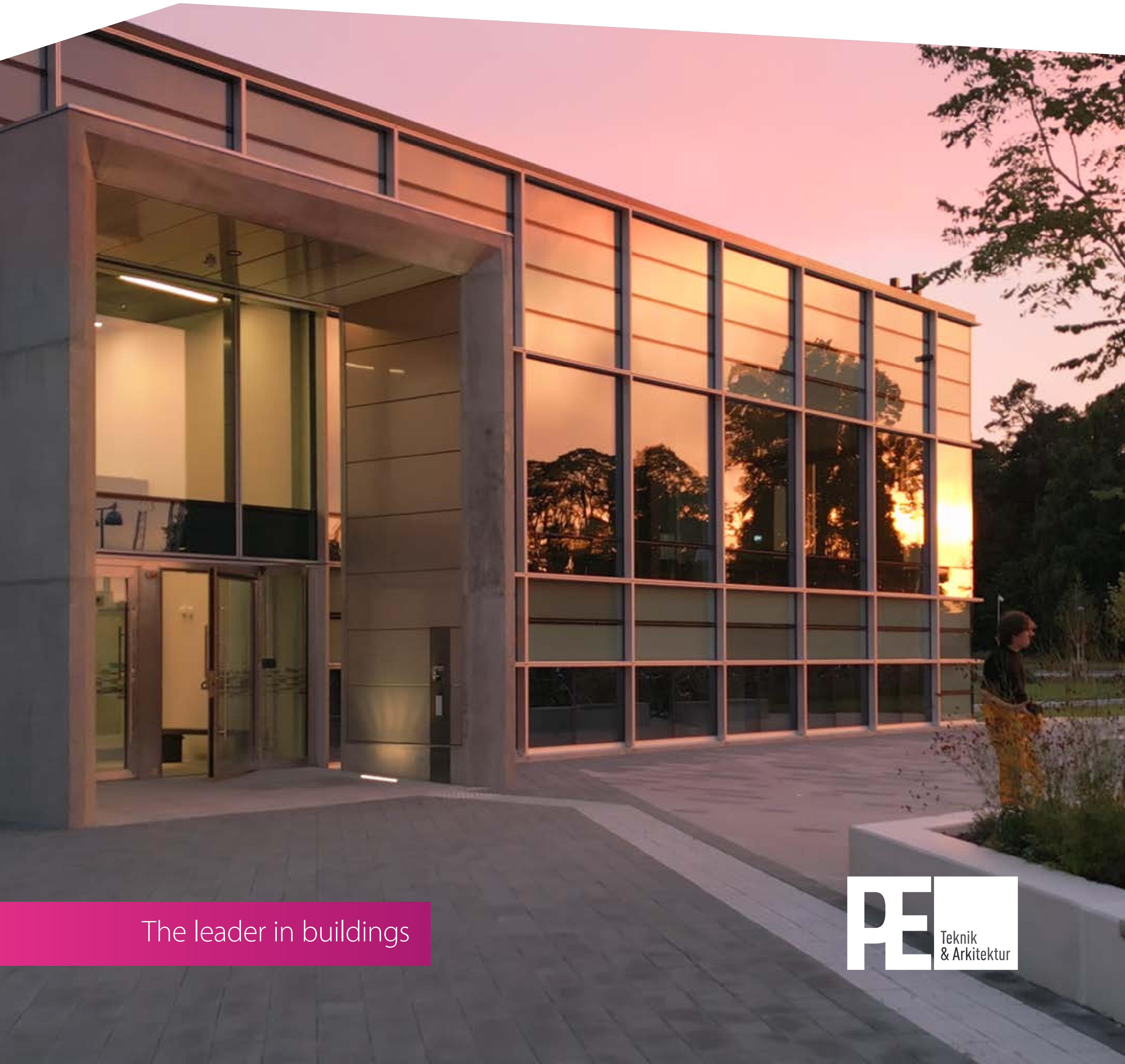
Annual and Sustainability Report 2022

Projektengagemang Sweden AB



The PE Group is one of Sweden's leading consultancy groups with a focus on buildings and their immediate surroundings. The Company was founded in 2006 and is listed on Nasdaq Stockholm. The operational activities are conducted in the company PE Teknik & Arkitektur, which has branches across Sweden and annual revenue of approximately SEK 1 billion. In the area of urban planning, PE creates innovative and sustainable solutions that play a part in developing and renewing communities. Find out more at pe.se.

When the Swedish Tax Authority was moving to new, modern offices in Stockholm's award-winning Nya Kronan district, PE was tasked with creating an attractive work environment that meets high standards in terms of sustainability, functionality and aesthetic design.

" Our focus has strengthened our offering and increased our attractiveness

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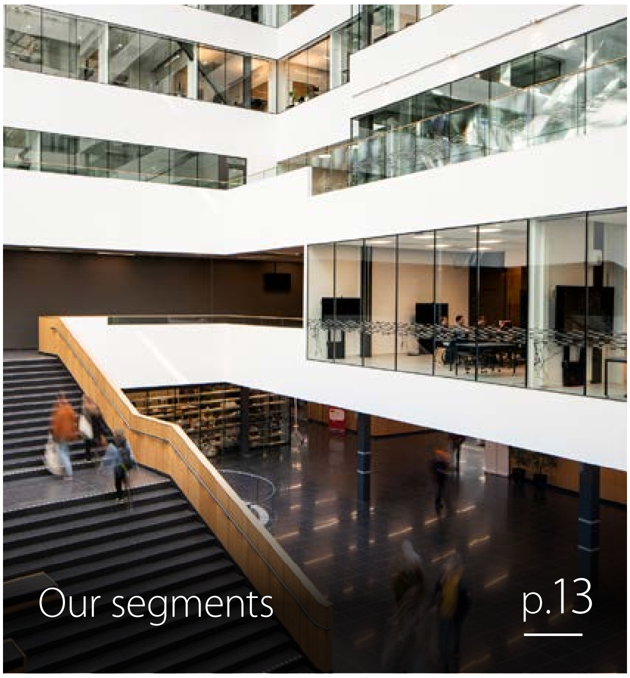

Financial summary, 2022

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Our targets

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Experts in buildings

The PE Group is one of Sweden's leading consultancy groups with a focus on buildings and their immediate surroundings. Working with our clients, we plan and design sustainable buildings and communities.

Drive to innovate

As engineers, architects and specialists, we help 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 via our assignments that we achieve our vision of renewing our communities through innovative and sustainable solutions. What we do now must work both now and for future generations.

A proud history

PE was founded in 2006, but our history stretches back to the 1950s. Acquisitions have been key to our rapid growth, and the companies that we have had the pleasure of welcoming into 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 closely with 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 a firm 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.

The Parent Company of the Group: Projektengagemang Sweden AB (publ)

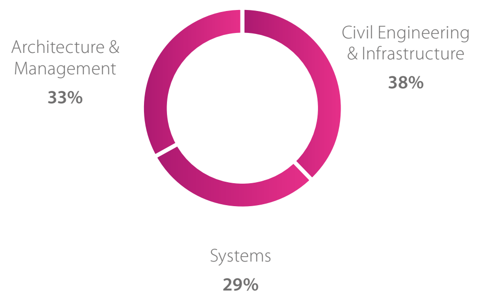
Operating activities: PE Teknik & Arkitektur AB

Founded: 2006

CEO and President: Helena Hed

Number: 828 employees at 20 locations

Areas of expertise: Certified consultancy services in our segments: Architecture & Management, Civil Engineering & Infrastructure, and Installation



Distribution of employees

828

employees

20

locations

84%

percentage of clients that believe we contribute to sustainability in projects

The PE model: our way forward

The PE model is our business model, which describes how we work to make a difference for society, our clients and ourselves. With a focus on people, we create the highest possible value, based on: Best Place to Work, Highest Customer Value, Sustainable Development and Profitable Growth.

Who we are

Our vision

We renew society through innovative and sustainable solutions.

Our business concept

Together, we deliver high-level consulting services and solutions in and around all kinds of buildings.

Our values

- Commitment
- Entrepreneurship
- Responsibility

Our ambition

By 2025, PE will be Sweden's leading consultant specialising in buildings and their immediate surroundings.

How we create value

"Our focus has strengthened our offering and boosted our appeal."

eNPS 26

Growing employee satisfaction (2021: 7)

NPS 62

Growing client satisfaction (2021: 17)

”

Our focus boosts our appeal
We have a clear goal: by 2025, we will be Sweden's leading consulting company specialising in buildings and their immediate surroundings. As engineers, architects and specialists, we help shape a sustainable society. We have a broad portfolio and a mix of both private and public clients. Our clients make repeat orders and recommend us to others, and our client satisfaction is at a record high level, with an NPS of 62. Our employees like their jobs and the interest in joining PE has never been as great as it is today. This confirms that our focus has strengthened our offering and increased our attractiveness.

Building the Company for growth
We drive change to create an efficient and client-centred organisation with the aim of creating profitable growth. During the last quarter of the year, we recorded organic growth for the first time since 2019 and we added 33 more employees, which is a very important milestone. The turnaround is the result of a structured effort to work closely with our clients and our efforts to strengthen our culture. During the year, we will continue to work on implementing our PE model, which is based on creating value for employees, clients, assignments and profitability.

Solid earnings performance
The streamlining we have carried out, with the divestment and liquidation of various parts of the business, has impacted on the revenue and profit for the year. Net revenue totalled SEK 929 million in 2022, with organic growth of –2 percent. EBITA was SEK 46 million, with the result compared to the previous year being affected by the Swedish Agency for Economic and Regional Growth's final calculation of short-term financial support, costs related to discontinued parts of the business in the industry area as well as costs relating to the streamlining of office space. The underlying result is in line with the previous year,and corresponds to an EBITA margin of close to six percent, excluding the above-mentioned costs.

Demand for PE's services was stable across large parts of the business and our order book strengthened. Civil Engineering & Infrastructure delivered good profitability with a strong EBITA margin. Architecture & Management continued to show good profitability, albeit slightly lower than the previous year due to lower utilisation and attendance rates. Installation had weak profitability for the full year but it is worth noting, and of vital importance for the Company, that the segment had a strong improvement in earnings in the fourth quarter. It is gratifying that the measures we have implemented are generating results.

Measures for improving the margin
We have continued our efforts to develop an efficient, agile and customer-oriented organisation. Our organisation is diversified and decentralised, which contributes to stability, despite fluctuations in the economic cycle. Going forward, internal efficiency is an important parameter. There is, for example, the possibility of making efficiency gains linked to the adapting of our offices to future ways of working. This has the potential to achieve significant cost reductions estimated at around SEK 40 million up to and including 2025, and an annual saving of SEK 20 million from 2026. These actions will help improve profitability and growth, with the aim of reaching our financial targets.

Developing people and careers
Every employee’s development is crucial for us, both in terms of personal and professional development. By having a strong culture, responsive leadership, proactive employee participation and a creative working environment, we help each other develop. During the year, we had record high employee satisfaction, with an eNPS of 26, and we are growing organically. We have a strong focus on recruitment and staff development. PE attracts the best talent in the industry and every employee can build their career with us by working on the most exciting assignments in the most stimulating teams.

Creating sustainable cities and communities
We need engineers, architects and specialists who can work together to create sustainable, innovative, smart and safe societies and cities. There is considerable need for a rapid transition and the pace of change is high. At the same time as we see a changing market situation in the short term, we also see an increased demand for services in . areas such as climate transition, security and energy optimisation. One assignment with a strong element of sustainability is the Forskaren office building in Stockholm, a new life sciences cluster. PE has provided the client Zengun with everything from feasibility studies to construction documentation for electrics, telecommunications, security, lighting design, solar panels, lightning protection and lifts. We are proud of our involvement in this impressive project.

Aiming to be climate neutral by 2030
PE has adopted new sustainability targets with a clear link to our vision of renewing society through innovative and sustainable solutions. These, combined with our financial targets, ensure that PE is navigating towards long-term sustainable and profitable growth. They also mean that we, together with clients and partners, actively contribute to 2030 Agenda. Our targets mean that we work with sustainable consulting and knowledge sharing, that we are an employer that focuses on long-term sustainability and that we pursue responsible business conduct.

Great opportunities ahead
We are at the centre of the ongoing global changes and have a unique opportunity to create solutions for sustainable development with our expertise. I am confident about the future, at the same time as I am humble about the challenges faced by society, with an unstable macroeconomic and political situation that could change in the short term. Regarding the long term, our preparedness is good. We operate in a local market, we can quickly adapt our offer to clients’ needs, and we have great opportunities to increase value creation for our stakeholders over the coming years. I would like to express my sincere thanks to all our employees, clients, shareholders and partners for their excellent efforts and co-operation during the past year. I am incredibly proud to be part of PE.

– **Helena Hed**, President and CEO

Well positioned to advance

Our new focus has boosted our appeal and our clients are increasingly ordering repeat assignments. The streamlining in 2022, which involved the divestment and discontinuation of some business operations, has affected this year's revenue and earnings. Underlying earnings are in line with the previous year, and going forward we are implementing efficiency gains, related in part to the adaptation of our offices.

Key performance indicators

SEK million	2022	2021
Net revenue	929	1,013
EBITA	46	57
EBITA margin, %	4.9	5.6
Operating profit/loss, EBIT	38	40
Operating margin, %	4.1	3.9
Profit/loss for the year	22	20
Earnings per share outstanding for the year, SEK (no dilution effect)	0.93	0.82

- Net revenue totalled SEK 929 million
- EBITA was SEK 46 million and the EBITA margin 4.9 percent
- Increased utilisation rate and fees
- Good order backlog and order intake
- New record for client and employee satisfaction (NPS och eNPS)
- Positive net recruitment of staff
- During the year, we worked with more than 4,000 clients and together contributed to positive societal development through more than 13,000 assignments.

Our ten largest clients in 2022

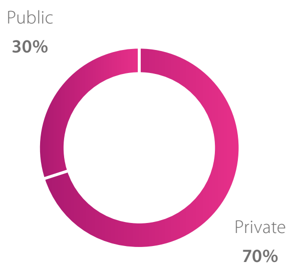
- SISAB
- NCC
- Peab
- Stockholm City,Property Administration
- Locum
- Serneke
- Prefabsystem
- Specialfastigheter
- Örebro County region
- Zengun

929

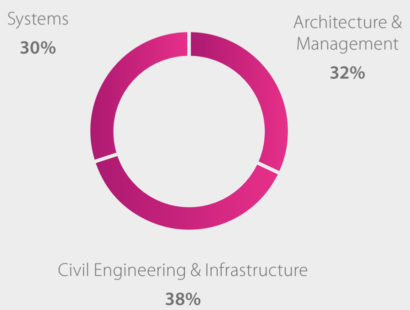
Net revenue, SEK million

46

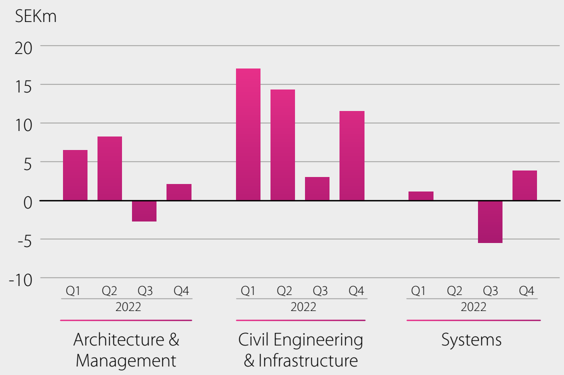
EBITA profit/loss, SEK million



Classification of clients



Revenue per segment in 2022



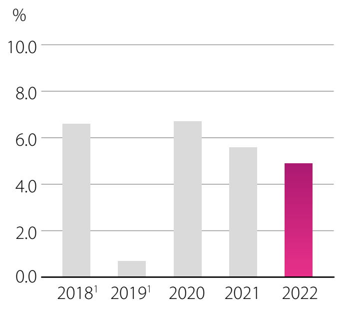
EBITA per segment in 2022

Clear objectives

Financial targets

Our objective is long-term sustainable and profitable growth with an improved operating margin. A diversified, decentralised portfolio contributes to stability, despite fluctuations in the economic cycle. Going forward, internal efficiency is a key focal area.

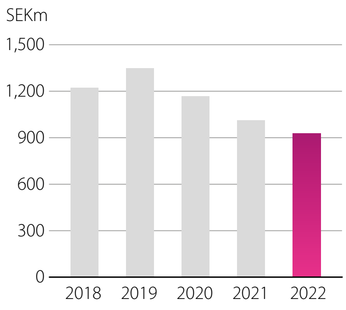
- Profitability of 10% EBITA margin over time
- Annual growth of 15% over time, including acquisitions
- A net borrowings/EBITDA ratio of max. 2.5



1) Adjusted

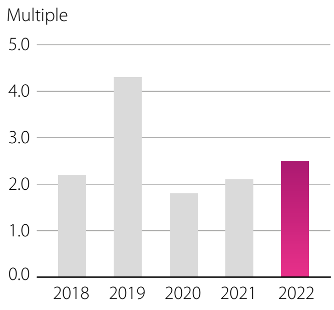
EBITA margin

Targets: 10%



Net revenue

Target: 15% annual growth



Net borrowings

Target: <2.5

Dividend policy

The Board has adopted a dividend policy of 30–50% of the profit for the year, excluding capital gains, being distributed to shareholders.

43%

Proposed dividend 2022

Sustainability targets

We contribute actively to 2030 Agenda and the sustainable development of society, together with our clients and partners, by offering **sustainable consulting and knowledge sharing**, by being a sustainable employer with a **long term perspective**, and by observing **responsible business conduct**. Together with our financial targets, this ensures that we guide the business towards long-term sustainable growth.

- Client satisfaction NPS > 50
- Contribution to sustainability > 90 % of assignments
- Employee satisfaction eNPS > 50
- Even gender balance at all levels 40/60
- Percentage of employees who have accepted the Code of Conduct 100%
- Climate neutral 2030, annual reduction of CO_2 emissions[1)] ≥ 10 %

62

NPS

Target: > 50

84%

Sustainability contribution

Target: > 90%

26

eNPS

Target: > 50

36/64

Gender distribution

Targets: 40/60

78%

Code of Conduct

Targets: 100%

9%

Reduced CO_2

Target: ≥ 10%

1) CO_2 reduction before scope 3 expansion

Investment in transition

An investment in PE is an investment in the transition to a sustainable society. We now have a stable platform that forms the basis for profitable growth in the coming years. By having an efficient and client-centred organisation, we create the highest possible value in our assignments.

Swedish architectural and engineering consultancies services have an annual market value of more than SEK 70 billion, 70 percent of which is in the construction and property sector in which PE operates. This sector has stable, long-term demand, partly in new construction but especially in developing and refining existing buildings and extending their life.

By focusing our business on buildings, we have strengthened our brand in respect of clients and made us a more attractive employer, resulting in record high employee and client satisfaction in 2022. These are key success factors in achieving our goal of being Sweden's leading consultant in buildings and their immediate surroundings by 2025.

To ensure long-term sustainable growth, structural measures have been taken since 2021, with a diversified and decentralised portfolio contributing to stability, despite economic fluctuations. Our objective is profitable growth and an improved operating margin, in line with our financial targets to create value for our shareholders and stakeholders. Going forward, internal efficiency is a key focal area.

– **Liselotte Haglind,** Chief Financial Officer

An investment in one of Sweden's leading consulting firms specialising in buildings and their immediate surroundings.

Megatrends are driving client demand and are expected to lead to a growing need.

Structural measures taken since 2021 are creating the basis for long-term profitable growth.

Our diverse, decentralised portfolio contributes to stability, despite fluctuations in the economic cycle.

Megatrends driving demand

Sustainability, digitalisation, urbanisation and security are megatrends that are contributing to demand for PE's services. The Swedish market for architectural and structural engineering consultancy services continued to grow during 2022, but skills shortages remain a challenge.

Over the past 10 years, the Swedish market for architecture and structural engineering consulting services has continued to grow by an average of 8.5%, according to the Federation of Swedish Innovation Companies. In total, Sweden's engineering consultants and architects generate around SEK 70 billion a year in revenue, and the industry employs around 45,000 people. Skills shortages remain a major challenge for the industry, despite a slowdown in the market in the second half of 2022.

Sustainability

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 standards. In our role as advisor and knowledge partner, we work closely with our clients to develop smart and sustainable solutions for a sustainable, circular and safe society. Preventing and managing climate change and other sustainability issues are at the heart of all our client assignments. The phasing-out of fossil fuels in parallel with the electrification of transport and industry is also driving major investments in renewable energy production, grid expansion and energy storage.

Digitalisation

Technological developments are reshaping the way we view and use our buildings, cities and communities and accelerating the green transition. Using our expertise in digitalisation, we create value for our clients through solutions for intelligent, energy-efficient buildings based on parametric design, BIM, digital twins, process automation, intelligent control systems, and visualisation of climate impact. Smart, sustainable solutions that enable better control and planning, greater efficiency, improved safety and reduced environmental and climate impact. By using digital tools we have also increased our own efficiency at PE. We are continually strengthening our expertise and building partnerships in order to play a leading role in this accelerating trend.

Urbanisation

Our cities are growing and expanding, but they are also changing as buildings and districts have to be adapted and our habits evolve. Today, half of the world's population lives in cities, and by 2050, two-thirds of the world's population is expected to live in cities. There are significant needs to develop buildings and their immediate surroundings, in the form of new community buildings, housing, communal spaces, retail areas and workplaces. In our client assignments, we help develop sustainable cities and communities that promote good health and well-being, offer quality of life and help combat climate change. Sustainable, climate-friendly solutions include green roofs and walls, rainwater management, good security and resource-efficient communal spaces in buildings.

Security

The security of buildings and urban environments is an area of growing importance, both in the public and private sectors. Needs include solutions to address environmental and climate threats, preventing crime and terrorism, and increasing the sense of security. Solutions to address external threats have also become increasingly important, with the need to expand both civilian and military infrastructure. To meet these needs, PE works in multidisciplinary teams to create comprehensive solutions from the analysis and planning stage, in which the need for protection, vulnerability and protective measures for sustainable buildings and their surroundings are an integral part.

The Rotterdam District in Stockholm, winner of the Sweden Green Building Awards 2022. PE was an environmental coordinator on behalf of Castellum. Picture: SGBC

Nya Ångström, Uppsala University's largest ever construction project, was inaugurated in 2022. Work has been in going on since 2011, with PE contributing expertise in architecture, lighting design, landscape architecture, electrical, telecoms and security, design management and coordination of general consulting assignments on behalf of Akademiska Hus.

Architecture & Management

Architecture & Management offers services in architecture, societal development and project management. We help our clients develop sustainable buildings and cities based on good architecture. Our solutions enable resource-efficient and flexible use of buildings, with low running costs and a long lifespan.

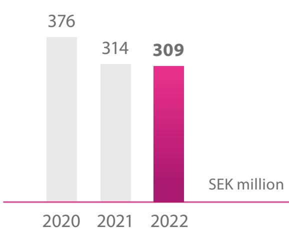
Hällefors' first swimming centre will be sustainable and energy efficient. PE has put together a team with expertise in architecture, project and construction management, design and structural engineering on behalf of both Hällefors Municipality and the contractor.

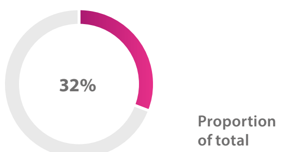
At the request of Lundafastigheter, PE has produced a measured building survey, programme documentation and a local development plan for the new Fälad School in Lund. The assignment also includes a sports hall, library, school of culture and meeting places to promote social sustainability.

SEK million	2022	2021	2020
Net revenue, SEK million	309	314	376
Net revenue growth	–1.8%	–16.4%	–18.9%
Operating profit/loss, EBITA, SEK million	14.1	19.4	6.4
EBITA margin	4.6%	6.2%	1.7%

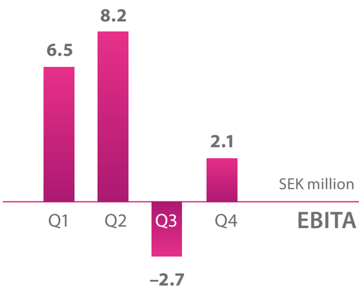
4.6%

EBITA margin





Revenue



EBITA profit/loss 2022

Civil Engineering & Infrastructure

Civil Engineering & Infrastructure offers design and environmental solutions for all aspects of buildings and their surroundings. We help our clients develop resource-efficient, flexible, secure and low-carbon buildings as an important part of a safe, inclusive and sustainable society.

The new Hotell Draken will be Gothenburg's tallest hotel. PE is the main designer of the project, on behalf of contractor K21. Through the construction document, we were also commissioned by UPB to design the building's frame.

Picture: Logicenter

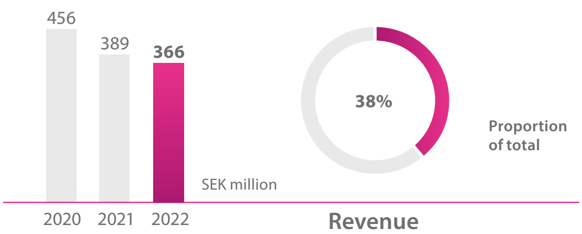
In Logicenter's new Triple Zero project, the logistics property stakeholder wants to become a leader in the development of carbon-neutral facilities for all levels. PE is responsible for environmental coordination and contributes sustainability expertise.

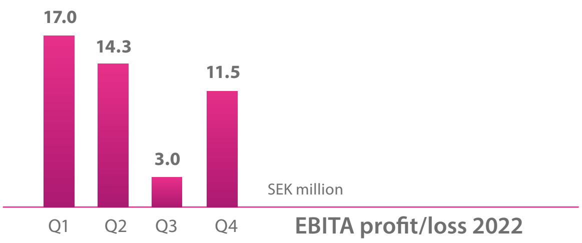
SEK million	2022	2021	2020
Net revenue, SEK million[1]	366	389	456
Net revenue growth	–5.9%	–14.6%	6.7%
Operating profit/loss, EBITA, SEK million	45.8	35.7	43.9
EBITA margin	12.5%	9.2%	9.6%

1) The sale of the railway business in 2021 affected revenue in 2022 by SEK -23.5 million, see Note 4. For organic growth, see Note 3.

12.5%

EBITA margin





Systems

Installation offers smart, sustainable solutions that optimise all of a building's systems to achieve the best possible running costs and the least possible climate and environmental impact. By using the latest technology, we create modern, pleasant and resource-efficient environments.

Smart solutions for long-term sustainability are key to Locum's construction project for a new healthcare building at Danderyd Hospital. PE's assignment includes electrical and telecommunications, HVAC and sanitation, medical gases, fire safety, lifts and pneumatic dispatch system, control and monitoring, and energy and environment.

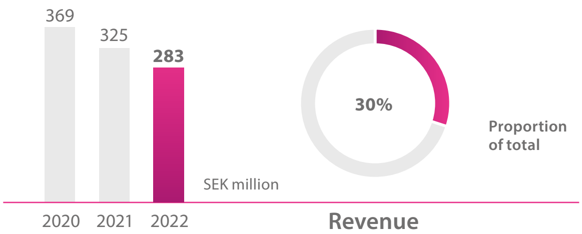
JM is developing Liljeholmskajen in Stockholm into an attractive neighbourhood. PE has designed electrical and telecommunications systems for over a thousand apartments, pre-schools, shops and restaurants, and was the lead designer for Kajen 5 and Kajplats 6, two of the tallest buildings in the area.

SEK million	2022	2021	2020
Net revenue, SEK million[1]	283	325	369
Net revenue growth	–12.9%	–11.9%	–19.6%
Operating profit/loss, EBITA, SEK million [2]	–0.6	7.8	20.0
EBITA margin	–0.2%	2.4%	5.4%

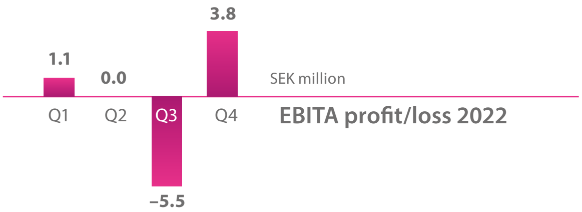
1) Closure of the Industry business operations in 2021 affected revenue in 2022 by SEK –33 million, see Note 4. For organic growth, see Note 3.
2) EBITA was also impacted by SEK –3.5 million in 2022, due to the discontinuation of the Industry business operations.

–0.2%

EBITA margin



Revenue



EBITA profit/loss 2022

Sustainability Report

Töreboda Municipality commissioned PE to develop a proposal for converting a silo and its surroundings by the Göta Canal into a hotel and a new meeting place in the city. All aspects of the project had to have a small carbon footprint and high environmental standards. The result was Green Tower.

Trends in sustainable development
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Progress in 2022
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Our contri-bution to the 2030 Agenda
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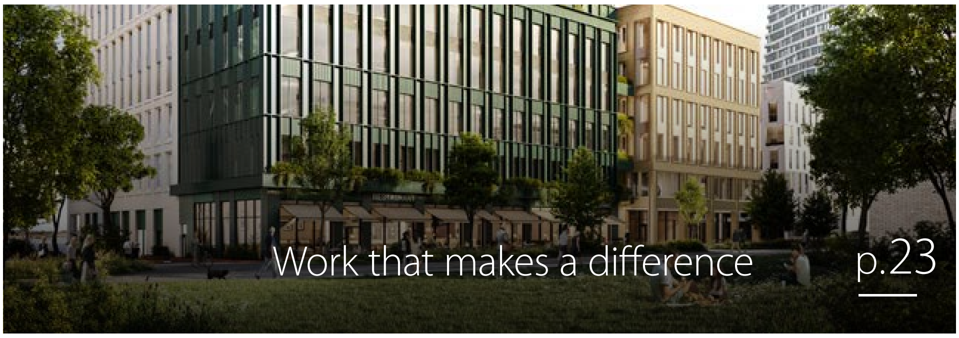

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Information/reporting in accordance with Chapter 6, Section 12 of the Annual Accounts Act is provided on the following pages

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Sustainable development in our assignments and business

Sustainability is part of PE's vision business strategy. As a leading consultancy specialising in buildings and their immediate surroundings, we are at the centre of the ongoing changes that require sustainable development. Sustainability is a cornerstone of our value creation for clients, other stakeholders and society at large.

PE works in an integrated way with all aspects of sustainability. Our own business is sustainable, and all our assignments focus on client value that is financially, socially and environmentally sustainable. Working towards these goals is part of our annual business planning process.

Our starting point is the 10 principles of the UN Global Compact and the UN's Sustainable Development Goals, 2030 Agenda. As a member of the UN Global Compact, PE is committed to following the principles on respect for human rights, labour rights, the environment and anti-corruption, and to reporting on our progress in this regard. We have defined three areas in which we are creating positive movement towards measurable targets:

Sustainable consulting and knowledge sharing

As engineers, architects and specialists, we can influence and provide creative and sustainable solutions in our assignments. Together with our clients and partners, we actively make a difference and help build a sustainable society. In our role as an advisor and knowledge partner, we help clients make the necessary changes and strengthen their sustainability efforts. We have set targets and measure the extent to which our assignments contribute to greater sustainability, as well as the extent to which we collaborate with others to achieve this.

The biggest sustainability challenge facing our industry is tackling climate change. Buildings account for one-fifth of Sweden's greenhouse gas emissions. There are, consequently, significant ambitions to reduce emissions, both in general and in individual projects. The entire industry is aiming to become carbon neutral by 2045, which requires new approaches and innovation. As in other areas, PE contributes here by challenging and developing the sector based on smart, long-lasting solutions.

Sustainable employer for the long term

As an employer, PE provides long-term sustainability. We achieve this by developing and maintaining a strong corporate culture and by actively promoting inclusion and diversity within our organisation. We regularly measure employee wellbeing in the workplace, and have targets in place for both this and for gender balance at all levels of the Company.

We also continually strengthen the skills of our employees, both in terms of our consulting assignments and through more formal skills development. Each employee is empowered to achieve their goals through individual development plans, mentoring and training.
We also have a creative working environment, with responsive leadership and proactive participation that supports employee development. This ensures long-term success and maximises our contribution to sustainable development.

Responsible business conduct

Conducting business responsibly generates long-term sustainable growth and long-term value creation for all our stakeholders. We always observe good business ethics, with zero tolerance for corruption, and ensure that the entire supply chain is just as accountable.

Although our own climate impact is small compared with that arising from our client projects, it's also important that we take responsibility for this. One way we do this is by reducing carbon emissions from business travel. Our goal is for our own business operations (scopes 1, 2 and 3) to be climate neutral by 2030.

Find out more about PE's material topics

Sustainable consulting and knowledge sharing p.30

Sustainable employer for the long term p.33

Responsible business conduct p.35

Ekerö Municipality is redeveloping a former industrial area into the new Ekerö Strand residential area. PE is providing expertise in landscape architecture, geotechnical engineering, water and wastewater, project and design management.

Trends in sustainable development

The world is becoming increasingly complex and we face major societal challenges. Successful transition to sustainable communities and cities requires innovative solutions and new approaches. We conduct business intelligence and analyse trends in order to identify business opportunities, ensure we can offer the right expertise and reduce risks.

Sustainability data reporting

Increased requirements and guidelines are being introduced to greater comparability and transparency in sustainability reporting. The EU is making sustainability governance stricter through its new Corporate Sustainability Reporting Directive (CSRD), which will come into force in 2024 and impose more rigorous requirements on companies' sustainability reporting. Together with the EU sustainable investment taxonomy, the CSRD will be an important tool for allowing investors and other stakeholders to make informed investment decisions. Overall, green financing is being promoted to provide greater opportunities for regions and cities to transition to a sustainable society.

Climate and biodiversity

The focus on the climate crisis and the threat to biodiversity is increasing. In 2022, a new, global agreement was reached to halt the loss of biodiversity, according to which 30 percent of sea, water and land should be protected. The aim is also for degraded terrestrial and marine ecosystems to be restored by 2030. Concrete measures, in the form of technical solutions, innovative building materials, multi-purpose infrastructure and ecosystem services, contribute to sustainable cities that are adapted to the new situation and which create value for citizens.

Circular flows

The shift to a circular economy will account for half of the reduction in greenhouse gases by 2030, and we need to take significant steps towards better management of the earth's resources through recycling, reuse and circular material flows. New circular value chains are being created as a result of a raw materials crisis and increased awareness among both consumers and businesses. New requirements will be introduced relating to the declaration of the climate impact of buildings and facilities from a life cycle perspective, along with requirements for the re-use of materials. Meeting this challenge will require a shift from linear to circular processes.

Energy transition

The transition to a fossil-free energy supply is resulting in a new energy landscape. Increased electrification will create capacity issues and power shortages, at least in the short term, while at the same time we need to address the imbalances in renewable energy produced from solar and wind sources. New business opportunities will then arise through renewable local electricity generation, battery storage and management, which could both make buildings a resource in the energy system and create resilience to price increases and capacity shortages.

New values

In times of crisis, traditional norms are often challenged and new values emerge. The expectation to be as climate neutral as possible is changing our consumer patterns, behaviours and attitudes. Some of these lifestyle changes are leading to a smaller carbon footprint and increased sustainability. There is growing interest in self-sufficiency and resilience, reuse and circular business models, and the promotion of active mobility. All of this could significantly change the property sector through technological innovation, new business models and increased social responsibility, both in terms of quality of life and climate impact.

To develop and raise the level of ambition in sustainability work, PE has developed the concept of the Sustainable Office. The goal is to develop and design offices together with clients that highlight and boost interest in sustainability issues, including social aspects, recycling, reuse and circular material flows.

Progress in 2022

36%

Percentage of women at PE (2021: 34%)

8.5%

CO_2 reduction before expansion of scope 3

ENPS 26

Increasing employee satisfaction (2021: 7)

50%

Percentage of men in management (2021: 70%)

Climate neutral by 2030

NPS 62

Growing client satisfaction (2021: 17)

84%

Percentage of clients that believe we contribute to sustainability in projects (2021: 49%)

Zero

Confirmed cases of corruption

Cooperation

Membership of SGBC, UN Global Compact, Federation of Swedish Innovation Companies, IQS, LFM30, SIS, CCBuild

Work that makes a difference

Issues of climate, energy supply, digitalisation, recycling and circularity are at the heart of the current societal transformation. As engineers, architects and specialists, we are shaping a more sustainable society. It is through our assignments that we contribute to realising our vision of renewing our society based on innovative and sustainable solutions.

Multiple sustainability certifications for Malmö building

Wihlborgs is building the Kvartetten office building in the growing Hyllie district of southern Malmö. In addition to fulfilling Wihlborgs' ambitious sustainability programme, the new building is certified pursuant to 'Miljöbyggnad', WELL and the new Swedish NollCO_2 standards. PE is responsible for environmental coordination, and new efficient systems and climate-neutral products have been developed through effective collaboration between the property developer, consultants and contractors. Actions that help ensure that the real estate and construction industry reduces its climate impact.

"We've worked together in an open and inquiring spirit, with everyone going the extra mile to find effective solutions. This project shows how much can be done if the will is there," says Catrin Heincke, energy and environmental consultant at PE.

Kvartetten building, Malmö

Client: Wihlborgs

Project timetable: 2021–2022

Expertise: environmental coordination, project management

Recycling and reuse in the Swedish Association of Health Professionals' new premises

Sustainability is important to the Swedish Association of Health Professionals. So recycling and reuse were key in the refurbishment of its offices.

Only one-third of furnishings have been purchased new, with an emphasis on high quality, solid materials that will last and age gracefully. One-third is recycled, either in its current condition or furniture and fittings have been varnished, painted or reupholstered and given a unique look. And one-third of the furnishings have been purchased second-hand. The client is pleased with the result.

"There was a lot of collaboration between PE's different areas of expertise. As we're familiar with each other's working methods, this contributed to a high-quality collaborative project," says Petra Mann, SAR/MSA architect and studio manager at PE.

Swedish Association of Health Professionals' Building, Stockholm

Client: Swedish Association of Health Professionals

Project timetable: 2022

Areas of expertise: interior architecture, architecture, lighting design, electrical, telecommunications, security, acoustics, fire safety

Sweden's first lease appendix for climate neutrality

This lease appendix is aimed at climate neutrality and is a new concept initiated by Castellum. It entails the landlord and tenant jointly committing to a collective target of net zero emissions in scopes 1, 2 and 3. PE was commissioned to develop the appendix in close collaboration with Castellum. And it's a collaboration that is continuing, now that PE, as the first tenant, has signed the climate neutrality lease appendix. Increased collaboration and innovative solutions will enable reduced collective emissions from energy use, tenant adaptation, transport to premises, waste management and the supply of goods and services. The agreement will also lead to increased recycling of materials and furnishings. An additional action plan sets out the allocation of responsibilities and prioritised activities to achieve the objectives.

"The property sector accounts for a large share of society's greenhouse gas emissions, and reducing them requires a new approach. Only through collaboration and active dialogue with our tenants can Castellum achieve its ambitious goal of climate neutrality by 2030. The climate-neutral lease appendix that PE helped us develop will be a shared roadmap in this transition work and an important tool for creating sustainable client relationships," says Filip Elland, Head of Sustainability at Castellum.

Climate neutrality lease appendix

Client: Castellum

Project timetable: 2022

Expertise: sustainability, project management

Cultural environment assessment contributing to sustainable development

The old single-track West Coast Line that cuts right through Varberg dates back to the 1880s. As a result of the ongoing construction of the Varberg Tunnel, the track area of the old route will be decommissioned, removed and the land largely handed over to Varberg Municipality. PE's architectural historians were commissioned to make a field inventory, describe and evaluate the cultural content of the track area and summarise it in a report.

"The report we produced contributes to sustainable societal development, as it aims to promote the long-term preservation of the cultural environment and the continued use of existing resources," says Felix Johansson, an architectural historian at PE.

Cultural environment assessment of Varberg track area

Client: Varberg Municipality

Project timetable: 2021–2022

Expertise: cultural environment, architectural historians

Wellbeing and safety in the new Närlunda School

Närlunda School in Askersund, for children aged 6 to 11 (reception year and years 1 to 5), was in need of modernisation and more space to accommodate more students. The municipality therefore implemented a new-build and an extension totalling around 10,000 square meters. Following this work, the school will also include 12 year-olds (year 6), with a total capacity for 575 students. Since the very beginning, the emphasis has been on solutions with long-term sustainability. PE was engaged as the project manager at an early stage to realise the municipality's vision, and the assignment was later extended. The school is being built to high standards, such as low energy consumption, good ventilation and a sound choice of materials, and great emphasis is being placed on social sustainability, including factors such as wellbeing, safety and movement.

"Broad-based collaboration across PE's expertise in architecture, accessibility, project management, design, electrical, HVAC and plumbing, and fire safety has ensured the use of sustainable solutions," says Mattias Wijk, Architecture Project Manager at PE.

Närlunda School, Askersund

Client: Askersund Municipality

Project timetable: 2019–2023

Expertise: architecture, accessibility, project management, design, electrical, construction, electrical, HVAC and sanitation, and fire protection

Materiality analysis ensures the right focus

PE takes a long-term, holistic approach to sustainability. We continuously strive to improve in all aspects of sustainability, and continually measure outcomes to ensure we are moving in the right direction. The prioritisation of our material topics is based on a recurring materiality analysis, which includes regular engagement with our stakeholders. This helps us set the right aims and focus for our sustainability work.

Sustainable consulting and knowledge sharing

- ! Sustainable solutions for clients
- ! Working together to build a sustainable society

Sustainable employer for the long term

- ! Employee expertise
- Diversity, equality and inclusion
- Supportive, secure and healthy working environment

Responsible business conduct

- ! Long-term sustainable growth
- Good business ethics
- Responsible supply chain
- Our own climate impact

! = Priority issues

Structured sustainability work
PE's sustainability work is defined by nine material topics grouped into three areas as shown in the graphic above. Together, these issues both capture and clarify the overall complexity. They include human rights. The 2022 analysis identified four of the material topics as particular priorities: Sustainable Solutions for Clients, Working Together to Build a Sustainable Society, Long-term Sustainable Growth, and Employee Expertise. This forms the basis for how we prioritise our development work.

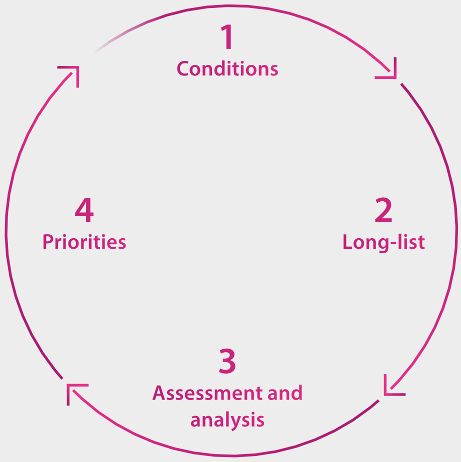
A materiality analysis is a tool for identifying the issues that PE must prioritise from a sustainability perspective. In this analysis, our stakeholders' expectations regarding sustainability are compared to how material these expectations are to our business. For example, an issue that is highly prioritised by stakeholders may have no bearing on our business. The issues that are essential for PE to work on are those that are most important to stakeholders and also important to our business. It is via these issues that we make the biggest difference.

In 2022, we regrouped our previous 13 sustainability factors and integrated them into nine material topics. This has been done both because of changes in the 2021 GRI Standards and because we want to have a clearer focus from an ESG (Environmental, Social, Governence) perspective. In the same spirit, we have also replaced the previous classification with the following three areas: Sustainable Consulting and Knowledge Sharing, Sustainable Employer for the Long Term, and Responsible Business Conduct. We have also placed greater focus on the process of establishing the material topics. The stakeholder analysis and continued work with stakeholders remain an important part of the materiality analysis.

Mossholmen Marina on the island of Tjörn off the west coast of Sweden is being developed into an attractive seaside residential area. PE's architects have been involved since the project's start in 2012 on behalf of the property owner Mossholmen Marina. The Vinga neighbourhood is the last major housing project and will be unique in the Bohus archipelago with its 14 floors.

Underlying process

To establish PE's material topics, we used a process that relies heavily on compiling and analysing previous work carried out. The process is divided into four stages, which are then repeated continually over time:



1 – Conditions: In stage one, we establish and compile the basic conditions that exist for the Company, as well as previously conducted stakeholder analyses.

2 – Long-list: In stage two, we compile all our impacts into a long-list from a sustainability perspective. The list includes previous sustainability factors, significant environmental factors, our relevant policies, social and economic factors, and PE's contribution to the Sustainable Development Goals and the Global Compact's 10 principles on human rights, labour rights, the environment and anti-corruption.

3 – Assessment and analysis: In the third stage, the long-list is used to assess both our negative and positive impacts on sustainability in terms of environmental, economic and social factors, including human rights. For some factors there is both a negative and a positive impact, depending on the approach and type of factor. This is particularly true in our assignments, which can have a negative impact at various levels, but PE may contribute positively or reduce this negative impact through well-designed solutions. In addition to assignments, the impact of stakeholders and our business operations are also taken into account. Several representatives participate in the process, including focus groups, sustainability strategists and business management.

4 – Priorities: In the final stage of the process, we use various workshops involving senior management and other experts to prioritise the material topics. This is done via an iterative process, with the Board ultimately deciding on the material topics, a number of which are identified as priorities.

Stakeholders and stakeholder analysis

Our stakeholders are people and groups on whom we depend to be able to achieve our goals. We have identified eight stakeholder groups for PE, the first four of which are our most important:

- **Owners:** Our shareholders, represented via PE's Board of Directors
- **Employees:** Our consultants and other employees
- **Clients:** Those who purchase our services and implement our solutions
- **Financiers and banks:** Those who finance investments
- **Society:** Citizens in the communities which we are helping to shape
- **Cooperation partners:** Organisations, networks, academic institutions and other participants with which we cooperate
- **Media and stakeholder organisations:** Shaping opinion and influencing other stakeholders
- **State and government agencies:** Setting the rules and conditions for our business activities

By communicating with our stakeholders methodically and transparently, we give everyone, from investors and clients to potential employees and partners, the opportunity to influence our sustainability work. Ongoing engagement with all stakeholder groups is key to ensure we are relevant to them. It helps us understand how to prioritise in the future.

To this end, PE conducts regular stakeholder dialogue with representatives from our key stakeholder groups (the four listed top left). For other stakeholder groups, we conduct an in-house analysis based on our business intelligence and various surveys. This material is compiled in a stakeholder analysis. In 2022, clients were at the centre of this dialogue.

We inform our various stakeholder groups about the sustainability measures we take and the effectiveness of these measures through a variety of channels. This includes reporting in the Annual and Sustainability Report and quarterly reports, regular meetings with our key stakeholders, our corporate communications via our website, IR information, press releases and social media, and ongoing information to our employees.

Our contributions to 2030 Agenda

As a consultant specialising in buildings and their immediate surroundings, PE contributes to the sustainable development of society in terms of environmental, social and economic aspects.

The UN's 2030 Agenda, with its 17 Sustainable Development Goals (SDGs), has become increasingly established as a central framework for sustainability in the public and private sectors. Decisions taken must be analysed based on these goals and how they can be met.

2030 Agenda is a framework within which the goals are linked to each other, while also containing conflicting goals. PE takes a holistic view and does not leave out any parts, even when the framework is used to identify how the business can make the most difference now and in the future. The graphic on this page shows which SDGs PE primarily contributes to, both through the various services we provide to clients and in our own operations, broken down into three areas of our sustainability work. Our practical work is guided by the overall goals, as well as by a number of relevant sub-goals.

The 17 Sustainable Development Goals

The 17 Sustainable Development Goals	Sustainable consulting and knowledge sharing	Sustainable employer for the long term	Responsible business conduct
1 No Poverty			
2 Zero Hunger			
3 Good Health and Wellbeing		●	
4 Quality Education			
5 Gender Equality		●	●
6 Clean Water and Sanitation			
7 Affordable and Clean Energy			
8 Decent Work and Economic Growth		●	●
9 Sustainable industry, innovation and infrastructure			
10 Reduced Inequalities			
11 Sustainable Cities and Communities	●		
12 Responsible Production and Consumption	●		
13 Climate Action	●		●
14 Life Below Water			
15 Life on Land	●		
16 Peace, Justice and Strong Institutions			●
17 Partnerships for the Goals			

Sustainable consulting and knowledge sharing

PE has the greatest impact in the role of advisor and knowledge partner in client assignments. We help our clients make the necessary changes and contribute to building a sustainable society in co-operation with clients, partners and the industry in general. This area includes two of our material topics:

Sustainable solutions for clients (!)

The built environment has a significant impact on the environmental, social and economic factors of society's sustainability. For example, the construction and property sector accounts for around one-fifth of all carbon emissions in Sweden. Furthermore, safe and inclusive green spaces and public places, accessible to all, contribute to safety and social cohesion. Smart choices and efficient construction processes allow resources to be used effectively.

The environmental impact of buildings must be reduced from a life-cycle perspective. The construction and property sector needs to adapt to more circular use of materials and more efficient use of resources, while minimising the impact of hazardous chemicals. Biodiversity and natural habitats must also be protected and ecosystem services taken into account. In addition, development today needs to take into account the risks posed by a changing climate and build resilience to them. An efficient construction process can keep the final price of housing and other buildings down, which together with conscious planning of areas can contribute to social sustainability.

As a consultant and knowledge partner involved from the early stages of projects, PE contributes to sustainable societal development through its assignments. Our architects, engineers and experts proactively support our clients in making positive shifts in sustainability and reducing their negative impacts.

Sustainability is an integral part of our business. We monitor targets and progress as an important part of developing operations across our business areas. We collaborate with clients and partners in our assignments to find the best solutions for different aspects of sustainability, whatever area it relates to. We base our approach on the specific conditions of each assignment, and we draw on our collective expertise in sustainability. We also monitor the impact we have for clients. In order to keep up to date and meet client requirements, we constantly work on skills development, experience feedback and continual updating of our processes.

PE provides a range of expertise and has developed various cross-functional concepts such as Climate Smart Construction. We follow up on our clients' assessment of us as consultants, not just in general but also specifically on sustainability, and the extent to which individual assignments contribute to sustainability.

In climate-smart construction, we contribute with broad, comprehensive knowledge. We also provide expertise to help clients conserve ecosystems and promote biodiversity through analyses, reviews, environmental impact assessments and more. PE also has expertise in circular construction and the efficient use of resources. We also help reduce the impact of hazardous chemicals by using environmental databases such as BvB, Basta and SundaHus in our project design work. With expertise in water treatment, soil contamination analysis and geotechnical surveys, we also work to assist our clients in safeguarding water supply.

In our projects relating to urban, district and property development, we always take the views of users into account, for example through active participation and inclusive dialogue with citizens. We have a specific role in proposing green, safe and accessible areas in the urban environment. By making smart choices at an early stage, the construction process is made more efficient and this influences the final price of the homes and other buildings we design and/or engineer. We also contribute to ensuring that the management of completed buildings is both efficient and climate smart, and enable buildings to be used flexibly in different ways over time, improving their sustainability.

84%

Percentage of clients that believe we contribute to sustainability in projects

Working together to build a sustainable society

Various forms of cooperation are becoming increasingly important for building a society based on sustainable development. By pursuing collaboration, PE contributes to the positive development of society, in addition to what our experts achieve in their day-to-day work. For us, this includes both collaboration with different stakeholders in society, such as universities and industry associations, and collaboration within our Company to jointly address the complexities of achieving sustainability.

Another aspect involves how we ourselves influence society in the right direction and share insights. One example is the Social Barometer survey that PE conducts annually in selected Swedish cities. This asks residents how they perceive local societal development, including the various aspects of sustainability, and we compile the results in a report that we publish.

PE participates in a number of industry associations, including the SGBC, the Federation of Swedish Innovation Companies and IQ Samhällsbyggnad, which are helping to transition our industry, and ultimately society as a whole, in a sustainable direction (see information panel on this page for a full list). In 2022, we joined the CC Build partner network, a forum that enables construction industry stakeholders to meet and collaborate on reuse and circular material flows in construction, demolition and management.

To support collaboration within our Company and strengthen our competencies across disciplines, PE has integrated collaboration into its business model and business plan. PE's internal Sustainability and Innovation Council, launched in 2021, continued its work during the year. The Council, which is appointed annually, works on specific issues relating to what we can do to accelerate the transition to a sustainable society and reports its findings to the management and the Board. In 2022, it helped to build networks between different business areas at PE, which led to joint client meetings and project work.

Hällefors swimming centre, due for completion in 2023, is a great example of how we can draw on many different skills to deliver sustainable results. PE has provided specialist expertise in swimming baths, project management, architecture, design and construction technology in a project with the overall aim of creating a sustainable, energy-efficient swimming centre that uses climate-smart materials and solutions wherever possible.

External initiatives supported and contributed to by PE:

- PE consultants contribute as guest lecturers and supervisors at institutions, including KTH Royal Institute of Technology, Chalmers University of Technology and LTU Luleå University of Technology,
- For the past five years, PE has made a Christmas donation to Hand in Hand, an organisation working to fight poverty through entrepreneurship.

Membership of industry organisations:

- UN Global Compact
- SGBC, Sweden Green Building Council
- Federation of Swedish Innovation Companies
- IQS, IQ Samhällsbyggnad
- CCBuild, Centre for Circular Building
- LFM30, developing a climate-neutral construction sector in Malmö
- Gothenburg platform for climate-neutral construction

Charlotte Gyllenhammar – Business Area Manager, Environment

"We want to create a good living environment for us and for future generations. It's important to me that we make a real contribution to society's climate transition. At PE, we do this by being proactive, having the will to innovate, and being driven by the desire to make a real difference. I think it's especially great when we challenge our clients to do far more on climate and sustainability than they had considered. We are appreciated when we help them achieve their goals."

Tommy Ljungqvist – Section Manager for Electrical, Telecommunications & Security

"Companies in the construction industry need to work together to recycle and reuse more. A good example of this is CCBuild, an organisation in which industry operators can share experiences on reuse and circularity in construction, demolition and management. One assignment where reuse has been a major factor right from the start is the Huddinge municipality building, where we've helped our client reuse ducting, fire alarms and lighting fixtures."

Emy Tiderman – Structural Engineer

"Sustainability is a complex issue, in which we need to consider all aspects to find the best solution for an entire project. We recently worked on an apartment building constructed entirely from smart sustainable cross-laminated timber. One of the things we had to consider was that the acoustics in a wooden building differ from those in a concrete building, and this will be a key issue when aiming to create a sustainable residential environment. Together, we came up with an effective, buildable solution."

Sustainable employer for the long term

As an employer, PE is sustainable and is characterised by a strong corporate culture, diversity, inclusion and equal opportunities, employee wellbeing, individual development, a good working environment and a decreasing climate impact. This area includes four of our material topics:

Employee expertise (!)

PE contributes to the development of a sustainable society by having employees who are aware of the issues and have the right skills. This applies above all to how our consultants develop their sustainability expertise and apply this in their day-to-day work as architects, engineers and specialists. Thanks to this, we are growing and evolving with society in the ongoing transition. We want to do this to continue delivering relevant, high-quality services, retain and create new jobs, and to reinvest in our employees.

Insufficient training and skills development would mean a risk of important sustainability issues not being recognised and addressed in our assignments, which would contribute to negative impacts, for example, on the environment or social sustainability. For PE as a company, there is also a risk of high staff turnover and recruitment problems.

For these reasons, we build up our expertise by providing all PE employees with relevant training. This includes training programmes, leadership development and digital training materials. In several areas, training is offered both via our own portal and externally. We also have access to skills development in the UN Global Compact Academy and from other member organisations. Employees are also offered development through mentoring and talent and trainee programmes.

In addition, we continually use feedback on assignments, in collaboration teams and at expert meetings, where we share knowledge and experience within and between our different areas of expertise. In this way, we gain a better understanding of each other's skills, increase collaboration between us and can work more systematically with learning as part of our assignments.

Diversity, inclusion and equal opportunities

At PE, we believe that diversity, inclusion and equal opportunities are crucial to achieving our goals and being an attractive employer. All our activities are based on an openness to ethnic and social diversity and gender equality. A fair recruitment process without discrimination and ensuring equal treatment at work support our workforce planning and improve the quality of our services.

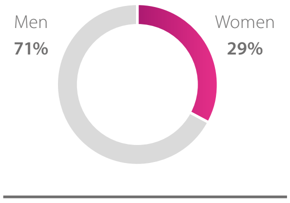
We value the diversity of our employees, and our performance improves if we have dynamic teams that harness the full potential, creativity and differences of all employees. This also contributes to employee wellbeing, which improves our ability to attract and retain employees. Creating well-structured teams is part of our management brief and an important part of our workforce planning and equal opportunities activities.

If we do not actively address these issues on a daily basis and in our recruitment, we risk creating unequal conditions and discrimination that can affect the wellbeing of employees and violate their human rights. Potential negative consequences include high staff turnover, difficulties in recruiting the right skills, higher sickness absence leading to lower utilisation rates, and low commitment that leads to carelessness and poor quality in our services.

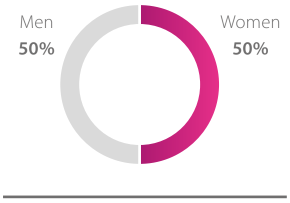
We strive for gender equality, diversity and to create equal opportunities for everyone. This work is described in our Code of Conduct and is governed by procedures in our ERP system. It's an integral part of all our business operations. The aim is to give all our employees the same rights and opportunities regardless of gender, transgender identity, ethnicity, religion, disability, sexual orientation or age.

The conditions must be the same for everyone in terms of recruitment, pay and employment conditions, skills development, the working environment, parenting and treatment in the workplace. By continually monitoring compliance using digital workplace tool Winningtemp, which gives us a constant overview of the status of those who work at the Company, we can identify and address any problems early on. We also measure the number of cases of discrimination as a separate indicator and take action accordingly.

The focus of our development work is mainly on gender equality. We focus actively on establishing a more even gender balance in our recruitment, as well as via internal talent and mentoring programmes. We measure the outcome, for example, based on gender balance on the Board, in management and among other employees. In the future, we will also monitor the proportion of female managers and the proportion of foreign-born managers to track developments. Our values and attitudes affect how open we are to an even gender balance at all levels. So gender equality-related measures are also an important component of our work on corporate culture and involve every PE employee and manager.



Gender distribution of the Board



Gender distribution of management

Supportive, secure and healthy working environment

As a service company, it is important for PE to ensure a good work environment, health and professional development for our employees. As one of Sweden's biggest companies in urban planning, we have significant responsibility for the working conditions of our nearly one thousand employees.

The skills of our employees are the foundation of our value creation, and to perform well you have to feel well. In addition to a good physical working environment, safety, security and development opportunities are essential. We know that mental ill health is becoming increasingly common among graduates, so not actively promoting mental health and wellbeing risks major negative effects for individuals, society and our business.

To ensure a safe, secure and healthy workplace, PE regularly conducts well-established work environment measures at all offices, which also includes periods working at client premises. This part of the HR process, and line managers are responsible for individual employees. Social and personnel issues are governed by employee guidelines and our work environment process. To improve our work with health and safety, we offer all employees both wellness allowances and health insurance. PE monitors the outcome of work environment measures by measuring sickness absence and occupational injuries and the measures taken. We also report the percentage of employees covered by collective agreements, which is currently all employees.

We monitor our employees' engagement and wellbeing on a weekly basis using our digital tool Winningtemp. This is used by managers at all levels to reflect, together with employees, on issues concerning the workplace. The tool also enables employees to anonymously report any harassment or discriminatory treatment. The method provides a clearer overall picture of wellbeing in the Company and enables senior staff to quickly act on both positive and negative trends.

We suspect, however, that there are significant unrecorded figures for reports of psychosocial ill health. This is why we work to prevent psychosocial ill health and discrimination. We do this through management and leadership development, continual employee reviews and our employee surveys.

We also work proactively on issues of safety and contingency management in our business, to ensure quality and continuity. Given the current situation globally, we have given security additional attention. During the year, we conducted a review of both our physical and data security. This was to ensure a safe and secure workplace for our employees and to safeguard the security of data between us and our business partners.

The Covid-19 pandemic and the changes it has brought about have created expectations for new ways of working, including both in-person and online ways of meeting and collaborating. Using surveys, monitoring, studies and workshops, PE has developed a new workplace strategy that takes into account new hybrid forms of working. Under the new strategy, the needs of the business will guide where and how we work, and the offices will be developed into attractive, positive places for collaboration and knowledge sharing, offering a good working environment and spaces adapted for different activities.

Responsible business conduct

Doing business responsibly supports both PE's own long-term sustainable growth and long-term value creation for all our stakeholders. This area includes three of our material topics:

Long-term sustainable growth

A sustainable business is based on good profitability and growth, which has been PE's overall objective since its inception in 2006. To make a difference for society, our clients and ourselves, we always put people first. Using this approach, we create the highest possible value based on the four aspects of client, assignment, finances and employees, i.e. the PE model, in which business responsibility is decentralised and we measure the performance of each team.

The overall objective of long-term sustainable growth will be achieved by aiming to be Sweden's leading consultancy company specialising in buildings and their local environment and to create value by implementing the PE model throughout the business. Our clear financial targets are annual growth over time of 15 percent and an EBITA margin of 10 percent over time. The overarching sustainability goal means that, through its assignments together with its clients and partners, PE will actively make a difference and contribute to the UN's 2030 Agenda and societal development, with responsible business conduct and a positive climate and environmental impact, as well as through skills development, inclusion and diversity.

We report the precise distribution under economic value generated and distributed (see Sustainability Targets and Outcomes). Our business area directors are responsible for the results in their particular business area and report directly to the CEO. Earnings performance is monitored on a monthly basis, under the supervision of PE's Chief Financial Officer. The President and CEO is ultimately responsible for ensuring that we achieve our overall Group financial targets.

15%

Annual growth targets over time, including acquisitions

Good business ethics

The fight against all forms of corruption is crucial to sustainable development. Corruption means that important resources do not end up where they should, which is why effective control and risk management are needed to prevent it.

PE operates in a sector where, unfortunately, bribery and corruption occur. In our assignments and/or through our sub-consultants, PE works actively to combat corruption as well as money laundering. We have a responsibility to our clients, suppliers and other stakeholders, and therefore work actively to ensure a business climate that is sustainable in the long term, with good business ethics and zero corruption. PE complies with the UN's convention against corruption. This means that we will never accept corruption. We see this as an obstacle to development and a contributing factor to the unequal distribution of resources.

We have zero tolerance of any form of bribe being received or given by our own representatives, clients, partners or suppliers. We never accept direct or indirect bribes, other improper benefits or compensation for the benefit of the business and/or for financial gain.

PE is proactive in combatting corruption and underpinning good business ethics. We operate a clear, Group-wide Code of Conduct, which is accepted both internally and externally. The Code sets out guidelines on how we should operate our business in an ethical and socially correct way. These include guidelines on corporate culture, business ethics, ethics and morality, undue influence, corruption and the reporting of irregularities. Our employees are responsible for familiarising themselves with and adhering to our Code of Conduct, as well as laws and regulations. To ensure continued high standards and strengthen awareness of anti-corruption and business ethics, in 2022 we introduced an annual requirement for all employees to read and accept the Code of Conduct.

We also address the issue through effective control and risk management. For example, we always sign written agreements with clients and subcontractors. During the year, several workshops and discussions were held for management, giving those involved in business relationships the opportunity to discuss these issues.

An external whistleblower function is available, allowing employees and other parties to make an anonymous report if they suspect serious irregularities or anomalies in the Company. The function is available to everyone and is described and linked both internally and externally. When a notification is received, PE's investigation team makes an initial assessment of whether it can and should be taken further, after which an internal or external investigation may be launched, depending on the nature of the case. We have had no reported cases of bribery or corruption.

100%

Target percentage of employees who have read and accepted PE's Code of Conduct

Responsible supply chain

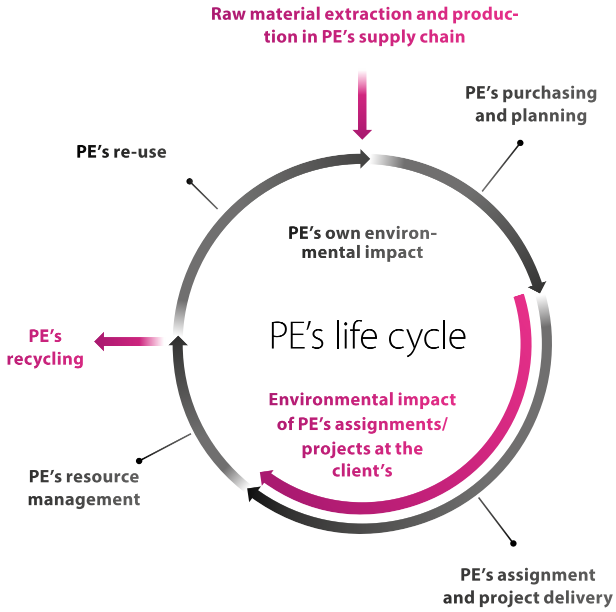
PE's activities depend on suppliers of various kinds. Every purchase we make has some kind of negative impact that we endeavour to limit. By choosing the right suppliers, we can meet our sustainability goals, reduce our negative climate impact and ensure respect for human rights.

We take responsibility for our supply chain, including through supplier audits, responsible purchasing and monitoring of suppliers based on our life cycle (see the figure on this page). This is regulated in our procedures for the type of purchases we make, including PE policies and regulations for cars, travel, offices and office purchases. We also have a Supplier Code of Conduct. This complies with the Code of Ethics drawn up by FIDIC, the International Federation of Consulting Engineers. This Code provides us with criteria for selecting suppliers, and we conduct supplier assessments of our critical suppliers to ensure they accept and comply with it. Our biggest impact comes from our sub-consultants who work with us on our assignments.

The Supplier Code of Conduct is integrated into our contracts, which ensures full acceptance of it among our sub-consultants. Our supplier review has focused on the critical suppliers that are involved in our projects. During the year, we updated our efforts to clarify our internal purchasing process and reduce the number of suppliers.

PE's life cycle

- PE's life cycle starts with our suppliers' production of the goods and services that we purchase. Suppliers in turn purchase raw materials, that have been extracted in various ways, for their production. On that basis, it is important for PE to review suppliers and ensure that they comply with our Supplier Code of Conduct, which lays down guidelines for environmental, and health and safety considerations.
- PE then manages the purchasing, transportation and installation of goods and services. We choose which goods and services we buy, and utilise local products as much as possible.
- Next comes the consumption phase, in which PE uses electricity, heating, cooling, transportation, furnishings, computers and telecoms, consumables, food and drink, and other services. The largest negative environmental impact of PE's activities is in this phase – our business travel. However, this phase also contains our largest positive environmental impact – our contribution to our clients' environmental performance.
- In the next phase, PE manages consumed resources, which largely consist of cardboard, paper and household waste from the office kitchen.
- Computers and screens are leased and therefore managed as resources to be reused. PE sorts its waste, which helps ensure it can be recycled in the final phase of the life cycle. We ensure compliance with the Waste Regulation by means of legislation compliance checks.



Our own climate impact

The environmental impact caused by PE's own operations is the impact we have the most control over ourselves, but this is obviously small compared with the large material flows in the construction industry. It comes mainly from greenhouse gas emissions from travel and energy and resource use in our offices. We use the Greenhouse Gas Protocol (GHG) guidelines to calculate greenhouse gas emissions (see box), and have an overall target for our business to be climate neutral by 2030.

Travel both on business and to and from work accounts for our biggest impact. Car travel is the main factor here, but air travel also has a negative impact. Electricity consumption at our offices is another factor, albeit accounting for a minor percentage our overall emissions.

Waste that our organisation produces is from our offices, and in this regard we focus actively on recycling. We also have an influence via the equipment we use for our work, such as

GHG calculation

Calculations of greenhouse gas emissions are conducted according to Greenhouse Gas Protocol (GHG) guidelines. Scope 1 emissions refer to direct emissions of greenhouse gases that are generated from business travel using our company and pool cars. Scope 2 emissions refer to indirect emissions of greenhouse gases that are generated from our energy usage, including purchased electricity for office-based and property operations, along with heating and cooling.

Scope 3 emissions refer to other indirect emissions of greenhouse gases, and include our business trips, purchases of goods and services, energy usage not included in scope 1 or 2, and investments, and so on. Scope 3 emissions also include staff commutes to and from our offices.

computers, telephones and office equipment. Here, our focus is on leasing and reuse.

Our total emissions increased during the year, which was due to us starting to include everything that falls under scope 3 in our reporting. This includes improved data collection from more reliable systems, but we are still making estimates based on financial performance and ratios that will improve over time. The calculations are made annually. Compared with the previous year, emissions from business travel (car, air and rail) decreased by 6%. Emissions from energy consumption from offices fell by 27%. PE is certified according to ISO 14001:2015, which ensures systematic environmental management. This is managed through our sustainability policy and regulations for cars, travel and offices. In 2022, we developed a basis for even better development of system support for climate calculations that will facilitate and improve monitoring.

Our regulatory framework for staff and company vehicles includes the goal of moving to a fossil-free fleet by 2030. For 2022, an emissions limit of 110g CO_2/km (WLTP) applied and monetary limits have been increased to allow for the choice of electric vehicles. For company and pool cars, we receive emissions data from the vehicle administrator, which we supplement with data from the financial system for calculations for privately owned and rental cars.

The regulatory framework for business, study and group travel has been reviewed to ensure it is implemented effectively and that the environmental impact and risks linked to staff wellbeing are minimised and mitigated. The car and travel directive will be further updated and developed in 2023 to promote sustainable travel. Carbon offset has been used for longer group trips, but has not been included in reporting results.

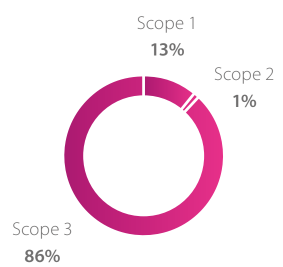
PE also uses online solutions as an alternative to travel for in-person meetings. Different climate-smart solutions are also being developed locally according to needs, such as loan bikes, pool cars or shared travelcards for public transport. Solutions are constantly being evaluated, taking into account collaboration, environmental impact, risks, costs, client satisfaction, employee wellbeing and other factors. A travel survey was carried out in conjunction with the aforementioned new workplace strategy to analyse travel patterns and working from home to address future working practices. In this regard, we are focusing in particular on implementing and monitoring sustainability-related measures.

In those offices where PE itself chooses the electricity supplier, during the year we signed a centrally procured electricity contract for only environmentally certified electricity. When the switch is complete, it will account for 67% of electricity consumption from total office space. We are also reducing electricity consumption by bringing several operations together in fewer offices and through local energy saving measures.

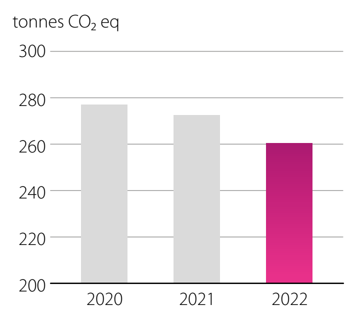
Together with Castellum, we have signed a climate-neutral lease for our office in Örebro, which helps us find solutions to reduce the climate impact of office-related factors. We then use these computational models for the whole of PE.

Waste volumes are being reduced by minimising printouts, using digital signatures and reusing furniture when bringing operations together under one roof, as well as by cutting down on food waste and minimising single-use packaging. We have a particular focus on adapting governance, targets and policies related to the purchase of goods and services to reduce our emissions.

In 2022, we expanded and refined the calculations and we have now developed a scope 3 baseline measurement that takes account of the entire supply chain. Engaging with our suppliers, we will guide them towards setting their own climate targets in the long term.



Breakdown according to GHG



Business travel, tonnes CO_2 eq

Management of sustainability work

Sustainability is a cornerstone of PE's corporate strategy, and absolutely crucial to our continued success. The CEO has ultimate responsibility for directing and coordinating PE's overall work on sustainability. Collective sustainability targets are integral to the business plan. An action plan to achieve these targets is being produced within each business area.

PE's overall goal is to generate long-term value for our stakeholders. This relies on effective corporate governance characterised by a solid organisational structure, internal control and risk management systems and transparency. The Group's corporate governance is based on Swedish legislation and the Company's Articles of Association, together with other applicable laws and regulations. Governance is exercised via the AGM, the Board of Directors and the Chief Executive Officer in accordance with the Swedish Companies Act, the Articles of Association and the Swedish Corporate Governance Code.

PE's policies are guided by the procedure set out in our policy hierarchy. Policies are reviewed 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. Targets and plans are established in the annual business planning and budget process, and then presented to PE's Board of Directors for approval.

Assessment of sustainability management

Using indicators and targets in all aspects, we continuously measure the outcome of our sustainability work in order to evaluate and adjust our management. Stakeholder engagement is an important additional tool in this respect, which provides us with a more qualitative picture. PE also has an internal Sustainability and Innovation Council, which is appointed annually with consultants from the business and reports to management. The aim is to improve business intelligence and accelerate our efforts in the area of sustainability.

In order to integrate sustainability work even more clearly into the business plan, in 2022 we implemented changes to sustainability management so that it comes under Group management responsibility. Previously there was a separate steering group for this area. The change means that sustainability work is now even more a part of day-to-day operations. Management of sustainability issues is integrated into key processes and corporate governance. Within the scope of business planning work, action plans linked to quality, environment and sustainability are drawn up, based on the Group's shared and prioritised sustainability targets.

Binding requirements

PE's 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 foundation to adequately meet stakeholder needs and legal requirements, as well as any other aspects required in order to continue operating as a business. Our ERP system is certified in accordance with ISO 9001:2015 and 14001:2015 standards. 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 in the ERP system, 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 personnel centre on gender equality, employee work environment including health and safety, and training opportunities, which are subject to 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 HR process.

Our Code of Conduct requires us to comply with the Code of Ethics established by FIDIC[1] and to respect basic human rights and operate in line with the UN Declaration on Human Rights and ILO's[2] core conventions. Efforts to combat corruption and irregularities are also governed by our Code of Conduct.

1) International Federation of Consulting Engineers
2) International Labour Organisation

Sustainability goals and outcomes

About this report

Projektengagemang Sweden AB's Sustainability Report is an integral part of the Annual Report and complies with sustainability reporting requirements detailed in Chapter 6 of the Swedish Annual Accounts Act. Reporting data applies to the whole Group. The report refers to the 01/01/2022–31/12/2022 period, and has been prepared in accordance with GRI Standards 2021 and the eight reporting principles: precision, completeness, balance, sustainability context, clarity, timeliness, comparability and verifiability.

We have endeavoured to ensure the information is accurate, with a consistently even and adequate level of detail to enable our stakeholders to assess our performance. Our nine material topics define all of our sustainability work, which we set out in this report. In terms of balance, the Material Topics section covers both positive and negative aspects of our outcomes. We provide sustainability context by reflecting the material topics in our indicators and showing the outcome for the current year and the past two years for comparison.

Our ambition has been for the report to include in a clear and organised way, and without too many references to other sources, the information required to provide our stakeholders with a good overview. We have been reporting the outcome of our sustainability work annually since 2017, and the most recent previous report was released in April 2021. In order to provide comparability between years, we have purposely chosen common standard indicators for which we have historical data. And finally, in terms of verifiability, this report has been reviewed by the Company's auditor in conjunction with the Annual Report. The targets and metrics that we report are included in our ERP system and are compiled centrally at least annually.

Changes from previous year

From the 2022 financial year and onwards, the Sustainability Report will be integrated with the Annual Report. A new process is also in place to identify and assess material topics to align them with GRI standards 2021. Our reporting under the Greenhouse Gas Protocol has been expanded, with scope 3 including more indirect emissions than last year.

Point of contact for the Sustainability Report:
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Outcomes for sustainability targets and selected indicators

We focus on long-term sustainability targets for our business, which form the basis of our management approach, and we measure and analyse these targets annually. Our sustainability targets have been revised and integrated into the business plan, and in the following we report in line with the GRI indicators we have chosen. In the following sections, some of the indicators are described in more detail.

Sustainability targets	Indicators/key performance indicators	2022	2021	2020	Target
Sustainable solutions for clients	NPS	62	17	–8	>50
	Percentage of clients that believe we contribute to sustainability in projects	84%	49%	34%	>90%
Working together to build a sustainable society	Collaboration in our assignments	15%	10%	7%	
Employee expertise	eNPS	26	7	–28	>50
	Winningtemp score	7.5	7.4	7.4	
	Staff turnover	19.1%	29.3%	22.7%	
Diversity, equality and inclusion	Even gender balance at all levels	36/64	34/66	31/69	40/60
	Number of discrimination cases	0	0	0	
	Employees with foreign background	15%	–	–	
Supportive, secure and healthy working environment	Number of accidents per 1,000 employees	0.1	0	0.6	
	Total sickness absence	5.0%	3.7%	3.9%	
Good business ethics	Cases of corruption	0	0	0	
	Percentage who have read and accepted the Code of Conduct	78%	–	–	100%
	Number of whistleblower cases	1	0	1	
Responsible supply chain	Number of sub-consultants who have accepted the Supplier Code of Conduct	92%	52%	48%	
Our own climate impact	Absolute emissions (tonnes CO_2 eq)	795	280	317	>10%/year
	Intensity per employee (tonnes CO_2 eq)	0.96	0.32	0.33	

Diversity, equality and inclusion

One of our sustainability targets is to achieve an even gender balance at all levels of the organisation, both in company management and among managers and employees. Our values and our attitudes affect how open we are to an even gender balance. The detailed gender breakdown for managers, business support and consultants will be provided from 2022 onwards to further highlight gender equality at all levels.

Gender breakdown, %	2022		2021		2020	
	Women	Men	Women	Men	Women	Men
Board of Directors	29%	71%	33%	67%	33%	67%
Management	50%	50%	30%	70%	40%	60%
Managers (all)	28%	72%				
Consultants	33%	67%				
Business Support	73%	27%				
TOTAL	**36%**	**64%**	**34%**	**66%**	**31%**	**69%**

Gender distribution in 2021 summarised for consultants and business support: women 34%, men 66%

Employees

The majority of our employees are full-time, permanent members of staff. We use sub-consultants mostly for specialist skills, or to take up increased workload in our assignments. Most of our sub-consultants have their own contracts, while a small number are contracted through temporary employment agencies.

The total average number of full-time equivalents (FTEs) has declined since 2021, but increased slightly in the current period. The number of sub-consultants has been reduced since 2021 following the closure of the railway business.

Figures shown are as at year-end.

Number of employees	2022		2021	
Form of employment	**Women**	**Men**	**Women**	**Men**
Permanent	281	507	267	496
Fixed-term	11	29	10	22
TOTAL	**292**	**536**	**277**	**518**

Sub-consultants	**2022**	**2021**
Number of sub-consultants	80	121

Supportive, secure and healthy working environment

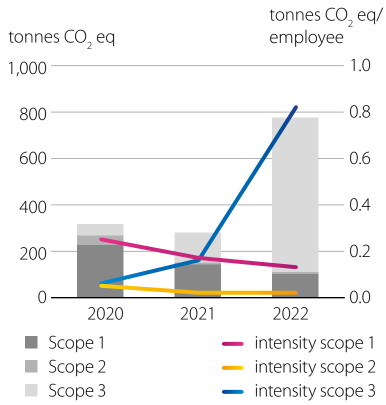
Despite continual monitoring and activities to promote the well-being of our employees, sickness absence has started to increase again. We will be analysing the reasons for this and putting in place further measures to tackle both short-term and long-term sickness absence. We conduct regular comparisons with the industry average.

Sickness absence	2022	2021	2020
Short-term absence	2.3%	1.5%	1.6%
Long-term absence	2.7%	2.2%	2.3%
TOTAL	**5.0%**	**3.7%**	**3.9%**

Short-term absence is 1–14 days.

Our own climate impact

In 2022, we focused on obtaining relevant evidence and data for scope 3 in its entirety. This makes comparisons with previous years difficult. The largest emissions in scope 3 are caused by business travel, commuting and purchases of goods and services, mainly computers and associated equipment. The information is still largely based on standard calculations based on economic factors, as it is still difficult to find all the relevant data and to obtain reliable data from suppliers. We try as far as possible to work with relevant data. This allows us to continually document and improve the data collection process in order to ensure sustainability, transparency, comparability over time and measurability in line with the Greenhouse Gas Protocol.



GHG emissions

Economic value

PE creates value through the solutions we deliver to our clients. The economic value generated is mainly our net revenue. The distributed economic value is allocated among employees, owners, suppliers, the government and government agencies, as well as lenders. The largest share of our distributed economic value relates to employee salaries and benefits.

Since early 2006, our overall objective has been to generate value for shareholders and other stakeholders via profitable and sustainable growth. Our activities in urban planning are closely linked to Sweden's GDP. We aim to grow in pace with society, to create and maintain jobs, to be able to reinvest in our employees and to deliver returns to our shareholders.

Economic value, SEK million	2022	2021	2020
Revenue	929	1,013	1,167
Value allocated to			
Employees	642	668	757
Owners	10	0	0
Suppliers	170	213	256
Government & government agencies	7	7	17
Lenders	9	13	14

EU taxonomy for sustainable business

The EU Taxonomy Regulation is a regulatory framework designed to help investors define and classify sustainable investments. It is an important part of the European Commission's action plan to fulfil the Paris Agreement, 2030 Agenda and the EU's Green Deal.

The taxonomy covers six environmental objectives, of which guidelines currently exist for the first two: climate change mitigation and climate change adaptation.

For a particular economic activity to be classified as sustainable according to the taxonomy, it must make a substantial contribution to one of the environmental objectives, not cause significant harm to any of the other objectives and meet certain Minimum Safeguards in terms of social sustainability.

The EU taxonomy supports the understanding of how and which of PE's services contribute to the sustainability transition. The taxonomy facilitates our efforts to measure the percentage of our client offering that is defined in, and aligned with the Taxonomy Regulation. This is important for the continual development of our business in a direction that contributes to the sustainability transition.

Assessment of to what extent the business operations are eligible in terms of the Taxonomy Regulation

PE is eligible for the taxonomy in certain areas. Our analysis and benchmarking with the industry show that the scope we defined in

Proportion of turnover from services related to economic activities that are aligned with taxonomy requirements – information covering the year 2022				Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activity	code	Revenue, SEK million	Percentage of revenue, %	Climate change mitigation, %	Climate change adaptation, %	Water and marine resources, %	Circular economy, %	Environmental pollution, %	Biodiversity and ecosystems, %	Climate change mitigation, Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Percentage of economic activity that is aligned with the taxonomy, 2022, %	Category (enabling activity) E	Category '(transition activity)' T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Environmentally sustainable (taxonomy aligned) activities																			
Construction of new buildings	7.1	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	Y	0.0%		
Renovation of existing buildings	7.2	9.9	1.1%	100	–	–	–	–	–	Y	Y	Y	Y	Y	NA	Y	1.1%		T
Technical consultancy etc. regarding climate adaptation	9.1	3.2	0.3%	–	100	–	–	–	–	Y	NA	NA	NA	NA	NA	Y	0.3%	E	
Professional services related to the energy performance of buildings	9.3	25.4	2.7%	100	–	–	–	–	–	Y	NA	NA	NA	NA	NA	Y	2.7%	E	
Turnover of environmentally sustainable (taxonomy aligned) activities (A.1)		38.5	4.1%														4.1%		
A.2. Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned activities)																			
Construction of new buildings	7.1	272.0	29.3%																
Renovation of existing buildings	7.2	311.0	33.5%																
Technical consultancy etc. regarding climate adaptation	9.1	–	0.0%																
Professional services related to the energy performance of buildings	9.2	–	0.0%																
Turnover of activities that are taxonomy eligible but not environmentally sustainable (not taxonomy aligned) (A.2)		583.0	62.8%																
Total (A.1 + A.2)		621.5	66.9%														4.1%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover of activities not eligible for the taxonomy (B)		307.3	33.1%																
Total (A + B)		928.8	100.0%																

2021 about which parts of our revenue (turnover) are eligible for the taxonomy was too narrow, so we have now extended the scope.

We have assessed that the activities for which we are eligible are 7.1 Construction of new buildings, 7.2 Renovation of existing buildings, 9.1 Technical consultancy etc. regarding climate adaptation and 9.3 Professional services related to the energy performance of buildings.

The criteria for not causing significant harm (DNSH)

To be aligned with the taxonomy, in addition to making a significant contribution to an environmental objective, it is required that no significant harm is caused to any of the other environmental objectives. We have made the assessment on the basis of the two objectives for which there is currently full documentation, Objective 1 and Objective 2.

Minimum protection measures

We fulfil the taxonomy's requirements on minimum protection measures relating to human rights, anti-corruption, transparency on tax burden and free competition. As a member of the UN Global Compact, we are committed to working with its ten principles and report annually on the progress of our work regarding the principles.

Reporting principles

Three financial key indicators are reported for the proportion of the business that is environmentally sustainable according to the EU Taxonomy Regulation; these are the revenue (turnover), operating expenditure and capital expenditure that are aligned with the taxonomy.

- Revenue: Consists of revenue in 7.1, 7.2, 9.1 and 9.3 as a percentage of total revenue for the 2022 financial year.

Share of operating expenditure from services related to economic activities that are aligned with the taxonomy requirements – information covering the year 2022				**Substantial contribution criteria**						**DNSH criteria (Do No Significant Harm)**									
Economic activity	**code**	**Operating expenditure in SEK million**	**Part of operating expenditure %**	Climate change mitigation, %	Climate change adaptation, %	Water and marine resources, %	Circular economy, %	Environmental pollution, %	Biodiversity and ecosystems, %	Climate change mitigation, Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental pollution Y/N	Biodiversity and ecosystems Y/N	**Minimum safeguards Y/N**	**Percentage of economic activity that is aligned with the taxonomy, 2022, %**	**Category (enabling activity) E**	**Category '(transition activity)' T**
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Environmentally sustainable (taxonomy aligned) activities																			
Construction of new buildings	7.1	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	Y	0.0%		
Renovation of existing buildings	7.2	8.6	1.1%	100	–	–	–	–	–	Y	Y	Y	Y	Y	NA	Y	1.1%		T
Technical consultancy etc. regarding climate adaptation	9.1	2.8	0.3%	–	100	–	–	–	–	Y	NA	NA	NA	NA	NA	Y	0.3%	E	
Professional services related to the energy performance of buildings	9.3	22.2	2.7%	100	–	–	–	–	–	Y	NA	NA	NA	NA	NA	Y	2.7%	E	
Operating expenditure of environmentally sustainable (taxonomy aligned) activities (A.1)		33.6	4.1%														4.1%		
A.2. Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned activities)																			
Construction of new buildings	7.1	237.6	29.3%																
Renovation of existing buildings	7.2	271.7	33.5%																
Technical consultancy etc. regarding climate adaptation	9.1	–	0.0%																
Professional services related to the energy performance of buildings	9.2	–	0.0%																
Operating expenditure of the activities that are eligible for the taxonomy but are not environmentally sustainable (not taxonomy aligned) (A.2)		509.3	62.8%																
Total (A.1 + A.2)		542.9	66.9%														4.1%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Operating expenditure of economic activities that are not eligible for the taxonomy (B)		268.5	33.1%																
Total (A + B)		811.4	100.0%																

- Operatingexpenditure: Consists of the corresponding percentage of total costs for personnel, premises, working materials etc.
- Capital expenditure PE is only eligible for the taxonomy via assignments and not via its own investments. This means that none of PE's capital expenditure is eligible within the scope of the taxonomy.

Uncertainty

There are still uncertainties in the reporting due to uncertainty in the interpretation of the regulation. In 2023, we plan to continue working on developing system support and processes so that we can more simply and accurately monitor and report according to the Taxonomy Regulation. We are closely monitoring the development of industry practices for taxonomy reporting.

Scope in accordance with EU Taxonomy Regulation

	Total (SEK million)	Eligible for the taxonomy	Not eligible for the taxonomy	Proportion aligned with taxonomy 2022
Turnover[1]	929	67%	33%	4.1%
Operating expenditure[2]	811	67%	33%	4.1%
Capital expenditure[3]	41	0	100%	0

1) Net revenue, see income statement p. 66
2) Other external expenses and personnel costs, see income statement p. 66
3) See Notes 12, 13 and 14

Share of capital expenditure from services related to economic activities that are aligned with the taxonomy requirements – information covering the year 2022				Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activity	code	Capital expenditure in SEK million	Part of capital expenditure %	Climate change mitigation, %	Climate change adaptation, %	Water and marine resources, %	Circular economy, %	Environmental pollution, %	Biodiversity and ecosystems, %	Climate change mitigation, Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Percentage of economic activity that is aligned with the taxonomy, 2022, %	Category (enabling activity) E	Category '(transition activity)' T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Environmentally sustainable (taxonomy aligned) activities																			
Construction of new buildings	7.1	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	Y	0.0%		
Renovation of existing buildings	7.2	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	Y	0.0%		
Technical consultancy etc. regarding climate adaptation	9.1	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	Y	0.0%		
Professional services related to the energy performance of buildings	9.3	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	Y	0.0%		
Capital expenditure of environmentally sustainable (taxonomy aligned) activities (A.1)		–	0.0%														0.0%		
A.2. Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned activities)																			
Construction of new buildings	7.1	–	0.0%																
Renovation of existing buildings	7.2	–	0.0%																
Technical consultancy etc. regarding climate adaptation	9.1	–	0.0%																
Professional services related to the energy performance of buildings	9.2	–	0.0%																
Capital expenditure of the activities that are eligible for the taxonomy but are not environmentally sustainable (not taxonomy aligned) (A.2)		–	0.0%																
Total (A.1 + A.2)		–	0.0%														0.0%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Capital expenditure of economic activities that are not eligible for the taxonomy (B)		41.4	100.0%																
Total (A + B)		41.4	100.0%																

GRI Index

General standard disclosures

GRI standard	Disclo-sure	Description	Page number	Comment
GRI 2: General Disclosures 2021		**The organisation and its reporting practices**		
	2–1	Organisational details	4, 56, back cover	
	2–2	Entities included in the organisation's sustainability reporting	40, 90	
	2–3	Reporting period, frequency and contact point	40	
	2–4	Restatements of information	40	
	2–5	External assurance	40	
		Business operations and employees		
	2–6	Activities, value chain and other business relationships	4, 36–37, 52	
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	2–8	Sub-consultants	42	
		Corporate governance		
	2–9	Governance structure and composition	39, 56–62, 102	
	2–10	Composition of the Nomination Committee	58–59	
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	2–12	Work of the Board	56–62	
	2–13	Delegation of responsibility	56–62	
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	2–15	Conflicts of interest	59–60	
	2–16	Communication of critical concerns	62	
	2–17	Collective sustainability knowledge of the Board	60	
	2–18	Evaluation of the performance of the Board of Directors	56–62	
	2–19	Remuneration policy	61	
	2–20	Process to determine remuneration	61	
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General standard disclosures, cont.

GRI standard	Disclo-sure	Description	Page number	Comment
GRI 2: General Disclosures 2021		**Strategy and policy**		
	2–22	Statement on sustainable development strategy	7	
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Specific standard disclosures

	Disclo-sure	Description	Page number	Comment
GRI 3: Material Topics 2021	**Material topics**			
	3–1	Process to determine material topics	28	
	3–2	List of material topics	26	
	GRI 201: Economic Performance 2016			
	3–3	Management of material topics	35	
	201–1	Direct economic value generated and distributed	42	
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	3–3	Management of material topics	35–36	
	205–2	Percentage who have read and accepted the Code of Conduct	41	
	GRI 305: Emissions 2016			
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	305–1	Direct (scope 1) GHG emissions	41–42	
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	305–4	GHG emissions intensity		
	GRI 308: Supplier Environmental Assessment 2016			
	3–3	Management of material topics	36	
	308–1	New suppliers that were screened using environmental criteria	41	
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	403-2	Hazard identification, risk assessment, and incident investigation	41–42	
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	3–3	Management of material topics	33–34	
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	3–3	Management of material topics	33–34	
	406–1	Incidents of discrimination and corrective actions taken	41	

Auditor’s report on the statutory sustainability report

To the general meeting of the shareholders in Projektengagemang Sweden AB, corporate identity number 556330-2602

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the year 2022 (the financial year 2022) and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm, 29 March 2023
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant
Auditor-in-charge

Oskar Thorslund
Authorised Public Accountant

Five-year overview

SEK 000s	2022	2021	2020	2019	2018
Net operating revenue	928,752	1,012,841	1,167,043	1,348,389	1,223,796
Operating expenses	–811,373	–880,477	–1,012,712	–1,268,432	–1,134,243
Profit/loss before depreciation/amortisation, EBITDA	117,379	132,363	154,330	79,957	89,554
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)	117,379	132,363	154,330	92,659	99,151
EBITA	45,852	56,855	78,710	–16,051	70,803
EBITA (adjusted)	45,852	56,855	78,710	9,168	80,401
Operating profit/loss, EBIT	38,143	39,863	67,441	–24,732	74,161
Operating profit/loss, EBIT (adjusted earnings)	38,143	39,863	67,441	487	76,681
Profit/loss after net financial items	29,218	26,971	53,879	–36,861	68,381
Profit/loss for the year	**22,381**	**20,233**	**37,091**	**–40,202**	**57,121**
ATTRIBUTABLE TO:					
Parent Company shareholders	22,381	20,233	37,746	–39,698	56,832
Non-controlling interests	–	–	–655	–504	289
Capital structure					
Goodwill	598,778	594,806	597,298	597,436	573,028
Other non-current assets	178,083	204,349	215,238	233,775	117,874
Current assets	245,599	268,288	320,939	388,633	503,790
Shareholders' equity including non-controlling interests	582,526	577,869	557,847	522,380	587,183
Non-current liabilities	221,315	249,263	253,057	316,813	296,768
Current liabilities	218,616	240,310	322,571	380,650	310,741
Total assets	1,022,460	1,067,443	1,133,475	1,219,844	1,194,692
Net debt	291,823	276,856	284,312	400,296	221,944
Cash flow					
Cash flow from operating activities	60,979	79,041	188,495	77,532	37,837
Cash flow from investing activities	–5,829	484	–11,816	–35,627	–275,071
Cash flow from financing activities	–75,573	–99,774	–162,619	–122,120	342,758
Cash flow for the year	–20,423	–20,249	14,060	–80,216	105,524
Key performance indicators					
Operating margin EBITDA, %	12.6	13.1	13.2	5.9	7.3
Operating margin EBITDA, % (adjusted earnings)	12.6	13.1	13.2	6.9	8.1
EBITA margin, %	4.9	5.6	6.7	–1.2	5.8
EBITA margin, % (adjusted)	4.9	5.6	6.7	0.7	6.6
Operating margin EBIT, %	4.1	3.9	5.8	–1.8	6.1
Operating margin EBIT, % (adjusted earnings)	4.1	3.9	5.8	0.0	6.3
Equity/assets ratio, %	57.0	54.1	49.2	42.8	49.1
Net debt/EBITDA, multiple	2.49	2.09	1.84	5.01	2.48
Net debt/EBITDA, multiple (adjusted earnings)	2.49	2.09	1.84	4.32	2.24
Projektengagemang share information					
Earnings per share, Parent Company proportion**	0.93	0.82	1.54	–1.62	2.63
Shareholders' equity per share, Parent Company proportion, SEK*	24.22	23.53	22.72	21.25	23.87
Cash flow from operating activities per share, SEK	2.54	3.22	7.68	3.16	1.54
Ordinary dividend per share	0.40***	0.40	–	–	1.00
Number of shares at year-end	24,555,677	24,555,677	24,555,677	24,555,677	24,555,677
– of which own holdings	501,535	–	–	–	–
Miscellaneous					
Average number of FTEs	767	835	984	1,198	1,022
Revenue per employee	1,211	1,213	1,186	1,126	1,198

*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 2022 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 presented in thousands of kronor (SEK) unless stated otherwise.

Projektengagemang (PE) is a consulting company with advanced expertise and project capability in everything to do with buildings and their immediate surroundings. 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 specialists offer wide-ranging, 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 2022 financial year, the Company had 828 employees. 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.

PE’s financial targets are:

- 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.

The sustainability targets adopted by the Board of Directors in February 2023 mean that

- PE actively contributes to 2030 Agenda through sustainable consulting and knowledge sharing, which is reflected in the client satisfaction (NPS>50) and the fact that the Company's clients are of the opinion that PE has contributed to sustainability in more than 90% of its assignments.
- PE shall be a employer that is sustainable in the long term and that promotes inclusion, diversity and skills development; this is reflected in a high level of employee satisfaction (eNPS > 50) and equal gender distribution at all levels (40/60).
- PE's responsible business conduct enables development and creates long-term value by ensuring that 100 percent of the Company's employees have read and accepted PE's Code of Conduct and that PE is a climate-neutral company by 2030 as a result of an annual reduction in CO_2 emissions of ≥ 10%

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 928.8 million (1,012.8), down 8 percent from the same period in the previous year. The decrease in sales is attributed to the divestiture of business operations. There is no calendar effect on revenue for the full year compared with the previous year. Organic growth was negative, at –2.1 percent, adjusted for the effect of divested operations. Profit before acquisition-related items (EBITA) was SEK 45.9 million (56.9). An operating profit (EBIT) of SEK 38.1 million (39.9) was recorded.

Acquisitions, integration and divestments

On 1 June, PE Teknik och Arkitektur AB acquired the operations of Konstruktionsbyrån i Uppsala AB through an agreement for the transfer of assets and liabilities. The agreement includes client contracts and two employees. On 1 November, Projektengagemang Sweden AB acquired Gärdhagen Akustik AB, a Gothenburg-based acoustics specialist with a clear focus on buildings. The business had 5 employees.

Acquisition analysis

An additional purchase price for the acquisition of subsidiaries in 2022 will be settled in November 2023. The outcome is related to key performance indicators for growth. The additional purchase price is fully reserved for in the acquisition analysis and has been valued at the maximum outcome.

Cash flow and financial position

Cash flow from operating activities amounted to SEK 61.0 million (79.0). Tax paid amounting to –36.1 (–6.6) is included. The increase is explained by owed tax of SEK –14.5 million from 2020 and higher preliminary tax for 2022 than 2021. The change in working capital totalled SEK –13.4 million (–26.7). Investing activities showed a net flow during the quarter of SEK –5.8 million (0.5), with a SEK –2.0 million impact from the sale of a subsidiary. The remainder consists of the acquisition of non-current assets. The cash flow from financing activities totalled SEK –75.5 million (–99.8), comprising dividends to shareholders of SEK –9.6 million, repurchasing of treasury shares corresponding to SEK –9.4 million, amortisation of bank loans and lease liabilities of SEK –10.0 million and SEK –63.1 million respectively, and use of credit facilities of SEK 16.6 million. Net debt at the end of the quarter totalled SEK 291.8 million (276.9). Excluding the lease liability due, which as of 2019 is recognised in accordance with IFRS 16, net debt amounted to SEK 160.6 million (135.0). The equity/assets ratio for the Group is 57.0 percent (54.1). Equity totals SEK 582.5 million (577.9), corresponding to SEK 24.22 per share (23.53).

Employees

The number of employees at the end of the period was 828 (795). The average number of employees in 2022 totalled 767 (835).

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 36 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

PE has a clearly stated responsibility for sustainability. In order to make sustainability a more integral part of PE's business strategy, corporate governance, operations and the client offering, the work with sustainability is directed by the CEO and President. The strategic responsibility for PE's sustainability work lies with the CFO, supported by the Head of Quality Assurance. Sustainability work is an integral part of the management's work and sustainability issues are discussed continuously. Within the scope of business planning work, action plans linked to quality, environment and sustainability are drawn up, based on the Group's shared and prioritised sustainability targets.

PE's policies are guided by the procedure set out in our policy hierarchy. Policies are reviewed at least annually in conjunction with the constitutive Board meeting, or as required. We have a solid foundation to adequately meet stakeholder needs and legal requirements, as well as any other aspects required in order to continue operating as a business. Our ERP system is certified in accordance with ISO 9001:2015 and 14001:2015 standards. Every year we undergo an external audit. We view this as a good way of verifying our work in this field.

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.

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Projektengagemang Sweden AB (publ) has elected to draw up the statutory sustainability report as a separate report from the Annual Report, with its content being available on pages 4, 9, 26–39, 41–42 and 63–65.

Parent Company

The Parent Company's net revenue for the 1 January–31 December period totalled SEK 17.3 million (14.1), with operating income (EBIT) of SEK –1.8 million (–1.7).

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 the Group management and who are presented on the Company's website and on page 103 of the 2022 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

* International Federation of Consulting Engineers
**International Labour Organisation

to be without merit. On 21 March 2022, Solna District Court announced a verdict regarding one of these two disputes. The ruling was entirely in PE's favour. Cortus AB has appealed against the verdict.

PE and PE's subsidiary Soleed Sweden AB have been issued with 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 left the Group management. Peter Sandberg, who had worked as CFO of PE since 2007, left the Company in July 2022. He has been a member of the Company's Board of Directors since May 2022. Liselotte Haglind took up the post of CFO on 1 July 2022. Since July, the Group management team has consisted of:

Helena Hed, President and Chief Executive Officer

Liselotte Haglind, Chief Financial Officer

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.

PE does not have any operations, clients or suppliers that have been directly affected by Russia's invasion of Ukraine and the resulting sanctions. Indirectly, macroeconomic conditions have become more challenging in the wake of the pandemic and Russia's ongoing invasion of Ukraine. This creates greater uncertainty in the market, which may affect our clients in the short term. We have not identified any direct impact such as increased risk in our ongoing assignments, our order book or cash flow.

Details of how PE is managing various risks are provided on pages 63–65. PE does not publish forecasts.

Events after the end of the financial year

No significant events after the end of the reporting period.

Dividend

The Board proposes to the AGM that a dividend of SEK 0.40 per share (0.40) be paid for the 2022 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 Company's current stage of development. 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/assets ratio is affected by the dividend by 1 percentage point, from 60 percent to 59 percent. Liquidity was strengthened in early 2023 when excess preliminary tax for 2022 was refunded by the Swedish Tax Agency. 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 presented in SEK thousand unless otherwise indicated.

Proposed appropriation of profits

Funds at the disposal of the Annual General Meeting, SEK:	
Retained earnings	450,068,527
Profit/loss for the year	16,723,232
	466,791,759

The Board proposes that retained earnings be appropriated as follows	
Dividend (SEK 0.4 per share)	–9,621,657
To be carried forward	**457,170,102**

Corporate Governance Report

Projektengagemang Sweden AB (Publ) (PE) is a Swedish public limited company with registered offices in Stockholm, Sweden. The Company's class 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.

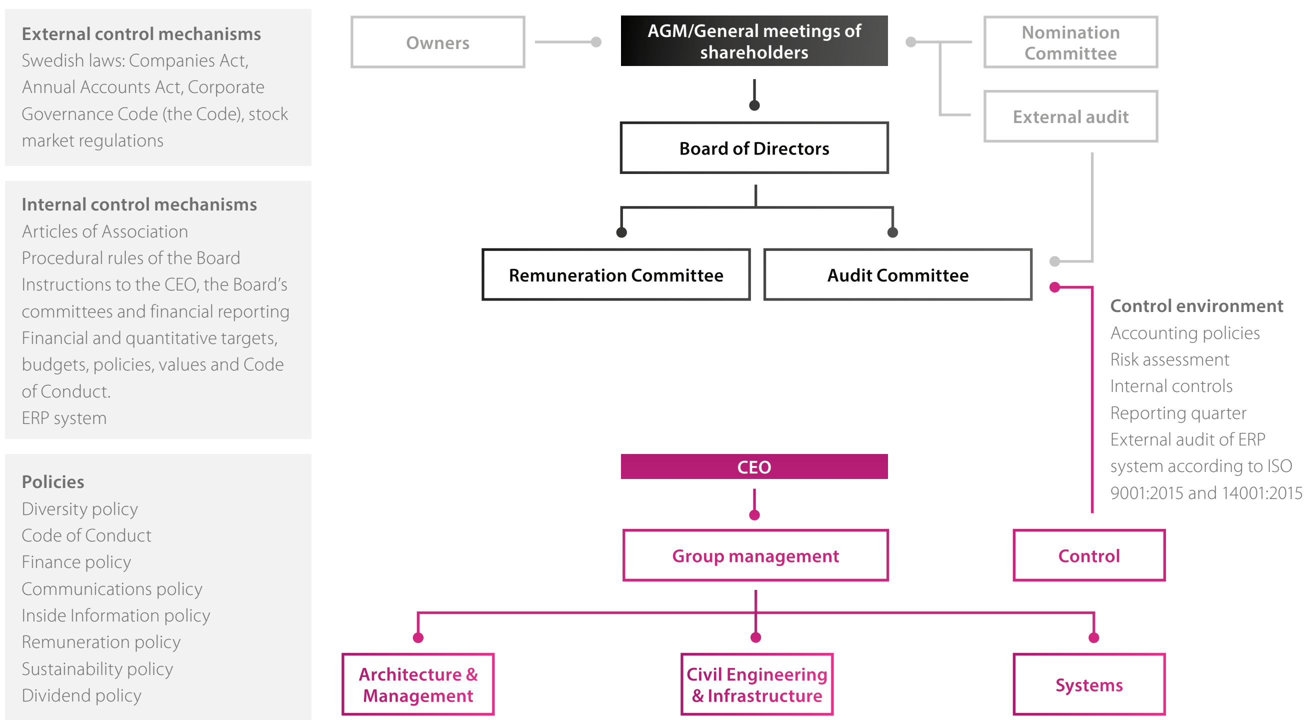
During 2022, PE applied the Code with the following deviations: rule 2.4 composition of the Nomination Committee (see below under Nomination Committee, page 58), rules 7.2 and 9.2 composition of the Audit Committee and Remuneration Committee (see below under the Board's committees, page 61). There have 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.

In the Group's decentralised organisation, the driving force in the business is our individual employees, which demands a

PE's corporate governance structure



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 can use the Group-wide business system as an aid in the day-to-day work.

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 business 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 business 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.

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 Chair, 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 1,668 shareholders at 31 December 2022. The share capital amounted to SEK 2,728,409, with a total of 24,555,677 shares made up of 5,296,524 class A shares, corresponding to 21.57 percent of the shares and 73.33 percent of the votes, and 19,259,153 class B shares, corresponding to 78.43 percent of the shares and 26.67 percent of the votes. Class A shares carry 10 votes each and class B shares carry one vote. All shares are entitled to the same proportion of the Group's profit and capital. Only class B shares are listed on the stock market.

At 31 December 2022, Projektengagemang Holding AB had an ownership interest amounting to 21.48 percent of the total number of shares and 62.03 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.

In 2022, PE repurchased 501,535 class B shares in order to secure future provision of shares and other obligations arising from Projektengagemang's performance-based share purchase programmes, see Note 6.

See pages 107–108 for further information on the Company's shares and shareholders etc. The information is also available on the Company's website, at www.pe.se.

Annual General Meeting 2022

PE's 2022 Annual General Meeting was held on 5 May 2022, 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 74 percent of the votes and approximately 40 percent of the capital took part in the AGM (via postal voting). The minutes from and information about the 2022 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 2021 financial year.
- The AGM resolved, in accordance with the Board's proposal, to pay a dividend to shareholders of SEK 0.40 per share and to carry forward other available funds.
- Re-election of Board members Lars Erik Blom, Per Göransson, Carina Malmgren Heander, Per-Arne Gustavsson, Christina Ragsten and Jon Risfelt, and election of Peter Sandberg. Per-Arne Gustavsson was elected Chair of the Board.
- A fee of SEK 370,000 to the Chair of the Board, and SEK 185,000 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 auditor-in-charge.
- Offer to CEO and other key personnel at PE the opportunity to participate in 2022 Share Purchase Programme.
- The Board was authorised to pass a resolution on the acquisition of a maximum of 1,050,000 class B shares to make provision for the Company's obligations in the 2019, 2020, 2021 and 2022 Share Purchase Programmes, and to transfer a maximum of 251,000 class B shares to enable costs to be hedged.
- Transfer of a maximum of 350,000 class B shares to participants in the 2022 Share Purchase Programme.
- The Board of Directors was authorised to resolve on an issue of new class B shares, representing no more than 10 percent of the total number of class B shares, in connection with corporate 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 as the Chair 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 Chair 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 Chair, the number of Board members, election of Board members, election of a Chair of the Board, Board fees including allocation between the Chair 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 prior to the AGM in May 2023 were announced on PE's website and published in a press release dated 21 October 2022. They are as follows: Per Göransson, Board member of PE, appointed by Projektengagemang Holding AB, Heroine Holding AB and shareholder Peter Sandberg, Tim Floderus, appointed by Investment AB Öresund, Dag Marius Nereng, appointed by Protector Forsikring and Per-Arne Gustavsson (Chair of the Board). The Nomination Committee has appointed Per Göransson as its Chairperson. Together, the Nomination Committee represents approximately 74 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 Chair 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 adopted Nomination Committee instructions, the chair of the committee shall be the person who is appointed by the largest shareholder.

The Nomination Committee's remit and work prior to the 2023 AGM

Prior to the 2023 AGM, the Nomination Committee is tasked with presenting proposals regarding the AGM Chairperson, the number of Board members, election of Board members, election of a Chair of the Board, Board fees including allocation between the Chair 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 has held two minuted meetings prior to the 2023 AGM and in addition has 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). In conjunction 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.

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 the Board will have an appropriate composition as a result of the Nomination Committee's proposal prior to the 2023 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 2022 AGM elected PricewaterhouseCoopers AB, with authorised public accountant Camilla Samuelsson as auditor-in-charge for the period up until the 2023 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 2022, 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 2022, (including fees for consulting services) are detailed in Note 5.

Board of Directors

Composition of the Board and fees

PE's Board comprises seven members elected by the AGM, and no deputies. The Chief Executive Officer and the Chief Financial Officer are not members of the Board, but are co-opted to participate in all Board meetings. Other employees of the Group participate as required to report on particular issues. The Group's Chief Financial Officer serves as secretary to the Board. Details of the composition of the Board in 2022, and of remuneration of Board members for the full years 2022 and 2021 are provided in Note 6. Further information about the Board members is provided on page 102.

Evaluation of the performance 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 2022 through an anonymous questionnaire to Board members. The results of the evaluation were reported by the Chair 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 its 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 the Company and its management, as well as in relation to the Company's major shareholders. All members elected by the AGM, apart from Per Göransson, Per-Arne Gustavsson and Peter Sandberg, were independent in relation to both the Company and its management, as well as in relation to the Company's major shareholders in 2022.

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 after the AGM, or immediately after an extraordinary general meeting at which a new Board is elected. PE held its constitutive Board meeting on 5 May 2022, at which members of the Board's 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 Chairperson deems it to be appropriate, or after one of the Board members or CEO has made a request for such. In 2022, 15 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.
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.

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
Chair							
Per-Arne Gustavsson	2018	1952	No	No	15/15	5/5	3/3
Members of the Board							
Per Göransson	2006	1953	No	No	15/15		
Carina Malmgren Heander	2018	1959	Yes	Yes	15/15		3/3
Lars Erik Blom	2016	1960	Yes	Yes	15/15	3/5	
Christina Ragsten	2020	1958	Yes	Yes	15/15	5/5	
Jon Risfelt	2020	1961	Yes	Yes	15/15	5/5	3/3
Peter Sandberg	2022	1970	No	No	9/15	2/5	2/3

1 Details of the education, other roles and shareholdings in the Company etc. of current Board members are provided on page 102 of the Annual Report. Remuneration of Board members is specified in Note 6

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.

Deviation from the Code

According to the Code's rule 7.2, first sentence, the majority of the members of the Audit Committee and, according to the Code's rule 9.2, first paragraph, second sentence (if the Chair of the Board is not the Chair of the Remuneration Committee), the other members of the Remuneration Committee must be independent in relation to the Company and its management. Per-Arne Gustavsson and Peter Sandberg, who are members of both committees, are not independent in relation to the Company, its management or its major shareholders.

The reason for the deviation is that the Board of Directors is of the opinion that the composition of the committees, with four members in each committee, two of whom are independent in relation to both the Company and its management as well as to the Company's major shareholders, provides the best expertise and experience through the fact that Per-Arne Gustavsson and Peter Sandberg are also members of the committees.

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 auditor-in-charge and representatives of the audit firm are co-opted to the majority of the meetings. Where appropriate, senior executives are co-opted. Since the 2022 AGM, the committee has consisted of members Peter Sandberg, Christina Ragsten, Jon Risfelt and Per-Arne Gustavsson. The committee is chaired by Peter Sandberg.

The Audit Committee held five minuted meetings in 2022 and the Board of Directors regularly receives copies of the minutes of the meetings. During the year, the committee's work has mainly involved valuation issues, risk management, impairment testing requirements, accounting principles, internal control, external auditing of operational systems in accordance with ISO 9001:2015 and 14001:2015, internal follow-up of earnings and key performance indicators and follow-up and checks regarding 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 four 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 2022 AGM, the Remuneration Committee has consisted of Carina Malmgren Heander (Chair), Per-Arne Gustavsson, Jon Risfelt and Peter Sandberg. The committee held three minuted meetings in 2022.

CEO and President

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 Chairperson, 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 2022, this consisted of the CEO and two additional persons: the Chief Financial Officer (CFO) and the Chief Business Development Officer (CBDO). Since 1 July 2022, Group management has consisted of Helena Hed (President and CEO), Liselotte Haglind (Chief Financial Officer) and Mathias Thorsson (Chief Business Development Officer). Information about the CEO and Group management is available on page 103. The Group management conducts regular business reviews, led by the CEO, and works in close co-operation with the Group's management team.

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, project risks 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 2022, 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 2015–2022 period
- Remuneration and remuneration reports
- Sustainability reports

Material risks and risk management

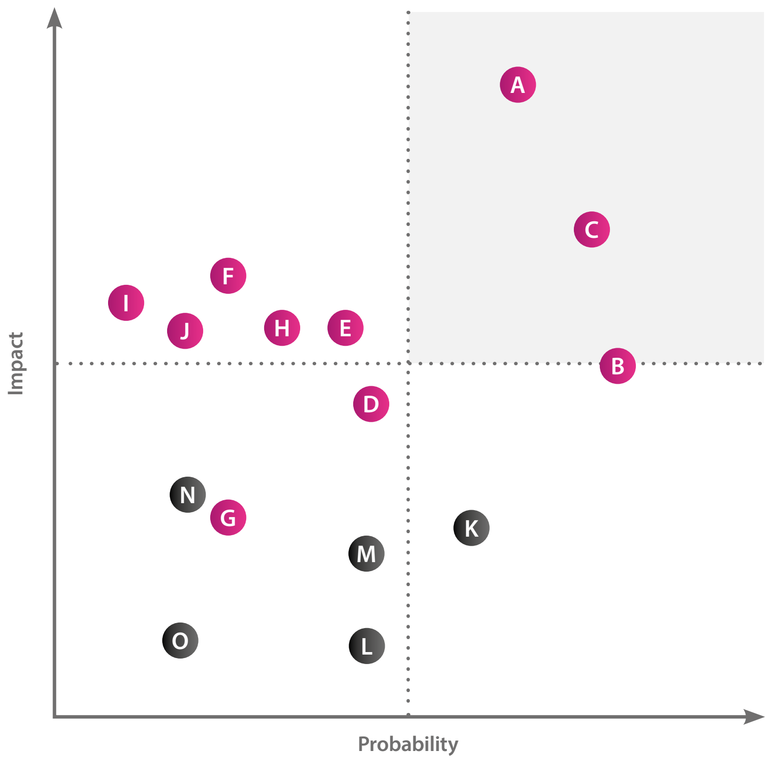
Management of operating risks is a continual, ongoing process in view of the large number of ongoing projects. The Group's financial risks are managed centrally in order to minimise and monitor risk exposure.

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 shortages, sick leave, staff turnover and employee well-being
- E Efficiency
- F Supply risk and quality
- G Acquisition risk
- H IT
- I Brand, reputation, rumour risk
- J Contribution to sustainability through our assignments

Financial risks

- K Financing and liquidity risk as well as economic stability
- L Management of capital
- M Interest rate risk
- N Liquidity risk
- O Credit risk

Operating risks

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. Indirectly, macroeconomic conditions have become more challenging following the pandemic and due to Russia's ongoing invasion of Ukraine, with increased inflation, high interest rates and challenges in the housing sector in particular. 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, sustainability and the currently ongoing transition in society.	The demand risk is managed by offering and delivering leading skills across multiple sectors and by having a decentralised organisation with local responsibility for the business. 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.
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. The Group's prices and how they change are continually monitored.
D Skills shortages, sick leave, staff turnover and employee well-being	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. This in itself gives rise to risks such as quality deficiencies or lower utilisation rates due to illness. High workloads, weak leadership, unclear guidance, lack of development opportunities and uninteresting tasks can lead to sickness absence and employees seeking employment elsewhere.	PE has a strong focus on creating the best possible workplace from an employee perspective, in order to attract existing and potential new employees. PE shall harness and develop the needs and expectations that employees and PE have regarding each other in the best possible way. 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 utilisation rate are continually monitored.
F Supply risk and quality	PE's mission involves taking responsibility for a particular delivery. In the case of non-performance or poor quality of deliveries, PE may be ordered to remedy such failures or pay compensation.	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. There is a strong focus on customer relations and understanding customer needs.
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.
J **Contribution to sustainability through assignments**	PE shall take on the long-term responsibility expected by stakeholders and contribute to sustainable development.	PE is at the centre of the sustainable transition and, together with our clients, our consultants actively make a difference. Sustainability training and clear integration of sustainability in business plans, operational plans, activities and targets.

Financial risks

Financial risks	Description	Risk management process
K **Financing and liquidity risk as well as economic stability**	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. Risk of not meeting our stakeholders' expectations regarding the value we create in the form of pay to employees, returns for shareholders, tax for the state and government agencies, etc.	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. A clear focus on EBITA far out into the decentralised organisation clarifies the need for profitable growth in which groups grow and create new jobs, invest in business operations and employees, and engage in innovation and collaboration.
L **Management of capital**	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. Indebtedness at 31 December 2022 and 2021 was 2.5 and 2.1 respectively.
M **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.
N **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.
O **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	2022	2021
Net revenue	2	928,752	1,012,841
Other external expenses	5	–169,891	–212,578
Personnel costs	7, 8	–641,482	–667,900
Profit/loss before depreciation/amortisation, EBITDA		**117,379**	**132,363**
Depreciation, amortisation and impairment losses	8, 12, 13, 14	–71,527	–75,508
EBITA		**45,852**	**56,855**
Acquisition-related items	4, 8	–7,710	–16,992
Operating profit/loss, EBIT		**38,143**	**39,863**
Finance income		10	11
Finance costs		–8,935	–12,902
Net financial items	9	**–8,925**	**–12,891**
Profit/loss after financial items		**29,218**	**26,972**
Tax	25	–6,837	–6,739
Profit/loss for the period		**22,381**	**20,233**
Attributable to:			
Parent Company shareholders		22,381	20,233
Non-controlling interests		–	–
Basic and diluted earnings per share for the period, SEK		0.93	0.82

*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	2022	2021
Profit/loss for the year		**22,381**	**20,233**
Comprehensive income for the year		**22,381**	**20,233**

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

Consolidated balance sheet

SEK 000s	Note	2022	2021
ASSETS			
Non-current assets			
Goodwill	12	598,778	594,806
Other non-current intangible assets	12	11,308	19,805
Property, plant and equipment	13	10,806	14,323
Right-of-use assets	14	154,441	167,834
Financial investments	16	1,528	1,528
Deferred tax assets	25	–	815
Non-current receivables	18	–	43
Total non-current assets		**776,861**	**799,155**
Current assets			
Trade receivables	19, 29	134,618	129,546
Accrued but not invoiced revenue	20	74,757	90,989
Current tax assets	25	9,993	–
Other receivables	18	8,060	7,089
Prepaid expenses	21	15,945	17,681
Short-term investments		–	375
Cash and cash equivalents	22, 30	2,226	22,608
Total current assets		**245,599**	**268,288**
TOTAL ASSETS		**1,022,460**	**1,067,443**
EQUITY AND LIABILITIES			
Equity	23		
Equity attributable to Parent Company shareholders		582,526	577,869
Total equity		**582,526**	**577,869**
Liabilities			
Provision for pensions and similar obligations		338	338
Non-current, interest-bearing liabilities	24	120,660	130,660
Lease liabilities	14, 24	80,553	100,577
Deferred tax liabilities	25	19,764	17,688
Total non-current liabilities		**221,315**	**249,263**
Current, interest-bearing liabilities	24	26,640	10,000
Liabilities to clients and suppliers	29	48,104	53,883
Lease liabilities	14, 24	66,195	58,601
Other liabilities	26	42,295	47,019
Accrued expenses and deferred income	27	35,385	70,807
Total current liabilities		**218,619**	**240,310**
TOTAL LIABILITIES		**439,934**	**489,573**
TOTAL EQUITY AND LIABILITIES		**1,022,460**	**1,067,443**

Consolidated statement of changes in equity

SEK 000s	Attributable to Parent Company shareholders Share capital	Other contributed capital	Reserves	Retained earnings incl. profit/loss for the year	Total	Non-con-trolling interests	Total equity
Opening balance at 1 January 2021 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:							
Dividends paid				–	–		–
Exchange rate differences				–372	–372	160	–212
Closing balance at 31 December 2021 according to balance sheet adopted	**2,728**	**123,306**	**20**	**451,813**	**577,869**	**–**	**577,869**
Profit/loss for the year				22,381	22,381	–	22,381
Other comprehensive income for the year				–	–	–	–
Total comprehensive income				**22,381**	**22,381**	**–**	**22,381**
Transactions with shareholders in their capacity as owners:							
Dividends paid				–9,622	–9,622	–	–9,622
Repurchase of treasury shares				–9,446	–9,446	–	–9,446
Share-based payments				1,242	1,242	–	1,242
Exchange rate differences				103	103	–	103
Closing balance, 31 December 2022	**2,728**	**123,306**	**20**	**456,470**	**582,526**	**–**	**582,526**

Consolidated cash flow statement

SEK 000s	Note	2022	2021
Operating activities			
Profit/loss after financial items		29,218	26,972
Of which, net interest paid	9, 24	–4,160	–5,280
Adjustments for non-cash items	31	81,245	85,345
Tax paid		–36,094	–6,577
Cash flow before changes in working capital		**74,369**	**105,740**
Cash flow from operating activities			
Changes in operating receivables		13,074	32,274
Change in operating liabilities		–26,464	–58,974
Cash flow from operating activities		**60,979**	**79,041**
Investing activities			
Purchase of property, plant and equipment		–2,193	–2,709
Purchase of non-current intangible assets		–284	–1,021
Sale of property, plant and equipment		–1,332	165
Sale of subsidiaries/operations	4	–	4,000
Acquisition of subsidiaries incl. acquired cash funds	4	–2,019	–
Change in financial assets		0	50
Cash flow from investing activities		**–5,829**	**484**
Cash flow before financing		**55,151**	**79,525**
Financing activities			
Dividend paid		–9,622	–
Repurchase of treasury shares		–9,446	–
Repayment of loans		–10,000	–35,776
Repayment of lease liability		–63,145	–63,998
Change in overdraft		16,640	–
Cash flow from financing activities		**–75,573**	**–99,774**
Cash flow for the year		**–20,423**	**–20,249**
Cash and cash equivalents at start of year		**22,608**	**42,784**
Exchange rate difference in cash and cash equivalents		41	72
Cash and cash equivalents at year-end		**2,226**	**22,608**

Parent Company income statement and statement of comprehensive income

SEK 000s	Note	2022	2021
Net revenue	2	17,269	14,063
Other external expenses	5	–8,194	–6,871
Personnel costs	6, 7	–10,855	–8,801
Profit/loss before depreciation/amortisation, EBITDA		**–1,780**	**–1,610**
Depreciation, amortisation and impairment of non-current intangible assets and property, plant and equipment	8, 12, 13	–31	–61
Operating profit/loss, EBIT		**–1,811**	**–1,671**
Earnings attributable to investments in Group companies		–	–4,834
Finance income		2	–
Finance costs		–5,244	–6,872
Net financial items	9	**–5,242**	**–11,706**
Profit/loss after financial items		**–7,053**	**–13,377**
Appropriations	10	28,135	4,169
Profit/loss before tax		**21,082**	**–9,208**
Tax	25	–4,358	380
Profit/loss for the period		**16,723**	**–8,828**
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the year		16,723	–8,828
Comprehensive income for the year		**16,723**	**–8,828**

Parent Company balance sheet

SEK 000s	Note	2022	2021
ASSETS			
Non-current assets			
Non-current intangible assets		60	92
Investments in Group companies	15, 17	777,587	773,402
Deferred tax assets	25	955	5,314
Other long-term holdings of securities	17	1,500	1,500
Total non-current assets		**780,102**	**780,308**
Current assets			
Current receivables			
Other receivables		173	882
Prepaid expenses		1,193	1,745
Total current receivables		**1,366**	**2,627**
Cash and bank balances	22	1,333	20,365
Total current assets		**2,699**	**22,992**
TOTAL ASSETS		**782,801**	**803,300**
EQUITY AND LIABILITIES			
Equity	23		
Share capital		2,728	2,728
Statutory reserve		20	20
Total restricted equity		**2,748**	**2,748**
Retained earnings		450,069	476,722
Profit/loss for the year		16,723	–8,828
Total equity		**469,540**	**470,643**
Liabilities			
Non-current liabilities			
Non-current, interest-bearing liabilities	24	120,660	130,660
Total non-current liabilities		**120,660**	**130,660**
Current liabilities			
Liabilities to clients and suppliers	29	5,027	5,783
Current, interest-bearing liabilities	24	26,640	10,000
Liabilities to Group companies		152,876	178,818
Other liabilities	26	4,618	5,721
Accrued expenses and deferred income	27	3,440	1,675
Total current liabilities		**192,601**	**201,997**
Total liabilities		**313,261**	**332,657**
TOTAL EQUITY AND LIABILITIES		**782,801**	**803,300**

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 2021 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 at 31 December 2021 according to balance sheet adopted	**2,728**	**20**	**467,894**	**470,643**
Profit/loss for the year			16,723	16,723
Total comprehensive income			**16,723**	**16,723**
Transactions with shareholders in their capacity as owners:				
Dividends paid			–9,622	–9,622
Repurchase of treasury shares			–9,446	–9,446
Share-based payments			1,242	1,242
Closing balance, 31 December 2022	**2,728**	**20**	**466,791**	**469,540**

Parent Company cash flow statement

SEK 000s	Note	2022	2021
Operating activities			
Profit/loss after financial items		–7,053	–13,377
Of which, net interest paid		–3,750	–3,662
Adjustments for non-cash items	31	1,273	6,595
Tax paid		77	–925
Cash flow before changes in working capital		**–5,703**	**–7,707**
Cash flow from operating activities			
Changes in operating receivables		1,260	16,302
Change in operating liability		265	4,010
Cash flow from operating activities		**–4,178**	**12,604**
Investing activities			
Purchase of property, plant and equipment and non-current intangible assets		–	–
Acquisition of subsidiaries	4, 15	–2,426	–1,035
Change in financial assets		–	–2,056
Cash flow from investing activities		**–2,426**	**–3,091**
Cash flow before financing		**–6,603**	**9,514**
Financing activities			
Dividend		–9,622	–
Repurchase of treasury shares		–9,446	–
Repayment of loans		–10,000	–35,165
Change in overdraft		16,640	–
Group contributions		–	4,169
Cash flow from financing activities		**–12,428**	**–30,996**
Cash flow for the year		**–19,032**	**–21,483**
Cash and cash equivalents at start of year		**20,365**	**41,848**
Cash and cash equivalents at year-end		**1,333**	**20,365**

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. 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 2022 have not had any impact on PE and its Annual Report.

Amended accounting policies from 2023 onwards

A number of new or revised standards and interpretative statements come into effect from 2023 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 2023 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/depreciation and impairment of acquisition-related intangible assets, including goodwill, and revaluation of contingent considerations and gains/losses from 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 IAS20, 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. Such 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 depreciation/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.

Depreciation/amortisation

Depreciation/amortisation is based on original costs less any residual values. Depreciation/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/depreciated are amortised/depreciated 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 depreciation/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 2022, 2.75 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 2021 and 2022 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.

Long-term share-based incentive programmes

At the 2020, 2021 and 2022 AGMs, it was decided to introduce long-term share purchase programmes for senior executives and other key employees of the Group.

Participation in the share purchase programmes requires the participant to invest/acquire a certain number of class B shares in the Company ("Savings Shares") at market price on Nasdaq Stockholm using their own funds. If the Savings Shares are retained during the three-year vesting period and the participant remains employed for the entire period, each Savings Share entitles the participant to receive, free of charge, one class B share in the Company ("Matching Share"). All the programmes presume that the share's total shareholder return ("TSR") remains positive during the vesting period. Provided that specific performance requirements in terms of the EBITA margin are met during the three-year vesting period, one to four additional class B shares in the Company ("Performance Shares") may be granted per Savings Share. Up to 50 percent of the Performance Share allocation will depend on EBITA performance and up to 50 percent on TSR performance.

Projektengagemang classifies its share purchase programmes (matching share programme and performance share programme) as share-based payments that are settled using equity instruments. This means that the fair value of the shares at the respective allocation date is recognised over the vesting period of three years. At each financial year-end, the anticipated number of shares allotted is revised. The effect on earnings of any change in previous estimates is then reflected in a corresponding adjustment to equity. This means that at each financial year-end, an accumulated expense is recognised for each programme, equal to the accrued portion of the estimated number of shares expected to be earned based on the fair value of the instrument at the time the share purchase programme was offered to the employees.

Social security contributions for the share-based payment schemes are expensed over the vesting period in accordance with UFR 7. The amount of these costs depends on the development of the fair value of the share during the vesting period and the number of Matching and Performance Shares expected to be earned. After the end of the vesting period when shares are distributed to employees, social security contributions are payable for the value of the employee's benefit.

The balance sheets are presented in summary. To increase comparability with other companies on the market, as of 1 January 2018 PE introduced the earnings concept EBITA, which is defined as operating profit excluding acquisition-related items. Operating profit is therefore adjusted for amortisation/depreciation and impairment of acquisition-related intangible assets, including goodwill, and revaluation of contingent considerations and gains/losses from the divestment of companies and operations. PE applies all EU-adopted IFRS standards and statements (IFRIC), to the extent possible within the framework of the Swedish Annual Accounts Act, and in some cases for tax reasons. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

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 in Note 33.

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 stated otherwise, the Parent Company's accounting policies for the 2022 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 2022 financial year, the Company had 828 employees. 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 20.

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.

SEK million	2022	2021
Net revenue		
Architecture	157.7	160.8
Management	150.9	153.5
Architecture & Management	**308.6**	**314.4**
Building*	280.4	297.7
Environment*	85.8	91.6
Civil Engineering & Infrastructure	**366.2**	**389.2**
Electrical, Telecommunications & Security	171.5	213.0
HVAC & Sanitation Design	111.8	112.1
Systems	**283.3**	**325.2**
Internal eliminations	–29.4	–15.9
Total	**928.8**	**1,012.8**

* Comparative figures have been corrected due to incorrect allocation in the Civil Engineering & Infrastructure segment. SEK 24 million has been moved from Environment to Construction.

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	Architecture & Management	Civil Engineering & Infrastructure	Systems	Miscellaneous	Total
			2022		
Total net revenue	308,639	366,219	283,278	–29,383	928,752
of which, net revenue from external clients	280,303	348,592	266,136	33,721	928,752
of which, net revenue between segments	28,336	17,626	17,142	–63,104	–
Total growth, %	–1.8	–5.9	–12.9		–8.3
– of which organic, %	–1.8	–0.1	–3.0	–	–2.1
– of which acquired/divested growth, %	0.0	–5.8	–9.9	–	–6.2
Depreciation/amortisation	–15,948	–21,037	–9,026	–25,515	–71,527
EBITA	14,130	45,758	–591	–13,445	45,852
Acquisition-related items	–	–7,710	–	–	–7,710
Operating profit/loss, EBIT	14,130	38,048	–591	–13,445	38,143
EBIT margin, %	4.6	10.4	–0.2	45.8	4.1
Financial items					–8,925
Profit/loss after financial items					29,218
Goodwill	135,492	301,214	166,258	–4,186	598,778
Accrued but not invoiced revenue	21,213	29,371	24,172	1	74,757
Average number of employees	217	263	227	60	767

SEK 000s	Architecture & Management	Civil Engineering & Infrastructure	Systems	Miscellaneous	Total
			2021		
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	36,690	1,012,840
of which, net revenue between segments	22,961	17,027	12,620	–52,609	0
Total growth, %	–16.4	–14.6	–11.9	–	–13.2
– of which organic, %	–16.4	–12.0	–11.9	–	–12.2
– of which acquired/divested growth, %	0.0	–2.6	0.0	–	–1.0
Depreciation/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

NOTE 4 Business combinations and earnings

An asset acquisition was made on 1 June of the operations of Konstruktionsbyrån i Uppsala AB. The subsidiary in Norway, FAST Engineering Norge AS, was liquidated in August 2022. Gärdhagen Akustik AB was acquired on 1 November. The railway business was divested on 1 September 2021 and the Indian subsidiary Aristi was sold on 22 December 2021.

Acquisition-related items

SEK 000s	2022	2021
EBITA	45,852	56,855
Depreciation/amortisation of acquisition-related non-current intangible assets	–7,710	–12,804
Contingent consideration paid	–	–
Contingent consideration reversed	–	–
Divested operations	–	3,145
Sale of Group companies	–	–2,276
Additional IT costs related to earlier acquisitions		–5,056
Acquisition-related items	**–7,710**	**–16,992**
Operating profit/loss, EBIT	**38,142**	**39,863**

Effect of acquisitions/divestments on Group's net revenue

	Net revenue		EBIT*	
SEK 000s	2022	2021	2022	2021
Architecture & Management	–	–	–	–
Civil Engineering & Infrastructure	–23,516	–13,457	–	–
Systems	–33,188	–	–	–
Miscellaneous	–8,272	–	–	–
	–64,976	**–13,457**	**–**	**–**

* EBIT is not monitored at this level.

NOTE 5 Auditor's fee and remuneration

	Group		Parent Company	
SEK 000s	2022	2021	2022	2021
PWC				
Audit assignments	1,942	1,510	1,942	1,510
Auditing services in addition to audit assignment	42	208	42	208
Tax consulting	52	92	–	82
Total PWC	**2,036**	**1,810**	**1,984**	**1,800**
Other auditors				
Miscellaneous	–	23	–	23
Total, other auditors	**–**	**23**	**–**	**23**
Total	**2,036**	**1,833**	**1,984**	**1,823**

NOTE 6 Employees and personnel expenses

Average number of FTEs and gender representation

	2022		2021	
SEK 000s	Women	Men	Women	Men
Parent Company	2	1	1	1
Subsidiaries	268	497	273	560
– of which, Norway	1	1	1	2
– of which, India	–	–	3	36
Group, total	**269**	**498**	**274**	**561**
Total, average number of FTEs	**767**		**835**	

Of the Group's average number of employees totalling 767 (835), 0 (39) are employed in India, 2 (3) in Norway and 765 (793) in Sweden.

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

	2022	2021
Group	Proportion of women, %	Proportion of women, %
Board of Directors	**29%**	**33%**
Other senior executives	50%	30%

Remuneration and other benefits recognised as expenses

2022 Board of Directors, CEO and other senior executives	Base salary/ Directors' fee	Variable remunera-tion***	Other benefits	Pension expense	Total
Chair of the Board (Per-Arne Gustavsson)	430				430
Board member (Per Göransson)	183	–	–	–	183
Board member (Lars Erik Blom)	218	–	–	–	218
Board member (Carina Malmgren Heander)	226	–	–	–	226
Board member (Christina Ragsten)	226	–	–	–	226
Board member (Jon Risfelt)	247	–	–	–	247
Board member (Peter Sandberg), from 5 May 2022	170	–	–	–	170
CEO (Helena Hed)	3,108	483	80	874	4,545
Deputy CEO (Peter Sandberg)*	715	–	1	147	863
Other senior executives (2 people)*	3,792	285	79	852	5,008
Total remuneration to Board of Directors, CEO and other senior executives	**9,315**	**768**	**160**	**1,873**	**12,116**

2021 Board of Directors, CEO and other senior executives	Base salary/ Directors' fee	Variable remunera-tion***	Other benefits	Pension expense	Total
Chair 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	3,877
Deputy CEO (Peter Sandberg)	1,837	–	41	440	2,318
Other senior executives (2 people)	2,979	–	56	732	3,766
Total remuneration to Board of Directors, CEO and other senior executives	**9,305**	**–**	**183**	**2,009**	**11,497**

*Deputy Chief Executive Officer until 5 May 2022

**See page 103 for Group management from 1 July 2022. Severance pay of SEK 0.9 million is included.

*** Relates to long-term share-based incentive programme

Salaries and other remuneration allocated among senior executives and other employees

	Group		Parent Company	
Personnel costs	**2022**	**2021**	**2022**	**2021**
Salaries and other remuneration, senior executives	8,383	7,771	6,389	4,792
Salaries and remuneration, other employees	410,839	429,802	–	–
Total salaries and other remuneration	**419 221**	**437,573**	**6,389**	**4,792**
Social security expenses excl. pension expenses	144,288	154,291	2,472	2,343
Pension expenses, senior executives	1,873	2,008	1,594	1,276
Pension expenses, other employees	45,696	55,990	–	–
Total personnel costs	**611,079**	**649,861**	**10,456**	**8,411**

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 2022, resolved to remunerate the external Chair with a fee of SEK 370,000 per year, and to remunerate other external members with a fee of half that amount, SEK 185,000. In addition to the Board fee, the Chair of the Audit Committee is paid SEK 84,500 and its members SEK 43,000 each. The Chair of the Remuneration Committee and members are paid SEK 43,000 and SEK 21,500, respectively, in addition to Board fees.

Remuneration of senior PE executives

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 2020, 2021 and 2022 AGMs, it was resolved to establish long-term share-based incentive programmes – the performance-based Share Purchase Programmes 2020, 2021 and 2022, 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

	2022	2021	2020
Number of participants still subscribing to programme and employed at the Company	27	22	14
Number of shares acquired	87,867	53,589	48,979
Allocation of matching shares according to programme	1	1	1
Maximum number of matching shares	87,867	53,589	48,979
Allocation of performance-based shares according to programme	1–4	1–4	1–4
Maximum number of performance-based shares	223,436	80,280	40,149
Effect on profit for the year, SEK 000s	1,428	–	–
Accumulated effect, SEK 000s	1,428	–	–
Period of operation	01/08/2022–31/07/2025	01/08/2021–31/07/2024	01/08/2020–31/07/2023

The performance-based Share Purchase Programmes 2020, 2021 and 2022 are offered to around 30 senior executives and other key individuals in the Group.

To participate in the Share Purchase Programmes 2020, 2021 and 2022, participants must acquire by their own means class 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 2020, 2021 and 2022 ("the Vesting Period") and if certain conditions are satisfied, including continued employment in the Group for the entire Vesting Period, one class 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 class B shares in the Company. The maximum number of class B shares in the Company that may be allocated in the Share Purchase Programmes 2020, 2021 and 2022 is 400,000, 315,000 and 350,000, respectively.

In 2022, the conditions described above were partly fulfilled, and the Company has made a provision of SEK 1.4 million for costs.

Cessation of employment

There is a six-month notice period for the CEO and Deputy CEO regardless of if they themselves or the Company makes the termination. If the Company initiates the termination, the CEO is entitled to severance pay equivalent to12 months of salary and the Deputy CEO is entitled to six months of salary. Other members of the Group management have a six-month notice period and a right to severance pay of between three and six months in the event of termination by the Company.

NOTE 7 Pension expenses

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Expenses for defined-contribution schemes	47,569	57,998	1,594	1,276

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 47.6 million (58.0). The charges for 2023 are expected to be in line with charges for 2022. The solvency margin for Alecta was 172 percent (172) in December 2022.

NOTE 8 Depreciation/amortisation

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Intangible assets	1,822	1,694	31	61
Acquisition-related intangible assets	7,710	12,804	–	–
Property, plant and equipment*	69,705	73,814	–	–
Total depreciation, amortisation and impairment losses	**79,237**	**88,312**	**31**	**61**
*Of which, depreciation for leased equipment	63,986	66,647	–	–

NOTE 9 Net finance cost

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Profit from investments in Group companies				
Profit from sale of Group companies	–	–	–	–4,834
Result from participations and financial investments				
Result from financial investments	6	–1,724	–	–1,700
Interest income and similar income statement items				
Interest income, other	10	11	1	–
Other finance income	–	–	1	–
Interest expenses and similar income statement items				
Interest expenses, leases	–3,281	–4,333	–	–
Interest expenses, other	–4,170	–5,290	–3,751	–3,662
Other finance costs	–1,490	–1,554	–1,493	–1,510
Net financial items	**–8,925**	**–12,891**	**–5,242**	**–11,706**

NOTE 10 Appropriations

Parent Company	**2022**	**2021**
Group contributions received	28,135	4,169
Group contributions paid	–	–
Total	**28,135**	**4,169**

NOTE 11 Earnings per share

Group	2022	2021
Profit/loss for the year	22,381	20,233
Earnings per share, SEK	0.93	0.82
Proposed dividend per share, SEK	0.40	0.40
Proposed dividend	9,622	9,822

The calculation of earnings per share for 2022 and 2021 is based on profit/loss for the year, attributable to the Parent Company's ordinary shareholders, amounting to SEK 22,381,000 (20,233,000), and on the weighted average number of ordinary shares outstanding during the period totalling 24,175,714 (24,555,677).

There is no dilution effect.

NOTE 12 Non-current intangible assets

	Group					Parent Company		
2022, SEK 000s	**Goodwill**	**Client relationships**	**Other intangible assets**	**Development expenditure**	**Total**	**Development expenditure**	**Other intangible assets**	**Total**
Accumulated costs								
Opening balance, 01/01/2022	598,324	55,240	58,713	8,475	720,752	–	246	246
Purchases	–	–	284	–	284	–	–	–
Business combinations	3,972	750	–	–	4,722	–	–	–
Divestments and disposals	–	–	–41,709	–	–41,709	–	–	–
Mergers	–	–	–	–	–	–	–	–
Closing balance, 31/12/2022	**602,296**	**55,990**	**17,289**	**–**	**684,049**	**–**	**246**	**246**
Accumulated depreciation/amortisation according to plan								
Opening balance, 01/01/2022	–36	–39,996	–24,663	–8,475	–73,170	–	–154	–154
Divestments and disposals	–	–	11,895	–	11,895	–	–	–
Depreciation/amortisation for the year	–	–7,710	–1,822	–	–9,532	–	–31	–31
Closing balance, 31/12/2022	**–36**	**–47,706**	**–14,590**	**–8,475**	**–70,807**	**–**	**–185**	**–185**
Accumulated impairment losses								
Opening balance, 01/01/2022	–3,482	–	–29,489	–	–32,971	–	–	–
Divestments and disposals	–	–	29,813	–	29,813	–	–	–
Closing balance, 31/12/2022	**–3,482**	**–**	**324**	**–**	**–3,158**	**–**	**–**	**–**
Planned residual values, 31/12/2022	**598,778**	**8,284**	**3,024**	**–**	**610,085**	**–**	**60**	**60**

2021, SEK 000s	Group					Parent Company		
	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	–	–	–
Exchange rate differences	152	–	–	–	152	–	–	–
Divestments and disposals	–891				–891	–	–	–
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**

Impairment testing for goodwill in cash-generating units

The balance sheet for PE recognises goodwill totalling SEK 598.8 million (594.8). 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 8.3 million (15.2).

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.

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

Working capital and reinvestment needs: Needs in line with 2022 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 2022 was estimated at 12.24 percent (11.02) after tax and 15.42 percent (13.88) before 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 Installation segment would be justified even if the discount rate were raised by 0.8 percentage points, or if the operating margin were to be reduced by 0.2 percentage points. Other segments in the Group can defend goodwill values with considerably larger changes to the discount rate and the operating margin.

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

2022, SEK 000s	Group: Buildings and land	Group: Improvement expenditure, other property	Group: Plant and equipment	Group: Total	Parent Company: Plant and equipment	Parent Company: Total
Accumulated costs						
Opening balance, 01/01/2022	–	9,843	48,780	58,624	–	–
Purchases	–	369	1,824	2,193	–	–
Purchases via business acquisitions		–	520	520	–	–
Divestments and disposals	–	–	–1,886	–1,886	–	–
Exchange rate differences	–	–	2	2	–	–
Closing balance, 31/12/2022	**–**	**10,212**	**49,239**	**59,452**	**–**	**–**
Accumulated depreciation/amortisation according to plan						
Opening balance, 01/01/2022	–	–4,701	–35,981	–40,681	–	–
Depreciation/amortisation for the year	–	–1,625	–4,093	–5,718	–	–
Purchases via business acquisitions		–	–458	–458		
Divestments and disposals	–	–	1,832	1,832	–	–
Exchange rate differences	–	–	–1	–1	–	–
Closing balance, 31/12/2022	**–**	**–6,326**	**–38,702**	**–45,026**	**–**	**–**
Accumulated impairment losses						
Opening balance, 01/01/2022	–	–	–3,620	–3,620	–	–
Impairment losses for the year	–	–	–	–	–	–
Closing balance, 31/12/2022	**–**	**–**	**–3,620**	**–3,620**	**–**	**–**
Planned residual values, 31/12/2022	**–**	**3,886**	**6,916**	**10,806**	**–**	**–**

2021, SEK 000s	Group: Buildings and land	Group: Improvement expenditure, other property	Group: Plant and equipment	Group: Total	Parent Company: Plant and equipment	Parent Company: 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**	**–**	**–**

NOTE 14 Leases

Right-of-use assets, Group

2022, SEK 000s	Buildings and premises	Plant and equipment and vehicles	Total
Accumulated costs			
Opening balance, 01/01/2022	266,033	37,332	303,364
Right-of-use assets added/derecognised; net	40,303	–6,592	33,711
Closing balance, 31/12/2022	**306,336**	**30,740**	**337,076**
Accumulated depreciation/amortisation according to plan			
Opening balance, 01/01/2022	–103,469	–19,543	–123,012
Change in depreciation/amortisation; net of depreciation/amortisation for the year and derecognised right-of-use assets	–48,435	2,423	–46,012
Closing balance, 31/12/2022	**–151,904**	**–17,119**	**–169,024**
Accumulated impairment losses			
Opening balance, 01/01/2022	–12,518	–	–12,518
Impairment losses for the year	–1,093	–	–1,093
Closing balance, 31/12/2022	**–13,611**	**–**	**–13,611**
Residual values 31/12/2022	**140,820**	**13,620**	**154,441**

Carrying amounts on the balance sheet

Group, SEK 000s	2022	2021
Right-of-use assets		
Buildings	140,820	150,046
Plant and equipment	7,451	8,283
Cars	6,169	9,506
Total	**154,441**	**167,834**
Lease liabilities[1]		
Short-term	66,195	58,601
Long-term	80,553	100,577
Total	**146,748**	**159,178**

1 See Note 29 for term.

Carrying amounts in the income statement

Group, SEK 000s	2022	2021
Depreciation/amortisation of right-of-use assets		
Buildings	–53,517	–55,162
Plant and equipment	–5,575	–4,671
Cars	–4,894	–6,814
Total	**–63,986**	**–66,647**
Interest expenses (included in finance costs)	–3,281	–4,333
Expenses attributable to short-term leases (included in other external expenses)	–1,694	–1,855

Carrying amounts in the cash flow statement

Group, SEK 000s	2022	2021
Cash flow from operating activities		
Interest paid	–2,039	–1,853
Cash flow from financing activities		
Repayment of lease liability	–63,145	–63,998
Other cash flow relating to leases		
Payments relating to low-value/short-term leases	–1,694	–1,855
Total cash flow from leases	**–66,878**	**–67,706**

NOTE 15 Investments in Group companies

Parent Company	2022	2021
Carrying amount at start of year	**773,402**	**775,145**
Addition purchase consideration/Acquisition	4,185	1,035
Sales	–	–2,778
Carrying amount at year-end	**777,587**	**773,402**

SEK 000s Name	Company registration number	Registered office	Profit/loss for the year 2022	Equity, 31 December 2022	Share of equity, % 2022	Number of participa-tions 2022	Carrying amount 2022	Carrying amount 2021
Soleed Sweden AB	556710-3873	Stockholm	497	1,133	100	4,000	1,252	1,252
Soleed Production AB	556674-6300	Stockholm	191	376	100	1,000	–	–
PE KNSS AB	556278-2184	Stockholm	14	177	100	100,000	100	100
PE Industri & Energi i Sverige AB	556731-8315	Skövde	28	2,188	100	36,000	2,605	2,605
Sture Byberg Ingenjörsbyrå AB	556244-3910	Gothenburg	18	130	100	1,000	–	–
PE Teknik & Arkitektur AB	556896-8308	Stockholm	22,903	236,104	100	100,000	727,110	727,110
FAST Engineering AS[1]	915923097	Skien	–540	–	–	–	–	–
Integra Engineering AB	556481-8986	Trollhättan	–548	25,373	100	5,000	27,089	27,089
Mats och Arne Arkitektkontor AB	556278-7977	Stenungsund	86	15,321	100	1,000	15,246	15,246
Gärdhagen Akustik AB	556643-2414	Gothenburg	83	557	100	1,000	4,185	–
Total investments in Group companies							**777,587**	**773,402**

1) The company was liquidated in August 2022

NOTE 16 Financial investments

Group	2022	2021
Shares and participations	1,528	1,528
Total	**1,528**	**1,528**

Holdings of securities at year-end	Company registration number	Registered office	Share of equity, %	Carrying amount
2022				
Amrox Group AB	556614-5974	Stockholm	10	1,500
Other shares and participations				28
Total shares and participa-tions				**1,528**
2021				
Amrox Group AB	556614-5974	Stockholm	10	1,500
Other shares and participations				28
Total shares and participa-tions				**1,528**

NOTE 17 Non-current financial assets

Parent Company	Investments, Group companies	Other long-term securities	Total
2022			
Recognised cost at start of year	773,402	1,500	774,902
Newly acquired assets	4,185	–	4,185
Recognised cost at year-end	**777,587**	**1,500**	**779,087**
Residual value at year-end	**777,587**	**1,500**	**779,087**
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**

NOTE 18 Non-current and other receivables

Group	2022	2021
Non-current receivables that are non-current assets		
Deposits	–	43
Total	**–**	**43**
Other receivables that are current assets		
Other advance payments	92	39
Other current receivables	7,968	7,050
Total	**8,060**	**7,089**

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	2022	2021
Opening carrying amount	90,989	97,095
Increase via corporate acquisitions	77	–
Decrease via divestment of companies	–	–181
Part-invoiced amounts	–943,264	–1,017,691
Accrued revenue	926,955	1,011,766
Closing carrying amount	**74,757**	**90,989**

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 2022, the opening balance was invoiced in its entirety.

NOTE 21 Prepayments and accrued income

Group	2022	2021
Prepaid rental costs	1,508	3,082
Prepaid insurance costs	348	27
Prepaid IT and licence costs	8,538	6,879
Other prepaid expenses	5,551	7,694
Total	**15,945**	**17,681**

NOTE 22 Cash and cash equivalents

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Cash and bank balances	2,226	22,608	1,333	20,365
Total	**2,226**	**22,608**	**1,333**	**20,365**

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 2.2 million (22.6) for the Group and SEK 1.3 million (20.4) for the Parent Company.

NOTE 23 Equity

Period	Change in share capital	Class A shares	Class 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
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
29/04/2022	Reclassification A to B	–900	900		2,728
31/05/2022	Reclassification A to B	–900	900		2,728
		5,296,524	**19,259,153**	**24,555,677**	

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

At year-end:	Number	Votes
Class A shares	5,296,524	10
Class B shares	19,259,153	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.

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, repurchased shares and share-based payment programmes.

Proposed appropriation of profits

Funds at the disposal of the Annual General Meeting, SEK:	
Retained earnings	450,068,527
Profit/loss for the year	16,723,232
	466,791,759

The Board proposes that retained earnings be appropriated as follows	
Dividend (SEK 0.4 per share)	–9,621,657
To be carried forward	**457,170,102**

NOTE 24 Interest-bearing liabilities

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Non-current liabilities				
Loans and credit	120,660	130,660	120,660	130,660
Lease liabilities	80,554	100,578	–	–
Other non-current interest-bearing liabilities	–	–	–	–
Total	**201,214**	**231,238**	**120,660**	**130,660**
Current liabilities				
Loans and credit	26,640	10,000	26,640	10,000
Lease liabilities	66,195	58,601	–	–
Total	**92,835**	**68,601**	**26,640**	**10,000**
Total interest-bearing liabilities	**294,049**	**299,839**	**147,300**	**140,660**

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

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Overdraft facility				
Available credit limit	60,000	60,000	60,000	60,000
Portion drawn	16,640	–	16,640	–

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Revolving credit facility				
Available credit limit	100,000	100,000	100,000	100,000
Portion drawn	–	–	–	–

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Pledged assets for liabilities to credit institutions				
Floating charges	3,000	3,000	3,000	3,000
	–	–	–	–

The average interest rate in 2022 was 2.51 percent (3.01).

NOTE 25 Income tax

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Current tax expense (-)/income (+)				
Tax expense for the period	–3,934	–10,873	–	–
Adjustment of tax relating to previous years	–26	10	–	–
Deferred tax expense (–) / income (+)				
Adjustment of deferred tax relating to previous years	–	–	–	–
Deferred tax relating to temporary differences	1,708	3,065	13	–539
Recognised deferred tax asset from loss carry-forwards	–4,585	1,058	–4,371	920
Total recognised tax expense/ income	**–6,837**	**–6,739**	**–4,358**	**380**
Reconciliation of effective tax				
Profit/loss before tax	29,218	26,972	21,082	–9,208
Tax at the current tax rate for the Parent Company	–6,019	–5,556	–4,343	1,897
Non-deductible expenses	–792	–1,602	–24	–1,369
Non-taxable income	–	–	–	–
Tax attributable to previous years	–26	10		–148
Miscellaneous	–	409	9	–
Effective tax recognised	**–6,837**	**–6,739**	**–4,358**	**380**

At 31 December 2022, a net deferred tax liability of SEK 11.5 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 1.6 million, which corresponds to 20.6 percent of all the Group's remaining loss carry-forwards, totalling SEK 7.7 million. The loss carry-forwards are not subject to any limitation in time. Deferred tax assets and tax liabilities are classified as follows:

	2022		2021	
SEK 000s	**Deferred tax assets**	**Deferred tax liabil-ities**	**Deferred tax assets**	**Deferred tax liabil-ities**
Group				
Untaxed reserves	–	9,891	–	10,891
Non-current/current assets	4,464	15,921	7,713	20,671
Accrued expenses	–	–	–	–
Loss carry-forwards	1,583	–	6,161	–
Total	**6,047**	**25,812**	**13,874**	**31,562**
Parent Company				
Current assets	–	6	–	–
Loss carry-forwards	961	–	5,314	–
Total	**961**	**6**	**5,314**	**–**

NOTE 26 Other liabilities

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Short-term				
VAT	16,726	14,815	2,387	4,331
Personnel taxes and fees	21,393	22,271	463	1,385
Income tax liability	–	8,636	–	–
Miscellaneous	4,176	1,297	1,769	4
Total	**42,295**	**47,019**	**4,619**	**5,721**

NOTE 27 Accrued expenses and deferred income

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Accrued holiday pay and salaries, incl. social security contributions	29,295	65,778	1,206	816
Accrued audit expenses	765	880	747	880
Accrued IT and licence expenses	50	–	–	–
Accrued consulting expenses	1,735	1,896	–	–
Other accrued expenses	3,540	2,252	1,487	–21
Total	**35,385**	**70,807**	**3,440**	**1,675**

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. The 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.

31/12/2022

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	–	134,618	–	–	–	–
Total financial assets	**1,528**	**134,618**	**–**	**–**	**–**	**1,528**
Financial instruments, liabilities						
Purchase consideration recognised	1,759	–	–	–	–	1,759
Liabilities to clients and suppliers	–	–	48,104	–	–	–
Interest-bearing liabilities, non-current	–	–	201,214	–	–	–
Interest-bearing liabilities, current	–	–	92,835	–	–	–
Total financial liabilities	**–**	**–**	**342,153**	**–**	**–**	**–**

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	–	–	–
Interest-bearing liabilities, non-current	–	–	231,238	–	–	–
Interest-bearing liabilities, current	–	–	68,601	–	–	–
Total financial liabilities	**–**	**–**	**353,722**	**–**	**–**	**–**

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.

The 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 2022 or 2021.

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 2022 amounted to SEK 292 million (277). Total interest-bearing liabilities amounted to SEK 294 million (300), of which current liabilities totalled SEK 93 million (69). 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 by SEK 2.9 million (3.0).

Our credit agreement with SEB handles interest rate and liquidity risk 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 7.3 million (6.7).

Maturity structure of financial liabilities

Group 2022	Maturing within 1 year	Maturing in 1–2 years	Maturing in 3 years or later
Borrowings	26,640	10,250	117,399
Leasing	66,195	50,938	32,233
Other liabilities	42,295		
Total	**135,130**	**61,188**	**149,632**

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**

Parent Company 2022	Maturing within 1 year	Maturing in 1–2 years	Maturing in 3 years or later
Borrowings	26,640	10,250	117,399
Other liabilities	4,618	–	–
Total	**31,258**	**10,250**	**117,399**

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**

Credit facilities

Group 2022	Nominal	Drawn	Available
Bank loans	130,660	130,660	–
Overdraft facility	60,000	16,640	43,360
Revolving credit facility	100,000	–	100,000
Cash and cash equivalents including short-term investments	2,226	–	2,226
Total	**292,886**	**147,300**	**145,586**

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**

Age analysis, trade receivables

	Group		Parent Company	
	2022	2021	2022	2021
Not due	122,106	112,999	–	–
1–30 days overdue	2,785	2,690	–	–
31–60 days overdue	97	2,300	–	–
61–90 days overdue	393	–453	–	–
>91 days overdue	16,516	18,709	–	–
Total	**141,897**	**136,245**	**–**	**–**

Trade receivables impaired

	Group		Parent Company	
	2022	2021	2022	2021
Opening balance	**–6,699**	**–9,337**	**–**	**–**
Trade receivables paid/settled	1,172	4,358	–	–
Bad debt losses confirmed	508	526	–	–
Trade receivables impaired	–2,261	–2,246	–	–
Total	**–7,279**	**–6,699**	**–**	**–**

NOTE 30 Pledged assets, contingent liabilities and contingent assets

	Group		Parent Company	
Pledged assets	**2022**	**2021**	**2022**	**2021**
For own liabilities and provisions				
Floating charges	3,000	3,000	3,000	3,000
Blocked bank funds (rent guarantee)	1,326	1,326	1,224	1,224
Total pledged assets	**4,326**	**4,326**	**4,224**	**4,224**
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	2022	2021	2022	2021
Adjustments for non-cash items and other				
Depreciation, amortisation and impairment losses	79,237	88,312	31	61
Impairment of other long-term holdings of securities	–	1,700	–	1,700
Doubtful receivables (profit/loss)	577	–3,599	–	–
Capital gains/losses on divestment of operations/subsidiaries	–	2,276	–	4,834
Capital gains/losses, divestments	–114	–	–	–
Change in provisions	–	–13	–	–
Share-based payments	1,242	–	1,242	–
Miscellaneous	303	–3,332	–	–
Total	**81,245**	**85,345**	**1,273**	**6,595**

31/12/2022 SEK 000s	Lease liability	Overdraft facility	Bank loans	Purchase consideration, non-current portion	Other loans	Total for financing activities
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**	**–**	**–**	
Amortisation	–63,145	–	–10,000	–	–	–56,505
Additional leases/loans	50,715	16,640	–	–	–	
Closing balance, 31 December 2022	**146,748**	**16,640**	**130,660**	**–**	**–**	

	Group		Parent Company	
SEK 000s	**2022**	**2021**	**2022**	**2021**
Unutilised credit facilities				
Total unutilised credit facilities:	145,586	182,983	144,693	180,365

NOTE 32 Events after reporting date

No significant events after the end of the reporting period.

NOTE 33 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 2022 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 75 million (91). 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 135 million (130). 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 34 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 2022 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 Report has been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and generally accepted accounting principles. The Annual Report 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 28 March 2023. 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 4 May 2023.

Stockholm, 28 March 2023

Per-Arne Gustavsson
Chair 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

Peter Sandberg
Board member

Helena Hed
CEO and President

Our Auditor's Report was submitted on 29 March 2023

PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant
Auditor-in-charge

Oskar Thorslund
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 2022 financial year, with the exception of the Corporate Governance Report on pages 56–62. The Annual Report and consolidated accounts of the Company are included on pages 52–97 of this document.

In our opinion, the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and presents fairly, in all material respects, the financial position of the Parent Company at 31 December 2022 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 2022 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 56–62. The Directors' Report is consistent with the other parts of the Annual Report and consolidated accounts.

We therefore recommend that the Annual General Meeting approves 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 the 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

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 Company's and 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 based on 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 607 million, of which goodwill represents SEK 599 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 depreciation/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 76 and Note 12 of the 2022 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. For example, we carried out 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 reasonability of the discount rate used with the help of our internal corporate valuation specialists.
- Compared the estimated value in use for Projektengagemang as a whole, using its market capitalisation at 31 December 2022.
- Evaluated the management's forecasting capability by comparing previous forecasts with actual outcomes.
- Based on materiality, confirmed that adequate note disclosures have been submitted in the Annual Report

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

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 75–76 and Notes 2, 20, 21 and 29 of the 2022 Annual Report.

In our audit, we focused particular attention on how the company management treated ongoing projects and specifically on the allocation and valuation of balance sheet items related to project accounting, such as trade receivables, accrued income and prepaid income. For example, we carried out the following review procedures:

- Assessment of accounting policies applied.
- Analysis of controls and procedures regarding project accounting.
- Analytical review of provision for losses in projects.
- Random checks on major projects as to whether they have been reported with 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.
- 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; this can be found on pages 2–51 and 102–109. Other information also includes the Remuneration Report available on the Company'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.

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

Auditor's review of the management and proposal for appropriation of the Company's profit or loss

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 (publ) for 2022 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 the 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 the Group's financial situation, and ensuring that the Company's organisational structure 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.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, We have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for ABC AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Projektengagemang Sweden AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

Auditor's review of the Corporate Governance Report

The Board of Directors is responsible for the Corporate Governance Report on pages 56–62 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 second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, Section 31 the second paragraph the same law are consistent with the other parts of the Annual Report and consolidated accounts and are in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed as Projektengagemang Sweden AB's (publ) auditor by the AGM on 5 May 2022 and has been the Company's auditor since 1 June 2016.

Stockholm, 29 March 2023
PricewaterhouseCoopers AB

Camilla Samuelsson	Oskar Thorslund
Authorised Public Accountant	*Authorised Public Accountant*
Auditor-in-charge	

Board of Directors

Per-Arne Gustavsson, born 1952

Chair of the Board

Board member since 2018

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

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

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

Previous roles/positions: President and CEO Projektengagemang Sweden AB from 2006 to September 2017, and from September 2019 to December 2020. Chair of the Board of Projektengagemang Sweden AB during the period 2006 to 2015, and May 2019 to September 2019. Employed at Projektengagemang Sweden AB during the period January 2006 to July 2018 and September 2019 to December 2020.

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. in Engineering from KTH Royal Institute of Technology

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

Previous roles/positions: Deputy CEO Projektengagemang Sweden AB until April 2018 and member of the Board of several companies in the Group. Chair of the Board Projektengagemang Sweden AB between September 2019 and December 2020. Employed at Projektengagemang Sweden AB until July 2018

Shareholding: 2,175,628 class A shares and 437,152 class 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. 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 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 Group's Audit Committee and Chair of LK-gruppen

Previous roles/positions: Board member Järntorget Byggintressenter AB, Board member Connecting Capital AB, Chair of the Board of LK System AB and LK Pex AB

Shareholding: 186,738 class 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. in Economics and Business from Linköping University

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

Previous roles/positions: Senior Vice President Electrolux AB, several senior positions in HR and the businesses Electrolux AB, Sandvik AB and ABB AB. Member of the Board of Cardo AB, S-invest AB and Svedbergs 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. in Economics and Business from Stockholm University

Other roles: Vice Chair of the Board of Forex Bank AB, Chair of the Risk Committee and member of the Remuneration Committee, Chair of the Board of Naventi Fonder AB

Previous roles/positions: Head of Group Planning and Strategy Support Nordea Bank AB, Director at the Ministry of Finance, management consultant Indevo AB, InterPares Konsult AB, Cap Gemini AB, Group Controller at AB Sporrong, member of the Board of Sundbybergs Stadshus AB, member of the Board of HIQ International AB, Deputy Chair of the Board of SBAB, member of the Board of Vasakronan AB, Posten AB, SOS Alarm.

Shareholding : 4,017 class 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. in Engineering from KTH Royal Institute of Technology

Other roles: Chair of the Board of Axentia Group Holding AB, CAB Group AB, Knowit AB (publ) and SOS International A/S, Board member of Bilia AB (publ), Boule Diagnostics AB (publ).

Previous roles/positions: CEO of Gambro Renal Products, Europolitan & Vodafone Sweden, American Express Business Travel Nordic countries and Nyman & Schultz Sweden AB. Board assignments at TeliaSonera AB, Braganza AB, Dialect AB, ENEA AB, Excanto AB, ÅF AB, Cybercom AB, KaroBio AB and others

Shareholding: 10,030 class B shares

Peter Sandberg, born 1970

Board member

Board member since 2022

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

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

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

Previous roles/positions: CFO and Deputy CEO of Projektengagemang Sweden AB until July and May 2022, respectively. Employed at Projektengagemang Sweden AB between 2007 and July 2022. ÅF, divisional CFO for various divisions including Board assignments in foreign subsidiaries from 1996 until 2007

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

Group management

Helena Hed, born 1975

President and CEO

Employee since 2020

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

CEO Sweco Management, Regional Manager Sweco Rail and Sweco Environment

Other roles: None

Shareholding: 94,000 class B shares

Mathias Thorsson, born 1971

Chief Business Development Officer (CBDO)

Employee since 2016

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

Business Area Manager / Regional Manager / Deputy CEO Reinertsen Sverige AB and Business Area Manager / Division Manager PE Teknik & Arkitektur AB

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

Shareholding: 24,002 class B shares

Liselotte Haglind, born 1971

Chief Financial Officer (CFO)

Employee since 2022

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

CFO Sweco Sverige AB, CFO KPMG Sverige AB

Other roles: None

Shareholding: 75,050 class B shares

Management team

The Group management is also part of the management team

Marika Axén

Business Area Manager, Architecture

Employee since 2007

Jonas Sindler

Business Area Manager, Construction

Employee since 2006

Bo Nordensvan

Business Area Manager, Electrical, Telecommunications and Security

Employee since 1988

Charlotte Gyllenhammar

Business Area Manager, Environment

Employee since 2022

Jonas Arvidsson

Business Area Manager Project Management

Employee since 2014

Per Löfström

Business Area Manager, HVAC and Sanitation design

Employee since 2007

Malin Gardikro

Head of HR and Communication

Employee since 2022

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 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 time

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 2021 or 2022.

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	**2022**	**2021**
Non-current, interest-bearing liabilities	201,214	231,238
Current, interest-bearing liabilities	92,835	68,601
Cash and cash equivalents including short-term investments	–2,226	–22,983
Net receivables (–)/debt	**291,823**	**276,856**
Net receivables (–)/debt	291,823	276,856
EBITDA	117,379	132,363
Leverage	**2.5**	**2.1**
Operating profit/loss, EBIT	38,143	39,863
Net revenue	928,752	1,012,841
Operating margin EBIT, %	**4.1**	**3.9**
Operating profit/loss, EBIT	38,143	39,863
Acquisition-related items	–7,710	–16,992
EBITA	45,852	56,855
Net revenue	928,752	1,012,841
EBITA margin, %	**4.9**	**5.6**
Operating profit/loss, EBIT	38,143	39,863
Depreciation/amortisation and acquisition-related income	–79,237	–92,500
Profit/loss before depreciation/amortisation, EBITDA	117,379	132,363
Net revenue	928,752	1,012,841
EBITDA margin, %	**12.6**	**13.1**

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 was 72,224,393. Of the total number of shares, 5,296,524 are class A shares, representing 52,965,240 votes, and 19,259,153 are class B shares, representing 19,259,153 votes. Only the Company's class B shares are listed on Nasdaq Stockholm.

Share price performance

The price of PENG class B shares at year-end 2022 was SEK 11.95 per share. Compared to the price at the beginning of 2022, when a share cost SEK 23.50, the share price fell by 49 percent. Nasdaq OMX Small Cap Sweden PI fell by 32 percent in the corresponding period.

The highest share price in 2022 was SEK 23.90 and the lowest SEK 10.70. During the year, a total of 1,775,415 shares were traded via Nasdaq Stockholm. The number of shares traded per trading day averaged 7,247.

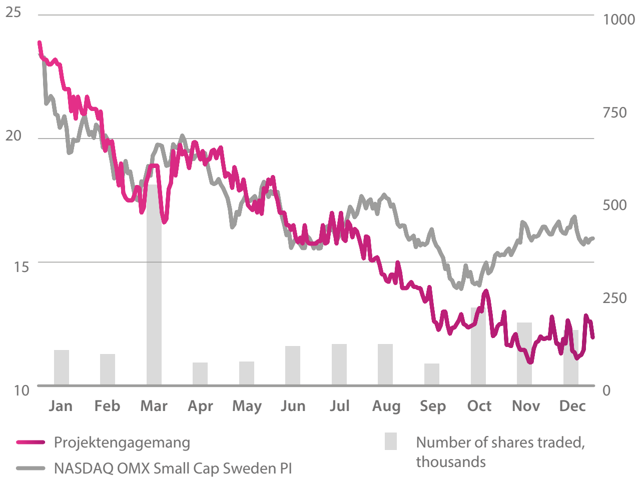
Dividend policy

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 (0.4) per share be paid. The total dividend payment amounts to SEK 9,621,657 (9,621,657).

Share information



Largest shareholders at 30 December 2022

Name	Class A shares	Class B shares	Total	Votes, %	Capital, %
Projektengagemang Holding i Stockholm AB	4,391,676	882,426	5,274,102	62.03%	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	–	2,028,992	2,028,992	2.81%	8.26%
LK Finans AB	–	1,884,344	1,884,344	2.61%	7.67%
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%
Nordnet Pensionsförsäkring AB	–	532,331	532,331	0.74%	2.17%
Projektengagemang Sweden AB	–	501,536	501,536	0.69%	2.04%
Wilkne, Thord	–	500,000	500,000	0.69%	2.04%
Sandberg, Bengt Denny	42,000	21,000	63,000	0.61%	0.26%
Avanza Pension	–	439,062	439,062	0.61%	1.79%
Kruse, Alf Henry	42,000	10,500	52,500	0.60%	0.21%
Contekton Arkitekter in Skaraborg	38,700	49,050	87,750	0.60%	0.36%
Eriksson, Elisabeth	–	387,274	387,274	0.54%	1.58%
Eriksson, Kurt O	–	346,249	346,249	0.48%	1.41%
Svan, Stefan	–	339,731	339,731	0.47%	1.38%
Enlöf, Lars Henrik	24,900	57,064	81,964	0.42%	0.33%
Sum of largest	**5,181,276**	**12,792,255**	**17,973,531**	**89.45%**	**73.20%**
Other shareholders	115,248	6,466,898	6,582,146	10.55%	26.80%
Total	**5,296,524**	**19,259,153**	**24,555,677**	**100.00%**	**100.00%**

At 31 December 2022, Projektengagemang Sweden AB holds 501,535 of its own shares. The total number of shares in the Company, including own holdings, amounts to 24,555,677.

Share distribution at 30 December 2022

Holdings	Number of shareholders	Class A shares	Class B shares	Capital, %	Votes, %
1–500	1,018	300	152,860	0.62%	0.22%
501–1,000	164	900	129,084	0.53%	0.19%
1,001–5,000	267	26,100	655,296	2.77%	1.27%
5,001–10,000	78	22,500	576,680	2.44%	1.11%
10,001–15,000	21	2,700	249,376	1.03%	0.38%
15,001–20,000	21	10,800	372,808	1.56%	0.67%
20,001–	99	5,233,224	17,123,049	91.04%	96.17%
Total, 30/12/2022	**1,668**	**5,296,524**	**19,259,153**	**100.00%**	**100.00%**

Change in share capital

Period	Transaction	Class A shares	Class 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
29/04/2022	Reclassification A to B	–900	900	–	2,728
31/05/2022	Reclassification A to B	–900	900	–	2,728
		5,296,524	**19,259,153**	**24,555,677**	

1) Split in which for every one share held, two class 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
Class A shares	5,296,524	10	52,965,240
Class B shares	19,259,153	1	19,259,153
Total	**24,555,677**		**72,224,393**

Annual General Meeting

The 2023 Annual General Meeting of Projektengagemang will be held at 4.00 p.m. on Thursday 4 May 2023, at Helio, Grev Turegatan 30, Turbine room. Registration at the AGM starts at 3.30 p.m.

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, 26 April 2023, 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, 3 May 2023. 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, 26 April 2023 (“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, 28 April 2023 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 2023. 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-100 74 Stockholm, Sweden, or by e-mail to ir@pe.se. A completed and signed postal voting form must be received by the Company by no later than 3 May 2023.

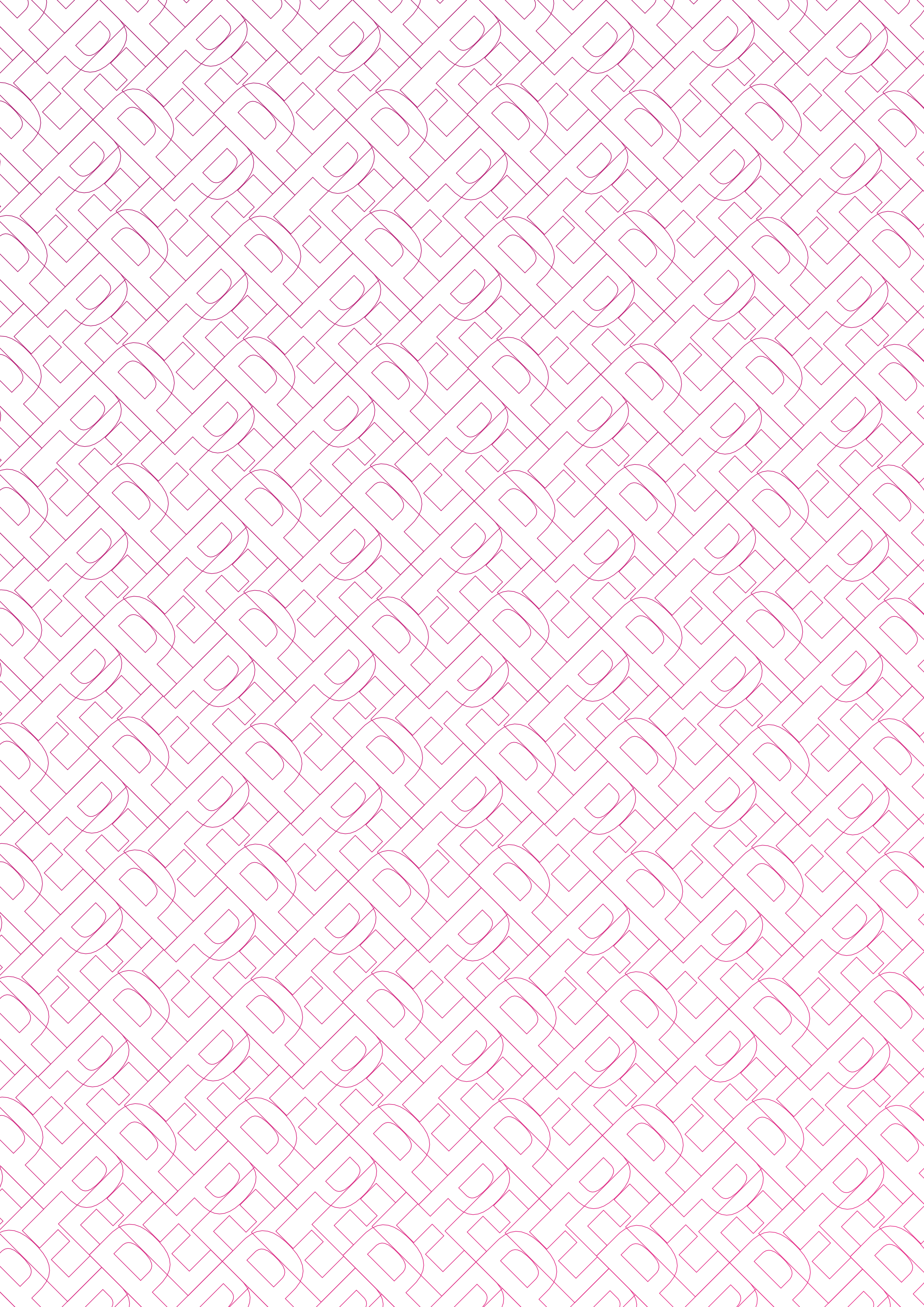
Shareholders are not permitted to attach special instructions or conditions to their postal vote. If this is done, the vote will in entirety be declared invalid. Further details and conditions are shown on the postal voting form.
If a shareholder casts his or her vote via a proxy, a form of proxy, in 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.

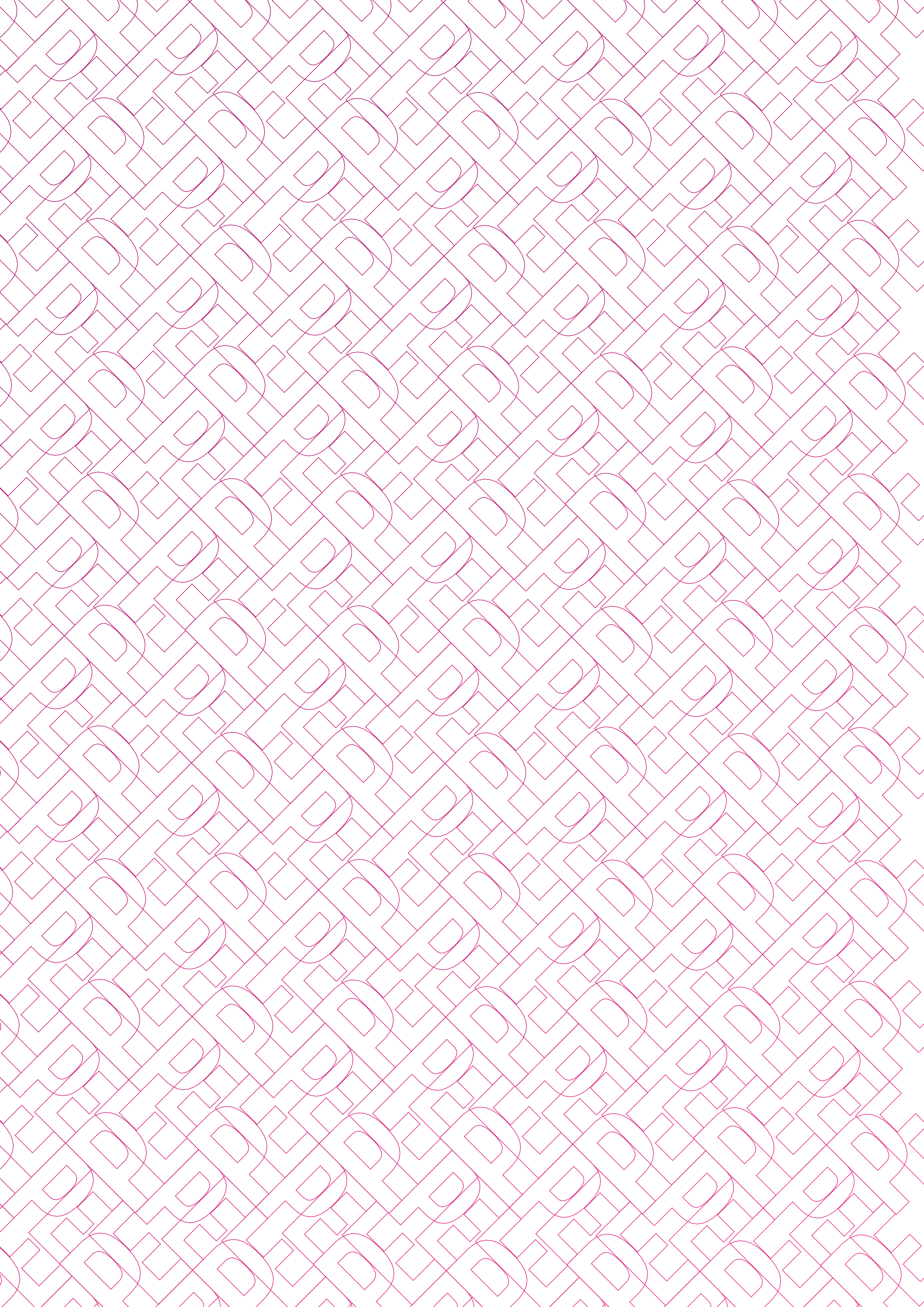
Shareholder’s right to request information
The Board of Directors and the Chief Executive Officer shall, at the request of a shareholder and if the Board considers it may do so without material detriment to the Company, provide information as to circumstances that may affect the judgement of an item 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. Liselotte Haglind, Box 47146, SE-100 74 Stockholm, or by email to ir@pe.se. Such questions must be received by the Company by no later than 24 April 2023. The information will be available at the Company, at the address: Årstaängsvägen 11, Stockholm, Sweden, and at www.pe.se by no later than 29 April 2023. 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

4 May	Interim Report January–March 2023
4 May	Annual General Meeting 2023
14 July	Interim Report April–June 2023
26 October	Interim Report July–September 2023
9 February 2024	Year-end Report 2023





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