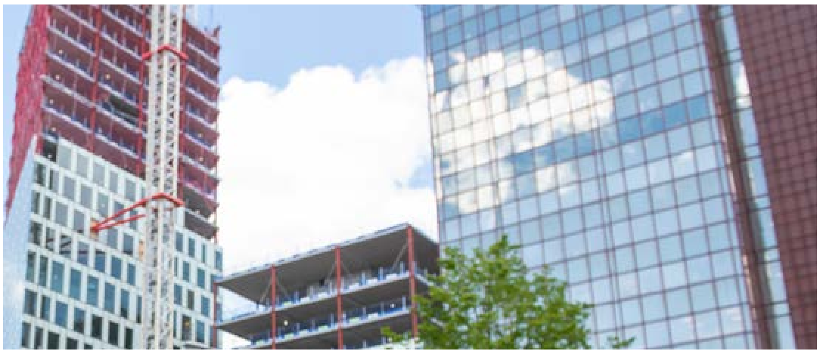


EBITA profit/loss

Civil Engineering & Infrastructure

Civil Engineering & Infrastructure offers design and environmental services in all aspects of buildings and their surroundings. This includes everything from building design, energy and environment, to acoustics, geotechnics and environmental impact.

We have a broad skills base and are one of the market leaders in building design in Sweden. Our clients have, for example, entrusted us with the task of constructing some of Sweden's tallest buildings, and we are often engaged in the early stages to identify smart solutions and in many cases we operate as an integral part of our client's organisation. By factoring in sustainability throughout the life of the property, we can identify opportunities for synergies between the exterior and interior environment, installation systems, buildings and the activities that are conducted in them. The result boosts value on a number of levels in the short and long term.

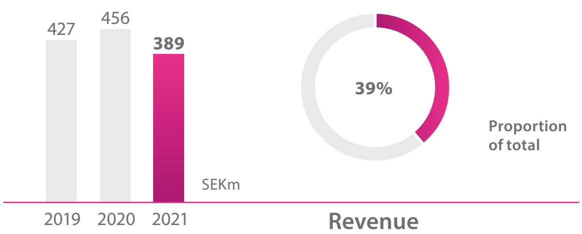


Citygate in Gothenburg will be the tallest office building in the Nordic region with its impressive height of 144 metres – offering tenants an unobstructed view of large parts of the city. On behalf of Skanska, PE is the main designer and project manager of the structure. We are the main designer and project manager for the building and also provide inspection services.

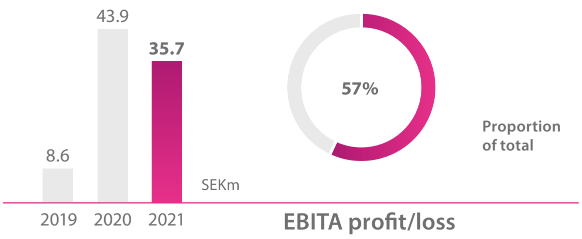
SEKm	2019	2020	2021
Net revenue, SEKm	427	456	389
Net revenue growth	70.7%	6.7%	-14.6%
Operating profit/loss, EBITA, SEKm	8.6	43.9	35.7
EBITA margin	2.0%	9.6%	9.2%

9.2%

EBITA margin



Revenue

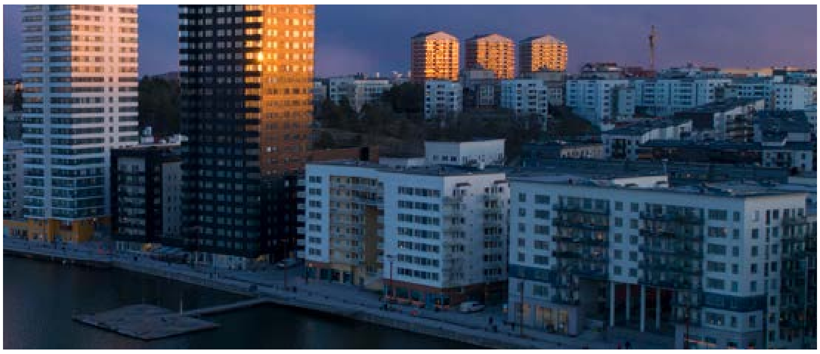


EBITA profit/loss

Systems

Our Systems segment offers smart solutions for all systems in buildings. We help our clients to develop, optimise and design all types of installation technology systems in ventilation, heating, electricity, telecommunications, security, control technology and energy.

We take on our customers' most demanding challenges, including operating theatres and cleanrooms for industry and research. Systems account for a major portion of the cost of a construction project and our focus is on clear, precise and understandable advice and documents that make the contractor's work more cost-effective, at no sacrifice to high quality. To minimise energy consumption and optimise the indoor climate of a building, we analyse conditions at an early stage to steer the project as a whole in the right direction throughout the life of the property.

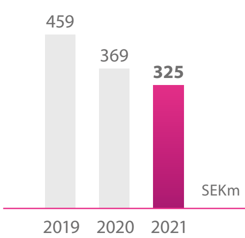


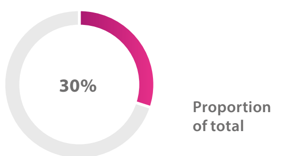
JM is developing Liljeholmskajen in Stockholm into an attractive, mixed-use district with apartments, workplaces, preschools and business premises on the ground floors. We have designed electrical and telecommunications systems for more than a thousand apartments, preschools, shops and restaurants.

SEKm	2019	2020	2021
Net revenue, SEKm	459	369	325
Net revenue growth	-14.4 %	-19.6%	-11.9%
Operating profit/loss, EBITA, SEKm	5.4	20.0	7.8
EBITA margin	1.2%	5.4%	2.4%

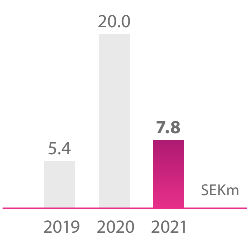
2.4%

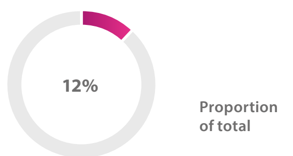
EBITA margin



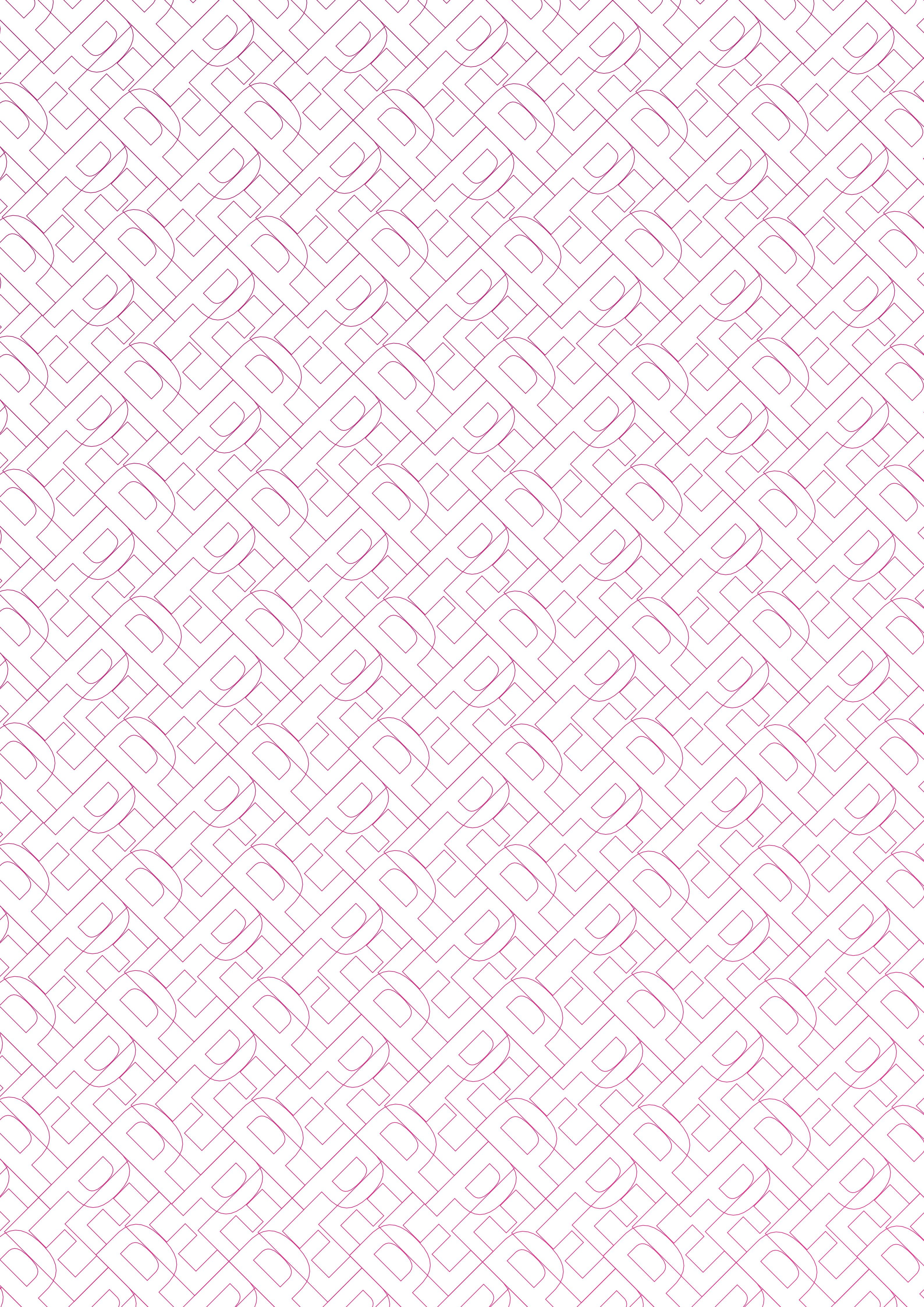


Revenue





EBITA profit/loss



Five-year review

SEK 000s	2021	2020	2019	2018	2017
Net operating revenue	1,012,841	1,167,043	1,348,389	1,223,796	1,170,700
Operating expenses	-880,478	-1,012,712	-1,268,432	-1,134,243	-1,079,638
Profit/loss before depreciation/amortisation, EBITDA	132,363	154,330	79,957	89,554	91,062
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)	132,363	154,330	92,659	99,151	119,749
EBITA	56,855	78,710	-16,051	70,803	68,708
EBITA (adjusted)	56,855	78,710	9,168	80,401	97,394
Operating profit/loss, EBIT	39,863	67,441	-24,732	74,161	64,989
Operating profit/loss, EBIT (adjusted earnings)	39,863	67,441	487	76,681	93,675
Profit/loss after net financial items	26,972	53,879	-36,861	68,381	57,369
Profit/loss for the year	**20,233**	**37,091**	**-40,202**	**57,121**	**37,515**
ATTRIBUTABLE TO:					
Parent Company shareholders	20,233	37,746	-39,698	56,832	37,330
Non-controlling interests	–	-655	-504	289	186
Capital structure					
Goodwill	594,806	597,298	597,436	573,028	322,649
Other non-current assets	204,349	215,238	233,775	117,874	67,646
Current assets	268,288	320,939	388,633	503,790	333,243
Shareholders' equity including non-controlling interests	577,869	557,847	522,380	587,183	228,454
Non-current liabilities	249,263	253,057	316,813	296,768	187,605
Current liabilities	240,310	322,571	380,650	310,741	307,480
Total assets	1,067,443	1,133,475	1,219,844	1,194,692	723,538
Net debt	276,856	284,312	400,296	221,944	246,302
Cash flow					
Cash flow from operating activities	79,041	188,495	77,532	37,837	76,569
Cash flow from investing activities	484	-11,816	-35,627	-275,071	-18,917
Cash flow from financing activities	-99,774	-162,619	-122,120	342,758	-67,266
Cash flow for the year	-20,249	14,060	-80,216	105,524	-9,614
Key performance indicators					
Operating margin EBITDA, %	13.1	13.2	5.9	7.3	7.8
Operating margin EBITDA, % (adjusted earnings)	13.1	13.2	6.9	8.1	10.2
EBITA margin, %	5.6	6.7	-1.2	5.8	5.9
EBITA margin, % (adjusted)	5.6	6.7	0.7	6.6	8.3
Operating margin EBIT, %	3.9	5.8	-1.8	6.1	5.6
Operating margin EBIT, % (adjusted earnings)	3.9	5.8	0.0	6.3	8.0
Equity/assets ratio, %	54.1	49.2	42.8	49.1	31.6
Net debt/EBITDA, multiple	2.09	1.84	5.01	2.48	2.70
Net debt/EBITDA, multiple (adjusted earnings)	2.09	1.84	4.32	2.24	2.06
Projektengagemang share information					
Earnings per share, Parent Company proportion**	0.82	1.54	-1.62	2.63	1.73
Shareholders' equity per share, Parent Company proportion, SEK*	23.53	22.72	21.25	23.87	9.27
Cash flow from operating activities per share, SEK	3.22	7.68	3.16	1.54	3.12
Ordinary dividend per share	0.40***	–	–	1.00	0.48
Number of shares at year-end	24,555,677	24,555,677	24,555,677	24,555,677	5,851,414
Miscellaneous					
Average number of FTEs	835	984	1,198	1,022	988
Revenue per employee	1,213	1,186	1,126	1,198	1,185

*Recalculated based on the number of shares outstanding at year-end
**Recalculated based on average number of shares for the year
***Proposed dividend

Directors’ report

The Board of Directors and the Chief Executive Officer of Projektengagemang Sweden AB (publ) hereby present the Company’s annual report and consolidated accounts for the 2021 financial year. Projektengagemang Sweden AB (publ), registered offices in Stockholm, company registration number 556330-2602, is the Parent Company of the Group. All amounts are stated in SEK thousand, unless otherwise indicated.

PE is an engineering and architectural consulting company with advanced expertise and project capability in everything to do with buildings. The Group's business is concentrated in Sweden, with operations in 20 locations. The Company has been listed on Nasdaq Stockholm since June 2018. PE’s engineers, architects and experts offer broadly-based, integrated expertise that generates value for clients and society.

PE supplies knowledge-intensive services, such as feasibility studies, investigations and strategic planning, at all stages of the client’s project. At the end of the 2021 financial year, the Company had a workforce of 795. This makes PE one of Sweden’s leading engineering and architectural consulting firms. Some 13,000 assignments were performed during the year on behalf of 4,000 clients.

During the year, the Board updated the Company's financial targets. Projektengagemang’s new financial targets include:

- Profitability of 10 percent EBITA margin over time.
- Annual growth of 15 percent over time, including acquisitions.
- A net borrowings/EBITDA ratio not to exceed 2.5.
- 30–50 percent of profit for the year to be distributed to shareholders.

Clear end-to-end solutions

PE’s operations are divided into three segments – Architecture & Management, Civil Engineering & Infrastructure, and Systems. The Company has a decentralised organisation with scope for individual influence, and each business area in each segment is responsible for its operations. Together, the segments meet customer demand, with a clear comprehensive offering.

Earnings and operations

Net revenue for the 1 January to 31 December period amounted to SEK 1,012.8 million (1,167.0), down 13 percent from the same period last year. The decline in revenue is due to the adjustment applied in 2020 in response to the new market situation. There is no calendar effect on revenue for the full year compared with the previous year. Organic growth was negative, at -12.2 percent, adjusted for the effect of divested operations. Profit before acquisition-related items (EBITA) was SEK 56.9 million (78.7). An operating profit (EBIT) of SEK 39.9 million (67.4) was recorded. During the year, the now discontinued railway business negatively impacted Group EBITA by approximately SEK 10 million.

Acquisitions, integration and divestments

No acquisitions were made during the year.

Projektengagemang’s railway business was sold to Norconsult. The business had 18 employees and related assignments. On 22 December, the Indian subsidiary PE-Aristi Projects and Engineering Pvt Ltd, with 35 employees, was sold. PE's shareholding, amounting to 60 percent, was sold the former minority shareholders. For further information, see Note 4.

Acquisition analysis

All acquisition analyses were finalised at the end of 2021, and no contingent consideration period applies.

Cash flow and financial position

Cash flow from operating activities amounted to SEK 79.0 million (188.5). The change in working capital totalled SEK -26.7 million (51.6). Investing activities showed a net inflow of SEK 0.5 million (-11.8) during the period, positively impacted by SEK 5.3 million from the sale of operations and negatively affected by SEK 1.3 million from the sale of a subsidiary. The remainder consists of the acquisition of non-current assets. Cash flow from financing activities totalled SEK -99.8 million (-162.6). It consisted mainly of the repayment of bank loans and lease liabilities in the amounts of SEK 35.2 million and SEK 64.0 million, respectively. Net debt at the end of the quarter totalled SEK 276.9 million (284.3). Excluding the lease liability due, which as of 2019 is recognised in accordance with IFRS 16, net debt amounted to SEK 135.0 million (149.8). The equity/assets ratio for the Group is calculated at 54 percent (50). Equity totals SEK 577.9 million (557.8), corresponding to SEK 23.53 per share (22.72).

On 22 December, a new credit facility agreement was signed with SEB. The facility runs until December 2024 with the possibility of extension for a further two years and consists of a bank loan, a revolving credit facility and an overdraft facility, with a total credit line of SEK 309 million.

Employees

The number of employees at the end of the period was 795 (964). The average number of employees in 2021 totalled 835 (984).

PE operates a strategic, long-term policy to attract and develop its employees. This is achieved by marketing PE externally and by highlighting the opportunities for professional development and career paths that exist within PE, as well as by offering all employees stimulating tasks and continued training. To realise synergies associated with our employees and our work processes, we conduct internal and external leadership courses and development programmes; for example, every employee has a personal development plan, which is followed up continuously.

PE also maintains a systematic focus on employer branding, both to present the Company as an attractive employer in-house and to potential employees, and to reinforce the Company's brand.

PE strives to achieve an even gender balance, and today around 34 percent of its employees are women. The Company organises activities to raise the percentage representation of female employees. PE strives to reflect the multicultural society in which we operate.

Work environment

Efforts to ensure a good work environment are pursued in a structured way via shared procedures that are part of PE's ERP system.

Recruitment

One overriding challenge in our industry is availability of the right skills. PE works actively on recruitment, using dedicated recruitment and HR resources with a strong focus on employer branding. As an attractive employer focusing on development and commitment among our employees, we aim to ensure continued profitable growth.

Recruitment processes are carried out on an ongoing basis in each business area, with coordination between them. This includes a joint recruitment process and candidate processing. There is a high level of competition for talented employees in the industry, and to achieve our long-term targets it is essential to successfully recruit, retain and develop employees.

Professional development

Professional development within the Group takes place continually, keeping pace with skills requirements in the assignments performed for our clients. Based on individual development plans for all employees, PE offers employees regular opportunities for professional development via the Company's own training and development platform, PE School. During the major part of the year, this was operated in digital form.

PE is involved in programmes at a number of colleges and in-service training enterprises in Sweden, both in a teaching role and on a project basis on behalf of clients' management teams. The drivers are workforce planning, renewal, further development of the sectors in which we operate and individual learning and development.

Sustainability work

Sustainability is a corner-stone of PE's Group strategy. Sustainability work is directed by the CEO and the President in order to make sustainability a more integral part of business strategy, corporate governance, operations and the client offering. PE's

overall goal is to generate long-term value for our stakeholders. This depends on effective corporate governance characterised by an effective organisational structure, internal control and risk management systems and transparency.
PE's policies are guided by the procedure set out in our Policy Hierarchy. The policies are updated at least annually in conjunction with the constitutive Board meeting or as required. Operations and their processes are described in the ERP system, in which governing and guidance documents are linked to the respective sub-process to make it easier for employees to access the relevant information. In the annual business planning and budget process, targets and plans are established, which are then presented to PE's Board of Directors for approval.

The outcomes of the work on sustainability are subject to regular measurement in order to assess and adjust how this work is managed. For each sustainability topic, indicators and targets are in place that we continually monitor (quantitative measurement). The stakeholder dialogue offers an important extra dimension in providing us with a fuller picture of stakeholders' views on the business.

Our business is guided by a number of requirements from our stakeholders that we have to meet. This may involve legal requirements, but also such that we have to ensure in order to continue conducting our business. We have a solid platform from which to meet these requirements effectively via our ERP system, in a way that is entirely consistent with ISO 9001:2015 and 14001:2015. Every year we undergo an external audit. We view this as a good way of verifying our work in this field. Binding environmental requirements are handled within the environmental management process, in which we commit to undertake an energy audit, legislation compliance review for waste management and a supplier assessment of our critical suppliers. Binding requirements related to social factors and employees concern gender equality, employee work environment including health and safety, as well as training opportunities stipulated by work environment legislation. As an employer, we also have a responsibility regarding work adaptation and rehabilitation issues. These requirements are managed within the framework of the employee process. Our Code of Conduct requires us to comply with the Code of Ethics established by FIDIC* to respect basic human rights and operate in line with the UN Declaration on Human Rights and ILO's** core conventions. Efforts to combat corruption and irregularities are governed by our Code of Conduct.

PE has drawn up a sustainability report. The report is published on the Company's website, www.pe.se.

Parent Company

The Parent Company's net revenue for the 1 January–31 December period totalled SEK 14,1 million (13.7), with operating income (EBIT) of SEK -1.7 million (-1.2).

* International Federation of Consulting Engineers
**International Labour Organisation

Board's proposal regarding resolution to approve guidelines for remuneration of senior executives

The 2020 Annual General Meeting resolved to approve guidelines for determining remuneration of the CEO and other senior executives. "Other senior executives" currently refers to the two individuals who along with the CEO make up Group management and who are presented on the Company's website and on page 70 of the 2021 Annual Report. It was decided that the guidelines would apply until further notice, although until no later than the 2024 Annual General Meeting. For more information on the guidelines, please see the Company's website, at www.pe.se.bolagsstyrning.

Laws and other requirements

Insurance

PE has taken out standard insurance policies at amounts that the Company deems sufficient. However, there are no guarantees that the Company's insurance cover can be maintained on terms that are acceptable to the Group, that protects against losses for the Group as a whole or that covers all claims in the event of any future damage.

Environment

PE's operations are not subject to permits, nor are notifiable, under current environmental legislation. However, PE offers consulting services and solutions that are designed to contribute to long-term, sustainable development, to reduce environmental impact and to promote effective resource management.

Disputes

All business activities involve a risk of disputes. The contract format used by PE is mostly ABK09, in which management of any disputes is a controlled process. PE's insurance cover is linked to all current service contracts.

Significant disputes

PE is currently involved in two disputes with Cortus AB. On 5 June 2019, two summons applications were submitted against Cortus AB, in which the claim amounts to approximately SEK 5.3 million. PE's claim relates to remuneration for work carried out. Cortus AB responded with counterclaims amounting to approximately SEK 12.6 million. PE considers Cortus AB's claims to be without merit. The district court hearing for one of the disputes with Cortus was held in February. On 21 March, a ruling was delivered that found in PE's favour in every respect. The judgment has not yet become final.

PE and PE's subsidiary Soleed Sweden AB have received claims for remedial action and damages regarding problems in approximately 200 building modules delivered by Soleed in 2014/2015. Soleed has already undertaken to remedy the defects found in three building modules that were the subject of complaints. PE and Soleed reject the other claims. The subsidiary Soleed Sweden AB previously conducted operations related to the manufacture and distribution of concrete building modules for temporary housing. The company made one delivery and the business was wound up in 2016, as it was not considered part of the Group’s core business; see the company’s prospectus for the 2018 IPO for further details.

Changes to Group management

In early 2022, Nicke Rydgren chose to leave the Company and resigned from Group management. Effective 7 January, operations were restructured and Group management now consists of:

Helena Hed, President and Chief Executive Officer

Peter Sandberg, Deputy CEO and CFO

Mathias Thorsson, Chief Business Development Officer

Market and outlook

The market and demand for PE’s range of services is largely shaped by economic developments in the markets in which PE operates.

Since the spring of 2020, operations have been affected by the impact of the pandemic. The impact has gradually diminished, partly because of how the pandemic has evolved and partly because we have adapted to working under new conditions. It cannot be ruled out that the effects of the pandemic will continue to affect the business.

Russia's invasion of Ukraine could significantly impact on PE's operations. The Company has no direct exposure to Ukraine or Russia, but customers, employees and projects may be considerably affected by the geopolitical situation. This may also affect PE's performance, plans and financial results. The risks that we believe could primarily have an impact are operating risks such as demand, skills shortage, efficiency, IT security and financial, such as financing and liquidity risk.

Details of how PE is managing various risks are provided on pages 31–33. PE does not publish forecasts.

Events after the end of the financial year

On 18 January, it was announced that Liselotte Haglind will take up the position of Chief Financial Officer. She joins us from KPMG Sweden, where she is Chief Financial Officer and Chief Operating Officer. Liselotte will take up this role by no later than July 2022. The current Chief Financial Officer Peter Sandberg will leave the Company in July. Since 7 January, Group management has consisted of Helena Hed, President and CEO, Peter Sandberg, Deputy CEO/Chief Financial Officer and Mathias Thorsson, Chief Business Development Officer.

Dividend

The Board proposes to the AGM that a dividend of SEK 0.40 per share (0) be paid for the 2021 financial year. There is full coverage for the Parent Company’s equity after payment of the proposed dividend. The Board considers that the proposed dividend is justifiable given the Group’s dividend policy and the stage that the Company’s is at. PE’s strategy is growth through acquisitions and recruitment. In light of the above, the proposed appropriation of profits is balanced with regard to the Company’s position. The dividend is also justifiable given the requirements that the nature, scope and risks of the business place on the amount of equity, and the Company’s and Group’s consolidation needs, liquidity and position in general. The Parent Company's equity ratio is affected by the dividend by 1 percentage point, from 59 percent to 58 percent. With regard to the Group’s earnings and financial position in general, please refer to the following statements of comprehensive income, income statements, cash flow statements and statements of changes in equity, along with balance sheets and accompanying notes. All amounts are stated in SEK thousands, unless otherwise indicated.

Proposed appropriation of profits

Funds at the disposal of the Annual General Meeting, SEK:	
Retained earnings	**476,722,463**
Profit/loss for the year	-8, 827,672
	467,894,791
The Board proposes that retained earnings be appropriated as follows	
Dividend (SEK 0.4 per share)	-9,822,271
To be carried forward	458,072,520

Corporate Governance Report

Projektengagemang Sweden AB (Publ) (PE), is a Swedish public limited company with registered offices in Stockholm, Sweden. The Company's Series B shares are listed in the Small Cap segment of the Nasdaq Stockholm Stock Exchange. Corporate governance as exercised by PE is based on the Swedish Companies Act, the Swedish Annual Accounts Act, stock market regulations and the Swedish Code of Corporate Governance (the Code). This Corporate Governance Report refers to both the Parent Company, Projektengagemang Sweden AB, and the Group.

Principles of corporate governance

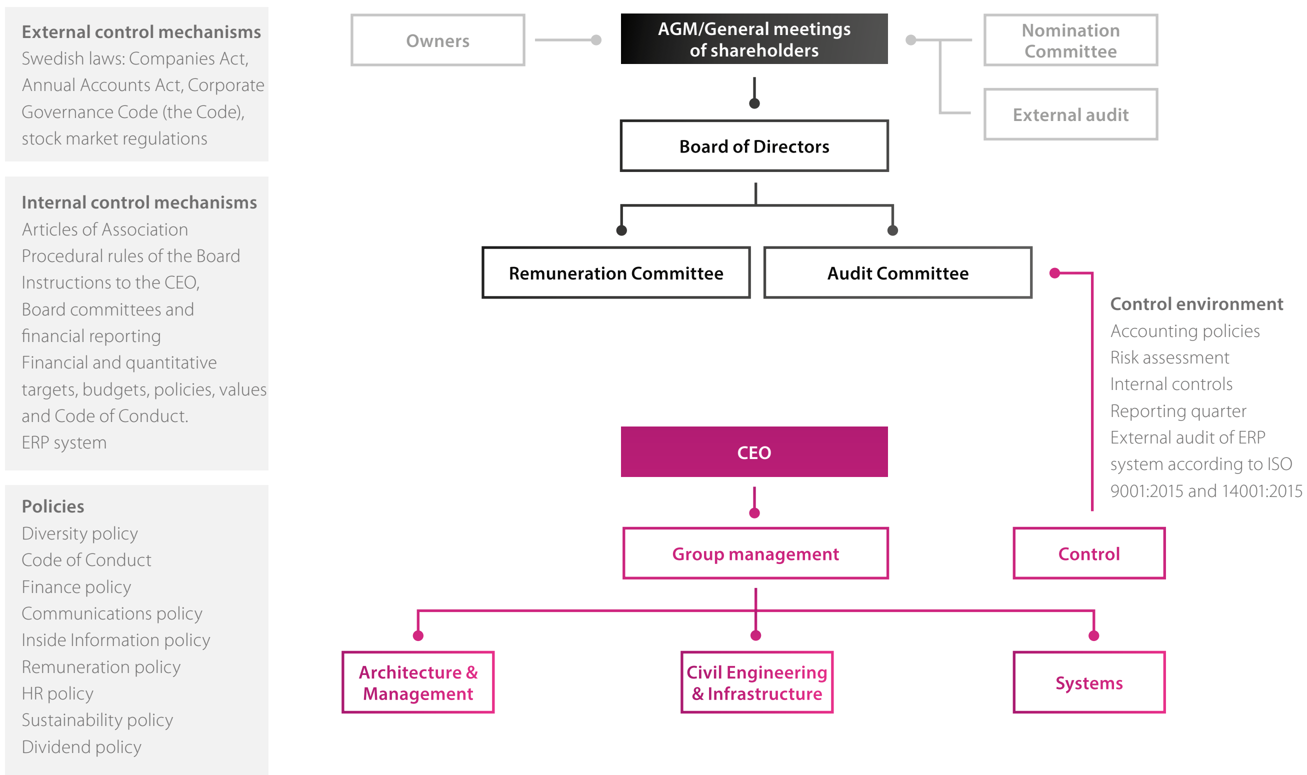
PE applies the regulations that issue from legislation and other statutes, and the Code.

In 2021, PE applied the Code without deviations, with the exception of regarding the composition of the Nomination Committee (see under Nomination Committee, page 26). There have been no breaches of the stock market's issuer rules or good practice on the equity market.

Business model and management of assignments

PE's vision is to renew our society through innovative and sustainable solutions. This will be done by creating added value for clients by delivering advanced consultancy services in and around buildings. Work is performed with a whole picture approach and in close cooperation with clients.

PE's corporate governance structure



In the Group's decentralised organisation, the driving force in the business is our individual employees, which demands a strong, Company-wide culture. PE's core values of Commitment, Entrepreneurship and Responsibility reflect our corporate culture, and aim to promote good conduct and the motivation to guide the entire organisation towards a shared goal.

PE's work is largely performed in the form of assignments. Each assignment is managed by a senior project manager, who has the support of the Group-wide management system for the day-to-day work of the project.

PE is certified in accordance with SS-EN ISO 9001:2015 and SS-EN ISO 14001:2015. These management standards are an aid to the Group in complying with legislation, improving environmental aspects in assignments and identifying potential risks.

The management system and how it is used are reviewed annually by independent quality auditors. The system is also subject to regular internal monitoring, with findings reported back to the Audit Committee.

The Group's management system incorporates guidelines, policies and procedures that focus on assignment outcomes, and the system is always accessible to the consultants. PE constantly focuses on measures to improve the Group's working methods, promote sustainability and support its employees.

Our employees' professional development requirements are satisfied via continual training. The know-how and experience that employees gain via assignments are harnessed and developed for future use.

Control mechanisms

The external control mechanisms that constitute the frameworks for corporate governance within the Group include Sweden's Companies Act, Annual Accounts Act, stock market regulations, the Code and other relevant laws. Foreign subsidiaries apply the laws and regulations of the country in question, but also ensure compliance with the Group's governance and control guidelines.

The Board of Directors is ultimately responsible for the organisation and management of the Group's affairs.

Supervision is exercised by public authorities and agencies appointed by such authorities, as appropriate to the Group's operations.

Internal control mechanisms include the Articles of Association, which are adopted by the AGM, the Board's procedural rules and Instructions applicable to the CEO, the Board's committees and financial reporting. In addition, there are financial and quantitative targets, budgets, reports, policies, values and the Code of Conduct.

The Group's policies, for example the Code of Conduct, finance policy, communication policy, inside information policy, remuneration policy, sustainability policy, whistleblower policy and dividend policy, shall be submitted to the Board annually for approval. In addition, several other important policy documents are in place, as decided by the CEO or person designated by the CEO.

Structure of corporate governance

PE's shareholders are ultimately responsible for resolving on the Group's corporate governance by, at the AGM, appointing the Company's Board, which in turn is responsible for ensuring that ongoing corporate governance throughout the year complies with legislation and other external and internal control mechanisms.

Annual General Meeting

PE's shareholders exercise their right to resolve on the Group's affairs at the Annual General Meeting or, where applicable, at extraordinary general meetings, and constitute PE's highest decision-making body. The AGM resolves on the Articles of Association, elects the members of the Board and the Chairman, appoints auditors, adopts the income statement and balance sheet and resolves on the appropriation of profits, discharge from liability and principles for appointing the Nomination Committee, etc.

At the AGM, every shareholder who is registered in the shareholder register at the record date and who has registered their right of participation is entitled to participate, either personally or via a representative with power of attorney, and to vote according to their holding without restriction in the right to vote.

Shareholders are entitled to have a matter addressed at the AGM, having submitted a written request to the Board well in advance of the notice convening the AGM being issued.

All AGM documents, convening notices and other information ahead of the AGM, together with minutes of the meeting are published in Swedish and English on PE's website, at www.pe.se.

Shareholders

According to the shareholder register maintained by Euroclear Sweden, PE had 1,675 shareholders at 31 December 2021. The share capital amounted to SEK 2,728,409, with a total of 24,555,677 shares represented by 5,298,324 A shares, corresponding to 21.58 percent of the shares and 73.34 percent of the votes, and 19,257,353 B shares, corresponding to 78.42 percent of the shares and 26.66 percent of the votes. A shares carry ten votes each and B shares carry one vote. All shares are entitled to the same proportion of the Group's profit and capital. Only B shares are listed on the stock market.

At 31 December 2021, Projektengagemang Holding AB had an ownership interest amounting to 21.48 percent of the total number of shares and 62.01 percent of the votes. Otherwise, no shareholder has a direct or indirect shareholding that represents at least one tenth of the number of votes for all shares in PE.

See pages 74–75 for further information on the Company's shares and shareholders. The information is also available on the Company's website, at www.pe.se.

Annual General Meeting 2021

PE's 2021 Annual General Meeting was held on 5 May 2021, in accordance with Sections 20 and 22 of the Swedish law (2020:198) on Temporary measures to facilitate companies and associations holding general meetings, as a result of which shareholders were able to cast their votes only in advance, via postal voting. Shareholders representing approximately 72 percent of the votes and approximately 42 percent of the capital took part in the AGM (via postal voting). The minutes from and information about the 2021 AGM are available on PE's website in Swedish and English.

The AGM resolved on the following matters:

- Discharged the Board members and the CEO from liability for the 2020 financial year.
- The AGM resolved that no dividend be paid and that funds at the disposal of the meeting be carried forward.
- Re-election of Board members Lars Erik Blom, Per Göransson, Carina Malmgren Heander, Per-Arne Gustavsson, Christina Ragsten and Jon Risfelt. Per-Arne Gustavsson was elected Chairman of the Board.
- Fees of SEK 360,000 to the Chairman of the Board, and SEK 180,000 to each Board member, as well as fees for committee work and remuneration of the auditor.
- Re-appointment of auditing firm PricewaterhouseCoopers AB, with Camilla Samuelsson as principal auditor.
- Adoption of guidelines for remuneration of senior executives in accordance with Board's proposal.
- Offer to CEO and other key personnel at PE the opportunity to participate in 2021 Share Purchase Programme.
- The Board was authorised to resolve on the acquisition of a maximum of 965,200 B shares to make provision for the Company's obligations in the 2019, 2020 and 2021 Share Purchase Programmes, and to transfer a maximum of 230,800 B shares to enable costs to be hedged.
- Transfer of a maximum of 315,000 B shares to participants in the 2021 Share Purchase Programme.
- The Board of Directors was authorised to resolve on an issue of B new shares, representing no more than 10 percent of the total number of B shares, in connection with company acquisitions.

Nomination Committee

The 2018 AGM of PE resolved on instructions as to the composition of the Nomination Committee and its duties, to apply until further notice until decided otherwise by the AGM. The Nomination Committee's instructions are available on PE's website (www.pe.se).

The Nomination Committee shall consist of four members. The members of the Nomination Committee must include one representative of each of the three largest shareholders in terms of votes who wish to appoint such representative. One of the members shall act s the Chairman of the Board, who will also convene the first meeting. If any of the three largest shareholders in terms of votes waive their right to appoint a member of the Nomination Committee, the next largest shareholder will be given the opportunity to appoint a member. The mandate period of the Nomination Committee extends up until such time as a new Nomination Committee is appointed. Unless the members agree otherwise, the Chair of the Nomination Committee must be the member that has been appointed by the largest shareholder in terms of votes. If a member of the Nomination Committee leaves the committee before their work has been completed, the shareholder that appointed such member is entitled to appoint a new member of the committee. If the member leaving the Nomination Committee is the Chairman of the Board, a new member will not be appointed.

The Nomination Committee will be constituted on the basis of shareholder statistics from Euroclear Sweden AB at 30 June every year. The names of the appointed members of the Nomination Committee and the shareholders they represent will be published on the Group's website as soon as they have been appointed, however no later than six months before the AGM.

If, during the mandate period of the Nomination Committee, one or more of the shareholders who appointed members of the Nomination Committee are no longer among the three largest shareholders in terms of votes, members appointed by such shareholders must make their positions on the committee available and the shareholder(s) who has/have joined the three largest shareholders in terms of votes will be entitled to appoint their representatives. In the absence of specific reasons to the contrary, no changes should be made to the composition of the Nomination Committee if only marginal changes have occurred in the number of votes, or if the change occurs less than three months prior to the AGM. However, shareholders who have joined the three largest shareholders as a result of more significant changes in the number of votes less than three months prior to the AGM will be entitled to appoint a representative, who will be co-opted to the Nomination Committee. Shareholders who have elected a member of the Nomination Committee are entitled to dismiss said member and elect a new member to the Nomination Committee. Changes to the composition of the Nomination Committee shall be disclosed as soon as such changes have been made.

Prior to the AGM, the Nomination Committee is required to present proposals regarding the AGM Chairman, the number of Board members, election of Board members, election of a Chairman of the Board, Board fees including allocation between the Chairman and other Board members, and remuneration for committee work, audit fees, election of auditors and criteria for how a new Nomination Committee is to be appointed. The Nomination Committee shall observe the requirements to which the Nomination Committee is subject and appointments to the Board, as detailed in the Code.

The Nomination Committee is entitled to receive reasonable remuneration for out-of-pocket expenses incurred regarding evaluation and recruitment. Other than that, the members of the Nomination Committee do not receive any remuneration from PE for their work.

Composition of the Nomination Committee
The members of the Nomination Committee for the Annual General Meeting in May 2022 were announced on PE's website and published in a press release on 4 November 2021 as consisting of the following persons: Per Göransson, Board member PE, Projektengagemang Holding AB (Chairman of the Nomination Committee), Tim Floderus, Investment AB Öresund, Dag Marius Nereng, Protector Forsikring and Per-Arne Gustavsson, Chairman of the Board. Together, the Nomination Committee represents approximately 70 percent of the votes for all shares in PE.

Deviation from the Code
The composition of the Nomination Committee deviates from the second sentence of the first paragraph of rule 2.4 of the Swedish Corporate Governance Code in that Per Göransson, who is the Chairman of the Nomination Committee, is also a member of the Board, and from second paragraph of rule 2.4 in that two members of the Board, Per Göransson and Per-Arne Gustavsson (not just one), are no independent in relation to the Company's major shareholders. The reason for the deviation is that it is logical and to the benefit of the Company in view of the ownership structure of Projektengagemang, in which both Per Göransson Per-Arne Gustavsson are founders of and main shareholders in the Company via their roles as partners in and Board members of the largest shareholder in terms of votes, and that according to the Nomination Committee instructions adopted the chairman of the committee shall be the person who is appointed by the largest shareholder.

Nomination Committee's remit and work prior to the 2021 AGM
Prior to the 2022 AGM, the Nomination Committee is tasked with presenting proposals regarding the AGM Chairman, the number of Board members, election of Board members, election of a Chairman of the Board, Board fees including allocation between the Chairman and other members of the Board and remuneration for committee work, audit fees, election of auditors, as well as, where applicable, changes to the criteria for how a new Nomination Committee is to be appointed.

The Nomination Committee held three minuted meetings prior to the 2022 AGM and furthermore maintained regular contact. The Nomination Committee's proposal is presented with the convening notice for the AGM and on PE's website (www.pe.se). To coincide with this, the Nomination Committee also publishes a report on its work and a supporting statement regarding its proposal to the Board, along with details of the Board members being proposed for re-election and as new members.

Diversity policy

The Nomination Committee applies rule 4.1 of the Code as its diversity policy when assessing the appropriate composition of the Board, taking account of the Group's operations, stage of development and conditions in general. This means that the assessment must be characterised by diversity and breadth with regard to skills, experience and background, with an ambition to achieve an even gender balance.

The Nomination Committee has discussed the requirements under rule 4.1 of the Code, and considers that, in view of PE's current circumstances, the Board will have an appropriate composition as a result of the Nomination Committee's proposal prior to the 2022 AGM, and has endeavoured to achieve both a diverse composition and an even gender balance.

Auditors

PE's auditors are elected at the AGM. The 2021 AGM elected PricewaterhouseCoopers AB, with authorised public accountant Camilla Samuelsson as principal auditor for the period up until the 2022 AGM.

Audit work
The auditors examine the annual accounts and accounting records of the Parent Company and the Group, as well as the management by the Board and CEO.

In addition to reporting to the Audit Committee, the Group's auditors also, in order to assure the Board's information requirements, report observations from their auditing of the consolidated financial statements to the Board every year, as well as their observations from examining the Group's internal controls. At least once a year, the auditor engages in a dialogue with the Board of Directors without the presence of the CEO or other representative of Group management.

PE's auditors examine the financial information for at least one interim report and the year-end report. In addition, every year, the auditors examine a selection of controls and processes and report any areas requiring improvement to Group management and the Audit Committee . In 2021, the auditors conducted a limited assurance review of the Group's interim report for the third quarter. In connection with the review of the Q3 report, the Company's internal controls were also reviewed.

The auditors have attended four of the Audit Committee's five meetings. The auditor normally takes part in the AGM in order to present the auditor's report. Audit fees for 2021, (including fees for consulting services) are detailed in Note 5.

Board of Directors

Composition of the Board and fees
PE's Board comprises six members elected by the AGM, and no deputies. The Chief Executive Officer is not a member of the Board, but is co-opted to participate in all Board meetings. Other employees of the Group participate as required to give presentations. The Group's Chief Financial Officer serves as secretary to the Board. Details of the composition of the Board in 2021, and of remuneration of Board members for the full years 2021 and 2020 are provided in Note 6. Further information about the Board members is provided on page 69.

Evaluation of the work of the Board of Directors
Once a year, the Board of Directors carries out an evaluation in which members are given the opportunity to offer their views on procedures, Board material and their own and other members' contributions to the work of the Board. The aim is to develop the work of the Board and provide the Nomination

Committee with a fit-for-purpose basis for decisions ahead of the AGM. An internal evaluation was conducted in 2021 through an anonymous questionnaire to Board members. The results of the evaluation were reported by the Chairman of the Board and subsequently discussed within the Board. The result of the evaluation was reported to the Nomination Committee.

Independence

According to the Code, a majority of the Board members elected by the AGM must be independent in relation to the Company and Company management, and no less than two of these members must also be independent in relation to the Company's major shareholders.

PE's Board is deemed to satisfy the Code's requirements as regards independence, since four of the Board members elected by the AGM are deemed to be independent in relation to both Company and Company management, as well as in relation to the Company's major shareholders. All members elected by the AGM, apart from Per Göransson and Per-Arne Gustavsson, were independent in relation to both Company and Company management, as well as in relation to the Company's major shareholders in 2021.

Work and responsibilities of the Board of Directors

The Board of Directors monitors the work of the CEO and is responsible for ensuring that organisation, management and guidelines for the Group's funds are fit for purpose. The Board is also responsible for ensuring that the Group is organised in a way that allows for appropriate internal control, and that suitable systems are in place for following up operations and associated risks, as well as for compliance with laws, rules and internal guidelines. Furthermore, the Board is responsible for developing and following up the Group's strategies, plans and targets, decisions about acquisitions and disposals of businesses, major investments, additions to and replacement of members of the management team and ongoing monitoring of performance throughout the year. The Board adopts the budget and end-of-year accounts.

The work of the Board follows the specific procedural rules that have been established relating to the division of tasks between the Board and CEO, between the Board's various committees and within the Board, as well as instructions regarding financial reporting. These procedures include a separate set of Instructions to the CEO. The Board's procedural rules also stipulate that the Company's auditor shall take part in one Board meeting.

The constitutive Board meeting is held immediately following the AGM, or immediately following an extraordinary general meeting at which a new Board is elected.

PE held its constitutive Board meeting on 5 May 2021, at which members of the Board committees were elected and the above-mentioned procedural rules were adopted.

In addition to the constitutive Board meeting, the Board meets on four ordinary occasions a year and also whenever the Chairman deems it to be appropriate, or after one of the Board members or CEO has made a request for such. In 2021, 13 Board meetings were held. The work of the Board follows a pre-determined plan featuring certain regular decision points during the financial year.

Every month, the Board receives a report on the Group's earnings and liquidity performance. Treatment of other matters is determined by the nature of the particular issue. The Board's main work during the year consisted of governance and supervision of the Group, as well as decisions on actions and adjustments to the Company's new strategy and financing.

Finance policy issues

The Board has ultimate responsibility for the Group's financial activities. The Board is responsible for approving the Group's finance policy, which is to be updated annually. The Board resolves on overall mandates and limits for restricting the Group's financial risk assumption, in accordance with the finance policy, and on all long-term financing. The Board has delegated operational responsibility in line with the division of responsibilities stated in the finance policy adopted.

Board's checks on financial reporting

The Board of Directors monitors the quality of financial reporting via monitoring instructions and instructions to the CEO. Together with the CFO, the CEO is tasked with examining and quality assuring all external financial reporting, including year-end reports, interim reports, annual reports, press releases with financial content and presentation material for dealings with the media, shareholders and financial institutions.

Composition of the Board of Directors

Elected by the AGM[1]	Elected, year	Born	Independence of shareholders	Independent in relation to the Company and management	Attendance at Board meetings	Attendance Audit Committee	Attendance Remuneration Committee
Chairman							
Per-Arne Gustavsson	2018	1952	No	No	13/13	5/5	3/3
Members of the Board							
Per Göransson	2006	1953	No	No	13/13		
Carina Malmgren Heander	2018	1959	Yes	Yes	13/13		3/3
Lars Erik Blom	2016	1960	Yes	Yes	13/13	5/5	
Christina Ragsten	2020	1958	Yes	Yes	13/13	5/5	
Jon Risfelt	2020	1961	Yes	Yes	13/13	5/5	3/3

1 Details of the education, other roles and shareholdings in the Company etc. of current Board members are provided on page 69 of the Annual Report. Remuneration of Board members is specified in Note 6.

The Board's Audit Committee assists in making sure that financial reporting is of high quality, is ultimately approved by the Board and is communicated. The Board receives monthly financial reports and the Company's and Group's financial situation is addressed at each Board meeting. The Board also discusses interim reports and the annual report.

In order to provide for the Board's information requirements, in addition to reporting to the Audit Committee, the Group's auditors also report observations from their audit and their assessment of the Group's internal controls to the Board every year.

The Board's committees

The Board has full insight into, and responsibility for, all issues on which the Board is tasked with making decisions. However, work has been conducted during the year via two of the Board's appointed committees: the Audit Committee and the Remuneration Committee.

Audit Committee

The committee is made up of three or four representatives of the Board, and is tasked with:

- prior to Board decisions, preparing the Board's work by quality assuring the consolidated financial reporting
- monitoring and submitting recommendations and proposals to ensure the reliability of reporting with regard to effectiveness of the Group's internal controls and risk management
- assessing the independence of the auditor
- checking other roles for the audit firm (NAS, Non Audit Services)
- assisting the Nomination Committee during the procurement process for the audit and preparing for election of, and fees for auditors
- keeping informed about the extent and focus of the audit assignment
- preparing questions about the audit
- evaluating the audit process
- establishing guidelines for the procurement of permitted services to be carried out by the Group's auditors in addition to the audit
- if appropriate, approving such services according to the guidelines
- monitoring and evaluating the application of current accounting policies and the adoption of new accounting policies and of other legal accounting requirements, generally accepted accounting principles or otherwise.

The Group's principal auditor and representatives of the audit firm are co-opted to the majority of the meetings. Where appropriate, senior executives are co-opted. Since the 2021 AGM, the committee has consisted of members Lars Erik Blom, Christina Ragsten, Jon Risfelt and Per-Arne Gustavsson. The committee is chaired by Lars Erik Blom. The majority of the committee's members are independent in relation to Company, Company management and the Company's major shareholders. Only Per-Arne Gustavsson is not independent in relation to the Company, Company management and major shareholders.

The Audit Committee held five minuted meetings in 2021 and the Board of Directors regularly receives copies of the minutes of the meetings. During the year, the committee's work mainly covered valuation issues, risk management, impairment testing requirements, scenario planning based on the pandemic and its effects, internal follow-up of earnings and key performance indicators and follow-up and checks on the Group's financial reporting.

An account of the various matters dealt with by the committee will be presented at a future Board meeting.

The auditors have attended four of the Audit Committee's five meetings.

Remuneration Committee

The committee consists of three representatives from the Board of Directors. The committee is primarily tasked with preparing the Board's decisions on matters such as remuneration principles, remuneration and other employment terms and conditions for Company management and other senior executives. Furthermore, the Remuneration Committee shall monitor and evaluate:

- ongoing remuneration programmes for senior management and such programmes completed during the year
- application of the guidelines for remuneration to senior executives that the AGM is required by law to resolve upon
- regarding current structures and levels of remuneration in the Group
- competence and succession planning for senior executives.

Remuneration of the CEO and remuneration principles for Company management are subject to decision by the Board of Directors. Remuneration of other senior executives is to decision by the Remuneration Committee within the framework established by the Board and AGM.

Since the 2021 AGM, the Remuneration Committee has consisted of Carina Malmgren Heander (Chair), Per-Arne Gustavsson and Jon Risfelt. The committee held three minuted meetings in 2021.

CEO

According to the rules laid down in the Swedish Companies Act and other legislation, the CEO is responsible for day-to-day management according to the Board's guidelines and instructions, and for taking the necessary action to ensure the Group's accounting is managed in a satisfactory manner. Furthermore, the CEO must ensure that the Board of Directors regularly receives the information required in order to adequately monitor the Group's financial situation, position and performance and in general fulfil its reporting obligation with respect to economic conditions.

The Group's CEO leads operations within the framework established by the Board in the special instructions to the CEO. The instruction covers matters such as the CEO's responsibility for day-to-day operations and issues that always require a decision by the Board or that require the Board to be informed, as well as the CEO's responsibility for financial reporting to the Board.

In consultation with the Chairman, the CEO prepares the requisite information and decision-making documentation prior to Board meetings, reports on matters and explains proposals for decisions.

The Board continually evaluates the work of the CEO.

Group management

The CEO directs the work of Group management and reaches decisions in consultation with the other members of management. In 2021, this consisted of the CEO and three additional persons: the Deputy CEO/Chief Financial Officer (CFO), Chief Business Development Officer (CBDO) and Chief Commercial Officer (CCO). Since 7 January 2022, Group management has consisted of Helena Hed, President and CEO, Peter Sandberg, Deputy CEO/Chief Financial Officer (CFO) and Mathias Thorsson, Chief Business Development Officer. Information about the CEO and Group management is provided on page 70 of the 2021 Annual Report. Group management conducts regular operational reviews, led by the CEO.

Internal controls, risk management, internal audit and follow-up

According to the Swedish Companies Act and the Code, the Board is responsible for internal controls. The Swedish Annual Accounts Act states that a company's corporate governance report must contain details of the most important elements of the Company's internal control and risk management systems relating to its financial reporting.

The Board has designed clear decision and procedural rules and instructions for its own, the Remuneration Committee's, Audit Committee's and the CEO's work, in order to achieve effective management of operating risks and internal controls.

Responsibility for maintaining an effective control environment and day-to-day work on internal controls and risk management rests with the CEO and Group management, who report to the Board according to established procedures. Managers at various levels of the Company also have this responsibility within their respective business areas, and report in turn to Group management.

Risk assessment

The aim of PE's risk management is to safeguard the Group's long-term earnings performance and ensure that the Group achieves its targets. Ultimately, responsibility for risk management rests with the Company's Board and senior management. PE continually updates the risk analysis regarding assessment of risks that may lead to errors in financial reporting. During risk reviews, PE identifies areas where there is a heightened risk of error. The results of the general risk analysis have been compiled in a risk summary, which details the Group's exposure to risks. A review of risk management and internal controls within the Group is addressed on a quarterly basis by the Audit Committee.

Control activities

Monthly reports for all business units within the Group are prepared, along with consolidated monthly reports. To consider these reports, the CEO, the CFO and financial controllers jointly hold monthly follow-up meetings with operational managers and key individuals in the operational business. Separate analysis is made of order levels, utilisation rates, cost monitoring, risk lists and cash flow.

The Board also monitors, via the Audit Committee, the reliability of financial reporting, evaluates recommendations for improvements and addresses issues regarding the risks identified. The Audit Committee submits regular oral reports to the Board, as well as proposals on issues requiring decision by the Board. The control environment is created through shared values, corporate culture, rules and policies, communication and follow-up, as well as by the way in which the business is organised. The main task of staff functions and their employees is to implement, improve and maintain the Group's control procedures and to carry out internal checks focusing on business critical issues.

The Group's ERP system forms the foundation for everything that the Company does. The aim of the ERP system is to streamline and systematise daily operations in order to carry out assignments in the most efficient way possible. Each process has a process owner who is responsible for managing the process, based on the policies that have been created and approved according to the hierarchy adopted by the Board of Directors.

Ongoing follow-up of risks and compliance with internal procedures is carried out on a monthly and quarterly basis. Observations are reported back to the Audit Committee every quarter.

In 2021, all process owners in the organisation conducted a structured review of processes and risks. To ensure effective internal control, follow-up of risks identified and compliance with internal procedures, regular monthly and quarterly follow-up is carried out and reported back to Group management. A quarterly report is also submitted to the Audit Committee.

Internal audit

PE has not yet found it necessary to establish an internal audit.

The Board is of the opinion that owing to the size of the Group and the fact that the Company has a simple, standard operational structure, there is no need for such a function in the organisation.

Financial controllers at Group and business area level regularly follow up compliance with the governance and internal control systems created by the Company.

Additional information at www.pe.se

- Articles of Association
- Information from previous AGMs (convening notices, minutes and resolutions)
- Information about the Nomination Committee
- Corporate governance reports for the 2015–2021 period

Material risks and risk management

Management of operating risks is a continual, ongoing process in view of the large number of ongoing projects. The Group's financial risks are managed centrally in order to minimise and monitor risk exposure.

Risk management is an ongoing aspect of the Company's management system, is performed via self-monitoring and is reported by the Company's managers on a monthly basis. The Audit Committee is debriefed about developments at least four times a year.

Sensitivity analysis

Risk	Change +/–	Impact revenue +/-
Average hourly fee	SEK 10	SEK 10 million
Utilisation rate	1%-point	SEK 12 million
Attendance rate	1%	SEK 12 million
Personnel costs	1%	SEK 7 million
Calendar effect	1 day	SEK 4 million

Risk analysis

Operating risks

- A Demand
- B Competition
- C Price
- D Skills shortage, sickness absence and high staff turnover
- E Efficiency
- F Delivery risk
- G Acquisition risk
- H IT
- I Brand/reputation/rumour risk

Financial risks

- J Financing and liquidity risk
- K Management of capital
- L Interest rate risk
- M Liquidity risk
- N Credit risk

Operating risks

	Description	Risk management process
A **Demand**	PE is reliant upon underlying market growth and demand for engineering consulting services in Sweden. Demand is affected by economic trends and growth in Swedish GDP. In a longer-term perspective, the market is driven by demographic factors such as population growth and urbanisation, as well as by investment in infrastructure, industry, technological development and a heightened focus on sustainability.	Demand risk is managed by offering and supplying cutting-edge expertise across several different sectors. With a large number of local branches, assignments from both private and public sector companies and more than 4,000 clients, PE enjoys good risk diversification given that the Swedish economy is continuing to grow.
B **Competition**	PE encounters competition in all its areas of operation. Competition is stronger in small assignments, where the barriers to entry are low. Larger assignments require expertise and a nationwide reach. PE also faces competition from consultancy brokers.	PE has opted to position itself based on client need, rather than size or price. PE is an engineering consulting partner with the capacity to work on both small and large assignments in which the offering is adapted to the client's needs via customised teams.
C **Price**	PE's pricing is affected by macroeconomic conditions and competition on the market. The market situation in which the Group operates affects PE's ability to manage the Company's pricing and calculations in a structured way.	PE has an effective business model in place and a clear assignment process that governs how calculations are made. This gives us good control over our earning capacity and pricing. However, it is difficult for PE to deviate substantially from prevailing market prices, particularly in larger projects. The Group's prices and how they change are continually monitored.
D **Skills shortage, sickness absence and high staff turnover**	The ability to recruit, develop and retain employees with the relevant skills is a critical success factor for every consulting company. Engineers, architects and specialists are highly sought-after in the labour market, and competition for this level of expertise is tough. This is reflected in a high rate of staff turnover. High workloads, weak leadership, unclear guidance, lack of development opportunities and uninteresting tasks can lead to sickness absence and employees seeking employment elsewhere.	PE places great emphasis on creating the best workplace from an employee perspective. This focus is based on an HR policy that sets out how PE can best harness and develop the needs and expectations that employees and PE have of each other. One important element of this work is to create the conditions enabling consultants to develop their skills in assignments for clients. Strong leadership is the key to developing employees and encouraging their commitment. PE therefore runs its own leadership programme, with the aim of fostering leadership that actively contributes towards creating the best workplace. Employee surveys are regularly conducted to analyse employee commitment and satisfaction with PE as an employer. Workforce planning is managed via acquisitions and recruitment. Irrespective of how an employee has joined us, induction activities are central in order to lay the foundation for commitment and a lasting employment relationship.
E **Efficiency**	Failing to utilise production capacity optimally entails the risk that we will not achieve our targets, given the resources we have available.	Well-planned use of the Group's resources has a material impact on earnings. PE has solid support systems in place to enable planning, as well as regular capacity forecasts for utilising and maintaining the desired level of efficiency. Changes in the Group's billing rate are continually monitored.
F **Delivery risk**	PE's mission involves taking responsibility for a particular delivery. In the case of non-performance of deliveries, PE may be ordered to remedy such failures or pay compensation. There is a risk that PE, for example during a boom period, does not have sufficient capacity to provide the contracted expertise and so has to hire resources.	PE has a highly developed management system that ensures that the Company has effective follow-up and control procedures to safeguard a high level of quality assurance in our projects. The Company is also certified according to ISO SSEN ISO9001:2015 and SSEN ISO 14001:2015. PE has effective support systems for planning of internal resources. In addition, PE has close cooperation agreements with a number of sub-consultants, who can supplement PE's delivery in terms of resources or skills.
G **Acquisition risk**	Acquisitions are an important factor in PE's growth strategy. Risks related to acquisitions include: Price too high. During an acquisition, a purchase price is paid that is determined on the basis of forecasts regarding future earnings. Integration. Poorly managed integration of an acquired business can lead to lower productivity and employees leaving the Company.	PE has completed a large number of acquisitions since the Company was established in 2006. It therefore has a highly-developed acquisition and evaluation process, and a sound integration strategy. PE carefully monitors developments to ensure that its acquisitions follow planned processes, that integration work is well prepared and that it enjoys solid support. Continual evaluation is performed to identify any problems early on, since the value of acquired companies lies largely in its employees.

Operating risks, cont.	Description	Risk management process
H **IT**	PE's operations are built on IT support on a relatively large scale, to ensure PE is able to carry out its work. Unplanned disruptions in functions represent a risk in terms of our ability to deliver in assignments, which would lead to loss of revenue for the business.	The Group's IT structure is assured via its IT policy and procedures that the Company uses, as well as by the fact that function-critical suppliers have been contracted at the service levels required by PE's IT structure.
I **Brand/reputation/ rumour risk**	PE's operations are reliant on a good reputation, positive feedback and a strong brand. The spread of rumours or real actions/deliveries that cause damage to our reputation could create difficulties in terms of recruitment, sales process, client satisfaction and employee identity.	PE's entire business is built on our core values of Entrepreneurship, Commitment and Responsibility, as well as strong business ethics. We strive unrelentingly to bring these to life in the Company in various situations.

Financial risks

Financial risks	Description	Risk management process
J **Financing and liquidity risk**	The Group is exposed to various types of financial risk through its day-to-day operating activities. Financial risk refers to fluctuations in the Group's earnings and cash flows resulting from variations in exchange rates, interest rates, financing risks and credit risks. The objective is to provide cost effective financing and to minimise the negative impact of market fluctuations on the Group's earnings.	The Group's financial management is managed centrally by the Group's finance department. It is performed in accordance with the current finance policy, which is established by PE's Board of Directors and provides a framework of guidelines and regulations in the form of risk mandates and limits on financing activities. The overarching objective of the Finance function is to ensure and provide cost effective financing and to minimise negative effects of financial risks on the Group's earnings.
K **Management of capital**	The Group aims to have a capital structure that is optimal in order to keep capital costs down, while safeguarding the Group's ability to continue operating, and to maintain a balance between deposited and borrowed capital.	To maintain or adjust the capital structure, the Group can raise new loans, adjust the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its debt. The Group assesses capital on the basis of its indebtedness. This key performance indicator is calculated as net debt/cash funds via EBITDA. Indebtedness at 31 December 2021 and 2020 was 2.1 and 1.8 respectively.
L **Interest rate risk**	Interest rate risk relates to the risk of PE's cash flow or the value of financial instruments varying due to changes in market rates. Interest rate risk can lead to changes in actual values and changes in cash flows.	PE's interest rate exposure mainly derives from outstanding external loans. PE currently has a short fixed-rate period for outstanding credits. Since most of the Company's financial liabilities carry a short fixed-rate period, most of the interest rate risk can be regarded as cash flow risk. A change of 1 percentage point in market interest rates affects the Group's interest expense in the amount of SEK 3.0 million.
M **Liquidity risk**	Liquidity risk is the risk that the Group may have difficulty in fulfilling its obligations associated with financial liabilities.	The Group has ongoing liquidity planning covering all the Group's units. This liquidity planning is used to manage liquidity risk and the Group's financing costs. The objective is for the Group to be able to manage its financial commitments during economic upswings and downturns without incurring significant unforeseen costs. Liquidity risks are managed by the central finance department on behalf of the entire Group. The Group has an agreement with SEB regarding credit facilities, see also Note 24.
N **Credit risk**	Credit risk relates to the risk of financial loss due to the counterparty failing to fulfil their commitments.	Credit risk in financing operations is minimal, as Projektengagemang only deals with counterparties with a high credit rating. It consists primarily of counterparty risks associated with receivables from clients, banks and other counterparties. The finance policy includes a special counterparty regulation detailing the maximum permitted credit exposure for different counterparties.

Consolidated income statement and statement of comprehensive income

SEK 000s	Note	2021	2020
Net revenue	2	1,012,841	1,167,043
Other external expenses	5	-212,578	-255,615
Personnel costs	6, 7	-667,900	-757,098
Profit/loss before depreciation/amortisation, EBITDA		**132,363**	**154,330**
Depreciation, amortisation and impairment losses	8, 12, 13, 14	-75,508	-75,620
EBITA		**56,855**	**78,710**
Acquisition-related items*	4, 8	-16,992	-11,270
Operating profit/loss, EBIT		**39,863**	**67,441**
Finance income		11	165
Finance costs		-12,902	-13,726
Net financial items	9	**-12,891**	**-13,561**
Profit/loss after financial items		**26,972**	**53,880**
Tax	25	-6,739	-16,789
Profit/loss for the period		**20,233**	**37,091**
Attributable to:			
Parent Company shareholders		20,233	37,747
Non-controlling interests		–	-655.2
Basic and diluted earnings per share for the period, SEK		0.82	1.54

* Acquisition-related items are defined as amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains and losses from divestments of companies, operations, land and buildings.

Consolidated statement of comprehensive income

SEK 000s	Note	2021	2020
Profit/loss for the year		**20,233**	**37,091**
Comprehensive income for the year		**20,233**	**37,091**

No deviations between the profit or loss for the period and comprehensive income for the period

Consolidated balance sheet

SEK 000s	Note	2021	2020
ASSETS			
Non-current assets			
Goodwill	12	594,806	597,298
Other non-current intangible assets	12	19,805	31,530
Property, plant and equipment	13	14,323	19,294
Right-of-use assets	14	167,834	161,145
Financial investments	16	1,528	3,241
Deferred tax assets	25	815	–
Non-current receivables	18	43	28
Total non-current assets		**799,155**	**812,536**
Current assets			
Trade receivables	19, 29	129,546	144,774
Accrued but not invoiced revenue	20	90,989	97,095
Other receivables	18	7,089	24,025
Prepaid expenses	21	17,681	11,490
Short-term investments		375	771
Cash and cash equivalents	22, 30	22,608	42,784
Total current assets		**268,288**	**320,939**
TOTAL ASSETS		**1,067,443**	**1,133,475**
EQUITY AND LIABILITIES			
Equity	23		
Equity attributable to Parent Company shareholders		577,869	558,006
Non-controlling interests		–	-159
Total equity		**577,869**	**557,847**
Liabilities			
Provision for pensions and similar obligations		338	351
Non-current, interest-bearing liabilities	24	130,660	142,117
Lease liability	14, 24	100,577	89,118
Deferred tax liabilities	25	17,688	21,471
Total non-current liabilities		**249,263**	**253,057**
Current, interest-bearing liabilities	24	10,000	35,165
Liabilities to clients and suppliers	29	53,883	56,296
Lease liability	14, 24	58,601	61,468
Other liabilities	26	47,019	65,649
Accrued expenses and deferred income	27	70,807	103,993
Total current liabilities		**240,310**	**322,571**
Total liabilities		**489,573**	**575,628**
TOTAL EQUITY AND LIABILITIES		**1,067,443**	**1,133,475**

Consolidated statement of changes in equity

	Attributable to Parent Company shareholders						
SEK 000s	**Share capital**	**Other contributed capital**	**Reserves**	**Retained earnings incl. profit/loss for the year**	**Total**	**Non-controlling interests**	**Total equity**
Opening balance at 1 January 2020 according to balance sheet adopted	2,728	123,306	20	394,623	520,676	508	521,184
Profit/loss for the year				37,747	37,747	-655	37,091
Other comprehensive income for the year				–	–	–	–
Total comprehensive income				**37,747**	**37,747**	**-655**	**37,091**
Transactions with shareholders in their capacity as owners:							
Exchange rate differences				-417	-417	-13	-430
Closing balance at 31 December 2020 according to balance sheet adopted	**2,728**	**123,306**	**20**	**431,953**	**558,006**	**-160**	**557,847**
Profit/loss for the year				20,233	20,233	–	20,233
Other comprehensive income for the year				–	–	–	–
Total comprehensive income				**20,233**	**20,233**	**–**	**20,233**
Transactions with shareholders in their capacity as owners:							
Exchange rate differences				-372	-372	160	-212
Closing balance, 31 December 2021	**2,728**	**123,306**	**20**	**451,813**	**577,869**	**–**	**577,869**

Consolidated cash flow statement

SEK 000s	Note	2021	2020
Operating activities			
Profit/loss after financial items		26,972	53,880
Of which, net interest paid	9, 24	-5,280	-12,258
Adjustments for non-cash items	31	85,345	85,975
Tax paid		-6,577	-2,978
Cash flow before changes in working capital		**105,740**	**136,877**
Cash flow from operating activities			
Changes in operating receivables		32,274	78,471
Change in operating liabilities		-58,974	-26,854
Cash flow from operating activities		**79,041**	**188,495**
Investing activities			
Purchase of property, plant and equipment		-2,709	-11,247
Purchase of non-current intangible assets		-1,021	-1,397
Sale of property, plant and equipment		165	740
Sale of subsidiaries/operations	4	4,000	–
Change in financial assets		50	88
Cash flow from investing activities		**484**	**-11,816**
Cash flow before financing		**79,525**	**176,678**
Financing activities			
Repayment of loans		-35,776	-58,886
Repayment of lease liability		-63,998	-76,798
Change in overdraft		–	-26,934
Cash flow from financing activities		**-99,774**	**-162,619**
Cash flow for the year		**-20,249**	**14,060**
Cash and cash equivalents at start of year		**42,784**	**28,779**
Exchange rate difference in cash and cash equivalents		72	-55
Cash and cash equivalents at year-end		**22,608**	**42,784**

Parent Company income statement and statement of comprehensive income

SEK 000s	Note	2021	2020
Net revenue	2	14,063	13,739
Other external expenses	5	-6,871	-7,631
Personnel costs	6, 7	-8,801	-7,228
Profit/loss before depreciation/amortisation, EBITDA		**-1,610**	**-1,120**
Depreciation, amortisation and impairment of non-current intangible assets and property, plant and equipment	8, 12 , 13	-61	-62
Operating profit/loss, EBIT		**-1,671**	**-1,183**
Earnings attributable to investments in Group companies		-4,834	-1,140
Finance costs		-6,872	-9,302
Net financial items	9	**-11,706**	**-10,443**
Profit/loss after financial items		**-13,377**	**-11,625**
Appropriations	10	-4,169	–
Profit/loss before tax		**-9,208**	**-11,625**
Tax	25	380	683
Profit/loss for the period		**-8,828**	**-10,943**
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the year		-8,828	-10,943
Comprehensive income for the year		**-8,828**	**-10,943**

Parent Company balance sheet

SEK 000s	Note	2021	2020
ASSETS			
NON-CURRENT ASSETS			
Non-current intangible assets		92	153
Investments in Group companies	15, 17	773,402	775,145
Deferred tax assets	25	5,314	4,934
Other long-term holdings of securities	16	1,500	3,200
TOTAL NON-CURRENT ASSETS		**780,308**	**783,432**
CURRENT ASSETS			
CURRENT RECEIVABLES			
Trade receivables	19, 29	–	47
Other receivables		882	1,354
Prepaid expenses		1,745	1,039
TOTAL CURRENT RECEIVABLES		**2,627**	**2,440**
Cash and bank balances	22	20,365	41,848
TOTAL CURRENT ASSETS		**22,992**	**44,288**
TOTAL ASSETS		**803,300**	**827,720**
EQUITY AND LIABILITIES			
EQUITY	23		
Share capital		2,728	2,728
Statutory reserve		20	20
TOTAL RESTRICTED EQUITY		**2,748**	**2,748**
Retained earnings		476,722	487,665
Profit/loss for the year		-8,828	-10,943
TOTAL EQUITY		**470,643**	**479,470**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current, interest-bearing liabilities	24	130,660	140,660
TOTAL NON-CURRENT LIABILITIES		**130,660**	**140,660**
CURRENT LIABILITIES			
Liabilities to clients and suppliers	29	5,783	7,308
Current, interest-bearing liabilities	24	10,000	35,165
Liabilities to Group companies		178,818	159,609
Other liabilities	26	5,721	1,252
Accrued expenses and deferred income	27	1,675	4,256
TOTAL CURRENT LIABILITIES		**201,997**	**207,590**
TOTAL LIABILITIES		**332,657**	**348,250**
TOTAL EQUITY AND LIABILITIES		**803,300**	**827,720**

Parent Company statement of changes in equity

SEK 000s	Share capital	Reserves	Retained earnings incl. profit/loss for the year	Total
Opening balance at 1 January 2020 according to balance sheet adopted	2,728	20	488,156	490,905
Profit/loss for the year	–	–	-10,943	-10,943
Other comprehensive income for the year	–	–	–	–
Total comprehensive income	**–**	**–**	**-10,943**	**-10,943**
Transactions with shareholders in their capacity as owners:				
Miscellaneous			-491	-491
Closing balance at 31 December 2020 according to balance sheet adopted	**2,728**	**20**	**476,722**	**479,471**
Profit/loss for the year			-8,828	-8,828
Total comprehensive income			**-8,828**	**-8,828**
Transactions with shareholders in their capacity as owners:				
Dividends paid			–	–
Miscellaneous			–	–
Closing balance, 31 December 2021	**2,728**	**20**	**467,894**	**470,643**

Parent Company cash flow statement

SEK 000s	Note	2021	2020
OPERATING ACTIVITIES			
Profit/loss after financial items		-13,377	-11,625
Of which, net interest paid		-3,662	-7,867
Adjustments for non-cash items	31	6,595	-443
Tax paid		-925	-705
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		**-7,707**	**-12,774**
CASH FLOW FROM OPERATING ACTIVITIES			
Changes in operating receivables		16,302	41,441
Change in operating liabilities		4,010	98,222
CASH FLOW FROM OPERATING ACTIVITIES		**-12,604**	**126,889**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and non-current intangible assets		–	-75
Sale/acquisition of subsidiaries	4, 15	-1,035	-2,073
Change in financial assets		-2,056	–
CASH FLOW FROM INVESTING ACTIVITIES		**-3,091**	**-2,148**
CASH FLOW BEFORE FINANCING		**9,514**	**124,742**
Financing activities			
Repayment of loans		-35,165	-57,184
Change in overdraft		–	-26,934
Group contributions		-4,169	–
CASH FLOW FROM FINANCING ACTIVITIES		**-30,996**	**-84,118**
CASH FLOW FOR THE YEAR		**-21,483**	**40,623**
CASH AND CASH EQUIVALENTS AT START OF YEAR		**41,848**	**1,224**
CASH AND CASH EQUIVALENTS AT YEAR-END		**20,365**	**41,848**

Notes to the financial statements

NOTE 1 Significant accounting policies, general accounting policies

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretative statements from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU, and the Swedish Annual Accounts Act and RFR 1 Supplementary Rules for Consolidated Financial Statements have been applied.

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.RFR 2 Accounting for Legal Entities. In cases where the Parent Company applies accounting policies that differ from those of the Group, this is specified in the section 'Parent Company's accounting policies'. The differences between the policies applied by the Parent Company and those applied by the Group are due to restrictions in the Parent Company's ability to apply IFRS as a consequence of the regulations in the Swedish Annual Accounts Act, and in some cases due to tax reasons.

Valuation principles in preparing the financial statements of the Parent Company and the Group

The functional currency of the Parent Company is Swedish kronor, which is also the reporting currency for the Parent Company and all of the Group's subsidiaries except the Indian and Norwegian subsidiaries, which report in their local currency. Assets and liabilities are reported at their historical acquisition cost, except for certain financial assets and liabilities, which are measured at fair value.

Preparing the financial statements in accordance with IFRS requires company management to make estimates and judgements, and to make assumptions that affect the application of the accounting policies and the recognised amounts for assets, liabilities, revenue and costs. Estimates and assumptions are based on historical experience and a number of other factors that are considered reasonable in current circumstances. The results of these estimates and assumptions are then used to assess the carrying amounts of those assets and liabilities that are not otherwise clearly evident from other sources. Actual results may differ from these estimates and judgements.

Estimates and assumptions are reviewed on a periodic basis. Changes in estimates are recognised in the accounts for the period in which the change is made if the change only affects that period, or in the period the change is made and in later periods if the change affects current and future periods.

Assumptions made by company management in the application of IFRS that have a significant impact on the financial statements, and estimates made that may entail significant adjustments to the financial statements for the following year are described in more detail in the Notes to the financial statements.

The accounting policies for the Group presented below have been applied consistently to all periods included in the Group's financial statements, except where otherwise stated below. The Group's accounting policies have been consistently applied to these financial statements and when consolidating the Parent Company and subsidiaries in the consolidated accounts.

Amended accounting policies and disclosure requirements

Introduction of new and revised IAS/IFRS

Revised and amended accounting policies and disclosure requirements applying as of 2021 have not had any impact on PE and its Annual Report.

Amended accounting policies from 2022 onwards

A number of new or revised standards and interpretative statements come into effect from 2022 onwards and have not been adopted in advance in the preparation of these financial statements. There is no plan for early adoption of new or amended standards effective from the beginning of the 2022 financial year. As regards anticipated effects on the financial statements from adoption of new or amended standards and interpretative statements not detailed below, the Group has concluded that they will not have any material impact on the consolidated financial statements.

Miscellaneous

For better comparability with other companies on the market, PE introduced on 1 January 2018 the earnings concept EBITA, which is defined as operating profit excluding acquisition-related items. Operating profit is therefore adjusted for amortisation and impairment of acquisition-related intangible assets, including goodwill, and re-measurement of contingent considerations and gains/losses on the divestment of companies and operations.

Consolidated financial statements

Acquisition method

The Group applies IFRS 3 Business Combinations, and all acquisitions are recognised according to the acquisition method. This method entails acquisitions of subsidiaries being viewed as transactions through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The cost on consolidation is established via an acquisition analysis at the time of the business combination. The fair value of identifiable assets acquired and liabilities assumed and any non-controlling interests identified at the acquisition date are determined in the acquisition analysis. For business combinations in which the payment made, any non-controlling interests and the fair value of previously owned participations (in the event of gradual acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are recognised separately, the difference is reported as goodwill. When the difference is negative, in what is known as a bargain purchase, this is recognised directly in profit for the year.

Contingent considerations are recognised at fair value at the acquisition date. These are revalued at each reporting date and any change recognised in profit/loss for the year. For acquisitions that are achieved in stages, goodwill is determined on the date that a controlling interest arises. Former holdings are measured at fair value and the change in value is recognised in profit/loss for the year. Acquired and divested companies are included in the consolidated income statement, balance sheet and cash flow statement for the period in which they are owned.

Subsidiaries

The Group has a controlling interest in a company when the Group is exposed to, or has the right to, variable returns from its holding in the Company and is able to influence the return via its controlling interest in the Company.

The financial statements of subsidiaries are consolidated from the acquisition date until the date that control ceases.

Non-controlling interests

Non-controlling interests are recognised as a separate item in Group equity and consist of the proportional share of the net assets of the acquired business. The Group's earnings and other comprehensive income are attributable to the Parent Company's shareholders and to non-controlling interests. Losses attributable to non-controlling interests are recognised even if it means that the proportion is negative. The effects of all transactions with the minority interests are recognised in equity for as long as the controlling interest remains.

Elimination of transactions within the Group

Intra-Group receivables, liabilities, income and expenses, together with unrealised gains and losses arising from transactions between Group companies, are eliminated in their entirety in preparation of the consolidated accounts. Unrealised gains arising from transactions with associates and jointly controlled companies are eliminated to the extent that corresponds to the Group's ownership interest in the Company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

Translation of foreign currencies

Transactions denominated in foreign currencies

Transactions in foreign currencies other than the functional currency are translated to the functional currency at the exchange rate prevailing on the transaction date. Foreign currency monetary assets and liabilities are translated into the functional currency at the respective exchange rate applicable at the reporting date. Any exchange rate differences arising during translation are recognised in the income statement. The functional currency is the currency in the primary economic environments where the companies in the Group conduct operations.

Financial statements of foreign operations

The Swedish krona (SEK), which is the Parent Company's functional currency and reporting currency, is used in the consolidated accounts.

The assets and liabilities of foreign operations, including goodwill and other surplus and deficit values on consolidation, are translated from the foreign operation's functional currency into the Group's reporting currency, SEK, at the exchange rate prevailing at the reporting date. The income and expenses of foreign operations are translated into SEK at an average rate that is an approximation of the exchange rates prevailing at the date of each transaction. Translation differences arising on translation of the currencies of foreign operations are recognised in the statement of comprehensive income and aggregated as a separate component in equity, reserves. On divestment of a foreign operation, the aggregated translation differences attributable to the divested foreign operation are reclassified from equity to profit/loss for the year as a reclassification adjustment on the date that the profit or loss from the sale is recognised.

Cash flow statement

The cash flow statement has been prepared using the indirect method, in accordance with IAS 7, whereby adjustments are made for transactions that do not result in inward or outward payments.

Revenue

Contracts

An income item can only be recognised if there is a contract with the client. Certain criteria must be satisfied for a contract to be valid, for example payment terms and the services that are to be performed.

Performance commitments

The extent of the work that has been agreed with the client according to the contract is divided up into "performance commitments". Performance commitments must be assessed and identified when the contract is entered into. PE's commitment vis-à-vis its clients is detailed in the contract, with most contracts only having one performance commitment. For contracts with several commitments, the latter will in some cases be merged to form a single performance commitment based on the degree to which the commitments are integrated with one another. The standard allows several commitments to be combined into one to create a new, separable commitment once certain criteria have been met. A commitment is separable when the client is able to benefit from the service separately, or when the service is identifiable.

Transaction price

The transaction price is the price that is allocated to the performance commitments. The transaction price is the amount that the Group expects to receive in exchange for the transfer of goods or services. This may include fixed and/or variable amounts based on time worked.

Allocation

The transaction price is allocated to each performance commitment based on a relatively independent selling price. The independent selling price is established at the time the contract is entered into and is allocated based on the value of the service relative to the total value of the performance commitment. The independent selling price is the price of the service when sold separately, in similar circumstances, to similar clients. If the service is not sold in a similar situation, PE will choose one of the following methods:

- An estimated market price
- Anticipated cost plus a margin method

Recognition of income

Income is recognised once the performance commitment has been fulfilled and control has been transferred, which takes place over time or at a given point in time. Income can be recognised over time if the Group's services do not create an asset with an alternative value, while the Group is entitled to payment for services rendered up to that point. This is applicable to the Group's consulting services. The assessment of whether an asset has an alternative value is made at the time the contract is entered into, and no new assessment is made after this point. The Group takes account of the opportunity to utilise an asset that has not been completed for another client, in which case both contractual and practical limitations are allowed for. A material contractual restriction that limits management's opportunity to utilise an asset is an indication that the asset does not have an alternative value. Practical limitations, for example significant costs that are required to modify an asset so that it can be sold to a new client, indicate that the asset does not have an alternative value. The requirement of "no alternative value" is satisfied in PE's client contracts, in that most of the Group's services are unique and adapted to clients' particular specifications. Right to payment exists if PE is entitled to payment for services that have already been performed and the client opts to cancel the contract for any reason other than that PE has not fulfilled its obligations. PE's assessment of entitlement to payment includes consideration of contract terms and legal precedent. The Group's right to payment must cover costs plus a reasonable profit margin, and not only compensation for costs incurred. Since performance commitments are fulfilled over time, the Group must assess the degree of completion in order to establish the date of revenue recognition. The purpose of measuring the degree of completion of a performance commitment is to recognise revenue to an extent that corresponds to the transfer of control of the promised service to the client. The degree of completion must be assessed for each separate contract. The method used to measure the degree of completion in the Group is the input method – costs incurred in relation to total estimated costs. An expected loss on an assignment is recognised immediately as reduced revenue in the income statement.

Contract modifications

A change to an existing contract constitutes a contract modification. A contract modification can change the scope of the contract, the price or both. A contract modification exists once the parties to the contract have approved the modification. A judgement will often be necessary to determine whether changes to existing rights and commitments should be recognised as part of the original contract or as a separate contract. Contract modifications are recognised as a separate contract, prospectively or as a retrospective adjustment. The type of modification determines how it is recognised.

Costs involved in obtaining a contract

Costs can arise in a project before work begins on performing services. This can include incremental costs to obtain a contract, or costs to fulfil a contract. External costs arising before performance of the service for the client starts include sales commission that must be paid out if the Group wins the contract and specific guarantee costs for extended projects. If a contract is expected to continue beyond 12 months, contract costs are to be capitalised as an asset and depreciated over the contract term. The Group applies the exception that contract costs are not capitalised if the contract is shorter than 12 months. These costs represent insignificant amounts, as the majority of contracts are for 12 months or less.

Service contracts on the balance sheet

Ongoing service assignments are measured on the balance sheet at invoiced value less proven losses and anticipated risks. Service assignments where revenue generated exceeds partly invoiced amounts are recognised as accrued but not invoiced revenue relating to ongoing service projects. Service assignments where partly invoiced amounts exceed revenue generated are recognised as liabilities relating to ongoing service assignments.

Recognition of government grants and disclosures as to government subsidies

In accordance with IAS 20, government grants are recognised in the financial statements when there is reasonable assurance that the grant will be received and that the Company will satisfy the terms associated with the grant.

Government grants to cover costs are recorded on an accruals basis and are recognised as income systematically in profit/loss for the year in the same way and over the same periods as the costs that the grants are intended to cover. The grants are recognised as deductions from corresponding costs, as a reduction in costs.

Finance income and costs

Finance income and costs comprise interest income on bank deposits and receivables, interest expenses on loans, loan 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 rate at which the net present value of all future inward and outward payments during the fixed-interest period is equal to the carrying amount of the receivable or liability. The interest component in financial lease fees is recognised in the income statement via application of the effective interest method.

Interest income includes accrued amounts of transaction expenses and potential discounts, premiums and other differences between the original value of the receivable and the amount received at maturity.

Loan costs affect profit/loss for the period to which they relate. Costs relating to raising loans are allocated across the period of the loan on the basis of the recognised liability.

Dividend income is recognised when the right to receive payment is established.

Income taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in the income statement, except where the underlying transaction is recognised in other comprehensive income, in which case the related tax effect is recognised in other comprehensive income.

Current tax is tax to be paid or recoverable for the current year, using tax rates enacted or substantively enacted as of the reporting date, which also includes adjustments of current tax attributable to earlier periods.

Deferred tax is calculated using the balance sheet method based on temporary differences between the carrying amounts and taxable values of assets and liabilities. Deferred tax assets represent a reduction in future tax attributable to deductible temporary differences, tax loss carry-forwards and other unutilised tax deductions. Temporary differences are not taken into account when they have arisen in the recognition of goodwill, neither are they taken into account on initial recognition of assets and liabilities that affect neither recognised nor taxable earnings. Temporary differences attributable to investments in subsidiaries and that are not expected to be reversed within the foreseeable future are not taken into account either. The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax regulations enacted or substantively enacted by the reporting date.

Deferred tax liabilities and tax assets are calculated based on the tax rate enacted for the subsequent year in each country. In the event of changes to tax rates, the change is recognised via profit/loss for the year in the Group. Deductible temporary differences and loss carry-forwards are recognised only to the extent that it is likely that these will result in lower tax payments in the future. The value of 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 (EPS) is based on the Group's profit for the year attributable to the Parent Company's owners and the weighted average number of shares outstanding during the year. The calculation of earnings per share is not affected by preference shares or convertible bonds, as none have been issued.

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 acquired business's identifiable net assets at the acquisition date. Goodwill from the acquisition of a business is recognised as an intangible asset.

Goodwill is allocated to cash-generating units and groups of cash-generating units that are expected to benefit from the business combination that gave rise to the goodwill item. Goodwill is impairment-tested annually, and is recognised at cost less accumulated impairment losses. Goodwill impairment losses are not reversed. Gains or losses on divestment of a unit include the divested portion of the carrying amount of goodwill. Goodwill arising in connection with the acquisition of associates is included in the carrying amount of the participating interest in such companies.

In the event of business combinations where the cost falls short of the net value of acquired assets and assumed liabilities, the difference is recognised directly in the income statement.

Other intangible assets

Other intangible assets acquired by the Group consist of client relationships and Brands. These are recognised as cost less accumulated amortisation and impairments.

Costs incurred for internally generated goodwill and internally generated brands are recognised in the income statement when the cost arises.

Additional expenditure

Additional expenditure for capitalised intangible assets is recognised as an asset on the balance sheet only if it increases the future economic benefits of the specific asset to which it relates and the expenditure can be reliably calculated. All other expenditure is expensed when incurred.

Amortisation

Amortisation is based on original costs less any residual values. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of an intangible asset, unless this period is indeterminable. Goodwill is tested for impairment annually or as soon as there are indications that the value of the asset in question has decreased. Intangible assets that can be amortised are amortised from the date that they are available for use.

The estimated useful lives of intangible assets acquired are between five and seven years. Other intangible assets are subject to an amortisation period of between three and five years.

Property, plant and equipment

Acquired assets

Property, plant and equipment is recognised as an asset on the balance sheet if it is likely that future economic benefits will accrue to the Company and the cost of the asset can be reliably calculated. The Group recognises property, plant and equipment at cost less deductions for accumulated depreciation and any impairment losses. Cost comprises the purchase price and expenses directly attributable to bringing the asset to the location and condition for use pursuant to the purpose of the acquisition.

Additional expenditure is added to the asset's carrying amount or recognised as a separate asset only when it is likely that the future economic benefits associated with the asset will accrue to the Group, and the asset's cost can be reliably measured.

The carrying amount for property, plant and equipment is removed from the balance sheet upon scrapping or disposal or when no future economic benefit is expected from its use, scrapping or disposal. Any gain or loss arising from the disposal or scrapping of an asset is the difference between the selling price and the asset's carrying amount less deductions for direct selling expenses. Gains and losses are recognised in the accounts as other operating income/costs. Repairs and maintenance of property, plant and equipment are recognised as costs in the income statement during the period in which they arise.

Depreciation of assets, to allocate their cost down to the estimated residual value over the estimated period of use, is applied on a straight-line basis as follows:

Depreciation principles for property, plant and equipment:

Useful life	
IT equipment	3 years
Office equipment	5 years
Office furniture	5 years
Cars	5 years

The residual value and useful life for assets are tested on each reporting date and adjusted as required.

Lease activities and their recognition

The Group leases office premises, computers, machinery and vehicles. Leases are usually amortised over fixed periods of between two and five years. There are options to extend the leases, as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease components based on their relative independent prices. However, for lease fees regarding properties where the Group is a tenant, the Group has chosen not to separate lease and non-lease components and instead recognises them as a single lease component.

Terms, negotiated separately for each contract, comprise a large number of different contract terms. Leases do not include any special terms or restrictions other than that the lessor retains the rights to pledged leased assets. The leased assets may not be used as collateral for loans.

Up until the end of the 2018 financial year, leased property, plant and equipment were classified as either finance or operating leases. As of 1 January 2019, leases are recognised as right-of-use assets with a corresponding liability from the date the leased asset is available to the Group.

Assets and liabilities arising from leases are initially recognised at net present value. Lease liabilities include the net present value of the following lease fees:

- fixed payments
- variable payments that are linked to an index or interest rate, initially measured using an index or interest rate on the start date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price for a purchase option if the Group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Once the lease term has been established, the Company takes account of all available information offering a financial incentive to exercise an option to extend, or not to exercise an option to terminate a contract. Opportunities to extend a lease are included only in the lease term if it is reasonably certain that the lease will be extended.

The lease fees are discounted at the implicit interest rate for the lease. If this interest rate cannot be established simply, which is often the case with the Group's leases, the marginal loan interest rate should be used. This is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment with similar terms and security.

The Group determines the marginal loan interest rate by comparison with financing that has recently been obtained by a third party. A benchmark rate is thus obtained, which is then adjusted to reflect potential changes in financing conditions. In 2021, 1.85 percent was used.

The Group is exposed to possible future increases in variable lease payments based on an index or an interest rate, which are not included in the lease liability until they enter into force. When adjustments to lease fees based on an index or an interest rate enter into force, the lease liability is remeasured and adjusted against the right-of-use asset.

Lease fees are allocated between amortisation of the liability and interest rate. The rate is recognised in the income statement over the term of the lease in a manner that entails a fixed interest rate for the recognised lease liability for the period concerned.

Right-of-use assets are measured at cost and include the following elements:

- the amount at which the lease liability was originally measured
- lease fees that were paid at or before the start date, less any benefits received in connection with the signing of the lease
- initial direct payments
- costs incurred to restore the asset to the condition stipulated in the terms of the lease.

Right-of-use assets are depreciated on a straight-line basis over their useful life or the term of the lease, whichever is the shorter. If the Group is reasonably certain that a purchase option will be exercised, the right-of-use asset is depreciated over the useful life of the underlying asset.

Payments for contracts relating to leases of minor value and/or short-term leases are expensed on a straight-line basis in the income statement. Short-term lease contracts are contracts with a term of 12 months or less.

Options to extend and terminate contracts

Options to extend and terminate contracts are included in a number of the Group's leases relating to buildings and equipment. The terms are used to maximise flexibility in the management of assets used in the Group's operations. The overwhelming majority of the options providing opportunities to extend and terminate contracts may only be exercised by the Group and not by the lessors.

Non-current assets held for sale

The significance of a non-current asset being classified as held for sale is that its carrying amount will be recovered mainly by it being sold and not through use. No non-current assets or operations were identified as being covered by the above standard in the 2019 and 2020 financial years.

On initial classification as being held for sale, non-current assets are recognised at either the carrying amount or fair value, whichever is the lower, less selling expenses.

Financial instruments

Investments and other financial assets

Classification

The Group classifies its financial assets in the following categories:

- financial assets recognised at fair value either via other comprehensive income or via the income statement, and
- financial assets measured at amortised cost.

Investments in debt instruments are classified on the basis of the Group's business model for management of financial assets and the contractual conditions for the cash flows of the assets.

In the case of investments in equity instruments not held for trading, recognition is determined by whether the Group, at the time of acquiring the instrument, made an irrevocable choice to recognise the equity instrument at fair value via other comprehensive income.

The Group reclassifies debt instruments only in the event that the Group's business model to manage the instruments is changed.

Recognition and derecognition from the balance sheet

Acquisitions and divestments of financial assets are recognised at the transaction date, that is, the date on which the Company undertakes to purchase or sell the asset. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument expires or is transferred, and when the Group has largely transferred all risks and benefits associated with the right of ownership.

Measurement

Financial assets are measured initially at fair value plus, in cases where the asset is not recognised at fair value via the income statement, transaction expenses directly attributable to the acquisition. Transaction expenses attributable to financial assets recognised at fair value via the income statement are recognised directly in the income statement.

Investments in debt instruments
Subsequently, investments in debt instruments are measured on the basis of the Group's model for management of the asset and the type of cash flows that the asset gives rise to.

The Group classifies its investments in debt instruments in three categories of measurement:

- *Amortised cost:* Assets held for the purpose of collecting contractual cash flows, in which these cash flows consist solely of principal and interest, are recognised at amortised cost. Interest income from such financial assets are recognised as financial income using the effective interest method. Gains and losses arising from derecognition from the balance sheet are recognised directly in income on the line Other gains and losses, together with exchange rate gains and losses. Impairment losses are recognised on a separate line in the income statement.

- *Fair value via other comprehensive income:* Assets held for the purpose of collecting contractual cash flows and for sale, in which the cash flows from the assets consist solely of principal and interest, are measured at fair value via other comprehensive income. Any changes in the carrying amount are recognised via other comprehensive income, except for recognition of interest income, exchange rate differences and impairment losses, which are recognised via the income statement. When the financial asset is derecognised from the balance sheet, the accumulated profit or loss, which was formerly recognised via other comprehensive income, is transferred from equity to the income statement. Interest income from these financial assets are recognised as financial income using the effective interest method. Exchange rate gains and losses are included among other gains and losses. Costs of impairments are recognised on a separate line in the income statement.

- *Fair value via the income statement:* Assets that do not meet the requirements for recognition at amortised cost or fair value via other comprehensive income are measured at fair value via the income statement. A profit or loss for a debt instrument that is recognised at fair value via the income statement and that is not part of a hedging arrangement is recognised net in the income statement in the period in which the profit arises or the loss is incurred.

Impairment
The Group measures the future expected credit losses in connection with investments in debt instruments recognised at amortised cost or fair value with changes via other comprehensive income based on forward-looking information. The Group chooses provision method on the basis of whether there has been any material increase in credit risk or not.

In accordance with the rules of IFRS 9, the Group applies a simplified method for impairment testing of trade receivables. In the simplified method, the provision for expected credit losses is calculated on the basis of the risk of loss over the term of the receivable as a whole and is recognised when the receivable is recognised initially.

Trade payables and other liabilities
Trade payables are commitments to pay for goods or services acquired within operating activities from suppliers. The amounts are unsecured and are mostly paid within 30 days. Trade payables and other liabilities are classified as current liabilities if falling due for payment within a year or less (or in the course of a normal business cycle if longer). Otherwise, they are recognised as non-current liabilities. These liabilities are initially recognised at fair value and subsequently at amortised cost, using the effective interest method.

Borrowing
Borrowing is initially recognised at fair value, net of transaction expenses. Borrowing is then recognised at amortised cost and any difference between the amount received (net of transaction expenses) and the amount for repayment is recognised via the income statement spread over the term of the loan, using the effective interest method. Fees paid for loan facilities are recognised as transaction expenses for the loan to the extent that it is likely that the credit facility will be used in part or in full. In such cases, the fee is recognised when the credit facility is used. When there is no evidence that it is likely that the credit facility will be used, in part or in full, the fee is recognised as an advance payment for financial services and is spread over the term of the loan commitment concerned.

Borrowing is derecognised from the balance sheet when the commitments have been settled, cancelled or have otherwise ceased. The difference between the carrying amount for a financial liability (or part thereof) that has been extinguished or transferred to another party, and the payment made, including transferred assets that are not cash or liabilities assumed, is recognised in income.

Borrowing is classified under current liabilities unless the Group has an unconditional right to defer payment of the liability for 12 months or more after the end of the reporting period.

Financial instruments in the Parent Company
Financial instruments in the Parent Company are recognised at cost less any impairment losses, and taking account of accrued impact on earnings at the end of the accounting period. Since the Group applies Group-wide risk management, qualitative and quantitative risk information is described above for the entire Group.

Impairment

The carrying amounts for the Group's assets, with the exception of assets for sale recognised according to IFRS 5, and deferred tax assets, are tested at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is calculated. For assets exempt from the above, the valuation is reviewed according to the relevant standard. Impairment testing for property, plant and equipment, intangible assets, investments in subsidiaries and participations in associates

The recoverable amount is the higher of fair value less selling expenses, and value in use. When calculating value in use, future cash flows are discounted by a discount factor that takes account of risk-free interest and the risk that is associated with the specific asset. For an asset that does not generate cash flows that are substantially independent of other assets, the value in use is calculated for the cash-generating unit to which the asset belongs. An impairment is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment of assets attributable to a cash-generating unit is in the first instance allocated to goodwill. Subsequently, impairment of the other assets included in the unit is applied on a proportional basis.

Impairment testing for financial assets
At each reporting date, the Company determines whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective proof consists partly of observable circumstances that have arisen and that have a negative impact on the possibility of recovering the acquisition cost, and partly of a significant or prolonged reduction in the fair value of a financial investment classified as an available-for-sale financial asset. Several assumptions and estimates are made as to future conditions, which are taken into account when calculating the discounted cash flow that forms the basis of the estimated recoverable amount. Key assumptions include anticipated growth, margins and discount rate. If these assumptions change, the value of remaining goodwill may be affected.
The recoverable value of assets in the category of loan receivables and trade receivables that are recognised at amortised cost is calculated as the present value of future cash flows discounted by the effective interest rate that was applied at initial recognition of the asset. Assets with a short maturity are not discounted. Any impairment is charged to profit or loss.

Reversal of impairment
An impairment is reversed if there is an indication that impairment no longer exists, and if there has been a change in the assumptions which formed the basis for calculating the recoverable amount. However, goodwill impairment is never reversed. A reversal is only made to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, with a deduction for the depreciation or amortisation where relevant if no impairment had been applied. Impairment losses for loan receivables and trade receivables recognised at amortised cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after the impairment loss was recognised.

Employee benefits

PE distinguishes between defined-contribution and defined-benefit pension schemes. Defined-contribution pension schemes are defined as those where the Company pays fixed premiums to a separate legal entity and is not obliged to pay additional amounts, even if the legal entity does not have sufficient assets to pay the employee benefits relating to work performed up until the reporting date. Other pension schemes are defined-benefit schemes. The defined-benefit pensions in place within PE are those that are secured through the ITP occupational pension plan's defined-benefit pension commitment for retirement and family pensions via a policy held with Alecta. Since the pension scheme is secured via a policy held with Alecta, it is recognised as a defined-contribution scheme.

Defined-contribution pension schemes

The Group's obligations to pay premiums to defined-contribution pension schemes are recognised as a cost in the income statement as and when they are earned.

Termination benefits

A provision is recognised in connection with termination of employment only if the Company is demonstrably obliged to terminate employment prematurely, or when remuneration is paid as an incentive to encourage voluntary redundancy. In cases where the Company makes employees redundant, a detailed plan is drawn up including, at the least, information about workplaces, roles and the approximate number of individuals affected, as well as compensation for each category of personnel or role and a schedule for the plan's implementation. If redundancy payments are due for a period extending beyond 12 months after the end of the financial year, these are discounted.

Provisions

Provisions differ from other liabilities in that there is uncertainty as to when the payment will take place or the size of the amount in terms of settling the provision. A provision is recognised on the balance sheet when the Group has an existing legal or constructive commitment via a past event and it is probable that an outlay of financial resources will be required to settle the commitment, and a reliable estimate of the amount can be made.

Provisions are made in an amount that is the best estimate of the amount required to settle the existing commitment at the reporting date. When the effect of the timing of the payment is significant, provisions are calculated by discounting the expected future cash flow using an interest rate before tax that reflects current market estimates of the time value of money, and if applicable, the risks specific to the liability.

A provision to cover restructuring is recognised once the Group has established a detailed and formal restructuring plan and the restructuring process has either begun or been publicly announced. No provisions are made for future operating costs.

Pledged assets

Pledged assets are what PE has pledged as collateral for the Company's or Group's liabilities and/or contingent liabilities. These may be liabilities, provisions on the balance sheet or contingent liabilities that are not recognised on the balance sheet. Collateral may be linked to assets on the balance sheet, or mortgages. Assets are recognised at their carrying amounts and mortgages at nominal value. Shares in Group companies are recognised at their value in the Group.

Contingent liabilities

A contingent liability is recognised whenever there is a possible obligation originating from past events and whose existence is confirmed only by one or more uncertain future events, or when there is an obligation not recognised as a liability or provision because it is not probable that an outflow of resources will be required, or because the amount cannot be calculated with sufficient reliability.

Events after the reporting date

PE reports events that confirm a state of affairs that existed at the reporting date. If events occur after the reporting date that are not of such a nature that they are required to be taken into account when the income statement and balance sheet are adopted, but that are of such significance that lack of information about them would impact the ability of a reader to make accurate assessments and well-founded decisions, then PE will submit disclosures for each event in the Notes and the Directors' report.

Critical accounting estimates and judgements

Estimates and judgements that affect the Group's financial statements are detailed under Note 34.

Parent Company's accounting policies

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 requires the Parent Company to apply, in the annual accounts for the legal entity, all IFRS standards and opinions approved by the EU where possible within the scope of the Swedish Annual Accounts Act and taking account of the link between accounting and taxation. The recommendation specifies which exceptions and additions should be made compared with IFRS. The differences between the Group's and the Parent Company's accounting policies are shown below. The accounting policies stated have been applied consistently to all periods presented in the Parent Company's financial statements.

Amended accounting policies

Unless otherwise stated, the Parent Company's accounting policies for the 2021 financial year have been amended in accordance with the details given above for the Group.

Subsidiaries and associates

Investments in subsidiaries and participations in associates are recognised in the Parent Company in accordance with the cost method. Only dividends received are recognised as income.

Financial guarantees

The Parent Company's financial guarantees mainly comprise guarantees on behalf of subsidiaries and associates. Financial guarantees are when a company is obliged to compensate the holder of a debt instrument for losses incurred by the holder due to a specific debtor failing to pay on maturity according to the terms of the agreement. For recognition of financial guarantee agreements, the Parent Company applies RFR 2, which involves a dispensation compared with the rules in IAS 9 as regards financial guarantee agreements issued on behalf of subsidiaries and associates.

The Parent Company recognises financial guarantee agreements as a provision on the balance sheet when the Company has an obligation for which payment is likely to be required to settle the obligation.

Untaxed reserves

In the Parent Company's accounts, untaxed reserves are recognised inclusive of deferred tax liability. However, in the consolidated accounts untaxed reserves are separated into deferred tax liability and equity.

Group contributions and shareholder contributions for legal entities

- Group contributions can be recognised according to the main rule or the alternative rule, according to guidance in RFR 2. Projektengagemang applies the alternative rule and consistently recognises Group contributions, both received and paid, as appropriations.
- Shareholder contributions are transferred directly to equity with the recipient and are capitalised in shares and participations with the donor, to the extent that no need for impairment is identified.

Presentation format for income statement and balance sheet

The Parent Company follows the presentation format for income statements and balance sheets laid down in the Swedish Annual Accounts Act, which means a different format for shareholders' equity and that provisions are reported under a separate main heading on the balance sheet.

Group information

Of the Parent Company's total purchases and sales measured in SEK, 0 percent (0) of purchases and 100 percent (100) of sales concern other companies within the entire group to which the Company belongs.

NOTE 2 Categories of revenue

Types of undertaking in contracts
PE is a multidisciplinary engineering and architectural consulting company with advanced expertise and project capability. The broadly-based know-how of PE's engineers, architects and specialists is integrated and generates value for clients and society. PE supplies knowledge-intensive services, such as feasibility studies, investigations and strategic planning, at all stages of the client's project. At the end of the 2021 financial year, the Company had a workforce of 835. This makes PE one of Sweden's leading engineering and architectural consulting firms. Some 13,000 assignments were performed during the year on behalf of 4,000 clients. The timing and significance of services delivered in all operating segments is detailed below:

Types of undertaking in contracts
For PE, in the majority of cases a contract represent an undertaking, and consists mainly of service deliveries. Revenue from the service deliveries is generated via contracts with clients where consulting services are performed in projects. The two most common types of project are fixed-price and ongoing projects.

Fixed-price projects mean that the total remuneration is determined in advance and irrespective of the actual number of hours required in order to fulfil the undertakings in the particular project. In ongoing or open-account projects, remuneration is based on an hourly rate multiplied by the number of hours worked.

PE's undertakings are almost exclusively ongoing, i.e. at a fixed, agreed hourly rate that is charged on an ongoing basis. Since the contractually agreed hourly rate is fixed, PE is fully aware of the amount that will be charged, which is invoiced as the work is performed.

There are no discounts, deductions etc. that could constitute variable remuneration and thus be subject to assessment.

For information about the performance of obligations and how this is linked to revenue recognition, see the section "Revenue" in Note 1.

Contract assets and contract liabilities
Service contracts regarding ongoing service projects are recognised on the balance sheet at the value of work completed, less confirmed and anticipated losses. Ongoing service assignments are the only contract assets that PE recognises on the balance sheet.

Contract liabilities are recognised on the balance sheet in the case of advance billing, that is, when invoices have been sent to the client in advance. Service contracts are recognised on the balance sheet net, meaning that if the value of work in progress exceeds the amounts in advance billing, the contract is recognised in current assets as 'Accrued but not invoiced revenue'. Service contracts where the value of advance billing exceeds the value of work in progress are recognised in current liabilities as "Liabilities relating to ongoing service assignments". For further information, see Note 21.

Timing of fulfilment of performance commitments
Revenue is recognised when control is transferred to the client, which takes place over the term of the project as services are performed. The degree of completion is assessed separately for each performance commitment and charged to the client based on the number of hours worked.

Invoicing and payment terms
Ongoing projects are invoiced monthly and fixed-price projects are invoiced either monthly or according to a schedule established in the contract, both with payment terms of 30 days.

Revenue breakdown
PE's revenue comprises one type of income relating to delivery of assignments to clients. Revenue is broken down based on the Company's business areas, which are separated into the segments by which PE follows up its operations.

SEKm	2021	2020*
Net revenue		
Architecture	160.8	160.6
Project Management	153.5	215.6
Architecture & Management	**314.4**	**376.2**
Building	273.7	374.2
Building Environment	115.5	81.4
Civil Engineering & Infrastructure	**389.2**	**455.6**
Electrical, Telecommunications & Security	213.0	244.3
HVAC & Sanitation Design	112.1	124.6
Systems	**325.2**	**368.9**
Internal eliminations	-15.9	-33.6
Total	**1,012.8**	**1,167.0**

* Comparative figures have been recalculated following the organisational transfer of Fire Safety, Risk and Protection units to the Architecture & Management segment from the Systems segment. This corresponds to a shift in net sales of SEK 76.3 million.

NOTE 3 Segment reporting

Operating segments are reported such that corresponds to the internal reports that are presented to the chief operating decision-maker. The chief operating decision-maker is the function that is responsible for allocation of resources and assessment of the results of the operating segments. In the Group, this function is identified as the Chief Executive Officer.
Segment Other includes Projektengagemang Sweden AB (the Group's Parent Company), staff functions, Group adjustments that are not segment-specific and companies that cannot be categorised under other segments.

The Group is currently divided into three operating segments and one Other segment:

- **Architecture & Management.** Offers services in urban planning, architecture, landscape architecture and interior architecture, as well as project management and consulting in all stages of the building process, and on societal development and sustainability.
- **Civil Engineering & Infrastructure.** Offers services in areas such as building design, acoustics, geotechnics, energy, environment, sustainability, bridge and civil engineering design, railways, roads, water treatment and environmental impact.
- **Systems.** Offers services in areas such as HVAC and sanitation design, electrical and telecommunications engineering, security, fire safety, sprinkler systems, automation and digitalisation. The segment also includes Industry & Energy, which used to be a separate operating segment.
- **Other.** Parent Company, staff functions and Group adjustments.

Operations are monitored and assessed on the basis of segments and their constituent units, with regard to revenue trend, profit/loss before depreciation/amortisation and acquisition-related items (EBITA) and operating profit/loss (EBIT). Projektengagemang's view is that from an external reporting perspective this presents information about the business clearly and shows how operations are managed from an overall perspective.

SEK 000s	2021 Architecture & Management	Civil Engineering & Infrastructure	Systems	Other/Items affecting comparability	Total
Total net revenue*	314,357	389,246	325,156	-15,918	1,012,841
Of which, net revenue from external clients	291,396	372,219	312,535	36,691	1,012,841
Of which, net revenue between segments	22,961	17,027	12,620	52,609	–
Total growth, %	-16.4	-14.6	-11.9		-13.2
– of which organic, %	-16.4	-12.0	-11.9	–	–12.2
– of which acquired, %	0.0	-2.6	0.0	–	-1.0
Amortisation*	-18,254	-23,616	-11,174	-22,464	-75,508
EBITA*	19,422	35,677	7,833	-6,077	56,855
Acquisition-related items*	-893	-8,688	-1,470	-5,940	-16,992
Operating profit/loss, EBIT*	18,529	26,989	6,364	-12,018	39,863
EBIT margin, %*	5.9	6.9	2.0	75.5	3.9
Financial items					-12,891
Profit/loss after financial items*					26,972
Goodwill	135,492	297,242	166,258	-4,186	594,806
Accrued but not invoiced revenue	23,880	26,828	39,679	602	90,989
Average number of employees	217	278	239	101	835

SEK 000s	2020* Architecture & Management	Civil Engineering & Infrastructure	Systems	Other/Items affecting comparability	Total
Total net revenue	376,219	455,591	368,872	-33,639	1,167,043
Of which, net revenue from external clients	345,525	428,922	351,003	41,594	1,167,043
Of which, net revenue between segments	30,694	26,671	17,869	-75,234	-0
Total growth, %	-18.9	6.7	-19.6	–	-13.4
– of which organic, %	-19.4	6.7	-19.6	–	-13.4
– of which acquired, %	0.5	0.0	0.0	–	0.0
Amortisation*	-20,442	-24,122	-19,475	-11,580	-75,620
EBITA	6,413	43,930	20,014	8,353	78,710
Acquisition-related items	-2,991	-8,834	556	0	-11,270
Operating profit/loss, EBIT	3,422	35,096	20,570	8,353	67,441
EBIT margin, %	0.9	7.7	5.6	-24.8	5.8
Financial items					-13,562
Profit/loss after financial items					53,878
Goodwill	135,492	298,995	166,258	-3,447	597,298
Accrued but not invoiced revenue	24,915	44,279	26,949	952	97,095
Average number of employees	290	326	311	57	984

* Comparative figures have been recalculated following the organisational transfer of Fire Safety, Risk and Protection units to the Architecture & Management segment from the Systems segment. This corresponds to a shift in net sales and EBITA of SEK 76.3 million and SEK 2.6 million, respectively. Goodwill and Accrued but not invoiced income have been adjusted by SEK 28.1 million and SEK 4.9 million respectively for the same reason.

NOTE 4 Business combinations and earnings

No acquisitions of subsidiaries were made in 2021 and 2020. A contingent consideration relating to FAST Engineering Göteborg AB was paid in 2020 and a reserved contingent consideration relating to Devo Engineering AB was settled. No claims regarding this acquisition remain. On 1 September 2021, the railway business was divested and on 22 December 2021, the Indian subsidiary Aristi was sold.

Acquisition-related items

SEK 000s	2021	2020
EBITA	56,855	78,710
Amortisation of acquisition-related non-current intangible assets	-12,804	-11,222
Contingent consideration paid	–	-2,073
Contingent consideration reversed	–	2,026
Divested operations	3,145	–
Sale of Group companies	-2,276	–
Additional IT costs related to earlier acquisitions	-5,056	–
Acquisition-related items	**-16,992**	**-11,269**
Operating profit/loss, EBIT	**39,863**	**67,441**

Effect of acquisitions on Group's net revenue

	Net revenue		EBITA	
SEK 000s	2021	2020	2021	2020
Architecture & Management	–	–	–	–
Civil Engineering & Infrastructure*	-13,457	–	–	–
Systems	–	–	–	–
	-13,457	**–**	**–**	**–**

* Divested railway business. EBITA is not monitored at this level.

NOTE 5 Auditor's fee and remuneration

	Group		Parent Company	
SEK 000s	2021	2020	2021	2020
PWC				
Audit assignments	1,510	1,958	1,510	1,958
Auditing services in addition to audit assignment	208	166	208	166
Tax consulting	92	25	82	25
Miscellaneous	–	18	–	18
Total PWC	**1,810**	**2,167**	**1,800**	**2,167**
Other auditors				
Audit assignments	–	3	–	–
Miscellaneous	23	3	23	3
Total, other auditors	**23**	**6**	**23**	**3**
Total	**1,833**	**2,173**	**1,823**	**2,170**

NOTE 6 Employees and personnel expenses

Average number of FTEs and gender representation

	2021		2020	
SEK 000s	Women	Men	Women	Men
Parent Company	1	1	0	2
Subsidiaries	273	560	292	690
– Of which, Norway	1	2	1	2
– Of which, India	3	36	4	38
Group, total	**274**	**561**	**292**	**692**
Total, average number of FTEs	**835**		**984**	

Of the Group's average number of employees totalling 835 (984), 39 (42) are employed in India, 3 (3) in Norway and 793 (939) in Sweden.

Gender representation in the Board of Directors and among other senior executives

	2021	2020
Group	Proportion of women, %	Proportion of women, %
Board of Directors	**33%**	**33%**
Other senior executives	30%	40%

Remuneration and other benefits recognised as expenses

2021 Board of Directors, CEO and other senior executives	Base salary/ Directors' fee	Variable remuneration	Other benefits	Pension expense	Total
Chairman of the Board (Per-Arne Gustavsson)	418				418
Board member (Per Göransson)	178	–	–	–	178
Board member (Lars Erik Blom)	260	–	–	–	260
Board member (Carina Malmgren Heander)	219	–	–	–	219
Board member (Christina Ragsten)	219	–	–	–	219
Board member (Jon Risfelt)	240	–	–	–	240
CEO (Helena Hed)	2,955	–	86	837	3,878
Deputy CEO (Peter Sandberg)	1,837	–	41	440	2,318
Other senior executives (2)*	2,979	–	56	732	3,767
Total remuneration to Board of Directors, CEO and other senior executives	**9,305**	**–**	**183**	**2,009**	**11,497**

* See page 70.

2020 Board of Directors, CEO and other senior executives	Base salary/ Directors' fee	Variable remuneration	Other benefits	Pension expense	Total
Chairman of the Board (Per-Arne Gustavsson), from December	34	–	–	–	34
Chairman of the Board (Per Göransson), up to end of November	376	–	–	–	376
Board member (Lars Erik Blom)	238	–	–	–	238
Board member (Britta Dalunde)	106	–	–	–	106
Board member (Öystein Engebretsen)	81	–	–	–	81
Board member (Carina Malmgren Heander)	215	–	–	–	215
Board member (Per Göransson)	15	–	–	–	15
Board member (Per-Arne Gustavsson)	–	–	–	–	–
Board member (Christina Ragsten)	125	–	–	–	125
Board member (Jon Risfelt)	137	–	–	–	137
CEO (Helena Hed), from December	250	–	–	22	273
Outgoing CEO (Per-Arne Gustavsson), up to end of November	2,909	–	–	–	2,909
Deputy CEO (Peter Sandberg)	1,606	–	35	381	2,021
Other senior executives (6)*	6,148	–	–	1,634	7,782
Total remuneration to Board of Directors, CEO and other senior executives	**12,240**	**–**	**35**	**2,037**	**14,312**

** In addition to the current management, see page 85 in the 2020 Annual Report, also includes Åsa Holmgren, Kjell-Åke Johansson, Linda Lönneberg and Tord Larsson-Steen.

Salaries and other remuneration allocated among senior executives and other employees

	Group		Parent Company	
Personnel costs	**2021**	**2020**	**2021**	**2020**
Salaries and other remuneration, senior executives	7,771	10,913	4,792	4,765
Salaries and remuneration, other employees	429,802	464,744	–	–
Total salaries and other remuneration	**437,573**	**475,657**	**4,792**	**4,765**
Social security expenses excl. pension expenses	154,291	176,299	2,343	1,214
Pension expenses, senior executives	2,008	2,037	1,276	454
Pension expenses, other employees	55,990	62,871	–	–
Total personnel costs	**649,861**	**716,864**	**8,411**	**6,433**

Remuneration to the Board

No remuneration is paid for Board work where the individual is an employee of Projektengagemang and/or subsidiaries. The AGM of Projektengagemang Sweden AB (publ), held on 5 May 2021, resolved to remunerate the external Chairman with a fee of SEK 360,000 per year, and to remunerate other external members with a fee of half that amount, SEK 180,000. In addition to the Board fee, the chairman of the Audit Committee is paid SEK 83,000 and its members SEK 42,000 each. The chairman of the Remuneration Committee and members are paid SEK 42,000 and SEK 21,000, respectively, in addition to Board fees.

Remuneration of senior executives in PE

Basis

Remuneration is based on commercial terms and consists of a fixed basic salary, pension and benefits.

Pensions

Pension terms and conditions are based on a pension premium provision of 4.5 percent of salary up to 7.5 income base amounts, plus 30 percent of any amount above that. PE does not have any outstanding pension obligations for current and any former Board of Directors and CEOs.

Other remuneration

This item consists, where applicable, of company cars and healthcare insurance.

Long-term share-based incentive programme

At the 2019, 2020 and 2021 AGMs, it was resolved to establish long-term share-based incentive programmes – the performance-based Share Purchase Programmes 2019, 2020 and 2021, respectively. The motivation for a share-based incentive programme is to increase and/or spread share ownership and/or exposure more widely among senior executives and to create a greater community of interest among the executives and shareholders of the Company. A personal, long-term ownership engagement on the part of key personnel may be expected to inspire greater interest in the business and its performance, and to increase motivation and a feeling of belonging at PE. Share-based incentive programmes shall always be subject to resolution by the AGM or an EGM.

Share Purchase Programmes

	2021	2020	2019
Number of participants still subscribing to programme and employed at the Company	30	19	9
Number of shares acquired	63,582	72,005	26,343
Allocation of matching shares according to programme	1	1	1
Maximum number of matching shares	63,582	72,005	26,343
Allocation of performance-based shares according to programme	1–4	1–4	1–4
Maximum number of performance-based shares	134,041	127,795	24,262
Allocation for year		–	–
Accumulated allocation		–	–
Period of operation	01/08/2021–31/07/2024	01/08/2020–31/07/2023	01/08/2019–31/07/2022

The performance-based Share Purchase Programmes 2019, 2020 and 2021 are offered to around 35 senior executives and other key individuals in the Group.

To participate in the Share Purchase Programmes 2019, 2020 and 2021, participants must acquire by their own means Series B shares ("Savings Shares") in the Company at market price on the Nasdaq Stockholm exchange for an amount corresponding to no more than 4.2 to 12.5 percent of the individual participant's fixed annual salary for the year concerned. If the Savings Shares are retained for the set three-year vesting period, starting on 1 August 2019, 2020 and 2021 ("the Vesting Period") and if certain conditions are satisfied, including continued employment in the Group for the entire Vesting Period, one Series B share in the Company will be received free of charge provided that the total shareholder return ("TSR") is positive during the vesting period, plus – provided that certain performance-based requirements are satisfied on an annualised basis during the three-year vesting period – a further no more than one to four Series B shares in the Company. The maximum number of Series B shares in the Company that may be allocated in the Share Purchase Programmes 2019, 2020 and 2021 is limited to 252,000, 400,000 and 315,000, respectively.

In none of the 2019, 2020 and 2021 periods were the conditions described above fulfilled, and as a result the Company made no provision for costs.

Cessation of employment

For the Chief Executive Officer and Deputy Chief Executive Officer, a notice period of six months applies, both from the CEO and from the Company. In the case of termination of employment by the Company, the CEO is entitled to a severance payment of 12 months' salary and the Deputy CEO six months' salary. For other senior executives, standard industry practice applies.

NOTE 7 Pension expenses

	Group		Parent Company	
SEK 000s	**2021**	**2020**	**2021**	**2020**
Expenses for defined-contribution schemes	57,998	64,908	1,276	454

According to the Swedish Financial Reporting Board, a pension scheme covering several employers is to be classified as defined-contribution or defined-benefit depending on the terms of the scheme. This is relevant for the Group, which has pension commitments secured via Alecta. The Group lacks information regarding such classification for the majority of the pension benefits earned. The pension scheme is therefore classified in its entirety as a defined-contribution scheme. Pension insurance contributions for the year that are contracted in pension schemes covering several employers amount to SEK 58.0 million (64.9). The charges for 2022 are expected to be in line with charges for 2021. The solvency margin for Alecta was 172 percent (148) in December 2021.

NOTE 8 Depreciation/amortisation

	Group		Parent Company	
SEK 000s	**2021**	**2020**	**2021**	**2020**
Intangible assets	1,694	1,588	61	62
Acquisition-related intangible assets	12,804	11,222	–	–
Property, plant and equipment*	73,814	74,031	–	–
Total depreciation, amortisation and impairment losses	**88,312**	**86,842**	**61**	**62**
*Of which, depreciation for leased equipment	66,647	66,438	–	–

NOTE 9 Net finance cost

	Group		Parent Company	
SEK 000s	**2021**	**2020**	**2021**	**2020**
Profit from investments in Group companies				
Result from sale of Group companies	–	–	-4,834	–
Result from participations and financial investments				
Dividends from Group companies	–	–	–	–
Result from financial investments	-1,724	160	-1,700	160
Interest income and similar income statement items				
Interest income, Group companies	–	–	–	–
Interest income, other	11	24	–	–
Other finance income	–	–	–	–
Interest expenses and similar income statement items				
Interest expenses, Group companies	–	–	–	–
Interest expenses, leases	-4,333	-3,416	–	–
Interest expenses, other	-5,290	-8,854	-3,662	-7,867
Other finance costs	-1,554	-1,474	-1,510	-2,736
Net financial items	**-12,891**	**-13,561**	**-11,706**	**-10,443**

NOTE 10 Appropriations

Parent Company	**2021**	**2020**
Group contributions received	-4,169	–
Group contributions paid	–	–
Total	**-4,169**	**–**

NOTE 11 Earnings per share

Group	2021	2020
Profit/loss for the year	20,233	37,747
Earnings per share, SEK	0.82	1.54
Proposed dividend per share, SEK	0.40	–
Proposed dividend	9,822	–

The calculation of earnings per share for 2021 and 2020 is based on profit/loss for the year, attributable to the Parent Company's ordinary shareholders, amounting to SEK 20,233 thousand (37,747), and on the weighted average number of ordinary shares outstanding during the period totalling 24,555,677 (24,555,677).

There is no dilution effect.

NOTE 12 Non-current intangible assets

	Group					Parent Company		
2021, SEK 000s	**Goodwill**	**Client relationships**	**Other intangible assets**	**Development expenditure**	**Total**	**Development expenditure**	**Other intangible assets**	**Total**
Accumulated costs								
Opening balance, 01/01/2021	599,063	55,240	57,692	8,475	720,470	–	246	246
Purchases	–	–	1,021		1,021	–	–	–
Business combinations	–	–	–	–	–	–	–	–
Exchange rate differences	152	–	–	–	152	–	–	–
Divestments and disposals	-891		–	–	-891	–	–	–
Mergers	–	–	–	–	–	–	–	–
Closing balance, 31/12/2021	**598,324**	**55,240**	**58,713**	**8,475**	**720,752**	**–**	**246**	**246**
Accumulated depreciation/amortisation according to plan								
Opening balance, 01/01/2021	-36	-28,944	-22,969	-8,475	-60,424	–	-93	-93
Divestments and disposals	–	–	–	–	–		–	–
Depreciation/amortisation for the year	–	-11,051	-1,694	–	-12,745	–	-61	-61
Closing balance, 31/12/2021	**-36**	**-39,996**	**-24,663**	**-8,475**	**-73,169**	**–**	**-154**	**-154**
Accumulated impairment losses								
Opening balance, 01/01/2021	-1,729	–	-29,489	–	-31,218	–	–	–
Divestments and disposals	-1,753	–	–	–	-1,753	–	–	–
Closing balance, 31/12/2021	**-3,482**	**–**	**-29,489**	**–**	**-32,971**	**–**	**–**	**–**
Planned residual values, 31/12/2021	**594,806**	**15,244**	**4,562**	**–**	**614,611**	**–**	**92**	**92**

	Group					Parent Company		
2020, SEK 000s	**Goodwill**	**Client relationships**	**Other intangible assets**	**Development expenditure**	**Total**	**Development expenditure**	**Other intangible assets**	**Total**
Accumulated costs								
Opening balance, 01/01/2020	599,201	55,240	56,295	8,475	719,211	–	171	171
Purchases	–	–	1,397		1,397	–	75	75
Exchange rate differences	-138	–	–	–	-138	–	–	–
Closing balance, 31/12/2020	**599,063**	**55,240**	**57,692**	**8,475**	**720,470**	**–**	**246**	**246**
Accumulated depreciation/amortisation according to plan								
Opening balance, 01/01/2020	-36	-17,871	-21,231	-8,475	-47,613	–	-31	-31
Depreciation/amortisation for the year	–	-11,072	-1,739	–	-12,811	–	-62	-62
Closing balance, 31/12/2020	**-36**	**-28,944**	**-22,969**	**-8,475**	**-60,424**	**–**	**-93**	**-93**
Accumulated impairment losses								
Opening balance, 01/01/2020	-1,729	–	-29,489	–	-31,218	–	–	–
Closing balance, 31/12/2020	**-1,729**	**–**	**-29,489**	**–**	**-31,218**	**–**	**–**	**–**
Planned residual values, 31/12/2020	**597,298**	**26,296**	**5,233**	**–**	**628,828**	**–**	**153**	**153**

Impairment testing for goodwill in cash-generating units

The balance sheet for PE recognises goodwill totalling SEK 594.8 million (597.3). The Group's intangible assets relate mainly to business combinations. These acquired intangible assets consist largely of goodwill, since it is mainly the human capital in the form of employee expertise that constitutes the value of consulting companies. Other acquired intangible assets consist of client relationships totalling SEK 15.2 million (26.3).

The useful life of these other acquired intangible assets is three to seven years.

Goodwill and other intangible assets have been allocated to the lowest identifiable cash-generating unit. Goodwill is not amortised on an ongoing basis, but instead the value is tested at least once a year in the fourth quarter, or when there are indications of a need for impairment, by the anticipated future cash flow being discounted with a weighted average cost of capital per cash-generating unit. The net 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 have been made regarding future conditions and estimates of parameters have been made. Changes to these assumptions and estimates could have an impact on the carrying amount of goodwill. The calculation model is built on discounting of future forecast cash flows compared with the unit's carrying amounts. Future cash flows are based on five-year forecasts prepared by management for the cash-generating unit concerned. Cash-generating units are calculated on a segment basis. The following significant assumptions have been used:

Revenue: The business's competitiveness, expected economic developments for construction output, the general national economic trend, investment plans for public and municipal clients, interest rate levels and local market conditions.

Investment needs: The investment needs of operations are assessed on the basis of the investments required to achieve forecast cash flows in the current situation, without expansion investments. The level of investment has typically equated to the rate of depreciation for property, plant and equipment.

Tax burden: The tax rate in the forecasts is based on PE's anticipated tax situation regarding tax rate, loss carry-forwards, etc.

Long-term growth: In all valuations, a long-term sustainable rate of growth for beyond the forecast period has been assumed at 2 (2) percent, which is deemed to reflect long-term growth in the market. The same growth rate is assumed to apply to revenue during the forecast period.

Operating margin: The forecast operating margin is based on the Group's business plan.

Working capital and reinvestment needs: Needs in line with 2021 and a growth rate equal to the long-term sustainable growth rate have been assumed.

Discount rate after tax: This is established on the basis of the following variables: risk-free interest rate, market premium, beta value, capital structure and local tax rates. Forecast cash flows and residual values are discounted to net present value with a weighted average cost of capital (WACC). This is based on assumptions about an average interest rate on 10-year government bonds and a Company-specific risk factor. The interest rate for borrowed capital is set at the average interest rate on the Group's net debt. The required rate of return on equity is based on the Capital Asset Pricing Model. In calculations performed for value in use, the Group's average discount rate for 2021 has been estimated at 11.02 percent (11.02) before tax and 8.75 percent (8.75) after tax.

The same discount rate has been used for all cash-generating units and is justified by the fact that they are similar operations within the same geographical areas.

A sensitivity analysis reveals that the goodwill values in the Civil Engineering & Infrastructure segment would be justified even if the discount rate were raised by 2 percentage points, or if the operating margin were to be reduced by 2 percentage points. Other segments in the Group can justify goodwill values at major changes to the discount rate and the operating margin greater than 2 percentage points.

The conclusion of this assessment is that there is no need for impairment, as the values in use exceeded the carrying amount including goodwill and other intangible assets. In the judgement of Company management, no likely anticipated changes to key assumptions for cash-generating units would lead to any need for impairment.

NOTE 13 Property, Plant and Equipment

	Group			Parent Company	
2021, SEK 000s	**Improvement expenditure, leasehold assets**	**Plant and equipment**	**Total**	**Plant and equipment**	**Total**
Accumulated costs					
Opening balance, 01/01/2021	8,913	49,942	58,856	–	–
Purchases	952	1,756	2,709	–	–
Divestments and disposals	-22	-2,971	-2,992	–	–
Exchange rate differences	–	52	52	–	–
Closing balance, 31/12/2021	**9,843**	**48,780**	**58,624**	**–**	**–**
Accumulated depreciation/amortisation according to plan					
Opening balance, 01/01/2021	-2,805	-33,137	-35,942	–	–
Depreciation/amortisation for the year	-1,897	-5,270	-7,167	–	–
Divestments and disposals	2	2,460	2,462	–	–
Exchange rate differences	–	-33	-33	–	–
Closing balance, 31/12/2021	**-4,701**	**-35,981**	**-40,681**	**–**	**–**
Accumulated impairment losses					
Opening balance, 01/01/2021	–	-3,620	-3,620	–	–
Closing balance, 31/12/2021	**–**	**-3,620**	**-3,620**	**–**	**–**
Planned residual values, 31/12/2021	**5,142**	**9,178**	**14,323**	**–**	**–**

2020, SEK 000s	Group: Buildings and premises	Group: Improvement expenditure, leasehold assets	Group: Plant and equipment	Group: Total	Parent Company: Plant and equipment	Parent Company: Total
Accumulated costs						
Opening balance, 01/01/2020	0	4,325	48,977	53,302	–	–
Purchases	–	4,589	6,659	11,247	–	–
Divestments and disposals	–	–	-5,452	-5,452	–	–
Exchange rate differences	–	–	-241	-241	–	–
Closing balance, 31/12/2020	–	**8,913**	**49,942**	**58,856**	**–**	**–**
Accumulated depreciation/amortisation according to plan						
Opening balance, 01/01/2020	0	-1,580	-31,644	-33,225	–	–
Depreciation/amortisation for the year	–	-1,224	-6,369	-7,593	–	–
Divestments and disposals	–	–	4,743	4,743	–	–
Exchange rate differences	–	–	134	134	–	–
Closing balance, 31/12/2020	**–**	**-2,805**	**-33,137**	**-35,942**	**–**	**–**
Accumulated impairment losses						
Opening balance, 01/01/2020	–	–	-3,620	-3,620	–	–
Closing balance, 31/12/2020	**–**	**–**	**-3,620**	**-3,620**	**–**	**–**
Planned residual values, 31/12/2020	–	**6,109**	**13,185**	**19,293**	**–**	**–**

NOTE 14 Leases

Carrying amounts on the balance sheet

Group, SEK 000s	2021	2020
Right-of-use assets		
Buildings	150,046	137,964
Plant and equipment	8,283	7,736
Cars	9,506	15,446
Total	**167,834**	**161,146**
Lease liabilities[1]		
Short-term	58,601	61,468
Long-term	100,577	89,118
Total	**159,178**	**150,586**

1 See Note 29 for term.

Right-of-use assets, Group

2021, SEK 000s	Buildings and premises	Plant and equipment	Total
Accumulated costs			
Opening balance, 01/01/2021	234,472	80,959	315,432
Right-of-use assets added/derecognised; net	31,560	-43,628	-12,067
Closing balance, 31/12/2021	**266,033**	**37,332**	**303,364**
Accumulated depreciation/amortisation according to plan			
Opening balance, 01/01/2021	-83,989	-57,779	-141,768
Change in depreciation/amortisation; net of depreciation/amortisation for the year and derecognised right-of-use assets	-19,480	38,236	18,756
Closing balance, 31/12/2021	**-103,469**	**-19,543**	**-123,012**
Accumulated impairment losses			
Opening balance, 01/01/2021	-12,518	–	-12,518
Closing balance, 31/12/2021	**-12,518**	**–**	**-12,518**
Residual values 31/12/2021	**150,046**	**17,789**	**167,834**

Carrying amounts in the income statement

Group, SEK 000s	2021	2020
Amortisation of right-of-use assets		
Buildings	-55,162	-52,138
Plant and equipment	-4,671	-5,617
Cars	-6,814	-8,683
Total	**-66,647**	**-66,438**
Interest expenses (included in finance costs)	-4,333	-3,416
Expenses attributable to short-term leases (included in other external expenses)	-1,855	-3,669

Carrying amounts in the cash flow statement

Group, SEK 000s	2021	2020
Cash flow from operating activities		
Interest paid	-1,853	-3,416
Cash flow from financing activities		
Repayment of lease liability	-63,998	-76,798
Other cash flow relating to leases		
Payments relating to low-value/short-term leases	-1,855	-3,669
Total cash flow from leases	**-67,706**	**-83,883**

NOTE 15 Investments in Group companies

Parent Company	2021	2020
Carrying amount at start of year	**775,145**	**773,072**
Addition purchase consideration/Acquisition	1,035	2,073
Sales	-2,778	–
Impairment	–	-1,300
Shareholders' contribution	–	1,300
Carrying amount at year-end	**773,402**	**775,145**

SEK 000s Name	Company registration number	Registered office	Profit/loss for the year 2021	Equity, 31 December 2021	Share of equity, % 2021	Number of participations 2021	Carrying amount 2021	Carrying amount 2020
Soleed Sweden AB	556710-3873	Stockholm	-492	636	100	4,000	1,252	1,252
Soleed Production AB	556674-6300	Stockholm	-11	185	100	1,000	–	–
PE KNSS AB	556278-2184	Köping	-10	163	100	100,000	100	100
PE Industri & Energi i Sverige AB[1]	556731-8315	Skövde	-445	2,161	100	36,000	2,605	5,980
Sture Byberg Ingenjörsbyrå AB	556244-3910	Gothenburg	-14	111	100	1,000	–	–
PE Teknik & Arkitektur AB	556896-8308	Stockholm	43,351	257,580	100	100,000	727,110	486,435
FAST Engineering AS	915923097	Skien	-837	2,091	100	300	–	–
PE-Aristi[3]	U74999TN2013PTC09267	Chennai	2,830	–	–	–	–	2,778
Integra Engineering AB[2]	556481-8986	Trollhättan	392	25,921	100	5,000	27,089	259,054
Mats och Arne Arkitektkontor AB[1]	556278-7977	Stenungsund	-49	15,200	100	1,000	15,246	19,546
Total investments in Group companies							**773,402**	**775,145**

1 Part of the book value in 2021 was allocated to shares in PE Teknik & Arkitektur AB as a result of the transfer of shares in 2019.
2 Book value changed in 2021 as a result of additional purchase consideration and allocation of shares to PE Teknik & Arkitektur AB as a result of the transfer of assets and liabilities in 2019.
3 The shares were sold on 22 December 2021.

NOTE 16 Financial investments

Group	2021	2020
Shares and participations	1,528	3,241
Total	**1,528**	**3,241**

Holdings of securities at year-end	Company registration number	Registered office	Share of equity, %	Carrying amount
2021				
Amrox Group AB	556614-5974	Stockholm	10	1,500
Other shares and participations				28
Total shares and participations				**1,528**
2020				
Amrox Group AB	556614-5974	Stockholm	10	3,200
Other shares and participations				41
Total shares and participations				**3,241**

NOTE 17 Non-current financial assets

Parent Company	Investments, Group companies	Other long-term securities	Total
2021			
Recognised cost at start of year	775,145	3,200	778,345
Newly acquired assets	1,035	–	1,035
Retiring assets	-2,778	–	-2,778
Impairment of assets	–	-1,700	-1,700
Recognised cost at year-end	**773,402**	**1,500**	**774,902**
Residual value at year-end	**773,402**	**1,500**	**774,902**
2020			
Recognised cost at start of year	773,072	3,200	776,272
Newly acquired assets	2,073	–	2,073
Retiring assets	–	–	–
Recognised cost at year-end	**775,145**	**3,200**	**778,345**
Residual value at year-end	**775,145**	**3,200**	**778,345**

NOTE 18 Non-current and other receivables

Group	2021	2020
Non-current receivables that are non-current assets		
Deposits	43	28
Total	**43**	**28**
Other receivables that are current assets		
Other advance payments	39	158
Swedish Agency for Economic and Regional Growth – aid for short-term working	–	10,283
Other current receivables	7,050	13,584
Total	**7,089**	**24,025**

NOTE 19 Trade receivables

Trade receivables are recognised after taking account of bad debt losses arising during the year, which together amounted to SEK 2.0 million (1.1) in the Group. Bad debt losses in the Parent Company totalled SEK 0 million (0). Bad debt losses comprise both confirmed and expected bad debt losses. See also Note 29, which provides information about credit risks and age analysis.

NOTE 20 Accrued but not invoiced revenue

Group	2021	2020
Opening carrying amount	97,095	120,978
Increase via company acquisitions	–	–
Decrease via divestment of companies	-181	–
Part-invoiced amounts	-1,017,691	-1,187,872
Accrued revenue	1,011,766	1,163,988
Closing carrying amount	**90,989**	**97,095**

On the balance sheet, ongoing projects are recognised net as either "Accrued but not invoiced revenue" in current assets, or as "Invoiced but not accrued revenue" in current liabilities.

In 2021, the opening balance was invoiced in its entirety.

NOTE 21 Prepayments and accrued income

Group	2021	2020
Prepaid rental costs	3,082	–
Prepaid insurance costs	27	-14
Prepaid IT and licence costs	6,879	8,759
Other prepaid expenses	7,694	2,745
Total	**17,681**	**11,490**

NOTE 22 Cash and cash equivalents

	Group		Parent Company	
SEK 000s	**2021**	**2020**	**2021**	**2020**
Cash and bank balances	22,608	42,784	20,365	41,848
Total	**22,608**	**42,784**	**20,365**	**41,848**

In the case of bank deposits, certain accounts carry variable interest calculated according to the bank's daily deposit interest rate. The fair value of cash and cash equivalents amounts to SEK 22.6 million (42.8) for the Group and SEK 20.4 million (41.8) for the Parent Company.

NOTE 23 Equity

Period	Change in share capital	Series A shares	Series B shares	Number of shares	Share capital
19/07/1989	Company established			500	50
28/01/1997	Bonus issue			500	100
01/10/2006	New share issue			9,000	1,000
19/11/2010	100-for-1 share split			990,000	1,000
27/04/2015	3-for-1 share split*	2,000,000	1,000,000	2,000,000	1,000
27/04/2015	New share issue	56,000	28,000	84,000	1,028
25/11/2015	New share issue		851,063	851,063	1,312
26/11/2015	New share issue		1,916,351	1,916,351	1,950
15/04/2018	Reclassification A to B	-224,000	224,000	–	1,950
07/06/2018	3-for-1 share split	3,664,000	8,038,828	11,702,828	1,950
19/06/2018	New share issue		6,382,979	6,382,979	2,652
20/07/2018	New share issue		618,456	618,456	2,728
May–Nov 2019	Reclassification A to B	-97,476	97,476	–	2,728
30/04/2020	Reclassification A to B	-6,300	6,300	–	2,728
05/02/2021	Reclassification A to B	-65,400	65,400		
30/11/2021	Reclassification A to B	-28,500	28,500		2,728
		5,298,324	**19,257,353**	**24,555,677**	

*Share split in which for every one share held, two Series A shares with ten votes and one Series B share with one vote were issued.

At year-end:	Number	Votes
Series A shares	5,298,324	10
Series B shares	19,257,353	1
Total	**24,555,677**	

Other contributed capital

Consists of equity contributed by the owners. This includes share premium reserves transferred to the statutory reserve. Provisions to the share premium reserve are also recognised as contributed capital.

Reserves

Retained earnings
Retained earnings including profit/loss for the year comprise retained profits in the Parent Company and its subsidiaries and associates.

Parent Company

Restricted reserves
Restricted reserves may not be reduced via distribution of profit.

Unrestricted equity
Retained earnings together with profit/loss for the year represent unrestricted equity, i.e. the amount that is available for dividend payments to shareholders.

Retained earnings
Comprises the previous year's retained earnings and profit/loss less dividend paid during the year.

Proposed appropriation of profits

Funds at the disposal of the Annual General Meeting, SEK:	
Retained earnings	476,722,463
Profit/loss for the year	-8,827,672
	467,984,791

The Board proposes that retained earnings be appropriated as follows	
Dividend (SEK 0.4 per share)	-9,822,271
To be carried forward	**458,072,520**
	458,072,520

NOTE 24 Interest-bearing liabilities

	Group		Parent Company	
SEK 000s	2021	2020	2021	2020
Non-current liabilities				
Loans and credit	130,660	141,831	130,660	140,660
Lease liabilities	100,578	89,118	–	–
Other non-current interest-bearing liabilities	–	286	–	–
Total	**231,238**	**231,235**	**130,660**	**140,660**
Current liabilities				
Loans and credit	10,000	35,165	10,000	35,165
Lease liabilities	58,601	61,468	–	–
Total	**68,601**	**96,633**	**10,000**	**35,165**
Total interest-bearing liabilities	**299,839**	**327,868**	**140,660**	**175,825**

The liabilities are subject to certain conditions – covenants – linked to earnings and financial position.

	Group		Parent Company	
SEK 000s	2021	2020	2021	2020
Overdraft facility				
Available credit limit	60,000	60,000	60,000	60,000
Portion drawn	–	–	–	–

	Group		Parent Company	
SEK 000s	2021	2020	2021	2020
Revolving credit facility				
Available credit limit	100,000	100,000	100,000	100,000
Portion drawn	–	–	–	–

	Group		Parent Company	
SEK 000s	2021	2020	2021	2020
Pledged assets for liabilities to credit institutions				
Floating charges	3,000	3,000	3,000	3,000

The average interest rate in 2021 was 3.01 percent (3.75).

NOTE 25 Income tax

	Group		Parent Company	
SEK 000s	2021	2020	2021	2020
Current tax expense (-)/income (+)				
Tax expense for the period	-10,873	-15,847	–	–
Adjustment of tax relating to previous years	10	-1,707	–	-1,504
Deferred tax expense (-)/ income (+)				
Adjustment of deferred tax relating to previous years	–	-1,167	–	1,113
Deferred tax relating to temporary differences	3,065	-1,225	-539	-2,370
Recognised deferred tax asset from loss carry-forwards	1,058	3,157	920	3,443
Total recognised tax expense/ income	**-6,739**	**-16,789**	**380**	**683**
Reconciliation of effective tax				
Profit/loss before tax	26,972	53,880	-9,208	-11,625
Tax at the current tax rate for the Parent Company	-5,556	-11,530	1,897	2,488
Non-deductible expenses	-1,602	-1,818	-1,369	-1,262
Non-taxable income	–	–	–	–
Tax attributable to previous years	10	-2,874	-148	-391
Miscellaneous	409	-566	–	-153
Effective tax recognised	**-6,739**	**-16,789**	**380**	**683**

At 31 December 2021, a net deferred tax liability of SEK 13.0 million is recognised in the Group, arising from temporary differences in non-current and current assets. At year-end, deferred tax assets amount to SEK 6.2 million, which corresponds to 20.6 percent of all the Group's remaining loss carry-forwards, totalling SEK 29.9 million. The loss carry-forwards are not subject to any limitation in time. Deferred tax assets and tax liabilities are classified as follows:

	2021		2020	
SEK 000s	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Group				
Untaxed reserves	–	10,891	–	17,057
Non-current/current assets	7,713	20,671	12,966	23,105
Accrued expenses	–	–	548	–
Loss carry-forwards	6,161	–	5,177	–
Total	**13,874**	**31,562**	**18,691**	**40,162**
Parent Company				
Current assets	–	–	492	–
Loss carry-forwards	5,314	–	4,442	–
Total	**5,314**	**–**	**4,934**	**–**

NOTE 26 Other liabilities

	Group		Parent Company	
SEK 000s	2021	2020	2021	2020
Short-term				
VAT	14,815	17,766	4,331	-230
Personnel taxes and fees	22,271	27,326	1,385	1,474
Income tax liability	8,636	18,467	–	–
Miscellaneous	1,297	2,090	4	9
Total	**47,019**	**65,649**	**5,721**	**1,252**

NOTE 27 Accrued expenses and deferred income

	Group		Parent Company	
SEK 000s	2021	2020	2021	2020
Accrued holiday pay and salaries, incl. social security contributions	65,778	83,522	816	738
Accrued audit expenses	880	801	880	801
Accrued IT and licence expenses	–	161	–	–
Accrued consulting expenses	1,896	5,745	–	222
Restructuring reserve	–	201	–	–
Other accrued expenses	2,252	13,563	-21	2,495
Total	**70,807**	**103,993**	**1,675**	**4,256**

NOTE 28 Financial instruments by category

The fair value of the Group's financial instruments is established via a market valuation, e.g. recently completed transactions, the price of similar instruments and discounted cash flows. When there is no reliable data available for fair value measurement, financial instruments are recognised at cost (Level 3). There were no transfers between any of the levels during the period.

No financial instruments have been classified at Level 2. Carrying amount is deemed to represent a reasonable estimate of the fair value of all financial assets and liabilities. The financial assets and liabilities are assigned to valuation categories 2 and 3.

31/12/2021

SEK 000s	Measured at fair value via profit/loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Of which fair value per level*		
Financial instruments, assets				**1**	**2**	**3**
Financial investments	1,528	–	–	–	–	1,528
Trade receivables	–	129,546	–	–	–	–
Short-term investments	375	–	–	–	–	375
Other non-current receivables	–	43	–	–	–	–
Total financial assets	**1,903**	**129,589**	**–**	**–**	**–**	**1,903**
Financial instruments, liabilities						
Liabilities to clients and suppliers	–	–	53,883	–	–	–
Other non-current liabilities	–	–	–	–	–	–
Interest-bearing liabilities, non-current	–	–	231,238	–	–	–
Interest-bearing liabilities, current	–	–	68,601	–	–	–
Total financial liabilities	**–**	**–**	**353,722**	**–**	**–**	**–**

31/12/2020

SEK 000s	Measured at fair value via profit/loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Of which fair value per level*		
Financial instruments, assets				**1**	**2**	**3**
Financial investments	3,241	–	–	–	–	3,241
Trade receivables	–	144,774	–	–	–	–
Short-term investments	771	–	–	–	–	771
Other non-current receivables	–	28	–	–	–	–
Total financial assets	**4,012**	**144,802**	**–**	**–**	**–**	**4,012**
Financial instruments, liabilities						
Liabilities to clients and suppliers	–	–	56,296	–	–	–
Other non-current liabilities	–	–	1,171	–	–	–
Interest-bearing liabilities, non-current	–	–	231,235	–	–	–
Interest-bearing liabilities, current	–	–	96,633	–	–	–
Total financial liabilities	**0**	**–**	**385,335**	**–**	**–**	**0**

*A recognised purchase consideration of SEK 12,009,000 was paid and liquidated via income in the amount of SEK 3,337,000.

Financial assets and financial liabilities measured at fair value on the balance sheet, or where disclosures are made regarding fair value, are classified at one of three levels based on the information used to establish the fair value.

Carrying amount is deemed to represent a reasonable estimate of the fair value of all financial assets and liabilities. The financial assets and liabilities are assigned to valuation category 3.

Financial assets and financial liabilities measured at fair value on the balance sheet, or where disclosures are made regarding fair value, are classified at one of three levels based on the information used to establish the fair value. No transfers were made between these levels in 2021 or 2020.

Level 1

Financial instruments for which fair value is established based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. A market is considered active if quoted prices from a stock market, broker, industrial group, pricing service or supervisory authority are easily and regularly available, and such prices represent actual and regularly occurring arm's-length market transactions.

Level 2

Financial instruments for which fair value is established according to valuation models based on observable data for the asset or liability, other than quoted prices included in Level 1, either directly (i.e. as quoted prices) or indirectly (i.e. derived from quoted prices). Examples of observable data under Level 2 are:

- Quoted prices for similar assets and liabilities.
- Data that may constitute grounds for assessing price, e.g. market rates and yield curves.

Level 3

Financial instruments for which fair value is established according to valuation models in which material inputs are based on unobservable data. No significant transfers between the levels were made during the periods. For other financial assets and financial liabilities, the carrying amounts are deemed to correspond in all material respects to the fair values. Recognised purchase considerations and financial investments are measured based on future earnings forecasts.

NOTE 29 Financial risks and finance policies

The Group is exposed to various types of financial risk through its day-to-day operating activities. Financial risk refers to fluctuations in the Company's earnings and cash flows resulting from variations in exchange rates, interest rates, financing and credit risks. The objective is to provide cost effective financing and to minimise the negative impact of market fluctuations on the Group's earnings. The Group's financial management is governed in accordance with the current finance policy, which is agreed by PE's Board of Directors and provides a framework of guidelines and regulations in the form of risk mandates and limits for financing activities. The Group Finance function is responsible for coordinating the Group's financing activities. The overarching objective of the finance function is to provide cost effective financing and to minimise negative effects on the Group's earnings deriving from financial risks.

Liquidity risks

Liquidity risk is the risk that the Group may have difficulty in fulfilling its obligations associated with financial liabilities. The Group operates monthly liquidity planning that covers all the Group's units. This planning is continually updated. The Group's forecasts also cover liquidity planning in the medium-to-long term. This liquidity planning is used to manage liquidity risk and the Group's financing costs. The objective is for the Group to be able to meet its financial commitments during economic upswings and downturns without incurring significant unforeseen costs. Liquidity risks are managed by the central finance department on behalf of the entire Group.

The Group aims to have a capital structure that is optimal in order to keep capital costs down while safeguarding its ability to continue operating, and to maintain a balance between deposited and borrowed capital. To maintain or adjust the capital structure, the Group can raise new loans, adjust the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its debt. The Group assesses capital on the basis of its indebtedness. This key performance indicator is calculated as net debt/cash funds via EBITDA.

Interest rate risk

Interest rate risk is the risk of PE's cash flow or the value of financial instruments varying due to changes in market rates. Interest rate risk can lead to changes in actual values and changes in cash flows. A significant factor affecting interest rate risk is the period of fixed interest. The Group's interest-bearing net debt at 31 December 2021 amounted to SEK 277 million (284). Total interest-bearing liabilities amounted to SEK 300 million (328), of which current liabilities totalled SEK 69 million (97). Interest-bearing liabilities are charged interest based on liquidity planning, interest expectations and current financing agreements. PE currently has a short fixed-rate period (three months) for outstanding credits.

Since most of the Company's financial liabilities carry a short fixed-rate period, most of the interest rate risk can be regarded as cash flow risk. A one-percentage point change in interest rates would affect earnings in the amount of SEK 3.0 million (3.3).

Under a new credit agreement with SEB, interest rate and liquidity risk is managed in a balanced way over the term of the agreement.

Foreign exchange risk

Foreign exchange risk covers future business transactions, recognised assets and liabilities in foreign currency and net investments in foreign operations. PE's foreign exchange risk is negligible.

Credit risk

Credit risk relates to the risk of financial loss due to the counterparty failing to fulfil their commitments.

Credit risks in financial operations

Credit risk in financing operations is minimal, as PE only deals with counterparties with the highest credit rating. These are, above all, counterparty risks associated with receivables from banks and other counterparties. The finance policy includes a special counterparty regulation detailing the maximum permitted credit exposure for different counterparties.

Credit risks in trade receivables

The risk of the Company's clients failing to fulfil their obligations, i.e. that payment is not received from clients, is a client credit risk. Credit losses are usually low, owing to a large number of projects and clients where invoicing is made on an ongoing basis during the production period. Credit checks on the Group's clients are performed before a project is launched, during which information about clients' financial position is obtained from various credit rating companies.

The Group has established a credit policy for how to manage client credit. The policy details, for example, where decisions are made about credit limits of various sizes, and offers guidance on how to manage bad debts. A bank guarantee or other security is required for clients with low credit scores or insufficient credit history. The maximum credit exposure is indicated by the carrying amount in the consolidated balance sheet. On the reporting date, the total provision for doubtful trade receivables amounted to SEK 6.7 million (9.3).

Maturity structure of financial liabilities

Group 2021	Maturing within 1 year	Maturing in 1–2 years	Maturing in 3 years or later
Borrowings	10,000	10,200	122,869
Leasing	58,601	50,664	51,500
Other liabilities	47,019	–	–
Total	**115,620**	**60,864**	**174,368**

Group 2020	Maturing within 1 year	Maturing in 1–2 years	Maturing in 3 years or later
Borrowings	35,868	36,586	105,438
Leasing	60,593	44,018	59,103
Other liabilities	65,649	47,182	–
Total	**162,110**	**127,786**	**164,541**

Parent Company 2021	Maturing within 1 year	Maturing in 1–2 years	Maturing in 3 years or later
Borrowings	10,000	10,200	122,869
Other liabilities	5,721	–	–
Total	**15,721**	**10,200**	**122,869**

Parent Company 2020	Maturing within 1 year	Maturing in 1–2 years	Maturing in 3 years or later
Borrowings	35,868	36,586	105,438
Other liabilities	1,252	–	–
Total	**37,120**	**36,586**	**105,438**

In 2020, rights of use and lease liabilities were transferred to the subsidiary PE Teknik & Arkitektur AB as part of a process to consolidate the Group's operations.

Credit facilities

Group 2021	Nominal	Drawn	Available
Bank loans	140,660	140,660	–
Overdraft facility	60,000	–	60,000
Revolving credit facility	100,000	–	100,000
Cash and cash equivalents including short-term investments	22,983	–	22,983
Total	**323,643**	**140,660**	**182,983**

Group 2020	Nominal	Drawn	Available
Bank loans	175,825	175,825	–
Overdraft facility	60,000	–	60,000
Revolving credit facility	100,000	–	100,000
Cash and cash equivalents including short-term investments	43,555	–	43,555
Total	**379,380**	**175,825**	**203,555**

Age analysis, trade receivables

	Group		Parent Company	
	2021	2020	2021	2020
Not due	112,999	122,990	–	–
1–30 days overdue	2,690	1,774	–	–
31–60 days overdue	2,300	1,313	–	–
61–90 days overdue	-453	2,277	–	–
>91 days overdue	18,709	25,755	–	47
Total	**136,245**	**154,110**	**–**	**47**

Trade receivables impaired

	Group		Parent Company	
	2021	2020	2021	2020
Opening balance	**-9,337**	**-9,497**	**–**	**–**
Trade receivables paid/settled	4,358	-913	–	–
Bad debt losses confirmed	526	2,632	–	–
Trade receivables impaired	-2,246	-1,560	–	–
Total	**-6,699**	**-9,337**	**–**	**–**

NOTE 30 Pledged assets, contingent liabilities and contingent assets

	Group		Parent Company	
Pledged assets	**2021**	**2020**	**2021**	**2020**
For own liabilities and provisions				
Floating charges	3,000	3,000	3,000	3,000
Blocked bank funds (rent guarantee)	1,326	–	1,224	–
Total pledged assets	**4,326**	**3,000**	**4,224**	**3,000**
Contingent liabilities				
Guarantees on behalf of subsidiaries	–	–	Unlimited	Unlimited
Total contingent liabilities	**–**	**–**	**–**	**–**

The Parent Company has pledged shares in PE Teknik & Arkitektur AB and Integra AB as general collateral. Unless otherwise indicated, all pledged assets refer to the Group's credit facilities.

NOTE 31 Cash flow statement

	Group		Parent Company	
SEK 000s	**2021**	**2020**	**2021**	**2020**
Adjustments for non-cash items and other				
Depreciation, amortisation and impairment losses	88,312	86,842	61	62
Impairment of other long-term holdings of securities	1,700	–	1,700	–
Doubtful receivables (profit/loss)	-3,599	1,216	–	–
Capital gains/losses on divestment of operations/subsidiaries	2,276	–	4,834	–
Capital gains/losses, divestments	–	-12	–	–
Change in provisions	-13	-34	–	-69
Interest expenses not affecting cash flow	–	-11	–	–
Miscellaneous	-3,332	-2,026	–	-437
Total	**85,345**	**85,975**	**6,595**	**-443**

31/12/2021

SEK 000s	**Lease liability**	**Overdraft facility**	**Bank loans**	**Purchase consideration, non-current portion**	**Other loans**	**Total for financing activities**
Closing balance, 31 December 2019	175,769	26,964	225,000	**11,535**	**1,536**	
Amortisation	-76,798	-26,934	-49,175	-9,509	-202	-162,619
Additional leases/loans	51,615	–	–	–	–	
Adjustment via income statement	–	–	–	-2,026	161	
Closing balance, 31 December 2020	**150,586**	**–**	**175,825**	**–**	**1,171**	
Amortisation	-63,998	–	-35,165	–	-611	-99,774
Additional leases/loans	72,590	–	–	–	–	
Adjustment via income statement	–	–	–	–	-560	
Closing balance, 31 December 2021	**159,178**	**–**	**140,660**	**–**	**–**	

	Group		Parent Company	
SEK 000s	**2021**	**2020**	**2021**	**2020**
Unutilised credit facilities				
Total unutilised credit facilities:	182,983	203,555	180,365	203,555

NOTE 32 Government assistance related to Covid-19

	2021	2020	Period concerned
Short-term furloughing	–	15,848	Apr–Sep 2020
Short-term furloughing	–	10,283	Oct–Dec 2020
Sick pay cost	–	2,745	Apr–Oct 2020
Total government assistance received	**–**	**28,876**	

This assistance is recognised as income in its entirety in March to December 2020 and has reduced personnel costs. SEK 10.28 million of the assistance for short-term furloughing was received in March 2021 and is included in 'Other current receivables' on the balance sheet at 31 December 2020.

In addition to the government assistance, in 2020 PE was granted extra time to pay VAT, employer contributions and the retained tax deduction of SEK 99.9 million. The amount was credited to the tax account and was not included in cash and cash equivalents. On the balance sheet at 31 December 2020 this credit was recognised net against the respective debt item, i.e. current receivables were recognised net against current liabilities.

The period of grace granted ended in March 2021 at PE's request.

NOTE 33 Events after reporting date

On 18 January, it was announced that Liselotte Haglind will take up the position of Chief Financial Officer. She joins us from KPMG Sweden, where she is Chief Financial Officer and Chief Operating Officer. Liselotte will take up this role by no later than July 2022. The current Chief Financial Officer Peter Sandberg will leave the Company in July.

NOTE 34 Critical accounting estimates and judgements

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to actual outcomes. Estimates and judgements are evaluated continually and are based on historical experience and other factors, including expectations of future events that are deemed reasonable given the prevailing conditions. Certain key accounting estimates that have been made on application of the Group's accounting policies are detailed below.

Impairment testing of goodwill

In calculating the cash-generating units' recoverable amount in order to assess any need for impairment of goodwill, several assumptions regarding future conditions and estimates of parameters have been made. An account of these is provided under Note 12. As will be understood from the description in Note 12, changes in 2021 to the conditions on which these assumptions and estimates were based would have a significant impact on the value of goodwill.

Measurement of trade receivables and accrued but not invoiced revenue

Receivables and liabilities in work in progress for the Group total SEK 91 million (97). Accrued but not invoiced revenue is measured at the invoiced amount, less confirmed losses and anticipated risks. Assessments of risks in assignments are made continually based on their specific conditions and previous experience of similar assignments.

The balance sheet item comprises a large number of assignments. An incorrect assessment of an individual assignment would therefore not have any material impact on the value of the Group's earnings or financial position. A general error in assessment could have a material impact, but is not deemed likely.

PE's trade receivables amount to SEK 130 million (145). The receivables are measured at amortised cost. The fair value is affected by several assessments, the single most significant one for PE being credit risk and as a result any need for provisions for bad debts. Each receivable must be measured individually, but as a rule special circumstances are required for receivables that have been overdue for more than 60 days not to be reserved either wholly or in part.

NOTE 35 Information about the Parent Company

Projektengagemang Sweden AB (Publ) is a Swedish-registered public limited company with registered offices in Stockholm, Sweden. The address of the Company's headquarters is Årstaängsvägen 11, 117 43 Stockholm. The 2021 consolidated accounts comprise the Parent Company and its subsidiaries, together with the aforementioned PE or Group.

The Board of Directors and CEO declare that the annual accounts have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and generally accepted accounting principles. The annual accounts and the consolidated accounts provide a true and fair picture of the performance and financial position of the Parent Company and the Group. The Directors' Report for the Parent Company and the Group provides a true and fair picture of the development of the operations, financial position and performance of the Group and the Parent Company and also describes material risks and uncertainties to which the Parent Company and the other companies in the Group are exposed.

The annual report and consolidated accounts were approved for publication by the Board on 25 March 2022. The Consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented for adoption at the Annual General Meeting on 5 May 2022.

Stockholm, 25 March 2022

Per-Arne Gustavsson *Chairman of the Board*	Per Göransson *Board member*	Lars Erik Blom *Board member*
Carina Malmgren Heander *Board member*	Jon Risfelt *Board member*	Christina Ragsten *Board member*

Helena Hed
CEO

Our auditor's report was submitted on 31 March 2022

PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Auditor's report

To the Annual General Meeting of the shareholders of Projektengagemang Sweden AB (publ) company reg. no 556330-2602

Report on the annual report and consolidated accounts

Opinions

We have audited the annual report and consolidated accounts of Projektengagemang Sweden AB (publ) for the 2021 financial year, with the exception of the Corporate Governance Report on pages 24–30. The annual report and consolidated accounts of the company are included on pages 20–64 of this document.

In our opinion, the annual report has been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company at 31 December 2021 and of its financial performance and its cash flows for the year then ended, in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Group at 31 December 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. Our opinions do not apply to the Corporate Governance Report on pages 24–30. The directors' report is consistent with the other parts of the annual report and consolidated accounts.

We therefore recommend that the Annual General Meeting approve the income statement and balance sheet of the parent company and the income statement and statement of comprehensive income and balance sheet of the group.

Our opinions in this report on the annual report and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the parent company's and the group's audit committee, in accordance with article 11 of the Audit Directive (537/2014).

Basis for opinions

We have conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the 'Auditor's responsibility' section. We are independent in relation to the parent company and group, in accordance with rules of professional ethics for accountants in Sweden, and have in other respects fulfilled our ethical responsibility according to these requirements. This means that, based on our best knowledge and conviction, no prohibited services as referred to in article 5.1 of the Audit Directive (537/2014) have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our auditing process

Overview

Focus and scope of the audit

We designed our audit by setting the materiality level and assessing the risk of material misstatements in the financial statements. We paid particular attention to areas where the CEO and board of directors have made subjective assessments, for example key accounting estimates made based on assumptions and forecasts regarding future events, which by their very nature are uncertain. As with all audits, we have also taken account of the risk of the board of directors and CEO disregarding internal controls, and considered whether there is any evidence of systematic deviations that have given rise to a risk of material misstatements resulting from fraud.

We adapted our audit to carry out an appropriate review for the purpose of being able to give an opinion on the financial statements as a whole, taking account of the group's structure, accounting processes and controls and the industry in which the group operates.

Materiality

The scope and focus of the audit was affected by our materiality assessment. An audit is designed to achieve a reasonable level of assurance as to whether the financial statements contain any material misstatements. Misstatements can arise as a result of fraud or error. They are deemed material if individually or together they can be reasonably expected to impact the financial decisions that users make on the basis of the financial statements.

Based on professional judgement, we established certain quantitative materiality ratios, including for the financial reporting as a whole. We used these and qualitative considerations to establish the scope and focus of the audit, and the nature, timing and extent of our review procedures, and to assess the effect of individual and aggregate misstatements on the financial statements as a whole.

Areas of particular significance

Areas of particular significance for the audit include those areas that, in our professional opinion, were the most significant for the audit of the annual report and consolidated accounts for the period in question. These areas are addressed within the scope of the audit of, and our standpoint on, the annual report and the consolidated accounts as a whole, but we do not issue separate statements about these areas.

Area of particular significance

Impairment testing

In the consolidated balance sheet, goodwill and acquisition-related surplus values are recognised at SEK 610 million, of which goodwill represents SEK 595 million.

Goodwill and acquisition-related surplus values correspond to the difference between the value of net assets and purchase consideration paid for an acquisition. Unlike other non-current assets, there is no amortisation of goodwill. This balance sheet item is instead tested annually for impairment or when there are indications of a decline in value. Other acquisition-related non-current assets are depreciated over their estimated useful life.

Impairment testing, and thus carrying amounts, are dependent on the board's and management's estimates, judgements and assumptions regarding, for example, growth and future profitability, as well as discount rates. Future events and new information may change these judgements and estimates, and it is therefore particularly important for company management to continually evaluate whether the value of the acquisition-related intangible assets is justified given new information and conditions.

Company management's calculation of the assets' value in use is based on next year's budget and forecasts for the subsequent four years. A more detailed description of these assumptions is provided under Note 12.

Impairment testing naturally includes a greater element of estimates and judgements from company management, which is why we have deemed impairment testing of goodwill to be an area of particular significance in our audit.

For accounting policies, please refer to page 44 and Note 12 of the 2021 Annual Report.

How our audit observed the area of particular significance

In our audit we have focused in particular on how company management tests the need for impairment.

We have carried out ***inter alia*** the following review procedures:

- Evaluated Projektengagemang's impairment testing process.
- Examined the way in which company management has identified cash-generating units and compared this with how Projektengagemang follows up goodwill internally.
- Evaluated the reasonability of management's assumptions and performed sensitivity analyses for changes in management's assumptions.
- Examined the accuracy of the calculation models and evaluated the reasonableness of the discount rate used.
- Compared the estimated value in use for Projektengagemang as a whole, using its market capitalisation at 31 December 2021.
- Evaluated management's forecast capability by comparing previous forecasts with actual outcomes.
- Based on materiality confirmed that adequate note disclosures have been submitted in the annual accounts.

Percentage-of-completion method in projects in progress and measurement of trade receivables and accrued but not invoiced revenue.

Projektengagemang's recognised revenue and earnings are generated by performing projects on behalf of clients. Most of the projects are billed on an ongoing basis with time spent invoiced retrospectively, while revenue is recognised in the period in which the work was carried out.

Fixed-price projects are recognised over time, with revenue and margin being recognised in relation to the project's degree of completion. Invoices are sent at fixed points in accordance with what has been agreed with the client. This means that the timing of revenue recognition does not normally coincide with invoicing and payment by the client.

Irrespective of whether projects are performed on a fixed-price basis or are billed on an ongoing basis, revenue recognition for projects always requires management to make assessments as to how the revenue should be recognised. Revenue recognition and measurement of outstanding receivables can be affected by various circumstances. For example, contract terms may change, expenses incurred may exceed those planned and discussions or negotiations may arise regarding delivery acceptance by the client.

Revenue recognition from fixed-price projects performed over an extended period involves a greater risk of revenue, intentionally or unintentionally, being recognised in the wrong period and/or in the wrong amount.

As a result of the element of estimates and judgements from company management, we have identified project accounting as an area of particular significance in our audit.

For accounting policies, please refer to page 43–44 and Notes 2, 20, 21 and 29 of the 2021 Annual Report.

In our audit, we have focused particular attention on how company management treated ongoing projects and specifically on allocation and valuation of balance sheet items related to project accounting, such as trade receivables, accrued income and prepaid income.

We have carried out ***inter alia*** the following review procedures:

- Assessment of accounting policies applied.
- Analysis of controls and procedures for project accounting.
- Analytical review of provision for losses in projects.
- Random checks on major projects as to whether they have been reported in the correct amounts and in the right period by checking against underlying contracts, invoices and payments, and• time reporting.
- Analysis of older, overdue trade receivables and accrued income, and the provision for bad debts that has been reported, in order to independently evaluate the value of the receivables.
- F Follow-up and discussions with management and project managers.

Other information in addition to the annual report and consolidated accounts

This document also contains other information in addition to that in the annual report and consolidated accounts, which information can be found on pages 2–19 and 69–76. Other information also includes the information in the remuneration report, which is published on Projektengagemang's website. The board of directors and CEO are responsible for such other information.

Our opinion with regard to the annual report and consolidated accounts does not extend to this information, and we do not provide a statement of assurance concerning such other information.

In connection with our audit of the annual report and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is to a significant extent inconsistent with the annual report and consolidated accounts. During this review we also take account of the knowledge we have otherwise obtained during the course of the audit, and we assess whether the information in general appears to contain any material misstatements.

If, based on the work that has been carried out regarding this information, we conclude that the other information contains a material error, we are obliged to report this. We have nothing to report in this regard.

Responsibility of the board of directors and CEO

The board of directors and the CEO are responsible for ensuring that the annual report and consolidated accounts are prepared and that they provide a true and fair view in accordance with the Swedish Annual Accounts Act and, as regards the consolidated accounts, in accordance with IFRS, as adopted by the EU, and the Swedish Annual Accounts Act. The board of directors and CEO are also responsible for such internal controls as they deem necessary to enable the preparation of an annual report and consolidated accounts that are free from material misstatement, whether due to fraud or error.

When preparing the annual report and consolidated accounts, the board of directors and CEO are responsible for analysing the company and group's ability to continue as a going concern. Where applicable, they provide notification of circumstances that could affect the ability to continue as a going concern and to use the going concern basis of accounting. The going concern basis of accounting does not apply, however, if the board of directors and CEO intend to liquidate the company, discontinue operations or do not have any realistic alternative to either of these options.

The board's audit committee shall, without it affecting the board's responsibility and duties in general, monitor the company's financial reporting.

Auditor's responsibility

Our objectives are to achieve a reasonable level of assurance that the annual report and the consolidated accounts as a whole do not contain any material misstatements, whether due to fraud or error, and to submit an auditor's report that contains our opinions. Reasonable assurance is a high level of assurance, but is no guarantee, that an audit carried out in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if it exists. Misstatements can arise due to fraud or error, and are deemed material if individually or together they can be reasonably expected to impact the financial decisions that users make based on the annual report and consolidated accounts.

Further details of our responsibility as regards the auditing of the annual report and consolidated accounts can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/en/English/ This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual report and consolidated accounts, we have also audited the administration of the board of directors and CEO of Projektengagemang Sweden AB for 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the directors' report, and that the members of the board of directors and CEO be discharged from liability for the financial year.

Basis for opinions

We have conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the 'Auditor's responsibility' section. We are independent in relation to the parent company and group, in accordance with rules of professional ethics for accountants in Sweden, and have in other respects fulfilled our ethical responsibility according to these requirements.

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

Responsibility of the board of directors and CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. Any dividend proposal includes, among other things, an assessment of whether the dividend is justifiable with regard to the requirements that the type of business, size and risks of the company and group place on the size of the parent company and group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the company's organisation and the administration of the company's affairs. This involves, among other things, continually assessing the company's and group's financial situation, and ensuring that the company's organisation is designed in such as way that accounting records, management of funds and the company's financial affairs in general are monitored satisfactorily. The CEO must conduct ongoing management in accordance with the board of directors' guidelines and instructions and, for example, take any measures necessary to ensure that the company's accounting is performed in compliance with the law and that funds are managed in a satisfactory manner.

Auditor's responsibility

Our objective for the audit of management, and therefore our statement on discharge from liability, is to obtain audit evidence to have a reasonable level of assurance to be able to assess whether any board member or the CEO in any significant respect:

- has taken any action or is guilty of any negligence that could lead to a liability to the company, or
- has in any other way acted in breach of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our objective for the audit of the proposed appropriation of the company's profit or loss, and therefore our statement about this, is to have a reasonable level of assurance to assess whether the proposal is consistent with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is no guarantee, that an audit carried out in accordance with generally accepted auditing standards in Sweden will always detect actions or negligence that could lead to a liability to the company, or that a proposal regarding the appropriation of the company's profit or loss is not consistent with the Swedish Companies Act.

Further details of our responsibility regarding the audit of management can be found on the website of the Swedish Inspectorate of Auditors, Revisorsinspektionen: https://www.revisorsinspektionen.se/en/English/ This description is part of the auditor's report.

Auditor's review of the ESEF report

Opinions

In addition to our audit of the annual report and consolidated accounts, we have also verified that the board of directors and the CEO have prepared the annual report and consolidated accounts in a format that permits standard electronic reporting (the ESEF report) in accordance with Chapter 16, section 4 a of the Swedish Securities Market Act (2007:528) for Projektengagemang Sweden AB for the year 2021.

Our review and opinion relates only to the statutory requirement.

In our view, the ESEF report has been prepared in a format that essentially permits standard electronic reporting.

Basis for opinions

We conducted our review in accordance with FAR Recommendation RevR 18 Auditor's Review of the ESEF report. Our responsibility according to this recommendation is described in more detail in the 'Auditor's responsibility' section. We are independent in relation to Projektengagemang Sweden AB, in accordance with generally accepted auditing practices for accountants in Sweden, and have in other respects fulfilled our ethical responsibility according to these requirements.

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

Responsibility of the board of directors and CEO

The board of directors and the CEO are responsible for ensuring that the report has been prepared in accordance with Chapter 16, section 4 a of the Swedish Securities Market Act (2007:528), and that such internal controls are in place that the board of directors and the CEO deem necessary to enable the preparation of the ESEF report that is free from material misstatement, whether due to irregularities or error.

Auditor's responsibility

Our task is to express an opinion, with reasonable assurance, as to whether the ESEF report has in all material respects been prepared in a format that meets the requirements of Chapter 16, section 4 a of the Swedish Securities Market Act (2007:528), based on our review.

RevR 18 requires us to plan and perform our review procedures to obtain reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but is no guarantee, that a review carried out in accordance with RevR 18 and generally accepted auditing practices in Sweden will always detect a material misstatement if one exists. Misstatements can arise due to fraud or error, and are deemed material if individually or together they can be reasonably expected to impact the financial decisions that users make based on the ESEF report.

The audit firm applies ISQC 1 Quality Control for Audit Firms Performing Audits and Reviews of Financial Statements and Other Assurance and Related Services, and thus has a comprehensive quality control system in place that includes documented policies and procedures regarding compliance with professional ethics requirements, professional standards and applicable legal and regulatory requirements.

The review includes obtaining evidence, through a variety of procedures, that the ESEF report has been prepared in a format that permits consistent electronic reporting of the annual report and consolidated accounts. The auditor selects the actions to be taken, including assessing the risks of material misstatement in the reporting, whether due to irregularities or error. In making those risk assessments, the auditor considers the aspects of internal control that are relevant to the board of director's and CEO's preparation of the evidence in order to design review procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The review also includes evaluating the appropriateness and reasonableness of the board of directors' and the CEO's assumptions.

The review procedures consist in the main of a technical validation of the ESEF report, that is, whether the file containing the ESEF report complies with the technical specification set out in Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual report and consolidated accounts.

Furthermore, the audit also includes assessing whether the ESEF report has been tagged with iXBRL, which allows for a fair and complete machine-readable version of the Group's income statement, balance sheet, statement of changes in equity and cash flow statement.

Auditor's review of the corporate governance report

The board of directors is responsible for the Corporate Governance Report on pages 24–30 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Our review has been carried out according to FAR's statement RevR 16 The Auditor's Examination of the Corporate Governance Statement. This means that our review of the corporate governance report has a different focus and is considerably less in scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, section 6, subsection 2, points 2–6 of the Swedish Annual Accounts Act and Chapter 7, section 31, subsection 2 of the same Act are consistent with the other sections of the annual report and consolidated accounts, and comply with the Swedish Annual Accounts Act.

PricewaterhouseCoopers AB, Torsgatan 21 Stockholm, were appointed as Projektengagemang Sweden AB (publ)'s auditors by the AGM on 5 May 2021 and have been the company's auditors since 1 June 2016.

Stockholm, 31 March 2022
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Board of Directors

Per-Arne Gustavsson, born 1952

Chairman of the Board

Board member since 2018

Chairman of the Board and CEO of Projektengagemang from 2006 until 2015. Board Chairman from May 2019 to September 2019. CEO from September 2019 to December 2020. Employed at the Company from January 2006 to September 2017 and from September 2019 to December 2020.

Not independent in relation to the Company's major shareholders

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

Other roles: Chairman of Projektengagemang Holding i Stockholm AB, Projektengagemang Förvaltning i Stockholm AB, Pagator AB

Shareholding: 2,216,048 A shares and 445,274 B shares indirectly owned via Projektengagemang Holding i Stockholm AB and 100,000 B shares owned privately.

Per Göransson, born 1953

Board member

Board member since 2006

Not independent in relation to the Company and management, and not independent in relation to the Company's major shareholders

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

Other roles: Board member of G-Trading AB, Projektengagemang Holding AB and Projektengagemang Förvaltning AB

Shareholding: 2,175,628 A shares and 437,152 B shares indirectly owned via Projektengagemang Holding i Stockholm AB and G-Trading AB

Lars Erik Blom, born 1960

Board member

Board member since 2016

Independent of the Company and Company management and in relation to the Company's major shareholders

Education: M.Sc. Degree in Economics and Business from Stockholm University

Other roles: CEO of LK Finans AB and several Board positions within LK Finans AB's investment business, Board member of FM Mattsson Mora Group, Its Nordic AB, TSS Holding AB, Delgivningsbyrån DeltraKravek AB, JEFF fastigheter AB, Bliq AB, Nextory AB, Visera AB, Novovent Modul AB, member of FM Mattsson Mora Group's Audit Committee and Chairman of LK-gruppen.

Shareholding: 161,963 B shares indirectly via LK Finans AB

Carina Malmgren Heander, born 1959

Board member

Board member since 2017

Independent of the Company and Company management and in relation to the Company's major shareholders

Education: M.Sc. Degree in Economics and Business from Linköping University

Other roles: Group Director and Chief of Staff in SAS Group, Chair of the Board of Svenska Flygbranschen AB, Board member of the Confederation of Swedish Enterprise, Board member of Transportföretagen AB and Board member of Timezynk AB.

Shareholding: 0

Christina Ragsten, born 1958

Board member

Board member since 2020

Independent of the Company and Company management and in relation to the Company's major shareholders

Education: M.Sc. Degree in Economics and Business from Stockholm University

Other assignments: Board member of Forex Bank AB, Chairman of the Risk Committee and member of the Remuneration Committee, Board member of Moment Management AB, Chairman of the Board of Naventi Fonder AB.

Shareholding: 4,500 B shares

Jon Risfelt, born 1961

Board member

Board member since 2020

Independent of the Company and Company management and in relation to the Company's major shareholders

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

Other roles: Chairman of the Board of Axentia Group Holding AB, CAB Group AB and Knowit AB (publ.), Board member of Bilia AB (publ.), Boule Diagnostics AB (publ.).

Shareholding: 10,000 B shares

Management

Helena Hed, born 1975

President and CEO

Employee since 2020

Education: M.Sc. in Engineering from Luleå University of Technology

Other roles: Board member of CMB Centre for Management in the Construction Sector

Shareholding: 40,000 B shares

Peter Sandberg, born 1970

CFO and Deputy CEO

Employee since 2007

Education: M.Sc. in Economics and Business from Uppsala University

Other roles: Chairman of the Board and owner of Heroine Holding AB, Deputy member of the Board of Projektengagemang Holding i Stockholm AB

Shareholding: 309,000 A shares and 58,250 B shares, privately and via companies

Mathias Thorsson, born 1971

Head of Development (CBDO)

Employee since 2016

Education: M.Sc. **in Engineering from Chalmers University of Technology (CTH)**

Other roles: Deputy member Board member of Byggtjänst i Lysekil AB and Kyrkeby Fastigheter AB

Shareholding: 18,090 B shares

Key performance indicators, definitions

This report contains financial metrics that are not defined in IFRS. These financial metrics are used to monitor, analyse and direct operations and to supply the Group's stakeholders with information about the Group's financial position, earnings and performance. These financial metrics are considered to be necessary to be able to monitor and control the development of the Group's financial targets and it is therefore appropriate to publish them regularly. Below is a list of definitions of the key performance indicators used in this report.

Share-based metrics

Earnings per share
Profit/loss for the year attributable to shareholders divided by a weighted average of the number of shares during the year

Performance ratios

Return on equity
Profit/loss for the year according to income statement excluding minority's share, as a percentage of average equity

Return on capital employed
Profit/loss after net financial items, including earnings from participations in associates with reversal of interest expenses, as a percentage of average capital employed

Return on total capital
Profit/loss after net financial items, including earnings from participations in associates plus finance costs, as a percentage of average total assets

Financial metrics

Share of risk-bearing capital
Total of equity and deferred tax liabilities as a percentage of total assets

Average period of fixed interest
Period of fixed interest weighted according to outstanding interest-bearing liabilities

Average equity
Average amount of equity recognised at 1 January and 31 December

Adjusted earnings
Operating profit/loss adjusted for items affecting comparability

Items affecting comparability
Items relating to terminated operations, acquisition and integration expenses and IPO expenses

Asset turnover
Net revenue divided by average capital employed

Net borrowings
Interest-bearing liabilities less financial assets including cash and cash equivalents

Net revenue
Net revenue is the total of invoicing for current projects

Order intake
The value of projects taken on and changes to existing projects during the current period

Interest coverage ratio
Profit/loss after financial items plus finance costs divided by finance costs

Debt/equity ratio
Net borrowings divided by equity

Equity/assets ratio
Total equity as a percentage of total assets

Capital employed
Total assets less non-interest-bearing liabilities including deferred tax liabilities. Average capital employed is calculated as the average of values at 1 January and 31 December

Margins

Net margin
Profit/loss after financial items as a percentage of net revenue

Operating margin
Operating profit/loss as a percentage of net revenue

Profit margin
Profit/loss after financial items as a percentage of net revenue

Other key performance indicators

Number of employees
Total number of employees, all forms of employment, at end of period

Utilisation rate
Time charged to client in relation to total attendance

Average number of FTEs
Average number of employees during the year recalculated as full-time equivalents. The actual number of employees is higher due to part-time positions, and the fact that some employees only work for part of the year

Calendar effect
Average number of employees for the period multiplied by the difference in the number of available working days during the period, multiplied by average revenue/employee

Average interest rate
Nominal interest weighted according to outstanding interest-bearing liabilities at the reporting date

Adjusted operating profit/loss EBIT and EBITDA for items affecting comparability

Company management is of the opinion that the operating performance metrics EBIT and EBITA, adjusted for acquisition expenses and integration expenses associated with significant acquisitions, together with listing costs provide useful information that enables investors to monitor and analyse the underlying earnings performance of the business, and create comparable performance measures between different periods. There is no adjusted profit/loss for 2020 or 2021.

Calculations of financial performance measures not defined according to IFRS

Some of the descriptions and analyses presented in this annual report include alternative performance measures that are not defined by IFRS. The Company is of the opinion that this information, in combination with comparable defined IFRS metrics, is useful for investors, as it provides a basis for measuring operating earnings and the Company's ability to repay liabilities and invest in the business. Management uses these financial metrics, together with the most directly comparable financial metrics in IFRS, when evaluating operating earnings and value creation. These alternative performance metrics should not be considered in isolation from, or as a substitute for, financial information published in the financial statements in accordance with IFRS. The alternative performance measures that are reported do not necessarily need to be comparable with similar metrics published by other companies. Reconciliations are presented in the tables below.

SEK 000s	**2021**	**2020**
Non-current, interest-bearing liabilities	231,238	231,235
Current, interest-bearing liabilities	68,601	96,633
Cash and cash equivalents including short-term investments	-22,983	-43,555
Net receivables (-)/debt	**276,856**	**284,312**
Net receivables (-)/debt	276,856	284,312
EBITDA	132,363	154,330
Leverage	**2.1**	**1.8**
Operating profit/loss, EBIT	39,863	67,441
Net revenue	1,012,841	1,167,043
Operating margin EBIT, %	**3.9**	**5.8**
Operating profit/loss, EBIT	39,863	67,441
Acquisition-related items	-16,992	-11,270
EBITA	56,855	78,710
Net revenue	1,012,841	1,167,043
EBITA margin, %	**5.6**	**6.7**
Operating profit/loss, EBIT	39,863	67,441
Depreciation/amortisation and acquisition-related capital gain	-92,500	-86,889
Profit/loss before depreciation/amortisation, EBITDA	132,363	154,330
Net revenue	1,012,841	1,167,043
EBITDA margin, %	**13.1**	**13.2**

Projektengagemang – Share information

Projektengagemang Sweden AB (publ) was listed in 2018 in the Small Cap segment of Nasdaq Stockholm. The subscription price was SEK 47 per share. The first trading day was 19 June. The total number of shares in PE on 31 December was 24,555,677 and the number of votes 72,240,593. Of the total number of shares, 5,298,324 are A shares, representing 52,983,240 votes, and 19,257,353 are B shares, representing 19,257,353 votes. Only the Company's B shares are listed on Nasdaq Stockholm.

Share price performance

The price of PENG B shares at year-end 2021 was SEK 23.50 per share. Compared to the price at the beginning of 2021, when a share cost SEK 23.70, the share price fell by 0,8 percent. Nasdaq OMX Small Cap Sweden PI rose by 35 percent in the corresponding period.

The highest share price in 2021 was SEK 26.40 and the lowest SEK 20.50. During the year, a total of 3,101,018 shares were traded via Nasdaq Stockholm. The number of shares traded per trading day averaged 12,404.

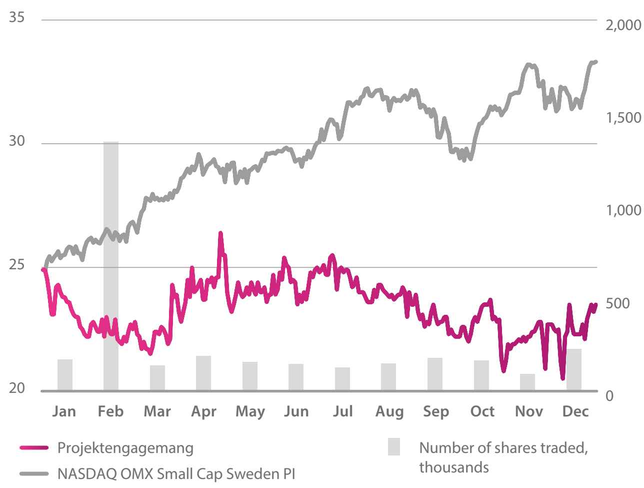
Dividend policy

The dividend shall be between 30 and 50 percent of profit for the year.

Proposed dividend

The Board proposes that a dividend of SEK 0.4 (0) per share be paid. The total dividend payment amounts to SEK 9,822,271 (0).

Share information



Largest shareholders at 30 December 2021

Name	Series A shares	Series B shares	Total	Votes, %	Capital, %
Projektengagemang Holding i Stockholm AB	4,391,676	882,426	5,274,102	62.01%	21.48%
Protector Forsikring ASA		3,159,489	3,159,489	4.37%	12.87%
Sandberg, Peter, and companies	309,000	58,250	367,250	4.36%	1.50%
Investment AB Öresund		2,794,622	2,794,622	3.87%	11.38%
LK Finans AB		1,634,344	1,634,344	2.26%	6.66%
K-Konsult Management AB	159,000	14,866	173,866	2.22%	0.71%
Zirkona AB		1,561,402	1,561,402	2.16%	6.36%
Ringstedt, Katarina	120,000	18,689	138,689	1.69%	0.56%
Lönneberg, Linda	54,000		54,000	0.75%	0.22%
Wilkne, Thord		500,000	500,000	0.69%	2.04%
Total, ten largest shareholders	**5,033,676**	**10,624,088**	**15,657,764**	**84.39%**	**63.76%**
Other shareholders	264,648	8,633,265	8,897,913	15.61%	36.24%
Total	**5,298,324**	**19,257,353**	**24,555,677**	**100.00%**	**100.00%**

Share distribution at 30 December 2021

Holdings	Number of shareholders	Series A shares	Series B shares	Capital, %	Votes, %
1–500	982	300	163,299	0.67%	0.23%
501–1,000	168	2,700	130,272	0.54%	0.22%
1,001–5,000	270	26,100	659,604	2.79%	1.27%
5,001–10,000	74	21,600	534,094	2.26%	1.04%
10,001–15,000	22	2,700	276,707	1.14%	0.42%
15,001–20,000	19	11,700	334,935	1.41%	0.63%
20,001–	98	5,233,224	17,158,442	91.19%	96.19%
Total, 30/12/2021	**1,633**	**5,298,324**	**19,257,353**	**100.00%**	**100.00%**

Change in share capital

Period	Transaction	Series A shares	Series B shares	Number of shares	Share capital
19/07/1989	Company established			500	50
28/01/1997	Bonus issue			500	100
01/10/2006	New share issue			9,000	1,000
19/11/2010	100-for-1 share split			990,000	1,000
27/04/2015	3-for-1 share split[1]	2,000,000	1,000,000	2,000,000	1,000
27/04/2015	New share issue	56,000	28,000	84,000	1,028
25/11/2015	New share issue		851,063	851,063	1,312
26/11/2015	New share issue		1,916,351	1,916,351	1,950
14/05/2018	Reclassification A to B	-224,000	224,000	–	1,950
07/06/2018	3-for-1 share split	3,664,000	8,038,828	11,702,828	1,950
19/06/2018	New share issue		6,382,979	6,382,979	2,652
20/07/2018	New share issue		618,456	618,456	2,728
May–Nov 2019	Reclassification A to B	-97,476	97,476	–	2,728
30/04/2020	Reclassification A to B	-6,300	6,300	–	2,728
05/02/2021	Reclassification A to B	-65,400	65,400	–	2,728
30/11/2021	Reclassification A to B	-28,500	28,500	–	2,728
		5,298,324	**19,257,353**	**24,555,677**	

1 Split in which for every one share held, two Series A shares with ten votes and one Series B share with one vote were issued.

Number of shares and votes

At year-end	Number	Votes	Total number of votes
Series A shares	5,298,324	10	52,983,240
Series B shares	19,257,353	1	19,257,353
Total	**24,555,677**		**72,240,593**

Annual General Meeting

Projektengagemang's 2022 AGM will be held on Thursday, 5 May 2022.

The Board of Directors has decided that the 2022 Annual General Meeting will be held without the physical presence of shareholders, proxies and outsiders. Shareholders may exercise their voting rights by postal vote before the meeting. A press release will be published after the AGM with information on the main resolutions approved.

Participation at the AGM

Shareholders wishing to participate in the AGM via postal voting must (i) be registered as a shareholder in the register of shareholders produced by Euroclear Sweden AB stating the conditions on Wednesday, 27 April 2022, and (ii) advise the Company by casting their postal vote in accordance with the instructions under the heading "Postal voting" below, in such time that the postal vote is received by the Company no later than Wednesday, 4 May 2022. Participation in the meeting may only be advised by casting a postal vote.

In order to be entitled to participate in the AGM, shareholders who have registered their shares in the name of a nominee, must in addition to advising participation in the meeting by casting a postal vote, arrange for their shares to be re-registered in their own name such that the shareholder is included in the register of shareholders on the record date, Wednesday, 27 April 2022 ("registration for voting"). Such re-registration may be temporary and should be requested from the nominee, in accordance with the nominee's procedures, in such time in advance as the nominee determines. Voting registrations made by the nominee no later than Friday 29 April 2022 will be included in the production of the register of shareholders.

Postal voting

Shareholders may exercise their voting rights at the Annual General Meeting only by postal vote under temporary legal rules applicable during 2022. For postal voting, a special form must be used. The postal voting form is available at www.pe.se. The postal voting form is valid as notification of participation at the AGM. A completed and signed postal form must be sent by post to: Projektengagemang Sweden AB, Box 47146, SE-101 74 Stockholm, Sweden, or by e-mail to ir@pe.se. A completed and signed postal voting form must be received by the Company no later than 4 May 2022.

Shareholders are not permitted to attach special instructions or conditions to their postal vote. If this is done, the vote will in entirety be declared invalid. Further details and conditions are shown on the postal voting form. If a shareholder casts his or her vote via a proxy, a form of proxy, in writing and signed by the shareholder, shall be appended to the postal voting form, together with any authorisation documents. A form of proxy is available at www.pe.se.

Shareholder's right to request information

The Board of Directors and the Chief Executive Officer shall, at the request of a shareholder and if the Board considers it may do so without material detriment to the Company, provide information as to circumstances that may affect the judgement of an item on the agenda for the meeting, circumstances that may affect the judgement of the Company's or a subsidiary's financial situation and the Company's relationship to another Group company.

Any request for such information must be made in writing to: Projektengagemang Sweden AB (publ), Att. Peter Sandberg, Årstaängsvägen 11, SE-100 74 Stockholm, Sweden, or via email to ir@pe.se. Such questions must be received by the Company by no later than 25 April 2022. The information will be available at the Company, at the address: Årstaängsvägen 11, SE-100 74 Stockholm, Sweden, and at www.pe.se by no later than 30 April 2022. The information may also be sent to shareholders who request it in this way and who provide their e-mail or postal address.

Financial calendar

5 May	Interim report January–March 2022
5 May	Annual General Meeting 2022
15 July	Interim report April–June 2022
28 October	Interim report July–September 2022
10 February 2023	Year-end report 2022

Postal address:
Box 47146
SE-100 74 Stockholm, Sweden

Visiting address:
Årstaängsvägen 11
117 43 Stockholm, Sweden
