KPMG

Annual report

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Bohlinsgruppen AB

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We are moving towards a more modern version of ourselves

We're leaving behind a year of great change. As a company, we are currently on an exciting journey to reshape our role in the new reality that is emerging for us and our clients. Historically, we have been a driving force in the development of business and society. We aim to maintain this initiative.

We are living in turbulent times. As we look back over a year in which the pandemic has continued to hold the world in its grasp, it is clear that major climate disasters have affected many people and that political instability has increased. As human beings, we have had to adapt to and re-evaluate things that we previously took for granted. We don't have the answers yet – this is something we will be living with, adapting to and learning to handle for a long time.

I am hugely impressed with the efforts we have made during the year. When the third wave of infections arrived last autumn, there was a concern that it would affect the level of motivation in the organisation. It didn't. On the contrary, we have stepped up and, with all our unique expertise, worked closely with our clients on everything from urgently getting involved with and supporting businesses that have found themselves in crisis to being a partner on major journeys of change.

We have also put a great deal of effort into the integration work regarding our operations in Latvia and Lithuania, which has resulted in us having a shared nationwide organisation by the end of the financial year, with in-depth collaboration in all parts of the business. In summarising the year, we have seen a remarkable recovery in the business sector. KPMG has experienced significantly higher demand than expected, which has resulted in overall growth in the Group amounting to 15%.

Clearer picture of our digital capability

The year of the pandemic has affected companies in many ways, but it has also provided scope for innovation. Together with clients and alliance partners, we are embarking on an exciting journey of change where, to an ever greater extent, we are meeting new issues with complex solutions rather than with a traditional range of services. Our fundamental role as a guarantor of stability, building trust between the players in the market, has perhaps never been more important. At the same time, we have invested in technology, knowledge and new delivery models in order to become a more modern version of ourselves.

Today, it is completely natural for us to live and work in an increasingly hybrid environment, where we come together in the virtual space as well as in physical meetings, and where innovative solutions and value-creating data management are providing exciting new insights for both ourselves and our clients. We can state with satisfaction that the level of trust we enjoy in the market has been strengthened and that people's impressions of us are changing. We have been ranked internationally as a digital leader in the industry on a number of occasions. We are now also experiencing a shift among our clients, who are actively asking for us as a partner in their digital journeys of change.

> **"During the year, we have worked resolutely with our clients in a development-intensive environment, in parallel with transforming our own company."**
>
> **Patrik Anderbro**
> CEO

Accepting our responsibility for a sustainable world

It is important for KPMG, as a leading global knowledge company, to step up and contribute to a better world. During the year, we have done a great deal of work globally in respect of formulating our commitment to reducing the company's climate impact and contributing to a world that is sustainable in the long term. For example, we are committing ourselves to being climate-neutral by 2030. In the plan, we are also clear about our attitude towards our staff and their well-being, as well as the way we run our business, so that we can protect employees, society and the world at large. ESG (Environmental, Social and Governance) is an area on which will be placing considerable emphasis in the future, particularly as experts and advisers to our clients.

We are protecting what we fundamentally are and what we stand for. Everything we do is aimed at transforming our knowledge into value for our clients and the world around us. Our overall ambition is to be the most trusted and confidence-inspiring player in our sector in the long term. Quite simply, we aim to be the obvious choice for those clients we want to work with and the areas we choose to operate in. That's why we are delighted about the healthy inflow of engagements during the year, including an increasing number of large-scale auditing and transformation assignments. This is strengthening our strategy and goal going forward of growing and becoming an even stronger player in the market.

We are moving in a clear direction

Our values are becoming an increasingly important compass in how we navigate the way we operate at a time when so much is new. Our entire business is based on trust that we have a responsible and ethical approach. Credibility is the foundation of our audit assignments, and advice must be given in the same way. Our choices affect not only us, but also future generations. As a result, it's natural for us to contribute to sustainable development, both in our own operations and as experts in our assignments.Summarising the year, we can see that we have strengthened our position in the market.
We have been active in relation to our clients during a difficult period and have helped them in many ways. We have also achieved strong results – the best in many years – despite the fact that we have been faced with entirely new conditions. This is providing us with energy and the belief that we can cope with almost anything that lies ahead of us.

Our ambition is to be at the forefront, to drive developments in our areas and to be the player in the sector that clients and stakeholders turn to when they are faced with challenges. I'd say we are living up to this. I also believe that our employees are proud to be a part of the KPMG team, which is key to our clients having confidence in us. Quite simply, we have made clear progress towards our vision: to be the obvious choice.

Patrik Anderbro
CEO

Our values

Integrity
We do what is right.

Excellence
We never stop learning and improving.

Courage
We think and act boldly.

Together
We respect each other and draw strength from our differences.

For better
We do what matters.

Our culture is characterised by inclusion and participation

Our employees are the company's most valuable asset. In a rapidly changing world, constant development and learning are the foundation of our success as a knowledge company. That's why we invest in learning and promote a culture of inclusion, participation and work-life balance.

During the year, we have been living in a world that is changing at an exponential rate, and which is placing greater demands both on the company to be an attractive employer and on our employees to manage themselves. In order for our employees to continue to develop, accept responsibility and feel good, innovation is required regarding the way we work together and the design of our working environment. As we emerge from the social distancing the pandemic has imposed on us, we take with us the knowledge that there are also many advantages to a flexible approach in terms of where you work from. We have also learned that the virtual space is both efficient and appropriate for meetings in many respects. We will utilise a hybrid way of working going forward, where we can create a workplace experience based on our employees' need for flexibility, self-leadership, inclusion, collaboration and balance between work and private life.

Sustainable working conditions are a prerequisite for long-term and stable development. The well-being of our employees has been a pressing concern for us during the year, and we have continued to hold state-of-play meetings on a regular basis in order to check how people are feeling and what the workload is looking like, in parallel with assignment and project meetings.

Our attractiveness among IT students has increased significantly

Our attractiveness as an employer has continued to be an important area during the year. It's clear that there is a lot of competition for talented individuals, and we have focused in particular on showing IT students that KPMG is a workplace where you can be challenged and develop. This has resulted in us climbing as many as 20 places on Universum's list when IT students are choosing their 'dream' employers..

KPMG is a value-driven organisation. We were the first in the sector to globally develop and agree on what we consider to be important in our encounters with each other and the world around us.

Our values form the basis of our culture, which is important, and is becoming increasingly vital, in making KPMG an attractive workplace where people feel safe and comfortable. Our values are also the foundation for enabling us to achieve our vision of being the obvious choice for employees and clients, as well as earning the trust of society.

We have recruited 559 (307 in the previous financial year) new employees during the financial year – 380 in Sweden, 87 in Latvia and 92 in Lithuania. On 30 September, the number of employees in the Group amounted to 1,986 (1,771). The average number of employees during the year stood at 1,923 (1,585).

559
new employees

1,986
employees



At KPMG, you should feel contented, secure and able to realise your goals

Our goal is to be the obvious choice for both current and future employees. During 2020/2021, we have replaced our global staff survey with shorter surveys, taking the pulse to ensure that we have the right focus in our development areas. We have conducted these surveys quarterly. The purpose of the surveys is to provide our managers with ongoing feedback so that they can act quickly, at the same time as giving our management team an indication of the overall level of motivation in the company. We are achieving good results in our surveys, and we are particularly proud of the excellent value we deliver in terms of leadership. Our employees feel that they adopt a businesslike approach and are constantly developing.

In order for our employees to be challenged and to develop, we work systematically with Performance Management and leadership. At the end of 2018/2019, KPMG launched a new process and support for Performance Management, Open Performance Development (Open PD), which we then introduced during the previous financial year. At the same time we launched a new approach, Everyone a Leader, in which we highlight even m ore clearly the importance of leadership and self-leadership. Open PD is based on a more frequent dialogue between the Performance Manager (PM) and employees. An important part of this introduction process has been to train PMs so that they have the right conditions to support employees. All employees have received training in Open PD and use the tool to support their individual development.

KPMG's employees develop primarily through their practical work within assignments and through ongoing guidance and feedback from senior colleagues. We also offer structured learning, which these days mostly takes place in the form of digital and virtual programmes. The rapid rate of change in the market and among our clients, as well as the increasing demands from authorities and stakeholders regarding access to credible financial and strategic information for their decision-making, requires us to be an organisation that is constantly learning and continually provides further training for our employees.

Through our global training platform, KPMG Business School (KBS), we offer our employees courses that have largely been developed by our Nordic Learning & Development Centre of Excellence, based in Riga, as well as through global and Swedish business partners and, to some extent, training developed in-house in Sweden. Together with their PM and manager, all our employees draw up a training plan in which certain courses are mandatory and others elective, based on individual development goals. The employee can then largely control the scheduling of their own training.

Here at KPMG, we live by the motto that companies where **gender equality, inclusion and diversity permeate both the leadership and the business** are better equipped to meet the multifaceted world in which we operate.

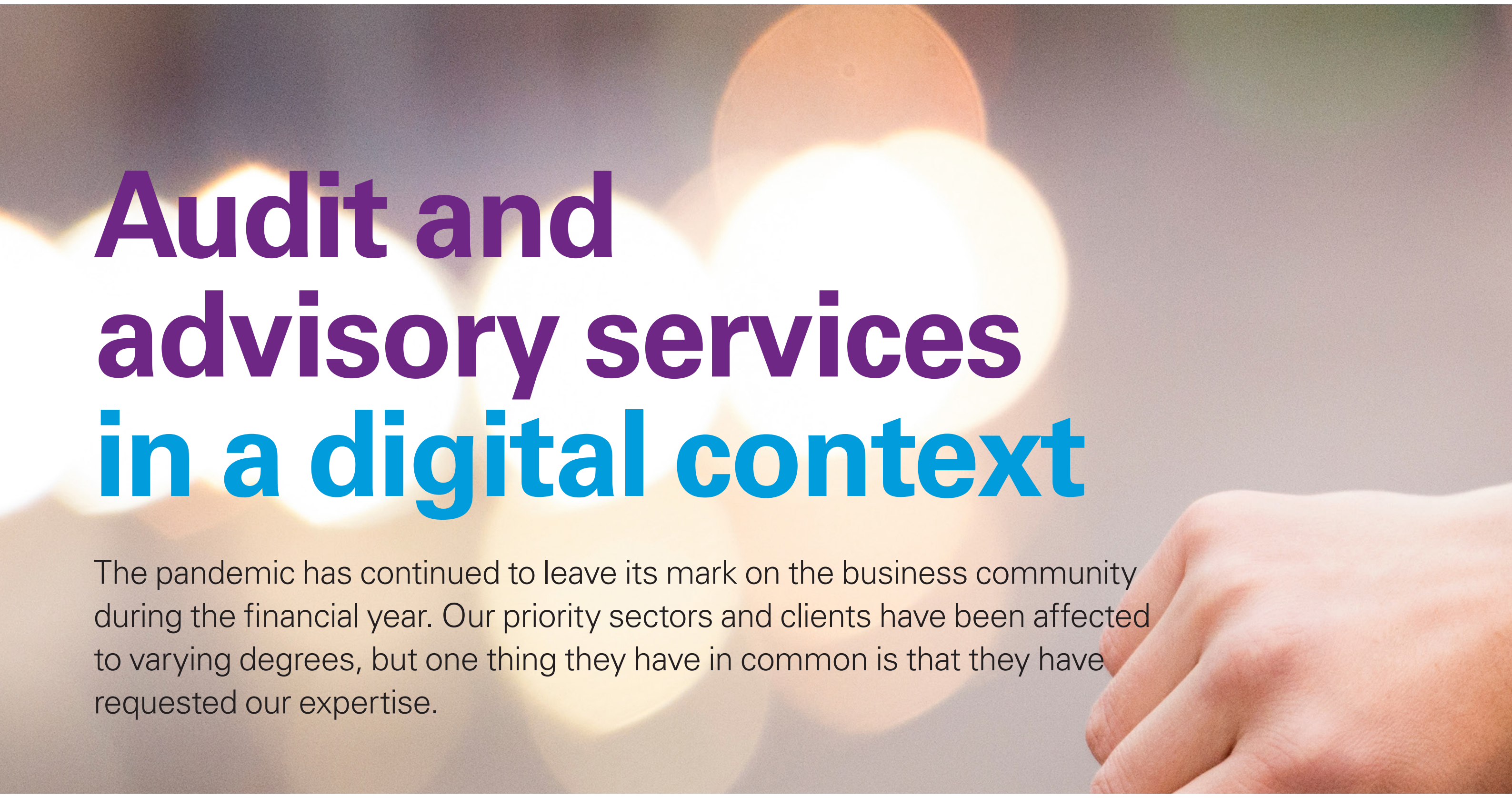
The development of the Nordic L&D Centre of Excellence has progressed rapidly. Around 20 working groups have now been set up to evaluate and deliver courses in the majority of service areas. Sweden and Finland have led the way in a significant portion of this work, in terms of evaluation, production and implementation. The Nordic L&D training curriculum now makes up the basic range of courses and development available to all employees in Sweden and the whole of the Nordic-Baltic region.

Diversity enriches and adds greater value

Here at KPMG, we live by the motto that companies where gender equality, inclusion and diversity permeate both the leadership and the business are better equipped to meet the multifaceted world in which we operate. Compared to homogeneous working groups, diversity enriches client assignments and development projects. For us, equality and diversity have a strong business purpose. Through leadership programmes and components in internal training courses, we are gradually increasing knowledge about inclusion and the benefits of diversity in the organisation. In order to create a culture that is characterised by gender equality, we have, for example, introduced a compulsory e-learning course that also forms part of our introductory programme for new employees.

How well our actual working conditions help us to attract and retain employees from a diversity perspective is checked on an ongoing basis in assignment reviews and in dialogue with PMs.

We are working actively to make the partner base more equal by means of a higher proportion of women. At present, the share stands at 27%. In addition to this, we are working purposefully to increase the proportion of women in senior positions in order to achieve an even distribution of women and men. The proportion of women in managerial positions is currently 49% in KPMG Sweden. We are also assessing and working actively to achieve a more even ethnic mix. At present, 16% of our employees are of foreign origin. We aim to achieve 20% ethnic diversity by 2025.



Audit and advisory services in a digital context

The pandemic has continued to leave its mark on the business community during the financial year. Our priority sectors and clients have been affected to varying degrees, but one thing they have in common is that they have requested our expertise.

The market has recovered surprisingly well during the year. We have experienced strong demand for our services and business has been booming. In total, we have enjoyed a growth of 15% in the Group. Sales to our key clients have increased significantly.

The merger with Latvia and Lithuania has provided us with a larger geographic market and new opportunities for collaboration. We have expanded our co-operation with our Nordic colleagues and are generally working more closely within KPMG's global network. During the year, we have set a common global goal of increasing our market share by 2% by 2023, a journey we have already started. Our digital development and ability to innovate are of great importance, both for the development of new solutions and to improve the quality and efficiency of our deliveries.

Growth during the year

15%

In line with our growth strategy, we have worked for and won more and more major assignments during the year, both within auditing and in relation to tax and advisory services. This increased level of trust is based on our expertise, but is also a result of us, throughout our range of services, focusing on using the latest findings and developments within the IT field to be able to meet specific client requirements. This includes everything from streamlining the audit process with built-in quality assurance to building up a centre of excellence possessing skills within cloud-based architecture, advanced data analysis, machine learning and artificial intelligence. Our Swedish "Lighthouse" is one of 42 such centres within KPMG internationally, whose purpose is, together with the specialists in the core business, to realise client and business values with the aid of data, AI and modern technology.

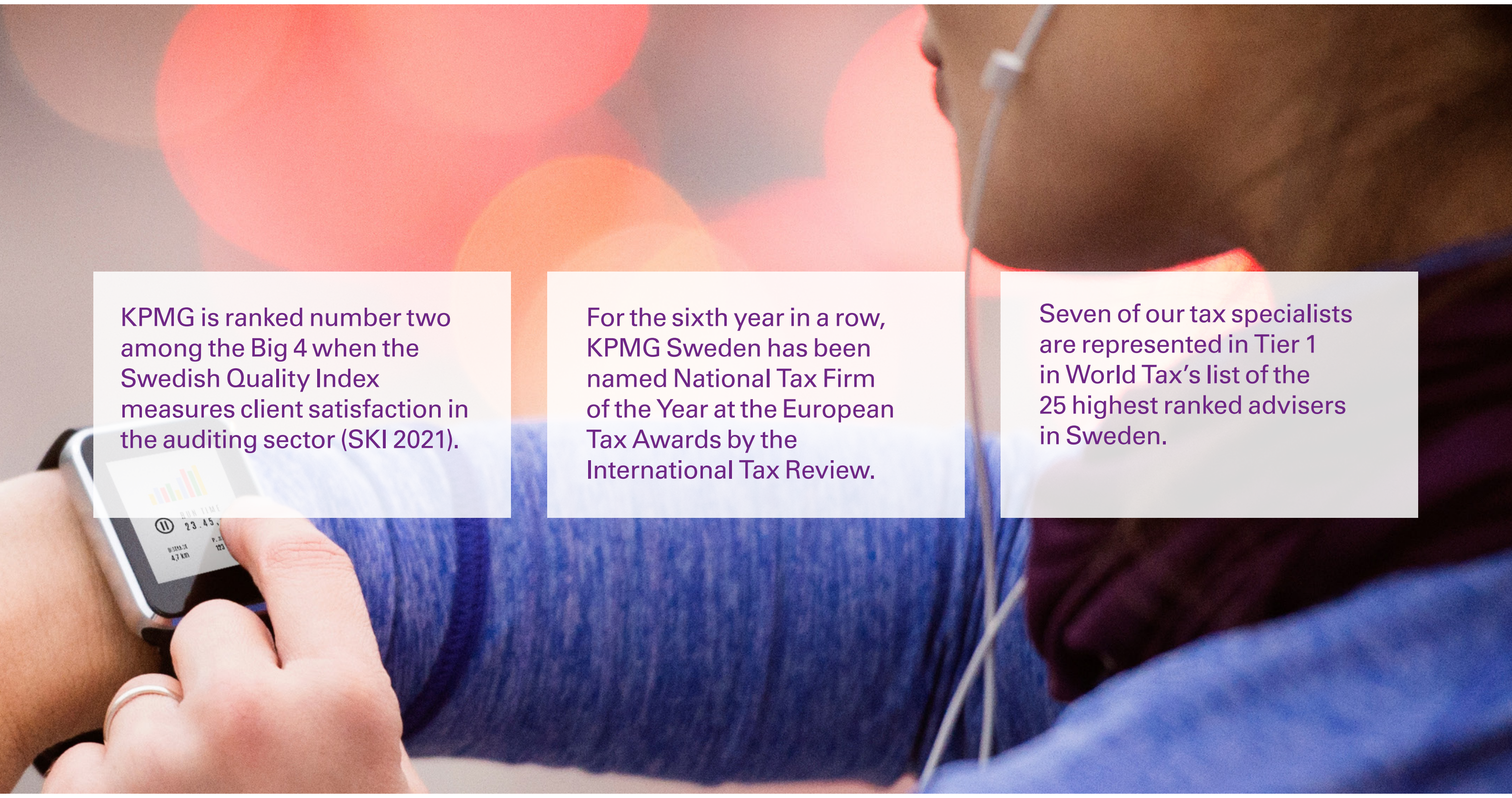
We can offer our clients a high-tech meeting place

An important part of our positioning as an auditing and consultancy company at the digital forefront involves establishing a high-tech meeting place where we can support our clients in their most strategic and critical future challenges. We have kept our Nordic Customer and Insights Centre open during the year, ensuring that we have been able to meet our key clients in person in a safe and secure environment. We have held working meetings with around 60 different clients in total, and have presented a number of proposals from the centre.

The centre has also been designed so that we can work innovatively with our alliance partners. One such example is our partnership with Ericsson, in which we have jointly developed a concept for the use of 5G in factories that we are selling together. The feedback from clients who have visited the centre is extremely positive.

Audit

On the audit side, the business has been stable and volumes have grown during the year. Our clients have been affected by the pandemic to varying degrees, and have had differing needs for specific input from us. Despite high pressure and a large amount of work being carried out from home, we have delivered our



services with high quality and on time, which has been made possible by the fact that we already had a digital platform in place before the pandemic. We have made progress both in the development of new services and in the further development of our digital tools – conducted as a joint collaboration in all three countries. For example, we have continued the development of a client portal, My KPMG, in which we interact with smaller clients during the audit and also offer packaged services to the target group. We can see that our clients appreciate us from the fact that KPMG is well above the industry average and is ranked number two among the Big 4 when the Swedish Quality Index measures client satisfaction in the auditing sector (SKI 2021).

Tax & Legal

2020/21 has been a successful year for Tax & Legal, our best ever despite a whole year full of Covid restrictions and working from home. Our operations in Sweden, Latvia and Lithuania have been integrated into a single business area during the year. By becoming more digitalised, we have found new ways of interacting with our clients and, in this way, have also been able to reach more clients than was previously possible. We have continued to develop and sell digital tools to our clients that are highly relevant to demand in the market. These tools include the DAC6 Processor (a tool for handling and reporting Reportable Arrangements), GET (a tool that supports the management of incentive programmes) and Business Traveller (a tool that supports reporting linked to the financial employer concept). Our tax consultants enjoy considerable trust in the market and are recognised as being highly skilled. For 2021, and for the sixth year in a row, KPMG Sweden has been named National Tax Firm of the Year at the European Tax Awards by the International Tax Review. We were also the only tax advisory company in Sweden to be ranked in Tier 1 in all of World Tax's categories: General Corporate tax, Tax Controversy and Transfer Pricing. In addition, seven of our tax specialists are represented on the list of the 25 highest ranked advisers in Sweden.

Advisory

Advisory has demonstrated very strong growth during the year, driven by strong demand for our services and dedicated marketing work on the part of our client teams. The transaction market, certain elements of which were significantly affected by the pandemic, has recovered fully this year and reported very strong growth, both in terms of private equity and large companies. Our operations within Management and Risk Consulting have won a number of major transformation projects, focusing primarily on digital transformation, compliance and the finance function at our major key clients. We have also carried out a number of large-scale evaluations, looking at how various authorities and organisations have handled Covid and how to meet similar challenges and disruptions proactively in the future. During the year, we have also worked extensively on the integration with our subsidiaries in Latvia and Lithuania, with the aim of creating a joint Advisory business area across the three countries. To create a foundation for our future growth journey and service development, including in the fields of ESG, Digital Transformation, Financial Services, Capital Markets and Healthcare, we have appointed partners and recruited a large number of senior individuals.

Trust is the cornerstone of our business

In a business where credibility and trust are the prerequisites for its conduct, we attach great importance to our values, quality systems and risk management processes, ensuring that we live up to the expectations and requirements of the outside world.

KPMG's five global values are the foundation for what we believe in and how we behave towards each other and the world around us. The values are further developed in the KPMG Global Code of Conduct, which applies to all KPMG member companies around the world. This is available to read and download from kpmg.se.

Sound system for quality assurance and risk control

To be able to deliver high-quality services to both domestic and international clients, KPMG's quality control and risk management system is of key importance. Each employee has their own individual responsibility, with systems and functions being available to support the work. The CEO has overall responsibility for the level of quality in the business. The quality control and risk management system is monitored by the Quality & Risk function.

Common policies and rules regarding quality, risk management, ethics and independence are established by KPMG internationally and supplemented by KPMG 3 in Sweden. KPMG International also mandates standards for regular quality assurance and control of company-wide processes. Locally established governing documents consist of policies and guidelines that are also linked to internationally established standards and rules. In addition, extensive checks are performed in accordance with the Money Laundering Act.

KPMG Global Code of Conduct
https://assets.kpmg/content/dam/kpmg/xx/pdf/2018/02/global-code-of-conduct.pdf

KPMG's Quality Policy and Security Policy are examples of governing documents that are adopted annually by the Board of Directors. The latter adheres to the ISO/IEC 27000 standard. An international quality standard for companies that perform statutory audits and similar tasks is the International Standard on Quality Control 1 (ISQC 1), issued by the International Federation of Accountants (IFAC). Although many of its provisions are, strictly speaking, intended to be applied to audit work, KPMG applies these principles in all areas of its operations.

ISQC 1, which has been applied for many years, is currently being phased out and replaced by a new, more developed quality standard, the International Standard on Quality Management 1 (ISQM 1). KPMG has begun implementing ISQM 1 during the year.

Our profession is based on integrity and objectivity

The quality control system helps KPMG's employees to act with integrity and objectivity, to comply with applicable laws and regulations and to satisfy professional requirements. The system encompasses the following main aspects:

- Management responsibility
- Ethical standards
- Human resource management
- Procedures for accepting clients and working with assignments
- Processes for carrying out assignments efficiently
- Monitoring and follow-up

KPMG's quality work is constantly being evaluated and developed in order to ensure high quality and to add value to client commitments. KPMG invests significant sums in relation to this every year.

The Ethics & Independence function has overall responsibility for professional ethics issues in the company. A compulsory training programme, which all employees must undergo every year, ensures that everyone receives knowledge about the policies and guidelines that apply in day-to-day work.

Protective mechanisms for conflicts of interest and anti-corruption

Our independence in relation to our clients is ensured through procedures for evaluating clients and assignments. We do not take on clients or assignments that do not meet KPMG's stringent requirements, nor if there are any conflicts of interest in relation to completed or ongoing assignments. This is checked against KPMG's entire global network in a shared system. We also have a structured process for analysing our integrity in auditing and other certification assignments. In each case, we assess whether circumstances exist that could damage confidence in the responsible auditor's ability or willingness to perform the assignment. If this is the case, the assignment will be declined. A corresponding assessment is performed for advisory assignments, with the main emphasis on any conflicts of interest.

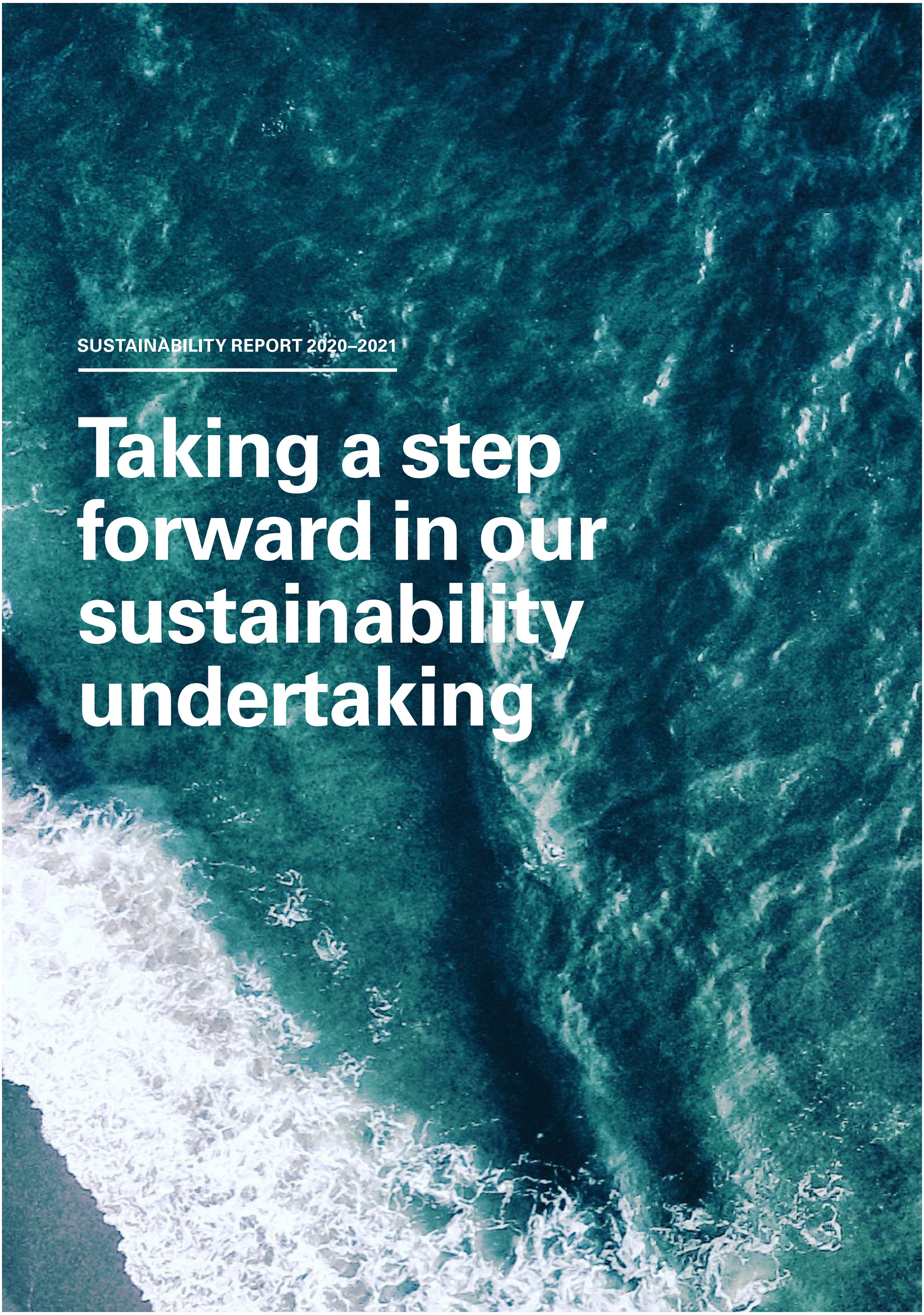
To ensure that we comply with the law on measures to combat money laundering and the financing of terrorism, checks are carried out on clients. These checks, which are performed prior to the approval of new clients, also cover the management's integrity, business-related risks and financial risk. During the year, a small proportion of the evaluated clients and assignments were deemed to entail an increased risk, which in some cases has resulted in us prematurely cancelling existing assignments and rejecting potential clients.

The rules relating to risk management and independence are set out in our global risk manual: KPMG Global Quality & Risk Management Manual (GQ&RMM). The rules are based, for example, on the International Ethics Standards Board for Accountants (IESBA) and the International Standard on Quality Control 1 (ISQC1), issued by IFAC.

Internal and external controls ensure compliance

The effectiveness of our processes and protection mechanisms, which are intended to prevent the violation of rules and reduce the risk of conflicts of independence and interests as well as corruption, is monitored on an ongoing basis. This is performed in part through periodic reviews organised by KPMG International, as well as through internal controls within the company. In addition, inspections are carried out by FAR and the Swedish Inspectorate of Auditors.

We are not only under the supervision of the Swedish Inspectorate of Auditors, but also of PCAOB in the USA, which carries out inspections, according to a special schedule, of the firms that audit SEC-registered companies or related parties.



SUSTAINABILITY REPORT 2020–2021

Taking a step forward in our sustainability undertaking

It is clear that the world is facing ever greater challenges, after a year of numerous major natural disasters and a pandemic that is still seriously affecting large parts of the world, both economically and in other ways. Here at KPMG, we want to accept our share of the responsibility and, based on our potential as a leading global knowledge company, contribute to a better world. Our joint responsibility and commitment to reducing our footprint have been brought together in our Impact Plan during the year.

KPMG's most important role is to create security and stability between players in the business community, and to ensure that market confidence in our clients is maintained.

Throughout our value chain, we have the opportunity to create, and the obligation to protect, value for people, the environment and society at large. We create value through the advice we provide and the audits we carry out, and we can contribute to a positive development in society by incorporating a sustainability perspective in our services.

In our own operations, we strive to utilise resources in an enduring and sustainable way. KPMG's sustainability work is based on three aspects that interact and support each other – our operations must be environmentally, socially and economically sustainable. All around the world, KPMG's partners have the ambition of leaving something better behind than they took over.

During the year, KPMG has come together globally with a commitment regarding the company's influence on, and responsibility to contribute towards, a world that is sustainable in the long term. We call this our Impact Plan. In line with our overall aim of creating security and contributing to change, we can make a significant contribution in a global perspective when all the countries in the network undertake to establish and strive to achieve the same sustainability goals. During the year, KPMG globally has also developed an overall strategy in terms of how we should contribute to helping clients and the outside world in the field of Environmental, Social and Governance (ESG).

Our Impact Plan focuses on four areas, with an explicit responsibility to contribute to a better world through clear goals. These areas are the planet, people, prosperity and governance.

Our business model from a sustainability perspective

KPMG's business model is based on the fact that we possess in-depth expertise in our business areas, supported by the combined expertise within KPMG's global networks, and that we sell audits, advice and solutions to our clients with the desired level of profitability in order to help them develop and create value in their operations. Together with our clients, we are developing commercial activities and competitiveness, where our joint responsibility for a world that is sustainable in the long term is becoming increasingly important. Read more about our operations under "General information about the business" in the Directors' report.

Impact Plan

Planet
We will reduce our impact on the environment in order to build a more long-term, sustainable future.

People
We will create a caring, inclusive and value-based culture for our employees.

Prosperity
We will run our business in such a way that we protect employees, society and the world around us.

Governance
We will live by our values in everything we do, to ensure we are always doing the right things in the right way.

Our Impact Plan provides guidance in the stances we take and the commercial focus of our business going forward.

The Board of Directors has the ultimate responsibility for ensuring that KPMG's operations are conducted with a long-term perspective, and every year it approves both the focus as well as the evaluation and reporting of our sustainability work. The day-to-day operations are delegated to company management, where our sustainability agenda and strategy are interwoven with the operational work. KPMG has presented a common global approach regarding ESG, which will also permeate our operations in Sweden and the Baltic States. The CFO has operational responsibility for the sustainability work in the Group and co-ordinates the work with KPMG globally, as well as driving the implementation of our Impact Plan.

The Ethics & Independence function, which has overall responsibility for ethical issues in the company, makes sure that all employees undergo a mandatory training programme each year, and ensures that everyone is notified about the policies and guidelines that apply in their day-to-day work. The training programme includes the code of conduct, ethical decisions, bribery and corruption. Our managers also receive ongoing training in labour law and personnel-related issues, such as inclusion and diversity.

To highlight our business model from a sustainability perspective, we mapped the expectations of the company and the business a couple of years ago through dialogue with our stakeholders. The survey resulted in KPMG's most significant impact on people and the environment falling within the company's economic and social responsibility, divided into five areas in the analysis: clients and the market, employees, financial value creation, the environment and community involvement.

All the previous stakeholders remain unchanged and no new stakeholders have been added during the year. Furthermore, we have not received any indication of a need to update the areas/aspects that the analysis showed to be essential for our sustainability work.

During the year, we have begun the work of revising and updating the materiality analysis on the basis of our global Impact Plan and the four focus areas it covers.

Sustainability perspective in our relationship with clients and the market

KPMG's stated ambition worldwide is to become the most trusted player in our sector. This is based on our ability to create trust and confidence in our expertise as well as in our attitudes and methods. KPMG's risk management, quality work, views on ethics and independence, as well as procedures for ensuring operations that are sustainable in the long term, are described in the section "Trust is the cornerstone of our business".

An important component in this is our whistleblower function, where employees receive thorough training on how they are expected to behave in the event they come under pressure to violate independence rules or if they suspect irregularities.

In accordance with our Impact Plan, we also adopt a sustainable approach in our assignments and the advice we provide. We always act with high morals and a clear purpose. We promote quality development within auditing and we have long been at the forefront when it comes to sustainable and responsible tax advice. Within consulting, we are investing in the further development of a range of services to meet new demands for compliance and reporting regarding ESG.

Personnel, social conditions and human rights

Our employees are KPMG's most important asset. Our ability to attract, develop and retain employees is crucial when it comes to being able to run the company sustainably and in a long-term perspective. Our approach as an employer is set out in the section "Our culture is characterised by inclusion and participation".

Our Employee Policy, which is reviewed by the Board of Directors every year, sets out our commitments as an employer. KPMG should be a workplace where individual goals and visions can be realised within the framework of the company's overall objectives and values. Our culture must be characterised by a balance between responsible, independent employeeship and confidence-inspiring leadership.

Our remuneration models must encourage good performance and continuous development. KPMG's employees in Sweden are covered by collective agreements (collective agreements for auditing and consulting companies, between the parties Almega, Unionen and Akademikerförbunden). Pension provisions are made according to the ITP plan. We aim to offer a creative, stimulating and challenging working environment, underpinned by systematic environmental initiatives.

Every year, we also survey the working conditions in respect of salaries and employment, training and skills development, grounds for discrimination and gender equality in an equal treatment plan, as well as following up the outcomes and setting new goals.

In addition to our local reporting channels, KPMG has a Hotline, to which all employees are encouraged to report suspected irregularities in assignments or abusive behaviour internally. The Hotline is open 24 hours a day and immediately investigates all reports. Employees who submit reports are guaranteed anonymity, if they so wish, and KPMG has zero tolerance towards retaliation.

Human rights are not considered to be one of KPMG's most significant risks, but are a cornerstone of our sustainability work. The low risk in this area is due to the fact that we operate almost exclusively in Sweden, and therefore comply with Swedish labour law, legislation and regulations. The same also applies to our suppliers.

From a global perspective, KPMG has identified education in our Impact Plan as a crucial area for lifting people out of poverty and creating wealth. Education is one of the most significant driving forces for creating economic growth, social development and prosperity. That's why we are committed to supporting education and lifelong learning. Globally, KPMG assists UNESCO pro bono with resources for the Global Education Coalition. A system for setting goals, following up and reporting on these efforts is being developed.

Our ability to attract, develop and retain employees **is crucial when it comes to running the company sustainably and with a long-term perspective**

Financial stability

KPMG has contributed to economic development globally and in Sweden for almost 100 years. The company was founded in 1923 and has reported positive results every year, enabling us to operate responsibly and in a financially sustainable manner over time.

KPMG has insurance cover for its auditing and advisory work, designed to safeguard the business in the long term. This cover encompasses both Swedish and international insurance policies.

The Group has a Finance Policy established by the Board of Directors aimed at managing the financial risks. The credit risk associated with trade receivables is spread over a large number of sectors and legal entities.

To be able to continue assuming the same responsibility in the long term, it is important for our business to continue to grow and develop with good profitability that provides scope for investments and innovation.

How we are meeting the climate challenges

Climate change, the shortage of resources and the negative impact on ecosystems are three of the biggest and most pressing challenges of our time. Over the past year, we have witnessed an increase in the frequency and severity of environmental disasters than ever before. Our new Impact Plan is a response to this, as well as a promise that we at KPMG will continue to do everything in our power to reduce our impact and contribute to achieving global climate goals. We have long been involved in this issue. Since the end of the 1990s, KPMG has had an environmental policy and environmental targets that are updated every year, and our environmental work is designed in line with ISO 14001. In addition, KPMG Sweden follows KPMG's more than 10-year-old global environmental strategy, Global Climate Response (GCR). This is a starting point in our new Impact Plan, in which we have committed to:

- Reducing our direct and indirect greenhouse gas emissions by 50% by 2030, baseline 2019 (SBT 1.5°C).
- Using 100% renewable electricity by 2030.
- Investing in projects aimed at reducing carbon, in order to achieve net zero by 2030.

In our Impact Plan, we undertake to continue this work on schedule, and we should be carbon neutral by 2030. In addition, we aim to be a clear voice on the climate issue and to provide our leaders, clients and the business sector with clear, comprehensible and high-quality information about the consequences of climate change. We will also increase our own understanding in order to improve our impact on nature and biodiversity.

Our carbon dioxide emissions are measured and monitored based on factors such as transport and electricity consumption. During 2020-21, carbon dioxide emissions per employee have remained at a low level as a result of the pandemic. Our employees have continued to work from home and the amount of travel has been limited. In addition to this, most of our rental agreements are green, which means that both KPMG and the landlords are continually aiming to identify environmentally and resource-efficient operating solutions. Several of our office premises are environmentally classified in accordance with BREEAM and LEED. During the year, we have renegotiated the agreement regarding our head office in order to adapt the premises to our new hybrid working model, which is leading to an overall reduction in the office space we use. This perspective is included in all reviews of premises within the company. KPMG has already achieved its goal of using renewable electricity.

The fact that our suppliers share and work according to the same values as us is a significant part of the work aimed at reducing our climate impact. We co-ordinate our purchases and procurements through a central purchasing function, to ensure the right quality of the goods/services we purchase and to achieve cost-effectiveness. In accordance with KPMG's environmental policy regarding integrating environmental considerations and sustainability in our purchasing, we always consider the bidders' environmental and sustainability work when choosing suppliers. All suppliers above a certain contract value must confirm that they:

- Comply with national and international provisions regarding working conditions.
- Work to ensure that fundamental human rights, in accordance with UN conventions, are complied with and respected.
- Comply with laws and regulations in general.

The fact that our suppliers share and work according to the same values as us is a significant part of the work aimed at reducing our climate impact.

- Take sustainability into account in their operations.
- Purchase/use organic goods as far as possible.
- Work to ensure that any subcontractors share the same values.

The majority of our suppliers operate in Sweden. We maintain a close dialogue with them to ensure that the agreements are followed, both through our own analyses and with the aid of suppliers who specialise in this type of analysis.

Contributions to the community

Being a responsible company is important to KPMG. Every year, we invest a proportion of our earnings in the community. This commitment comprises financial contributions, knowledge-sharing, the development of services and voluntary activities of various types.

Junior Achievement
KPMG Sweden has been a partner of Junior Achievement Sweden (JA) for a number of years. The organisation can be found all over Sweden and works closely with schools to introduce entrepreneurship and business involvement into the education system. The objectives of our involvement in JA are to:

- Contribute support, knowledge and inspiration to JA entrepreneurship.
- Contribute towards continuing training among JA teachers.
- Raise the quality of the educational materials used by JA students and teachers.
- Build relationships with the JA Alumni Network.

During the year, KPMG contributed to some 100 activities around the country. We have been on the jury since 2016, handing out the prize for the best annual report at the Junior Achievement Swedish Championships. The event was held virtually this year, and the prize was awarded by Jenny Barksjö-Forslund from the company's management team.

Female Digital Engineer Programme
For the past two years, KPMG in Sweden has been a partner in the Female Digital Engineer Programme. The programme works alongside partner companies to provide female engineering students with a comprehensive picture of what professions in the field of digitalisation entail. Female Digital Engineer also serves as a platform where female engineering students can meet and get to know the partner companies, as well as gaining an insight into the inspirational job opportunities that exist within digitalisation. Our Management Consulting, IRM, Risk Consulting and Lighthouse departments have met the 30 selected engineering students on a number of occasions during the year in order to be challenged and inspired. The programme has included case solutions, network meetings and workshops together with the other partner companies.

Women Corporate Directors
Women Corporate Directors (WCD) is the world's largest network of female directors. WCD was established in 1998 and can be found in 80 locations around the world. The aim of the network is to inspire visionary board work. KPMG International has been the global lead sponsor of WCD for more than ten years, and has enjoyed a long-term collaboration at both global and local levels. Each local WCD network is run by an external, independent chair and a co-chair from KPMG. In WCD's Swedish network, KPMG's Tina Zetterlund has the role of co-chair and Kia Orback Pettersson is involved as the external, independent chair. The objectives of our involvement in WCD are to:

- Increase female representation on boards of directors.
- Increase and facilitate the recruitment of qualified female board candidates.
- Promote a strong, global community of influential women in leadership positions.
- Inspire boards of directors around the world by providing training and tools to keep the members engaged, informed and high-performing.

During the financial year, the Swedish WCD network has arranged four network meetings on topical and inspirational themes. The overarching themes have been sustainable enterprise and WCD's role and responsibility to drive the sustainable society of the future through its seats on the boards of large, influential companies.

Directors’ report

The Board of Directors and the CEO of Bohlinsgruppen AB (556360-5301), which has its registered office in Stockholm, herewith submit their annual report and the consolidated accounts for the financial year 1 October 2020 – 30 September 2021.

Our rapid transformation at the outbreak of the pandemic shows that **we have the capacity to be a secure partner for our clients, even when the unexpected happens.**

General information about the business

Bohlinsgruppen AB is the parent company of the Bohlinsgruppen Group. The head office is located in Stockholm.

The business operations are mainly conducted through the subsidiary, KPMG AB. In the market, the name KPMG is used for the overall business.

KPMG offers audit, tax and advisory services. During the year, KPMG AB has acquired KPMG's operations in Lithuania. KPMG's operations in Latvia have also been part of the Group since the previous year. The total number of employees in the three countries amounts to 1,986.

KPMG AB is a member of KPMG International, one of the world's leading auditing and advisory organisations, with more than 227,000 employees in 146 countries.

In addition to the head office in Stockholm, KPMG has offices in locations across the country. In Latvia we have offices in Riga, while in Lithuania there are offices in Vilnius and Klapeida. KPMG's technical platforms, tools and security environment make it possible to share information and to work remotely.

The Group also includes a wholly owned insurance company, Bohlinsgruppen i Sverige Försäkring AB, whose purpose is to take out the liability insurance required for the operations conducted within the Group.

KPMG offers its combined expertise in three business areas: Audit & Assurance, Tax & Legal and Advisory. All of these business areas co-operate to contribute, both together and in dialogue with our clients, to ensure the favourable development of individual companies, the business sector and society.

Audit & Assurance supplies audits and audit-related services to the entire market, from the largest international listed companies to small and medium-sized, owner-managed companies. Auditing builds trust between the players in the market and creates the conditions for sound business, good control and effective governance. It creates stability and quality-assurance of financial information for the benefit of owners, investors, lenders and other stakeholders. A KPMG audit provides a professional and independent assessment of whether the annual report provide a true and fair view of a company's operations, results, assets and liabilities. The audit also ensures that the annual report complies with the rules that exist for financial reporting. KPMG's assurance services help to maintain trust between shareholders, investors and other stakeholders through independent quality reviews and assurance of internal and external reporting.

Tax & Legal offers specialist expertise within Swedish and international corporate taxation, personal taxation, customs and tax issues related to transactions. It also offers legal advice linked to both companies and their owners, such as association law, labour law and issues related to transactions. During the year, a large proportion of the legal advice has been linked to the Government's support measures in response to Covid. With the support of our specialists, companies can ensure that they are complying with the existing legal requirements, as well as being able to take advantage of the opportunities arising from laws in the field of taxation or other legal areas. The role of a tax adviser has changed in line with the changes in the outside world. Tax is also now seen as a sustainability issue with a strong focus on how companies pay their taxes. In addition, digitalisation is taking place in the tax field, where issues relating to questions such as how to streamline regulatory requirements and the tax or legal functions are making up an ever larger share of our advice. Tax & Legal's advice covers the needs of large, international listed companies as well as those of smaller, family-owned companies.

Advisory works with Sweden's and the Nordic region's leading companies and organisations to promote change and meet the biggest challenges, as well as to create and protect long-term, sustainable value. This is done, for example, by working with transformation that focuses on both client processes and the back office, promoting the digitalisation of business models and working methods, creating value through proactive and effective compliance and risk work, implementing transformation driven by new regulations and creating value in transaction and capital market dealings. The business, employees and advice are characterised by considerable focus on the client, as well as high levels of expertise and quality. We are also continuing to invest in our employees, their skills, tools and digital solutions in order to continually improve our advice and quality.

Significant events during the year

Covid-19

The pandemic has affected the Group by forcing us to change the way we work and meet clients. We have been highly adaptable and we have shown ourselves to be a continued secure business partner for our clients in their transition and continued development.

Acquisition of KPMG in Lithuania and continued integration of KPMG Latvia

During the financial year, KPMG Sweden has acquired KPMG in Lithuania, which has offices in Vilnius and Klapeida. The business has approximately 160 employees, of whom four are partners. The integration work with KPMG Latvia and KPMG Lithuania has been carried out in a joint project. A new, shared organisation based on our three regular business areas has been established and launched from 1 October 2021.

Non-financial disclosures

Every year, KPMG publishes a Transparency Report that has been prepared in accordance with the EU's Eighth Company Law Directive, Section 22(a) of the Auditors Act (2001:883) and the Auditors Regulation (1995:665). KPMG's Transparency Report describes the organisation and governance, systems for quality assurance, the treatment of independence issues, remuneration to shareholders and financial information. The Transparency Report is available to read and download at kpmg.se.

Anticipated future developments

GDP growth in Sweden is returning, and is likely to go back to the generally rising levels seen historically. The easing of pandemic restrictions in combination with budget stimuli from the Government are driving both private demand and public investment. The same also applies to Sweden's most important trading partners abroad. The forecast going forward is that potential exists for the recovery of both domestic consumption and service exports, which suggests increased market growth.

Our assessment is that the demand for advanced auditing, tax and advisory services will increase significantly over the next few years. This development is being driven by companies and organisations across a broad front digitalising their systems and processes in order to streamline and improve governance in their operations. In addition, higher demands are being placed on compliance with more and more far-reaching regulations, as well as the associated need for more transparent reporting. Expectations regarding sustainable business practice are also becoming increasingly important, both from a tax perspective and in terms of the climate KPMG possesses considerable expertise and capacity, as well as having the market's confidence to assist and be a partner in these journeys of change alongside companies.

We need to be sensitive to the way our clients are affected, and to monitor fluctuations in demand in order to quickly adapt and meet different scenarios. Our rapid transformation at the outbreak of the pandemic shows that we have the capacity to be a secure partner for our clients, even when the unexpected happens.

In the coming year, we will continue the integration work at the operations in Latvia and Lithuania, which is providing new opportunities for clients and the market, as well as creating internal synergies.

We are continuing to develop the collaboration with KPMG in our Nordic neighbours in order, jointly, to become even more attractive as an employer and even stronger in the market.

Significant risks and uncertainties

In April 2019, KPMG AB received a claim for damages from Concent Holding AB.

The claim for damages amounts to SEK 95,762 thousand plus interest. The claim is based on an allegation of deficiencies in the audit, in that no observations and objections were submitted within the framework of the audit, whereas, according to Concent Holding AB, they ought to have been submitted with reference to good auditing practice. KPMG AB has appointed a representative, and this representative has rejected the claim on behalf of KPMG AB based on what has emerged from the initial investigations.

Sustainability report

In accordance with Chapter 6, Section 10, of the Annual Accounts Act, KPMG has prepared its statutory sustainability report as a separate component of this annual report.

See pages 14–19.

Earnings and financial position

Group

The Group's net sales increased to SEK 2,950 (2,562) million and staff costs increased to SEK 1,774 (1,546) million. The average number of employees has increased by 338 individuals to 1,923 (1,585), partly as a result of our acquisition of KPMG Baltics in Lithuania, which has 175 employees. Other external expenses increased by SEK 14 million to SEK 740 (726) million. Profit after financial items increased by SEK 151 million to SEK 413 (262) million.

The equity/assets ratio stood at 31.8 (27.7) per cent. Cash and cash equivalents amounted to SEK 772 (655) million at the end of the financial year.

Parent company

Bohlinsgruppen AB provides services to its subsidiaries and administers loans from partners. The operations and administration are largely conducted in co-ordination with the subsidiary KPMG AB. The average number of employees stood at 7 (8). Salaries and other benefits amounted to SEK 6 (8) million. Further information can be found in Note 6.

During the year, the parent company has conducted a new share issue totalling 2,234 shares. The parent company has also decided to withdraw 1,067 shares that were registered with the Swedish Companies Registration Office on 22 October 2021.

Multi-year overview Note 34

Group

Amounts in SEK millions	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
Net sales	2,950	2,562	2,420	2,535	2,384
Operating profit	424	274	286	566	245
Profit after financial items	413	262	274	566	244
Profit for the year	327	202	210	511	184
Non-current assets	92	112	86	69	82
Current assets	1,567	1,283	1,488	1,619	1,064
Equity	493	362	366	658	323
Provisions	36	27	38	53	71
Current liabilities	1,130	1,007	1,170	978	753
Total assets	1,659	1,396	1,574	1,689	1,146
Operating margin, %	14.4	10.7	11.8	22.3	10.3
Equity/assets ratio, %	31.8	27.7	25.5	41.8	33.8
Liquidity	772	655	822	981	428
Net sales per employee (SEK 000)	1,534	1,617	1,729	1,629	1,548
Staff cost per employee (SEK 000)	922	976	1,015	999	967
Average number of employees	1,923	1,585	1,400	1,556	1,540

Proposed appropriation of the company's profit

The Board of Directors proposes that the unrestricted equity of SEK 451,484,260 be distributed as follows:

Dividend (70,700 shares x SEK 4,489 per share)		317,372,300
Carried forward		134,111,960
	Total	451,484,260

More detailed disclosures about the Group's and the parent company's financial results and position can be found in the subsequent income statements, balance sheets and accompanying notes.

Financial information

Consolidated income statement

Amounts in SEK thousands

	Note	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Net sales	3	2,949,926	2,562,328
Other operating income	4	23,392	12,412
		2,973,318	2,574,740
Operating expenses			
Other external expenses	5	-739,939	-725,751
Staff costs	6	-1,773,875	-1,546,431
Depreciation, amortisation and impairment of assets		-35,271	-28,439
Other operating expenses		-134	-87
Operating profit	7	424,099	274,032
Profit/loss from financial items			
Interest and similar income	9	1,595	1,387
Interest and similar expenses	10	-12,209	-13,686
Profit after financial items		413,485	261,733
Profit before tax		413,485	261,733
Tax on profit for the year	11	-86,942	-59,685
PROFIT FOR THE YEAR		326,543	202,048
Attributable to shareholders of the Parent company		326,543	202,048

Consolidated balance sheet

Amounts in SEK thousands

	Note	30/09/2021	30/09/2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Internally generated software	*12*	40,940	53,232
Acquired software	*13*	12,629	5,726
Licences	*14*	76	206
Goodwill	*15*	10,353	9,885
		63,998	69,049
Property, plant and equipment			
Leasehold improvements	*16*	4,582	7,339
Equipment, tools, fixtures and fittings	*17*	22,895	35,278
		27,477	42,617
Financial assets			
Investments in associated companies and jointly controlled companies	*20*	204	–
Other securities held as non-current assets	*21*	647	647
		851	647
Total non-current assets		92,326	112,313
CURRENT ASSETS			
Current receivables			
Trade receivables		429,837	358,796
Current tax assets		70,638	69,343
Accrued income, not invoiced		186,854	135,456
Other receivables		40,358	5,338
Prepaid expenses and accrued income	*22*	66,785	59,003
		794,472	627,936
Cash and bank balances			
Cash and bank balances		772,050	655,278
		772,050	655,278
Total current assets		1,566,522	1,283,214
TOTAL ASSETS		1,658,848	1,395,527

Consolidated balance sheet

Amounts in SEK thousands

	Note	30/09/2021	30/09/2020
EQUITY AND LIABILITIES			
Equity	23		
Share capital	24	10,958	10,617
Other paid-in capital		174,184	169,347
Retained earnings, including profit for the year		307,618	181,633
Total equity		492,760	361,597
Provisions			
Provisions for pensions and similar obligations	25	1,686	2,334
Deferred tax liability	26	34,686	24,363
		36,372	26,697
Current liabilities			
Trade payables		117,799	90,820
Loans from shareholders		426,895	438,082
Other liabilities		140,134	110,841
Accrued expenses and prepaid income	27	444,888	367,490
		1,129,716	1,007,233
TOTAL EQUITY AND LIABILITIES	28	1,658,848	1,395,527

Consolidated statement of changes in equity

Amounts in SEK thousands

30/09/2020

	Share capital	*Other paid-in capital*	*Retained earnings incl. profit for the year*	*Total equity*
Opening balance	10,462	167,162	187,879	365,503
Profit for the year			202,048	202,048
Changes directly in relation to equity				
Translation difference	–	–	-129	-129
Total	–	–	-129	-129
Transactions with owners				
Dividend			-208,165	-208,165
New share issue	155	2,185	–	2,340
Total	155	2,185	-208,165	-205,825
At the end of the year	10,617	169,347	181,633	361,597

30/09/2021

	Share capital	*Other paid-in capital*	*Retained earnings incl. profit for the year*	*Total equity*
Opening balance	10,617	169,347	181,633	361,597
Profit for the year			326,543	326,543
Changes directly in relation to equity				
Translation difference	–	–	-168	-168
Total	–	–	-168	-168
Transactions with owners				
Dividend			-200,390	-200,390
New share issue	341	4,837	–	5,178
Total	341	4,837	-200,390	-195,212
At the end of the year	10,958	174,184	307,618	492,760

The withdrawal of 1,067 shares was registered on 22 October 2021, as had been decided earlier in the financial year.

Consolidated cash flow statement

Amounts in SEK thousands

	Note	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Operating activities			
Profit after financial items	29	413,485	261,733
Adjustment for non-cash items	31	26,625	29,093
		440,110	290,826
Income tax paid		-77,559	-131,265
Cash flow from operating activities before changes in working capital		362,551	159,561
Cash flow from changes in working capital			
Increase/decrease in operating receivables		-143,481	121,094
Increase/decrease in operating liabilities		123,743	-111,390
Cash flow from operating activities		342,813	169,265
Investing activities			
Acquisition of property, plant and equipment		-5,992	-13,208
Disposal of property, plant and equipment		6	819
Acquisition of intangible assets		-16,339	-42,784
Acquisition of subsidiaries/operations, net liquidity effect	31	-5,514	-3,998
Disposal of subsidiaries/operations, net liquidity effect	31	8,448	210
Acquisition of financial assets		-204	–
Cash flow from investing activities		-19,595	-58,961
Financing activities			
New share issue		5,178	2,340
Withdrawal of own shares		–	-1,821
Change in deposits from partners		-11,187	-69,721
Dividend paid to shareholders of the Parent company		-200,390	-208,165
Cash flow from financing activities		-206,399	-277,367
Cash flow for the year		116,819	-167,063
Cash and cash equivalents at the beginning of the year		655,278	822,441
Exchange differences in cash and cash equivalents		-47	-100
Cash and cash equivalents at the end of the year	30	772,050	655,278

Parent company income statement

Amounts in SEK thousands

	Note	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Net sales	3	7,796	11,103
		7,796	11,103
Operating expenses			
Other external expenses	5	-55	-32
Staff costs	6	-7,796	-11,103
Operating profit/loss		-55	-32
Profit/loss from financial items			
Profit/loss from investments in Group companies	8	294,707	155,115
Other interest and similar income	9	1,891	1,792
Interest and similar expenses	10	-11,575	-13,266
Profit after financial items		284,968	143,609
Appropriations			
Group contributions		44,652	50,000
Profit before tax		329,620	193,609
Tax on profit for the year	11	-7,471	-8,238
PROFIT FOR THE YEAR		322,149	185,371

Parent company balance sheet

Amounts in SEK thousands

	Note	30/09/2021	30/09/2020
ASSETS			
NON-CURRENT ASSETS			
Financial assets			
Investments in Group companies	18	225,471	225,471
Receivables from Group companies	19	–	6,325
Investments in associated companies and jointly controlled companies	20	204	–
		225,675	231,796
Total non-current assets		225,675	231,796
CURRENT ASSETS			
Current receivables			
Receivables from Group companies		328,707	179,732
Other receivables		9,242	1,261
Prepaid expenses and accrued income	22	21	16
		337,970	181,009
Cash and bank balances			
Cash and bank balances		344,617	374,884
		344,617	374,884
Total current assets		682,587	555,893
TOTAL ASSETS		908,262	787,689

Parent company balance sheet

Amounts in SEK thousands

	Note	30/09/2021	30/09/2020
EQUITY AND LIABILITIES			
Equity	23		
Restricted equity			
Share capital	24	10,958	10,617
Statutory reserve		1,689	1,689
		12,647	12,306
Unrestricted equity			
Share premium reserve		50,380	45,543
Retained earnings		78,956	93,975
Profit for the year		322,149	185,371
		451,485	324,889
		464,132	337,195
Current liabilities			
Loans from shareholders		426,895	438,082
Liabilities to Group companies		468	120
Current tax liability		14,775	7,304
Other liabilities		547	1,004
Accrued expenses and prepaid income	27	1,445	3,984
		444,130	450,494
TOTAL EQUITY AND LIABILITIES	28	908,262	787,689

Parent company statement of changes in equity

Amounts in SEK thousands

30/09/2020	**Restricted equity**		**Unrestricted equity**		
	Share capital	*Statutory reserve*	*Share premium reserve profit for the year*	*Retained earnings incl. equity*	*Total*
Opening balance	10,462	1,689	43,358	302,140	357,649
Profit for the year				185,371	185,371
Transactions with owners					
Dividend				-208,165	-208,165
New share issue	155	–	2,185	–	2,340
Total	155	–	2,185	-208,165	-205,825
At the end of the year	10,617	1,689	45,543	279,346	337,195

30/09/2021	**Restricted equity**		**Unrestricted equity**		
	Share capital	*Statutory reserve*	*Share premium reserve profit for the year*	*Retained earnings incl. equity*	*Total*
Opening balance	10,617	1,689	45,543	279,346	337,195
Profit for the year				322,149	322,149
Transactions with owners					
Dividend				-200,390	-200,390
New share issue	341	–	4,837	–	5,178
Total	341	–	4,837	-200,390	-195,212
At the end of the year	10,958	1,689	50,380	401,105	464,132

The withdrawal of 1,067 shares was registered on 22 October 2021, as had been decided earlier in the financial year.

Parent company cash flow statement

Amounts in SEK thousands

	Note	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Operating activities			
Profit after financial items	*29*	284,968	143,609
Adjustment for non-cash items	*31*	-282,022	-126,149
		2,946	17,460
Income tax paid		–	–
Cash flow from operating activities before changes in working capital		2,946	17,460
Cash flow from changes in working capital			
Decrease in operating receivables		169,571	276,932
Decrease in operating liabilities		-1,035	-1,313
Cash flow from operating activities		171,482	293,079
Investing activities			
Shareholder contributions paid		–	-200
Acquisition of subsidiaries/operations	*31*	-1,961	-1,961
Disposal of subsidiaries/operations	*31*	–	554
Lending to Group companies		–	-8 855
Repayment of loans from Group companies		6,815	–
Acquisition of financial assets		-204	–
Cash flow from investing activities		4,650	-10,462
Financing activities			
New share issue		5,178	2,340
Withdrawal of own shares		–	-1,821
Change in deposits from partners		-11,187	-69,721
Dividend paid to shareholders of the Parent company		-200,390	-208,165
Cash flow from financing activities		-206,399	-277,367
Cash flow for the year		-30,267	5,250
Cash and cash equivalents at the beginning of the year		374,884	369,634
Cash and cash equivalents at the end of the year	*30*	344,617	374,884

Notes

Note 1 Accounting policies

Amounts in SEK thousands unless otherwise indicated.

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's General Recommendations BFNAR 2012:1 Annual report and consolidated statements (K3).

The parent company applies the same accounting policies as the Group, except in those cases described below in the section "The parent company's accounting policies".

The accounting policies are unchanged from the previous year.

Assets, provisions and liabilities are measured at cost, unless otherwise stated below.

Intangible assets

Internally generated software
When capitalising expenses for development, the capitalisation model is applied. This means that expenses incurred during the development phase are recognised as assets when all of the following conditions are met:

- It is technically possible to finalise the intangible asset so that it will be available for use or sale.
- It is the intention to finalise the intangible asset and use or sell it.
- The conditions exist to use or sell the intangible asset.
- It is probable that the intangible asset will generate future economic benefits.
- Necessary and adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset can be measured reliably.

Other intangible assets
Other intangible assets consist mainly of acquired software and are recognised at cost less accumulated amortisation. Cost includes the initial purchase price, external consulting expenses and internally incurred expenditure on further development.

Amortisation
Amortisation is applied on a straight-line basis over the asset's estimated useful life, and begins when the asset is available for use. Amortisation is recognised as an expense in the income statement.

Internally generated intangible assets	*Useful life*
Internally generated software	4–5 years

Acquired intangible assets	*Useful life*
Acquired software	3–5 years
Licences	5 years
Goodwill	3–5 years

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment.
In addition to the purchase price, cost also includes expenses that are directly attributable to the acquisition.

Depreciation
Depreciation is applied on a straight-line basis over the asset's estimated useful life, as it reflects the expected pattern of consumption of the asset's future economic benefits. Depreciation is recognised as an expense in the income statement.

	Useful life
Leasehold improvements Remaining contract period	2–7 years
Equipment	3–6 years
Computers and major purchases of mobile phones	3–5 years
Cars	4–6 years

Impairment – property, plant and equipment, intangible assets and investments in Group companies

At each reporting date, an assessment is made of whether there is any indication that an asset's value is lower than its carrying amount. If such an indication exists, the asset's recoverable value is measured.

Leases

All leases are classified as finance or operating leases. A finance lease is a lease that transfers substantially all risks and rewards incidental to ownership of the asset from the lessor to the lessee. If this is not the case, the lease is classified as an operating lease.

Operating leases
All leases are recognised as operating leases. Lease payments are recognised in accordance with the payment plans.

Foreign currency

Foreign currency items
Monetary items in foreign currencies are translated at the exchange rates on the reporting date. Non-monetary items are not translated, rather they are recognised at the acquisition date rate.

Exchange rate differences arising on the settlement or translation of monetary items are recognised in the income statement in the financial year in which they arise.

Net investments in foreign operations
An exchange rate difference relating to a monetary item that forms part of a net investment in a foreign operation, and that is measured using the cost model, is recognised in the consolidated financial statements as a separate component directly in equity.

Translation of foreign operations
Assets and liabilities, including goodwill and other consolidated surplus and deficit values, are translated into the reporting currency at the closing day rate. Income and expenses are translated at the daily spot rate on the day for the business events, unless a rate that represents an approximation of the actual exchange rate is used (e.g. average rate for the period). Exchange rate differences arising on translation are recognised directly against equity.

Financial assets and liabilities

Financial assets and liabilities are recognised in accordance with Chapter 11 (Financial instruments measured at cost) in BFNAR 2012:1.

Recognition in and derecognition from the balance sheet
A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset is derecognised from the balance sheet when the contractual entitlement to receive the cash flow from the asset has expired or been settled. The same applies when the risks and rewards of ownership are substantially transferred to another party and the company no longer controls the financial asset. A financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled or expired.

Measurement of financial assets
At initial recognition, financial assets are measured at cost, including any transaction costs directly attributable to the acquisition of the asset.

Financial assets are subsequently measured at cost or the net realisable value at the reporting date, whichever is lower.

Trade receivables and other receivables that constitute current assets are measured individually at the amounts expected to be received.

Non-current financial assets are subsequently measured at cost less any impairment losses, and with the addition of any potential revaluations.

Measurement of financial liabilities
Financial liabilities are measured at accrued cost. Expenses that are directly attributable to borrowings adjust the loan's acquisition value and are allocated to a particular period using the effective interest method.

Average number of employees

The average number of employees is calculated by taking the total time worked and dividing this by theoretical working hours less absence.

Employee benefits

Post-employment benefits
Post-employment benefit plans are classified as either defined-contribution or defined-benefit.

In the case of defined-contribution plans, determined fees are paid to another entity, normally an insurance company, and the company no longer has any obligation to the employee once the contribution has been paid. The size of the employee's post-employment benefits depends on the contributions that have been paid, together with the investment returns arising from the contributions.

In the case of defined-benefit plans, the company has an obligation to provide the agreed benefits to present and former employees. The company essentially bears the risk of the benefits being higher than anticipated (actuarial risk), as well as the risk of the return on the assets differing from expectations (investment risk). An investment risk exists, even if the assets are transferred to another company.

Defined-contribution plans
The fees for defined-contribution plans are recognised as an expense. Unpaid contributions are recognised as a liability.

Defined-benefit plans
The company has opted to apply the simplification rules presented in BFNAR 2012:1.

Plans for which pension premiums are paid are recognised as defined-contribution plans, which means that the fees are expensed in the income statement.

Termination benefits

Termination benefits, to the extent that they do not provide the company with any future financial benefits, are only recognised as a liability and an expense when the company has a legal or informal obligation to either:

a) terminate the employment of an employee or group of employees before the normal time for the employment's termination, or

b) provide termination benefits as a result of offerings that encourage voluntary termination.

Termination benefits are only recognised when the company has a detailed plan for the termination and does not have any realistic possibility of cancelling the plan.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is income tax for the current financial year that relates taxable profit for the year, as well as the portion of the previous financial year's income tax that has not yet been recognised. Deferred tax is income tax for taxable profit in respect of future financial years as a result of previous transactions or events.

Deferred tax liabilities are recognised for all taxable temporary differences, although not for temporary differences attributable to initial recognition of goodwill. Deferred tax assets are recognised for deductible temporary differences and for the possibility of using tax loss carryforwards in the future. The measurement is based on the way in which the carrying amount of the corresponding asset or liability is expected to be recovered or settled. The amounts are based on the tax rates and tax rules that had been enacted as at the reporting date and have not been discounted to the present value. In the consolidated balance sheet, untaxed reserves are divided into deferred tax and equity.

In Latvia, tax is paid on distributed profits and non-deductible costs.

Provisions

A provision is recognised in the balance sheet when the company has a legal or informal obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of this amount can be made.

At initial recognition, provisions are measured at the best estimate of the amount that will be required to settle the obligation at the reporting date. The provisions are reviewed on every reporting date.

The provision is recognised at the present value of future payments that are required to settle the obligation, if the effect of when the payment is made is material.

Contingent liabilities

A contingent liability is:

- A potential obligation that arises or fails to arise as a result of past events, and whose existence will only be confirmed by one or more uncertain future events that are not wholly within the control of the company, or
- An existing obligation resulting from past events, but which is not recognised as a liability or provision as it is not probable that an outflow of resources will be required to settle the obligation or because the amount of the obligation cannot be estimated with sufficient reliability.

Contingent liabilities is a summary term for warranties, financial commitments and any obligations that are not recognised in the balance sheet.

Claims for damages

Claims for damages may be made against KPMG and individual auditors or advisers as a result of their professional practice. A provision is made in those cases where it is probable that a claim for damages will require an outflow of resources. For material claims for damages, information is provided in the Directors' report.

Revenue recognition and reporting of uninvoiced fees

The inflow of financial benefits that the company has received or will receive on its own behalf is recognised as revenue. Revenue is measured at the fair value of the consideration that has been or will be received, less any discounts.

The Group recognises service contracts on an ongoing basis as the work is performed.

Ongoing, uninvoiced service contracts are recognised in the balance sheet up to the estimated invoicing value of work performed. Fixed-price contracts are recognised based on the percentage of completion of the work.

Consolidated financial statements

Subsidiaries

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. A controlling influence implies an entitlement to formulate a company's financial and operational strategies in order to obtain economic benefits. The recognition of business combinations is based on the entity method. This means that the acquisition analysis is prepared on the date on which the acquiring party gains a controlling influence. From this point on, the acquiring party and the acquired entity are viewed as one accounting entity. The application of the entity method also means that all assets (including goodwill) and liabilities, as well as income and expenses, are also included in their entirety for partly-owned subsidiaries.

The cost of acquisition for subsidiaries is calculated as the sum of the fair value on the acquisition date of assets that have been paid for, liabilities incurred or assumed, issued equity instruments, expenses that are directly attributable to the business combination and any additional consideration. The acquisition analysis determines the fair value on the acquisition date of acquired identifiable assets, assumed liabilities and non-controlling interests, with a few exceptions. Non-controlling interests are measured at fair value on the acquisition date. The acquired company's income and expenses, identifiable assets and liabilities, as well as any goodwill or negative goodwill that has arisen , are included in the consolidated financial statements from the acquisition date.

Goodwill

Consolidated goodwill arises when the cost of acquired interests in subsidiaries exceeds the value of the acquired company's identifiable net assets as shown in the acquisition analysis. Goodwill is recognised at cost value less accumulated amortisation and any impairment losses.

Negative goodwill

Negative goodwill arises when the cost of acquired interests in a subsidiary is below the value of the acquired company's identifiable net assets as shown in the acquisition analysis.

Additional consideration

If, at the time of acquisition, it is probable that the purchase price will be adjusted at a later date and the amount can be reliably estimated, this amount must be included in the estimated final cost of the acquired entity.

Adjusting the value of the additional consideration within twelve months of the acquisition date has an impact on goodwill/negative goodwill. Adjustments more than twelve months after the acquisition date are recognised in the consolidated income statement.

Associated companies

Shareholdings in associated companies, in which the Group has a minimum of 20% and not more than 50% of the votes or otherwise has a significant influence over operational and financial governance, are recognised in accordance with the equity method. The equity method means that the Group's carrying amount for of shares in associated companies corresponds to the Group's share in the associated companies' equity, any residual values of consolidated surplus and deficit values, including goodwill and negative goodwill less any internal profits. In the consolidated income statement, the Group's share in the associated companies' profit after tax, adjusted for any depreciation or dissolution of acquired surplus or deficit values, including amortisation of goodwill/dissolution of negative goodwill, is recognised as "Share in associated companies' profit". Dividends received from associated companies reduce the carrying amount. Profit shares earned after the acquisitions of associated companies that have not yet realised through dividends are allocated to the equity fund.

The parent company's accounting policies

The parent company's accounting policies are consistent with the accounting policies set out above for the consolidated financial statements, except in the following cases.

Anticipated dividend

As the parent company holds more than half the votes for all shares in the subsidiary, dividends are recognised when the entitlement to receive dividends is established and the amount can be calculated reliably.

Group and shareholder contributions

Group contributions that have been received/submitted are recognised as an appropriation in the income statement. The received/submitted Group contributions have affected the company's current tax.

Repaid shareholder contributions are recognised in the balance sheet as a reduction in the carrying amount of the shareholding.

Note 2 Accounting estimates and judgements

The preparation of financial statements and the application of accounting policies are based on the management's judgements, estimates and assumptions that are considered reasonable and correctly assessed at the time they were made. The most important assumptions about the future, and other significant sources of uncertainty in estimates on the reporting date, are described below.

Trade receivables

The Group performs regular analyses of the risk in outstanding receivables, and impairment losses are recognised for doubtful receivables.

Accrued income, not invoiced

The Group regularly evaluates income that has been earned but not invoiced. An assessment is conducted of the amount that is expected to be received, and any difference is recognised as a provision.

Goodwill

The management makes judgements related to acquisitions that have been made. The purchase consideration is allocated into identifiable assets, liabilities and contingent liabilities measured at fair value. Excess amounts are recognised as goodwill.

Impairment testing is carried out as soon as there is an indication that the asset has decreased in value, and at least annually.

Claims for damages

In the event of claims for damages, external lawyers are engaged to support the assessment.

Estimates and judgements made during the financial year can also be found in the Directors' report.

Note 3 Net sales by business segment and geographical market

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Group		
Net sales by business segment		
Audit	1,419,419	1,181,339
Advisory	1,530,507	1,380,989
	2,949,926	2,562,328
Net sales by geographical market		
Sweden	2,767,161	2,524,785
Latvia	99,516	37,543
Lithuania	83,249	–
	2,949,926	2,562,328

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Parent company		
Net sales by business segment		
Intra-Group sales	7,796	11,103
	7,796	11,103
Net sales by geographical market		
Sweden	7,796	11,103
	7,796	11,103

Note 4 Other operating income

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Group		
Exchange rate gains on operating assets/liabilities	2,691	7,610
Revenue, external exchange rates	3,101	-115
Revenue, Law firm, Latvia and Lithuania	3,355	982
Capital gain on the sale of operations	8,448	–
Gain on the sale of equipment	1,629	260
Other	4,168	3,445
	23,392	12,412

Note 5 Auditors' fees and expenses

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Group		
Mazars AB		
Audit services	465	541
Audit activities in addition to the audit assignment	–	40
	465	581
BDO		
Audit services	175	135
	175	135
SIA PKF Latvia		
Audit services	51	50
	51	50
UAB Ecovis Proventus		
Audit services	41	–
	41	–
Group total	732	766

The parent company's audit fees are borne by KPMG AB.

Audit services refer to the statutory audit of the annual report and the accounting records, the administration by the Board of Directors and the CEO, as well as any auditing and other reviews performed in accordance with agreements or contracts.

This includes other procedures required to be carried out by the company's auditors, as well as advice or other assistance arising from observations made during the audit or while performing such other procedures.

Note 6 Employees, staff costs and fees to the Board of Directors

	01/10/2020 -30/09/2021	*of which men*	01/10/2019 -30/09/2020	*of which men*
Average number of employees				
Parent company				
Sweden	7	57%	8	69%
Parent company total	7	57%	8	69%
Subsidiaries				
Sweden	1,542	49%	1,487	49%
Latvia	199	35%	90	35%
Lithuania	175	31%	–	0%
Subsidiaries total	1,916	46%	1,577	49%
Group total	1,923	46%	1,585	49%

Gender distribution among senior executives	30/09/2021 *Proportion of women*	30/09/2020 *Proportion of women*
Parent company		
Board of Directors	31%	29%
Group total		
Board of Directors	31%	29%
Other senior executives	56%	36%

Salaries and other benefits, as well as social security contributions, including pension costs

	01/10/2020 – 30/09/2021		01/10/2019 – 30/09/2020	
	Salaries and benefits	Social security contributions	Salaries and benefits	Social security contributions
Parent company	5,798	1,910	7,943	3,041
(of which pension costs)		(444)		(911)
Subsidiaries	1,132,134	545,456	953,326	496,923
(of which pension costs)		(162,100)		(150,982)
Group total	1,137,932	547,366	961,269	499,964
(of which pension costs)		(162,544)		(151,893)

Salaries and other benefits divided between Board members etc. and other employees

	01/10/2020 – 30/09/2021		01/10/2019 – 30/09/2020	
	Board, CEO and Deputy CEOs	Other employees	Board, CEO and Deputy CEOs	Other employees
Parent company	–	5,798	–	7,943
Subsidiaries	7,412	1,124,722	12,083	941,243
(of which bonuses etc.)	(–)	(–)	(–)	(–)
Group total	7,412	1,130,520	12,083	949,186

All Board members work as auditors and consultants in the subsidiary KPMG AB.

All persons in the company's management are members of contractual pension plans.
According to their employment contracts, a mutual notice period of six months generally applies.

Note 7 Operating leases

	30/09/2021	30/09/2020
Leases where the company is the lessee		
Group		
Future minimum lease fees in respect of non-cancellable operating leases		
Within one year	126,487	132,852
One to five years	282,659	192,486
After five years	206,610	22,774
	615,756	348,112

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Expensed lease payments for the financial year	137,073	133,571

The lease payments essentially relate to costs for renting premises.

Note 8 Profit/loss from investments in Group companies

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Dividend	12,685	28,966
Capital gain/loss on the disposal of investments	–	-513
Impairment losses	–	-200
Anticipated dividend	282,022	126,862
	294,707	155,115

Note 9 Interest and similar income

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Group		
Interest income, trade receivables	1,251	1,371
Interest income, other	20	16
Other	324	–
	1,595	1,387
Parent company		
Interest income, Group companies	1,871	1,776
Interest income, other	20	16
	1,891	1,792

Note 10 Interest and similar expenses

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Group		
Interest expenses, trade payables	-116	-26
Interest expenses, partner funds	-11,229	-12,482
Interest expenses, tax account	–	-76
Other	-864	-1,102
	-12,209	-13,686
Parent company		
Interest expenses, partner funds	-11,229	-12,482
Other	-346	-784
	-11,575	-13,266

Note 11 Tax on profit/loss for the year

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Group		
Current tax expense	-76,264	-70,528
Deferred tax	-10,678	10,843
	-86,942	-59,685

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Parent company		
Current tax expense	-7,471	-8,238
	-7,471	-8,238

Reconciliation of effective tax	01/10/2020 -30/09/2021		01/10/2019 -30/09/2020	
	Per cent	*Amount*	*Per cent*	*Amount*
Group				
Profit before tax		413,485		261,733
Tax according to parent company's applicable tax rate	21.4%	-88,486	21.4%	-56,011
Effect of other tax rates for foreign subsidiaries	-0.6%	2,547	0.0%	16
Amortisation of consolidated goodwill	0.2%	-665	0.2%	-601
Other Group adjustments	0.0%	6	0.0%	47
Other non-deductible expenses	0.5%	-2,074	1.2%	-3,163
Non-taxable income	-0.1%	282	0.0%	–
Increase in loss carryforwards with no corresponding capitalisation of deferred tax	0.0%	–	0.0%	18
Utilisation of previously uncapitalised loss carryforwards	0.0%	75	0.0%	–
Tax attributable to previous years	0.0%	-171	0.0%	-111
Effect of changes to tax rates and tax rules	-0.3%	1,442	0.0%	-10
Costs to be deducted but not included in the recognised profit	0.0%	101	-0.1%	133
Other	0.0%	1	0.0%	-3
Recognised effective tax	21.0%	-86,942	22.8%	-59,685

	01/10/2020 -30/09/2021		01/10/2019 -30/09/2020	
	Per cent	*Amount*	*Per cent*	*Amount*
Parent company				
Profit before tax		329,620		193,609
Tax according to parent company's applicable tax rate	21.4%	-70,539	21.4%	-41,432
Non-deductible expenses	0.0%	–	0.1%	-153
Non-taxable income	-19.1%	63,068	-17.2%	33,347
Recognised effective tax	2.3%	-7,471	4.3%	-8,238

Note 12 Internally generated software

	30/09/2021	30/09/2020
Group		
Accumulated cost		
At the beginning of the year	78,063	39,570
Internally generated assets	8,152	38,493
Sales and disposals	-12,364	–
Reclassifications	-16	–
At the end of the year	73,835	78,063
Accumulated amortisation		
At the beginning of the year	-24,831	-19,697
Reversal of amortisation on sales and disposals	1,760	–
Amortisation for the year	-9,824	-5,134
At the end of the year	-32,895	-24,831
Carrying amount at the end of the year	40,940	53,232

Of assets generated internally during the year, SEK 5,712 (38,447) thousand relates to assets under development, for which amortisation has not begun. Part of the internally generated software has been divested during the year, with sale proceeds amounting to just over SEK 12.2 million.

Note 13 Acquired software

	30/09/2021	30/09/2020
Group		
Accumulated cost		
At the beginning of the year	5,726	1,435
Business combinations	291	–
New acquisitions	8,203	4,291
Translation differences for the year	-11	–
At the end of the year	14,209	5,726
Accumulated amortisation		
At the beginning of the year	–	–
Business combinations	-132	–
Amortisation for the year	-1,453	–
Translation differences for the year	5	–
At the end of the year	-1,580	–
Carrying amount at the end of the year	12,629	5,726

Of the year's remaining acquired software, SEK 0 (5,726) thousand relates to assets under development, for which amortisation has not begun.

Note 14 Licences

	30/09/2021	30/09/2020
Group		
Accumulated cost		
At the beginning of the year	651	651
At the end of the year	651	651
Accumulated amortisation		
At the beginning of the year	-445	-315
Amortisation for the year	-130	-130
At the end of the year	-575	-445
Carrying amount at the end of the year	76	206

Note 15 Goodwill

	30/09/2021	30/09/2020
Group		
Accumulated cost		
At the beginning of the year	53,215	84,268
Acquisition of business assets/operations	4,916	–
Disposals and discontinuation of operations	-28,099	-31,053
Translation differences for the year	-93	–
At the end of the year	29,939	53,215
Accumulated amortisation		
At the beginning of the year	-41,330	-69,425
Disposals and discontinuation of operations	28,099	31,053
Amortisation for the year	-4,374	-2,958
Translation differences for the year	19	–
At the end of the year	-17,586	-41,330
Accumulated impairment losses		
At the beginning of the year	-2,000	-2,000
At the end of the year	-2,000	-2,000
Carrying amount at the end of the year	10,353	9,885

Note 16 Leasehold improvements

	30/09/2021	30/09/2020
Group		
Accumulated cost		
At the beginning of the year	16,675	17,536
New acquisitions	258	1,155
Sales and disposals	-1,533	-2,016
At the end of the year	15,400	16,675
Accumulated depreciation		
At the beginning of the year	-9,336	-7,604
Reversal of depreciation on sales and disposals	1,227	1,004
Reclassifications	–	37
Depreciation for the year	-2,709	-2,773
At the end of the year	-10,818	-9,336
Carrying amount at the end of the year	4,582	7,339

Note 17 Equipment, tools, fixtures and fittings

	30/09/2021	30/09/2020
Group		
Accumulated cost		
At the beginning of the year	111,502	105,732
New acquisitions	5,734	12,053
Business combinations	4,637	2,406
Sales and disposals	-7,635	-8,578
Translation differences for the year	-238	-111
At the end of the year	114,000	111,502
Accumulated depreciation		
At the beginning of the year	-76,224	-64,465
Business combinations	-4,151	-1,745
Reversal of depreciation on sales and disposals	5,855	7,386
Reclassifications	–	-37
Depreciation for the year	-16,781	-17,444
Translation differences for the year	196	81
At the end of the year	-91,105	-76,224
Carrying amount at the end of the year	22,895	35,278

Note 18 Investments in Group companies

	30/09/2021	30/09/2020
Accumulated cost		
At the beginning of the year	258,960	259,828
Capital contributions	–	200
Disposals	–	-1,068
At the end of the year	258,960	258,960
Accumulated impairment losses		
At the beginning of the year	-33,489	-33,289
Impairment losses for the year	–	-200
At the end of the year	-33,489	-33,489
Carrying amount at the end of the year	225,471	225,471

Specification of the parent company's and the Group's holdings of shares in Group companies

			30/09/2021	30/09/2020
Subsidiary / Reg. no. / Registered office	*Number of shares*	*Holding, % **	*Carrying amount*	*Carrying amount*
KPMG AB, 556043-4465, Stockholm	21,240	100.0	180,301	180,301
KPMG Baltics AS, 40003235171, Riga				
KPMG Baltics UAB, 111494971, Vilnius				
Bohlinsgruppen i Sverige Försäkring AB, 516406-0211, Stockholm	10,000	100.0	45,000	45,000
Bohlins Revisionsbyrå AB, 556046-1641, Stockholm	1,000	100.0	120	120
Everdon Security AB, 556986-2278, Stockholm	500	100.0	50	50
			225,471	225,471

*Refers to the ownership share, which also corresponds to the share of votes for the total number of shares.

KPMG AB acquired KPMG Baltics UAB (111494971) during the year, at a value of SEK 3,172 thousand.

KPMG AB acquired KPMG Baltics AS (40003235171) during the previous year, at a value of SEK 2,575 thousand. The purchase price has been adjusted by SEK 27 thousand during this year.

During the previous financial year, the operations in Everdon Security AB have been transferred in their entirety to KPMG AB. PDS Research International Consultants (556546-8575), Bohlinsgruppen i Örebro (556317-4068), Sveriges Revision (556286-8082), Nässjö Ekonomihus (556513-6750), Bohlinsgruppen i Stockholm (556943-4805) and Krenkoria (559147-5818) were sold during the previous year.

Note 19 Receivables from Group companies

	30/09/2021	30/09/2020
Parent company		
Accumulated cost		
At the beginning of the year	6,325	–
Additional receivables	–	10,077
Settled receivables	-5,987	-637
Reclassifications	–	-2,530
Translation differences for the year	-338	-585
At the end of the year	–	6,325
Carrying amount at the end of the year	–	6,325

Note 20 Investments in associated companies and jointly controlled companies

	30/09/2021	30/09/2020
Group		
Accumulated cost		
Acquisitions	204	–
At the end of the year	204	–
Carrying amount at the end of the year	204	–
Parent company		
Accumulated cost		
Acquisitions	204	–
At the end of the year	204	–
Carrying amount at the end of the year	204	–

30/09/2021

Associated companies / Reg. no. / Registered office	*Adjusted equity / Profit for the year*	*Holding / Number as a %*	*Capital portion's value in the Group*	*Carrying amount of the parent company*
Directly owned				
KPMG Nordic Services OÜ, 16121740, Tallin, Estonia	0	20.0	204	204
			204	204

Note 21 Other securities held as non-current assets

	30/09/2021	30/09/2020
Group		
Accumulated cost		
At the beginning of the year	647	647
At the end of the year	647	647
Carrying amount at the end of the year	647	647

Note 22 Prepaid expenses and accrued income

	30/09/2021	30/09/2020
Group		
Rent	24,484	24,564
Insurance	17,142	16,663
IT, software and licensing costs	7,058	3,819
Rental of computers, mobile phones and conference equipment	3,786	3,832
Accrued income	837	1,313
Other items	13,478	8,812
	66,785	59,003
Parent company		
Accrued interest income	21	16
	21	16

Note 23 Appropriation of profit

Proposed appropriation of the company's profit

The Board of Directors proposes that unrestricted equity, SEK 451,484,260, be distributed as follows:

Dividend (70,700 shares x SEK 4,489 per share)	317,372,300
Carried forward	134,111,960
Total	451,484,260

Note 24 Number of shares and par value

	30/09/2021	30/09/2020
Class A shares		
Number of shares	600	600
Par value	152.69	152.69
Class B shares		
Number of shares	70,167	67,933
Par value	152.69	152.69

During the year, a new share issue has been registered with 2,234 Class B shares.

The withdrawal of 1,067 shares was registered on 22 October 2021, as had been decided earlier in the financial year.

According to the Swedish Companies Registration Office, the number of registered Class B shares as of 30 September 2020 stood at 67,883.
As of 2 October 2020, a new share issue of 50 shares has been registered, which was submitted in August 2020.
This new share issue has been taken into account in the previous year's number of shares.

Class C shares		
Number of shares	1,000	1,000
Par value	152.69	152.69

Note 25 Provisions for pensions and similar obligations

	30/09/2021	30/09/2020
Group		
Carrying amount at the beginning of the year	2,334	3,155
Amounts used during the year	-648	-821
Carrying amount at the end of the year	1,686	2,334

Note 26 Deferred tax

		30/09/2021	
	Deferred tax assets	Deferred tax liabilities	Net
Group			
Essential temporary differences			
Equipment	1,074	–	1,074
Tax value of work in progress	–	35,398	-35,398
Pension provisions	347	–	347
Other	1,756	–	1,756
Deferred tax on untaxed reserves	–	2,465	-2,465
Deferred tax assets/liabilities	3,177	37,863	-34,686

		30/09/2020	
	Deferred tax assets	Deferred tax liabilities	Net
Group			
Essential temporary differences			
Equipment	603	–	603
Tax value of work in progress	–	24,955	-24 955
Pension provisions	486	–	486
Other	1,968	–	1,968
Deferred tax on untaxed reserves	–	2,465	-2,465
Deferred tax assets/liabilities	3,057	27,420	-24,363

Note 27 Accrued expenses and prepaid income

	30/09/2021	30/09/2020
Group		
Accrued salaries, holiday and overtime pay	257,404	196,743
Accrued social security contributions including payroll tax	152,494	132,304
Other items	34,990	38,443
	444,888	367,490
Parent company		
Accrued salaries, holiday and overtime pay	850	1,184
Accrued social security contributions including payroll tax	595	839
Other items	–	1,961
	1,445	3,984

Note 28 Pledged assets and contingent liabilities

	30/09/2021	30/09/2020
Group		
Pledged assets	10,711	11,068
Contingent liabilities	None	None

Pledged assets refer to an unused overdraft facility in KPMG Baltics AS.

Parent company		
Pledged assets	None	None
Contingent liabilities	None	None

Note 29 Interest received and paid

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Group		
Interest received	1,582	1,371
Interest paid	-4,109	-5,094
Parent company		
Interest received	1,878	1,775
Interest paid	-3,475	-4,673

Note 30 Cash and cash equivalents

	30/09/2021	30/09/2020
Group		
The following components are included in cash and cash equivalents:		
Bank balances	772,050	655,278
	772,050	655,278

The above items have been classified as cash and cash equivalents on the basis that:
– They have an insignificant risk of fluctuations in value.
– They can be readily converted into cash.
– They have a maturity of not more than 3 months from the date of acquisition.

There are also unused overdraft facilities of SEK 200 (200) million in KPMG AB and EUR 750 (750) thousand in KPMG Baltics AS.

	30/09/2021	30/09/2020
Parent company		
The following components are included in cash and cash equivalents:		
Bank balances	344,617	374,884
	344,617	374,884

The above items have been classified as cash and cash equivalents on the basis that:
– They have an insignificant risk of fluctuations in value.
– They can be readily converted into cash.
– They have a maturity of not more than 3 months from the date of acquisition.

Note 31 Other information for the cash flow statement

Adjustment for non-cash items etc.	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Group		
Depreciation/amortisation	35,271	28,439
Capital gain/loss on the sale of non-current assets	450	1,385
Capital gain/loss on the sale of subsidiaries/operations	-8,448	90
Other items not affecting cash flow	-648	-821
	26,625	29,093

	01/10/2020 -30/09/2021	01/10/2019 -30/09/2020
Parent company		
Capital gain/loss on the sale of operations/subsidiaries	–	513
Impairment of shares in subsidiaries	–	200
Anticipated dividends from subsidiaries	-282,022	-126,862
	-282,022	-126,149

Acquisition of subsidiaries/operations, net impact on liquidity	30/09/2021	30/09/2020
Group		
Acquired assets and liabilities as well as equity		
Intangible assets	5,075	0
Property, plant and equipment	486	661
Deferred tax assets	369	–
Accrued income, not invoiced	2,369	4,319
Operating receivables	7,142	22,010
Cash and cash equivalents	3,029	-422
Total assets	18,470	26,568
Operating liabilities	12,821	23,993
Total provisions and liabilities	12,821	23,993
Purchase consideration	5,649	2,575
Contingent consideration paid	1,961	1,961
Final consideration paid	933	–
Less: Preliminary consideration not paid	–	-960
Purchase consideration paid	8,543	3,576
Less: Cash and cash equivalents in the acquired operation	-3,029	422
Impact on cash and cash equivalents	5,514	3,998

Operating liabilities for the previous year include negative goodwill of SEK 308 thousand.
In connection with the acquisition in the previous year, lending was provided to the subsequently acquired Group company.

	30/09/2021	30/09/2020
Parent company		
Contingent consideration paid	1,961	1,961
Purchase consideration paid	1,961	1,961
Impact on cash and cash equivalents	1,961	1,961

Disposal of subsidiaries/operations, net impact on liquidity	30/09/2021	30/09/2020
Group		
Divested assets and liabilities		
Cash and cash equivalents	–	644
Total assets	–	644
Net selling price	8,448	554
Contingent consideration received	–	300
Less: Cash and cash equivalents in the sold operation	–	-644
Purchase consideration received	8,448	210
	8,448	210

	30/09/2021	30/09/2020
Parent company		
Divested assets and liabilities		
Financial assets	–	1,068
Total assets	–	1,068
Selling/liquidation	–	554
Purchase consideration received	–	554
Impact on cash and cash equivalents	–	554

Note 32 Group information

Intra-Group purchases and sales

Of the total revenue in the parent company, 100% has been invoiced to other companies within the Bohlinsgruppen Group. There have been no intra-Group purchases.

Note 33 Significant events after the end of the financial year

No significant events have occurred after the end of the financial year.

Note 34 Definition of key figures

Operating margin:	Operating profit divided by net sales
Total assets:	Total assets in the balance sheet
Equity/assets ratio:	Total equity and deferred tax divided by total assets
Net sales per employee:	Net sales divided by the average number of employees
Staff cost per employee:	Staff cost divided by the average number of employees

Stockholm, 12 November 2021

Patrik Anderbro
Chief Executive Officer

Anders Bäckström
Board member

Mattias Eriksson
Board member

Susann Lundström
Board member

Nigel Rouse
Board member

Fredrik Waern
Board member

Helena Arvidsson Älgne
Chairman of the Board

Our Audit Report was submitted on 12 November 2021
Mazars AB

Michael Olsson
Authorised Public Accountant

Audit Report

To the General Meeting of Bohlinsgruppen AB,
reg. no. 556360-5301

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts for Bohlinsgruppen AB for the financial year 1 October 2020 – 30 September 2021. The company's annual accounts are included on pages 20–55 of this document.

In our opinion, the annual accounts and 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 parent company and the Group at 30 September 2021, and their financial performance and cash flow for the year in accordance with the Annual Accounts Act.

We therefore recommend that the General Meeting of shareholders adopt the income statements and balance sheets for the parent company and the Group.

Basis for opinions
We conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibility in accordance with these requirements.

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

Information other than the annual accounts
The Board of Directors and the CEO are responsible for this other information. The other information comprises pages 2–19 of the published annual report. Our opinion on the annual accounts does not cover this other information, and we do not express any form of assurance or conclusion regarding this other information. In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information appears to contain material misstatements. If, based on the work performed concerning this information, we conclude that this other information contains a material misstatement, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer
The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue as a going conern. They disclose, as applicable, matters related to the going concern and the use of the going concern basis of accounting.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of certainty, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise as a result of fraud or error, and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As a part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal controls.
- obtain an understanding of that part of the company's internal control that is relevant to our audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors and the CEO.
- draw a conclusion on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause a company and a Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors, among other matters, about the planned scope, emphasis and timing of the audit. We must also provide information about significant audit findings, including any significant deficiencies in internal control we have identified.

Report on other statutory requirements and other provisions

Opinions

In addition to our audit of the annual accounts and the consolidated accounts, we have also audited the Board of Directors' and the CEO's administration of Bohlinsgruppen AB for the financial year 1 October 2020 – 30 September 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the Directors' report and that the members of the Board and the 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 responsibilities in this are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibility in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal concerning the appropriation of the company's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the company's and the Group's operations place on the size of the parent company's and the 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 its affairs. This includes continuous assessment of the company's and Group's financial situation and ensuring that the company's organisation is designed so that accounting, asset management and the company's financial affairs are otherwise controlled in a satisfactory manner. The CEO must manage the ongoing administration according to the Board of Directors' guidelines and instructions, and take the actions that are necessary to fulfil the company's accounting in accordance with the law and to conduct the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO, in any material respect, has:

- undertaken any action or been guilty of any omission that could give rise to liability to the company, or
- in any other way acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriation of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is consistent with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to a liability to the company, or that the proposed appropriation of the company's profit or loss is not consistent with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriation of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement, on the basis of risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations or violations would have particular importance for the company's situation. We examine and test decisions made, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion concerning the Board's proposed appropriation of the company's profit or loss, we have examined the Board's reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is consistent with the Swedish Companies Act.

Auditor's opinion regarding the statutory sustainability report
The Board of Directors is responsible for the sustainability report on pages 14–19 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's recommendation *RevR 12, The auditor's opinion on the statutory sustainability report.* This means that our examination of the sustainability report has a different focus and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We consider that the examination provides us with adequate grounds for our opinion.

A sustainability report has been prepared.

Stockholm, 12 November 2021

Mazars AB

Michael Olsson
Authorised Public Accountant

KPMG

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