



ANNUAL REPORT AND SUSTAINABILITY REPORT BUSINESS SWEDEN

*SWEDISH TRADE AND INVEST COUNCIL
2022 FINANCIAL YEAR*

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Business Sweden help Swedish companies grow global sales and international companies invest and expand in Sweden.*

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A WORD FROM THE CEO

PROMOTING TRADE, JOBS AND SUSTAIN- ABILITY IN A TURBULENT WORLD

We embarked upon 2022 with both confidence and hope. The vaccines were working. And the world was slowly starting to open up again. Economic forecasts were positive as well. Suddenly, after a long period of not being able to gather in larger groups, we could travel again, go to restaurants and cafés, and return to the workplace. There was a certain euphoria in the air, and joy over being able to have real human interaction again, rather than just screen time. Things seemed to be returning to normal.

Then, the hits started coming again, one after the other:

- Russia's unprovoked and deplorable invasion of Ukraine caused the unthinkable to happen – a full-scale war on the European continent.
- Next, came the energy crisis, with sky-rocketing electricity prices, risk of blackouts and a challenging business climate.
- Inflation then reached a level we hadn't seen in 30 years, with rapidly escalating interest rates that quickly quashed both consumption and investment calculations.
- With rising geopolitical tension and new protectionist initiatives, more and more countries started considering ways of protecting their domestic economy by imposing trade barriers.
- Of course, throughout the world, we also still had our concerns about climate change and natural disasters.

By year end, recession appeared imminent for most parts of the world. But perhaps worst in Europe, which has been hardest hit by the war in Ukraine.

For Business Sweden, we sum up 2022 with one word: benefit. Rarely have we been able to provide as much benefit to Swedish companies and the Swedish society as we have in 2022. Business Sweden's ability to perform tasks and deliver services throughout the world became a natural and valuable alternative when the COVID-19 pandemic and geopolitical uncertainty prevented companies from being able to be physically present themselves.



JAN LARSSON
CEO
Business Sweden

SUCCESSFUL PROMOTION

It was a very active year, to say the least! Perhaps most spectacular of all was the *Join Sweden Summit*, which was the large investment conference arranged by the Government and Business Sweden in June. Around 175 different foreign company representatives attended the two-day event. The programme included speeches by the Crown Princess, the Swedish Prime Minister, and many other company leaders, ministers and heads of public authorities. Several foreign investors shared their views on doing business in Sweden as well.

There were also around 1,200 participants from 71 countries registered to participate in the digital version of the summit, which included special programmes and adapted presentations. The feedback we received from participants was overwhelmingly positive, from both those physically in attendance and those who joined in the digital forum.

Other great examples of Business Sweden's strong project leadership and professionalism in conjunction with major, complex events include our efforts with the Swedish pavilion at COP27 in Egypt, Expo 2020 in Dubai and Stockholm+50.

We also collaborated with the Swedish Energy Agency and Vinnova during the year to set up a new office in Washington DC (USA), which we have named *Sweden-U.S. Green Transition Initiative*. Our intention is for the initiative to serve as an anchor for Swedish interests in the rapid transformation to a sustainable economy that the USA is undergoing. We had gotten the office set up in the USA perfectly timed with the Inflation Reduction Act finally getting passed by Congress.

In Sweden, we've grown as well, going from representation at four locations to ten, which enables us to work closely with the small companies that we have been given a mission to assist.

We've also played an important role for many other companies, helping them with registration, accounting and reporting in the various markets. Furthermore, we have supported hundreds of companies with advice on everything from setting up production facilities to sales strategies in new markets.

RESULTS AND EFFECT

We also generate benefits for the social economy. Comparison studies from Damvad Analytics show that, on average, those who participated in the Business Sweden small company programme, achieved sales that were 27 percent higher, with 6 percent more employees and 31 percent higher export sales three years later. The average cost of the small company programme over the last three years has been SEK 84 million for Business Sweden. According to the analysis, it is an investment that has contributed to higher tax revenue of SEK 975 million per year. I'm quite proud of that.

For our export promotion activities, one out of every five companies that participated in one of our activities during the year won business due as a direct result and four out of five said that they anticipate that deals will result. The long-term, strategic, mega company programme is another of our initiatives and it has generated business for Swedish companies to the tune of more than SEK 5 billion in business value.

Investment promotion has also contributed to our overall objectives. Overall, investments that Business Sweden supported in 2022 are expected to contribute to nearly 4,500 new jobs in the Swedish economy already in 2023.

PURPOSE-DRIVEN GROWTH

We also launched the next step in Business Sweden's strategic journey, with the aim of increasing our ability to reach out to companies, quickly act in times of geopolitical uncertainty and become a more attractive employer. We call it purpose-driven growth. The obvious starting point is the commission we have

been assigned to carry out, as it is formulated in the agreement between the Swedish State and the business community – to stimulate economic growth and employment by supporting Swedish exports and internationalisation, and to attract foreign investments. As long as everything we do supports the purpose, a growing organisation will also mean that we are better able to fulfil our assigned commission. That is why we want to grow. We do not, however, want to grow at any cost. Growth needs to be achieved in a way that contributes to Business Sweden's financial stability and enhances both customer value and long-term sustainable development.

EMPLOYEES

The employee turnover rate was high during the year at essentially all professional service companies around the world, including Business Sweden. It makes me happy to see how attractive Business Sweden's former employees are in the labour market, even though a gap is left in the form of experience and expertise each time one of them moves on. In 2022, Business Sweden succeeded in attracting much new talent to the organisation in the form of highly experienced managers and skilled employees.

To further boost our attractiveness as an employer, we took a close look at inclusion and diversity at all of Business Sweden's offices. The analyses revealed a number of areas where we can improve. So, with that in mind, we started up efforts in 2023 to implement some concrete measures for improving equality within the organisation.

Despite the challenging situation in the world, we managed to substantially increase our sales in 2022, well above our long-term target of achieving an average of five percent sales growth per year. In fact, our sales grew by 13,5 percent to SEK 809 million in 2022. Our sales were extremely good through September, after which they fell back to lower levels. All of this, together with the economic forecasts for 2023, means that we will be putting a great deal of focus on business development over the next few years.

The growth we have achieved would not have been possible without the hard work and initiative of all our employees. Despite the challenging circumstances, they were able to deliver extremely good results. I am so delighted and proud! I genuinely want to thank each and every one of our employees for their efforts!

LOOKING TOWARDS 2023

In 2023, Business Sweden's most important task will be helping Swedish companies navigate the still complex and difficult economic and geopolitical situation. Despite the major uncertainties, we will be striving to achieve even higher sales and deliver even more value to Swedish companies and Swedish society. I'm looking forward to our joint efforts with Swedish companies of continuing to focus on sustainability and deriving benefits from the many areas where Sweden is world-leading.

We are also ready to strengthen the ties between trade and assistance, in line with what has been stipulated by the Government. We see major benefits in being able to assist Swedish companies in taking advantage of opportunities that will arise as China opens up again and the ripple effects of major investments in sustainability such as the US Inflation Reduction Act, Next Generation EU, Gati Shakti in India and Neom City in Saudi Arabia. Most of all though, I hope for peace in Ukraine. There are many well-intentioned forces in Sweden that are eager to get involved in creating tolerable conditions there, and helping the Ukrainian people rebuild their country as soon as possible.

Stockholm, February 2023

Jan Larsson
CEO, Business Sweden



ABOUT BUSINESS SWEDEN

Business Sweden was created on 1 January 2013 by merging the Swedish Trade Council and Invest Sweden. The organisation has two owners, the Swedish State and the private business community in Sweden. The State is represented by the Swedish Ministry for Foreign Affairs and the business community by the Swedish Foreign Trade Association. Business Sweden gets its assignments from the Swedish State and Swedish companies. The combination of the State commission and the consultancy services offered to companies on market terms means that Business Sweden is able to meet the needs of the Swedish business community in all phases of the internationalisation process, regardless of company size. The company-specific commissions also enhance the State commission as they permit greater presence on foreign markets and broader exposure for the business community, which benefits both export and investment promotion. In turn, the State commission means that Business Sweden enjoys unique proximity to Government Offices and decision makers in other countries.

AIM

Business Sweden helps Swedish companies increase their global sales and foreign companies invest and expand in Sweden. For Swedish companies, this means they can shorten the lead time to new markets, find new income streams and reduce risk in their international expansion. For foreign companies, Business Sweden identifies new business opportunities, facilitates the investment process and offers information and practical support.

Business Sweden had 43 offices in 36 countries outside Sweden in 2022. We work with Swedish embassies, consulates, chambers of commerce and other local networks to promote the internationalisation of Swedish business.

In Sweden, Business Sweden has its head

office in Stockholm, as well as offices in Gothenburg, Karlskrona, Linköping, Luleå, Malmö, Mora, Umeå, Växjö, and Örebro.

VISION AND STRATEGIC OBJECTIVES

Business Sweden's commission, as formulated in the agreement between the Swedish State and the Swedish Foreign Trade Association (SFTA), is to stimulate economic growth and employment by supporting and promoting Swedish exports and internationalisation, and to attract foreign business investments to Sweden and collaboration with Swedish companies to increase access to foreign capital, expertise and markets for Swedish business. Business Sweden is a world-class promotion body. Business Sweden's overall strategy, "Purpose-driven growth", is how it plans on fulfilling its purpose and achieving the commission it has been assigned in the contract between the Swedish State and SFTA. Business Sweden strives to grow the organisation's revenue provided that, in doing so, it contributes to jobs and growth in Sweden, sustainable development, customer value and a stable financial situation for Business Sweden. With those prerequisites met, the more active Business Sweden is, the better it will be able to achieve its goals and generate benefits to its stakeholders.

The strategy has been formulated to balance the various goals of the organisation, which are: (1) Both long-term delivery on its assignment from the State and direct business value for its private customers, (2) Both societal benefits and the need of a surplus for financial stability and competitive neutrality, (3) Both investment perspective and export perspective, (4) Both the need of having a widely dispersed network of offices represented even in difficult markets and requirements on effective management of the organisation.

To ensure that it is aligned with its purpose, Business Sweden strives to deliver on four overall operational goals.

- **Number of jobs created**
Business Sweden follows up on the number of jobs either created or saved in Sweden as a result of its investment and export promotion efforts.
- **Export growth**
Business Sweden follows up on how its organisation has contributed to export growth and major individual export orders.
- **Effect of promotion**
Business Sweden also measures the percentage of customer companies which, having participated in one of Business Sweden's initiatives, is subsequently better equipped for success in their international expansion.
- **Promoting sustainable business**
We follow up on how we impact Sweden's global contribution to Agenda 2030 and the Paris Agreement by proactively accelerate Swedish exports of sustainable solutions, increasing the share of sustainable investments in Sweden, promote responsible business conduct and position Sweden and Swedish industry as leaders in sustainability and innovation. Efforts to integrate the sustainability strategy into the global business strategy and develop methodology and processes to measure and increase the sustainability and climate benefits of the promotion efforts are ongoing and prioritized.

STRATEGIC FOCUS

Business Sweden's efforts are focused on the following activities to achieve the overall goals:

- Enhancing investment promotion to boost Sweden's future competitiveness.
- Working hard to ensure that Swedish companies participate in the biggest international business deals.
- Enhancing motivation among companies in Sweden, in particular small and medium-sized companies, to increase their global sales.
- Focusing promotion activities on markets with the greatest export and investment potential for Sweden, paying particular

attention to the potential on emerging markets.

- Focusing advice on leading companies with high international potential, both Swedish and foreign companies.
- Working hard to make use of the fast-growing commercial significance of climate-friendly technologies and sustainable solutions to benefit Swedish companies and Sweden as a country for investment.

Additionally, Business Sweden focuses on four areas that have been identified as key to ensuring purpose-driven growth:

- **Successful customers**
In everything that it does, Business Sweden puts great focus on the customer. It helps ensure that our clients, both individual companies and the Swedish State, will continue requesting our services and giving us new assignments.
- **Engaged employees**
It is important that all of Business Sweden's employees feel involved and included, with opportunities to use their talents to contribute to our customers' success. It is crucial to our ability to deliver our assignments with quality, integrity and value to the customer.
- **Global team spirit**
Through collaboration among all of Business Sweden's employees, where everyone benefits from each other, it is possible to, despite the organisation's relatively small size, maintain a high level of expertise and offer relevant, value-creating advice to our clients and customers.
- **Effective organisation**
Business Sweden needs to have a solid foundation of structural capital, which means support systems, common methods and high availability of insights and skills in order to generate maximum value from our employees' knowledge and expertise.

For each of these four areas, KPIs will be established to measure our success.

Some changes have also been made to the organisation and our working methods over the past year to support purpose-driven growth. We have added more regions in order to decrease the distance between the foreign offices and management team. It also facilitates more

collaboration within and among the regions. We have also established the position of Chief Operating Officer (COO) to fortify our structural capital and ensure higher delivery quality by improving our execution of tasks.

Finally, a new network structure has been introduced in the organisation to develop the new internal collaboration. Four networks have their focus on Business Sweden's various service portfolios - export promotion, investment promotion, advice and administrative support. They strive to develop the methodology and quality in assignments. Three networks focus on the industries and business ecosystems in the leading export and investment areas of Sweden: Transports & energy, manufacturing & materials and health & pharmaceuticals. The goal of these networks is to help make Business Sweden even more relevant to private companies, thereby increasing the sales of the State-funded Small Business Programme and from privately-owned larger companies.

VALUES

Business Sweden is a service and knowledge organisation and operates based on three interacting values: collaboration, responsibility and impact. Business Sweden works to generate results and impact and thus make a difference for Swedish business and for Sweden. Business Sweden takes responsibility for its work, both in relation to clients and in respect of sustainability. Business Sweden always strives to work as efficiently as possible by employing the full force of Sweden's promotion structure. This is achieved through collaboration both internally and externally with promotion actors, the Government Offices, trade organisations, chambers of commerce, institutes and other actors.

SUSTAINABILITY COMMITMENTS

As stipulated in the Governmental assignment, Business Sweden shall adhere to international recognized standards and principles on sustainable business, such as the OECD's Guidelines for Multinational Companies, the UN Guiding Principles on Business and Human Rights, the UN Global Compact and Agenda 2030 for sustainable development. Particular emphasis shall be put on preventing and combating corruption. The activities shall also be based on the Government's policies for international responsible business and be conducted in close collaboration with other Team Sweden stakeholders. Furthermore, the sustainability commitments shall be reflected in Business Sweden's code of conduct and policy programme.

GLOBAL SUSTAINABILITY GOALS

Within the scope of the organisation's ambition to strengthen Sweden's global contribution to the implementation of Agenda 2030, Business Sweden has mapped the UN's 17 Sustainable Development Goals (SDG) and 169 sub-goals to identify areas where the organisation is considered to have great opportunities to have a positive influence. Given the breadth of Business Sweden's promotional activities and consulting projects throughout the world, Business Sweden is generating positive effects on each of the 17 SDGs. However, SDG 3, 7, 9, 11 and 12 are the goals wherein Business Sweden is expected to have the greatest opportunities to contribute to sustainable development and shall actively work to strengthen. Additionally, SDG 8, 13, 16 and 17 have been identified as overarching sustainability goals that the organisation directly and indirectly can create impact through its strategic promotional efforts and activities.

Overarching sustainability goals for the global operations



Prioritised sustainability goals for scaling innovative solutions and partnerships



OPERATIONS

Every year, Business Sweden prepares a business plan that determines the focus of its operations. The business plan comprises both the State commission and the company-specific commissions and is adopted by the Board of Directors.

In 2022, the work on the business plan was postponed to the latter part of the year due to implementation of the overall strategy on purpose-driven growth. The business plan lays out the path for the work with purpose-driven growth over the coming year. One component of this will be clearly integrating the sustainability strategy with the business strategy.

STATE COMMISSIONS

The Riksdag (Swedish Parliament) makes decisions each year on appropriations in expenses area 2.4, 2.3 Export promotion activities and 2.4 Investment promotion for the coming budget year.

According to the guidelines for its annual commission, Business Sweden's export and investment promotion shall be reported on a quarterly basis to the Ministry for Foreign Affairs, where the focus of those reports is the State-funded assignments and collaboration between Business Sweden and the Ministry. The reports are presented at dedicated meetings between representatives of the Ministry for Foreign Affairs and the CEO and parts of the management of Business Sweden.

The aim of Business Sweden's annual commission is to enhance Swedish companies' exports and expansion abroad along with attracting and facilitating new investment and expansion by foreign companies in Sweden. Business Sweden's work should also enhance Sweden's competitiveness and generate jobs and sustainable growth throughout the country as a consequence of higher exports and investments.

The tasks within the framework of the annual commission are:

– Basic export service

Information and answers to inquiries, export-related advice and online services. Analyses and business intelligence, general business promotion in international markets, local collaboration and reporting of trade barriers.

– Small business programme

Export advice to small and medium-sized companies that is tailored to their needs and offered via the offices in Sweden and abroad. This involves skills development for com-

panies and information about international markets, plus business promotion initiatives on foreign markets and collaboration with relevant actors as part of regional export collaboration.

– Targeted export promotion

Export preparation initiatives on international markets, targeted promotion activities on selected markets, international procurement and identification and processing of strategic business opportunities.

– Investment promotion

Attract investments from priority world markets. In close cooperation with regional investment promotion organisations and other actors, facilitate foreign investments that create jobs and bring capital and expertise to all parts of Sweden. Work directly with companies in selected investment areas and enhance knowledge of and interest in Sweden as an attractive place for foreign investments. Qualified information and support for foreign investors in the investment process. Analyse and report on foreign investments in Sweden.

– Additional assignments

Business Sweden may be given additional assignments by the Government and ministries. Examples of such assignments include the task of implementing an export programme within the scope of the food strategy, more investment promotion in 2021 and 2022 that gave rise to the Join Sweden Summit and the task of strengthening our regional presence and export advice as part of the Small Business Programme. Furthermore, from the 2021 spring adjustment budget, Business Sweden received funds to boost its services for regional export advice as part of the Small Business Programme. Those efforts were allocated an additional SEK 25 million in the guideline decision for 2022.

According to the guidelines, Business Sweden has to report and comment each year on the delivery and outcome of the State commissions in the past year in relation to what was stated in the guidelines. This is done in the 'Report on State commissions to Business Sweden'. The report for the 2022 financial year must reach the Government Offices by 1 March 2023. The consultancy operations at market prices are not part of the State commission.

In addition, Business Sweden is required to have ongoing consultations with the Ministry

for Foreign Affairs in matters that require the participation of the Foreign Service, in matters concerning official Swedish presence abroad and otherwise in matters linked to the promotion of Sweden in general.

RESULTS AND INITIATIVES OF THE STATE COMMISSION IN 2022

Examples of activities carried out by Business Sweden as part of the State commission during the year:

Basic export services

- 4,185 (4,988) direct inquiries from interested entrepreneurs concerning market information and export techniques were answered. Logistics-related queries were a major focus.

Small Business Programme:

- 496 (260) companies received advice by Business Sweden. Within the scope of the advice activities in 2022, it was also possible for companies to validate one or more markets to ensure their market choice. An additional 30 companies received support as part of the Try Swedish Programme. Digital support for coaching is also available to all companies on Business Sweden's website at business-sweden.com and at verksamt.se.
- 196 (168) tailored export projects under the Small Business Programme abroad with 168 (147) companies. An additional 13 projects were carried out as part of the Try Swedish Programme.
- 29 (30) Catalyst Projects were delivered to selected innovative growth companies. 1 additional projects was carried out as part of the Try Swedish Programme.
- 16 (30) SME Delegations were conducted with 76 participating companies.

Targeted export promotion

Business Sweden carried out 281 (249) activities to market and support Swedish companies through contact mediation activities via business delegations, trade fairs and matching Swedish companies with foreign companies. Examples of major activities carried out in partnership with other state promotion actors in Team Sweden include:

– Official visit from Norway

During 2-4 May, Crown Princess Victoria and Prince Daniel hosted a visit by the Norwegian Crown Prince couple to Stockholm and Gothenburg. They were accompanied by the Norwegian Minister of Trade and

Industry and a record-large delegation consisting of around 300 representatives from the Norwegian business community. The focus of the visit was on how to strengthen trade for Sweden and Norway, as well as how the two countries can collaborate on the green transition.

– State visit from Finland

During 17-18 May 2022, Finland's president, Sauli Niinistö, and his wife Jenni Haukio, made an official state visit to Sweden at the invitation of His Majesty Carl XVI Gustaf, King of Sweden. The President was accompanied by a delegation consisting of representatives from the government and business community.

– State visit from the Netherlands

11-13 October. The King and Queen of the Netherlands, King Willem-Alexander and Queen Máxima, at the invitation of His Majesty Carl XVI Gustaf, King of Sweden. A total of 24 representatives from the Swedish and Dutch governments, along with industry representatives from both countries participated in a round table discussion. Atlas Copco, SEB, Damen, Port of Rotterdam, Signify, VDL, Elekta, NXP, Philips, Ericsson were some of the companies represented.

– COP27 Egypt, Sharm El-Sheikh

In conjunction with the United Nations Framework Convention on Climate Change (COP27) during 6-20 November at Sharm El-Sheikh, Business Sweden was responsible for the Swedish pavilion and the official business community delegation in attendance there. Some twenty leading Swedish companies and representatives from Team Sweden, academia, expert organisations and civil society, participated in the initiatives, along with Swedish and international government representatives.

– Official visit to Nairobi, Kenya H.R.H. Crown Princess Victoria of Sweden and H.R.H. Crown Prince Haakon of Norway

During 22-24 November, 30+ large Swedish companies accompanied Crown Princess Victoria to Kenya to promote Swedish industry in the country. More than 30 Swedish companies participated in the delegation visit to Nairobi in conjunction with the official visit by H.R.H. Crown Princess Victoria of Sweden and H.R.H. Crown Prince Haakon of Norway.

Business Climate Survey

The business climate for Swedish companies of 20 markets was analysed to identify the existing obstacles and challenges. The study is based on company interviews and analyses on each market. The results of the survey were presented to companies both abroad and in Sweden. In collaboration with Swedish Chambers International (SCI) and Stockholm Chamber of Commerce, a major event was organised in Stockholm on 31 August, where the results were presented.

– Long-term strategic initiatives

In 2022, 59 projects were carried out within the scope of export promotion programmes for long-term and strategic initiatives aimed at creating major business opportunities. The initiatives were implemented at different stages of business deals and directed at various financiers and procurers, in close collaboration with Team Sweden stakeholders. Business Sweden estimates that, in 2022, Swedish companies won contracts for around SEK 5.3 billion in major international deals supported by this programme. Since its inception in 2016, business deals totalling approximately SEK 33 billion have been won by Swedish companies that have participated in these programmes.

Investment promotion

Business Sweden had around 1,170 (1,100) open investment processes, which may potentially lead to investments, during the year. These often involve long processes in which an investment decision is made only after several years of contact and cultivation. The contacts are either incoming or proactive cultivation. 542 (552) new investment processes were registered in 2022. In its results for the year, Business Sweden participated in 55 (47) investments for which the decision was made and the investment was initiated in 2022. 19 (22) of the 55 investments were high-quality investments according to Business Sweden's internal quality model for managing and evaluating operations. The target for 2022 was 36 (33) high-quality investments. These investments will result in around 4,500 new jobs already in 2023.

The Joint Sweden Summit was held in June, funded via the SEK 25 million that Business Sweden received from the guideline decision for 2022. A total of 175 international decision-makers from 18 countries, representing 125 international companies attended the summit and 76 individual business meetings were held. There

were 371 VIPs in attendance, including speakers and Swedish companies. It was also possible to participate digitally, and 1,200 people from 71 countries had enrolled in that forum, of which 262 indicated that they were interested in investing in Sweden and 162 wanted to get in contact with Business Sweden. Business Sweden is currently working with around 75 investment processes and dialogues on investments in Sweden with companies that participated in the Joint Sweden Summit. Of those, around 35 are in the evaluation and implementation phase and Business Sweden is supporting them with this.

COMPANY-SPECIFIC COMMISSIONS

Business Sweden offers Swedish companies customised advice, at market prices, and other services to assist with their international business development. These services are divided into four areas.

– Market Expansion

Strategic services for expansion into new markets and to help companies increase global sales. Business Sweden offers a complete range of services. They comprise support for everything from identifying the most relevant markets to developing an expansion strategy. Companies are offered help analysing and segmenting market potential, optimising their offering and their sales channels, and identifying and evaluating the right type of business partner. This area also contains Business Sweden's services to help with the acquisition of foreign companies.

– Business to Government B2G

The focus is on helping companies increase global sales in areas that are difficult in terms of regulation or contain customers in the public sector and state-owned companies. A relationship with State authorities is essential to companies operating in or wanting to win international procurements in the public sector or from state-owned companies.

– Sales Acceleration

When companies have identified their target markets, it is time to implement a sales strategy and maximise their international growth potential. Business Sweden helps companies win business. These are relatively long commissions, involving the planning and implementation of both operational marketing and sales to build important relationships for the business.

Business Incubation & Operations

The services in Business Incubation & Operations (BI&O) include administrative support for accelerated global establishment. Business Sweden's services reduce the lead times to market and minimise the risks associated with a launch or expansion abroad. When Business Sweden takes care of the administrative side, companies have time to focus on their core operations and business development. Business Sweden can deal with company registration, offer office space, administration, payroll management and brokerage services and provide advice on local labour law. This is particularly important on difficult markets and in industries in which it may be particularly important to have close support from Business Sweden initially, for example when working with public sector customers and state-owned companies.

In summary, all the services in Business Sweden's company-specific activities focus on strategic advice and operational support to enhance companies' global sales. A review of the organisation's service portfolio was carried out during the year and work to further integrate sustainability aspects into the existing services will take place in the coming years with the aim of strengthening the competitiveness and sustainability benefit of both the organisation and the Swedish companies.

RESULTS OF COMPANY-SPECIFIC COMMISSIONS IN 2022

2022 started off with a continued high demand for company-specific commissions. In all parts of the world where Business Sweden is represented, the recovery in wake of the COVID-19 pandemic has been noticeable. Nevertheless, the pandemic and spread of infection continued to impact activities during the year, particularly in parts of Asia. Russia's invasion of Ukraine in the spring of 2022 was another major news item of 2022. This, in conjunction with other factors has impacted the worldwide economy in the form of high inflation and slowing growth, with fears of recession. Despite that, company-specific operations at offices abroad, excluding co-financed services, were substantially increased to SEK 281 million (255 million) in 2022, i.e. by 10%. BI&O accounted for most of the increase.

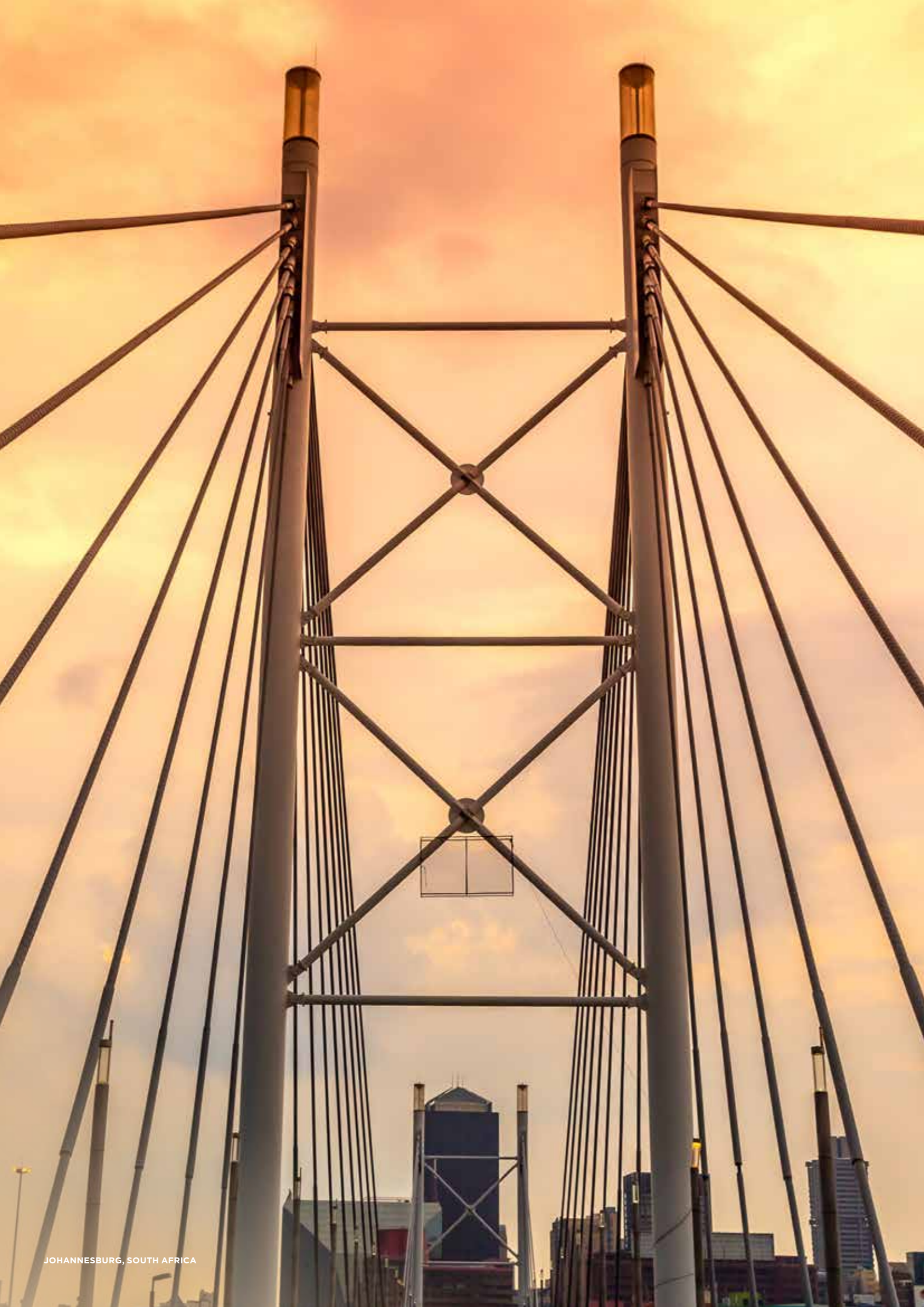
STRATEGIC INITIATIVES

We have noticed a gradual return to more normal business conditions following the pandemic. Nevertheless, many promotion activities are still being run in digital or hybrid forums, which management expects will continue. The new studio for digital events and communication that Business Sweden invested in is being used more and more. Systematic efforts to strengthen our structural capital have begun. A COO office has been set up as part of that, along with two new networks for internal collaboration. One of those networks is focused on service portfolios, methodologies and the execution of assignments. The other is focused on business sectors and industries, as well as proximity to clients. During the year, we started investigating how sustainability can be more efficiently integrated into the service portfolio and business strategy. Those efforts will continue in the years ahead.

A LONG-TERM STABLE BUSINESS SWEDEN

Sweden's ability to participate in international trade and play an active role in the global economy will remain crucial to our future prosperity. Sweden's exports account for a large part of GNP, and half of Swedish exports come from foreign-owned companies. Over the past year, the world economy has been challenged by wars, climate disasters, geopolitical tension and international trade conflicts. These factors, along with rapid changes in business models driven by accelerating digitisation and a focus on sustainability make it increasingly difficult for Swedish companies and Sweden to navigate successfully on global markets. This is particularly true for markets far away from Sweden, which was felt even more during, and subsequent to, the pandemic. Another trend that Business Sweden has noticed is fewer expats (employees stationed abroad) among our customers. That, too, increases the need for a local presence and "Swedish eyes at the scene", both for customers and other stakeholders.

Business Sweden is a central, proactive organisation in Sweden which makes a clear contribution to higher export sales in small, medium-sized and large companies, attracts foreign companies for greater competitiveness and ensures that manufacturing remains in Sweden. These initiatives are becoming increasingly important in the world we're living in.



CORPORATE GOVERNANCE

Business Sweden's Board of Directors presents its corporate governance report for 2022 here.

Business Sweden has two owners, the Swedish State and the private business community in Sweden. The State is represented by the Swedish Ministry for Foreign Affairs and the business community by the Swedish Foreign Trade Association (SFTA). The foundation for Business Sweden is an agreement between the Swedish State and the SFTA stating that the parties will run Business Sweden as a central service provider for export and investment promotion activities. The business was registered with Statistics Sweden in 1979, and the agreement between the owners was last updated on 19 December 2012.

This agreement states that Business Sweden's task is to stimulate economic growth and employment by supporting and promoting Swedish exports and internationalisation, and to attract foreign business investments to Sweden and collaboration with Swedish companies to increase access to foreign capital, expertise and markets for Swedish business.

According to the agreement between the Swedish State and the SFTA, the Swedish State and the business community must contribute to the funding of operations. It also states that, in addition to this, Business Sweden may carry out commercial projects and contract operations funded by companies and other organisations.

In order to reach as many both Swedish and foreign companies as possible for the benefit of Sweden, the operations of Business Sweden therefore consist of two parts: a part that is based on State commissions and a part that is conducted on a commercial basis for companies and that is not covered by the targeted State measures or where companies demand other services.

Business Sweden is a legal person and is formally registered as the 'Swedish Trade and Invest Council' with Statistics Sweden. Business Sweden's status under corporate law has been the subject of a number of government-

appointed inquiries, but its present organisational form has been deemed to have advantages over potential alternatives.

In addition to what follows from acts of law or other statutes, Business Sweden applies the applicable parts of the Swedish Code of Corporate Governance (the Code). See page 23 for departures from the Code.

The corporate governance report has not been examined by Business Sweden's auditors.

CORPORATE GOVERNANCE

GOVERNING BODY

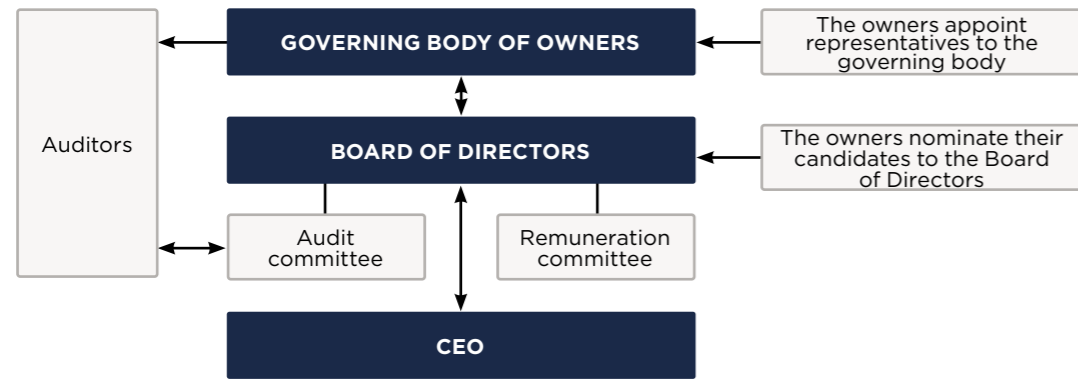
The owners exercise their influence in Business Sweden via the governing body, which is Business Sweden's supreme decision-making body. The owners, i.e. the Swedish State and the SFTA, each appoint up to four members to the governing body. A meeting of the governing body has to be held within six months after the end of the financial year.

At the meeting of the governing body, the annual report and auditor's report have to be presented, and decisions have to be taken on the adoption of the income statement and balance sheet, the appropriation of profit or loss, discharge from liability for members of the Board of Directors and the Chief Executive Officer (CEO), the election of auditors and alternate auditors and fees to members of the Board of Directors, auditors and alternate auditors. The governing body also decides on the use of the organisation's equity and the required level of equity and on amendments to Business Sweden's articles of association.

The meeting of the governing body for the 2021 financial year was held on 26 April 2022.

STATE COMMISSIONS

The State commissions are a significant part of Business Sweden's operations, for which reason performance of these commissions affects the management of operations.



BOARD OF DIRECTORS

AREAS OF RESPONSIBILITY AND RULES OF PROCEDURE

The Board of Directors is the supreme decision-making body between the ordinary meetings of the governing body. The Board of Directors' task is to manage the affairs of Business Sweden in the interests of Business Sweden and its owners.

The work of the Board of Directors is regulated in the articles of association of Business Sweden and in the written rules of procedure adopted each year by the Board of Directors for its work. The rules of procedure regulate the division of responsibilities between the Board of Directors, on the one hand, and the CEO and the committees set up by the Board of Directors, on the other, as well as the forms for the work of the Board of Directors, the number of meetings, signatory power, authorisation procedures and the tasks of the remuneration and audit committees. In addition, the Board of Directors sets out the division of work and responsibilities between the Board of Directors and the CEO in separate instructions to the CEO.

According to the rules of procedure, the main tasks of the Board of Directors include adopting general objectives and strategies, the business plan and budget and important policies, including the Code of Conduct, and ensuring that the organisation of Business Sweden is appropriate and that there are effective systems for the monitoring and control of operations. The Board of Directors also has to continuously evaluate the operational management of Business Sweden, appoint or dismiss the CEO when required and evaluate the financial situation of Business Sweden, including the investment of its funds.

COMPOSITION OF THE BOARD OF DIRECTORS AND NOMINATION PROCESS

Under the articles of association, the Board of Directors must consist of at least eight members. Half of the members are appointed by the Swedish State and half by the SFTA after mutual consultation. The members are appointed for one year at a time as soon as possible after the meeting of the governing body when discharge from liability is granted and until and including the next equivalent meeting of the governing body. If a member resigns, a replacement may be appointed for the remainder of their term of office. The CEO is not a member of the Board of Directors. As from 2022, the Board of Directors of Business Sweden consists of the following ten members appointed by the owners:

Members appointed by the SFTA

- **Peter Cerny** (born in 1966). VD ESBE Group. Education: M.Sc. in Engineering and Management, Linköping University. Other appointments: Member of the board at BE-GE Företagen AB and Proton Group AB. Elected in July 2022.
- **Johan Söderström** (born in 1962). Region Manager, EMEA Hitachi Energy. Education: M.Sc. in Engineering and Management, Linköping University. Previous appointments: Chair of the Board of the Swedish Foundation for Strategic Environmental Research (MISTRA). Other information: Honorary Doctor from Uppsala University and Linköping University. Elected in July 2022.

- **Magnus Schöldtz** (born in 1965). Senior adviser, Wallenberg Foundations AB. Previous appointments: Ambassador, Swedish Ministry for Foreign Affairs. Education: Fil. kand./BA and Stanford Executive Programme. Other appointments: Committee for Sweden's participation in Expo 2020 in Dubai. Elected in June 2019.
- **Anna Stellingner** (born in 1974). Head of International and EU Issues at the Confederation of Swedish Enterprise. Former Director-General of National Board of Trade Sweden, and Director of Sieps. Seven years as member of the Board of Lund University, and Vice Chair of the Board for the past three. Education: Master of Political Science and Bachelor's degree in French from Lund University, and an international master's degree from Sciences Po in Paris. Other information: Holder of the Ordre National du Mérite by decree of the President of France. Elected in July 2020.
- **Åke Svensson** (born in 1952). Former CEO of Teknikföretagen (Association of Swedish Engineering Industries), former President and CEO of Saab AB. Education: Graduate Engineer, Engineering Physics and Electrical Engineering, Linköping University. Other appointments: Chair of the Board of Swedavia, member of the Board of Parker Hannifin Corporation (USA), member of the Royal Academy of Engineering Sciences. Other information: honorary doctorate, Linköping University. Elected in October 2015.

Members appointed by the Swedish State

- **Anna Karin Hatt** (born in 1972). President and CEO of Lantbrukarnas Riksförbund (the Federation of Swedish Farmers), LRF. Former CEO of Almega, Minister of IT and Energy, Minister of IT and Regions, Deputy Leader of the Centre Party. Education: BSc in Political Science and International Relations at the University of Gothenburg. Other appointments: Chair of the Board of LRF Media and Sigill Kvalitetssystem. Vice Chair of Svensk Kooperation and ICC Sweden. Member of the Board of Tyréns Group. Elected in June 2019.

- **Per-Arne Hjelmborn** (born in 1969). Director-General for Trade Policy, Ministry for Foreign Affairs. Education: MSc in Business and Economics and CEMS Master in International Management, Stockholm School of Economics. Other appointments: Ambassador to Brazil and Malaysia, Head of the Unit for Promotion and the Internal Market, Swedish Ministry for Foreign Affairs. Miscellaneous posts at the Swedish embassies in China, Spain and Chile. Elected in September 2019.
- **Ulrica Messing** (born in 1968). County Governor of Blekinge. Owner of Porthouse Interiör AB and CEO of Kosta Förlag. Education: Social sciences. Former member of the Riksdag (Swedish Parliament), infrastructure minister and deputy business minister for the Social Democrats. Other appointments: Board positions with PostNord AB (until 1 February 2022), SOS Alarm Sverige AB, Länsförsäkringar fondförvaltning AB, Astrid Lindgrens Värld AB and several Board assignments within the Kosta Boda Group. Elected in February 2020.
- **Marie Nilsson** (born in 1964). Chair of IF Metall Education: Process engineering at Nösnergymnasiet, Stenungsund. Other appointments: The Swedish Trade Union Confederation, Nordic IN, Industri All Europe executive committee, Industri All Global, Teknikcollege in Sweden. Member of Nationella godstransportrådet (the national freight transport council) and Kommittén för Expo 2020 i Dubai (the committee for Expo 2020 in Dubai). Elected in July 2018.

- **Per Westerberg** (born in 1951). Previous appointments: Speaker of the Riksdag, Minister and Head of the Ministry for Enterprise and Innovation, member of the Riksdag. Education: Degree from Stockholm School of Economics. Other appointments: Member of the Board of Almi Företagspartner Stockholm-Sörmland, Fundler AB, AB Vaktslottet, Statens Inspektion för underrättelseinhämtning (SIUN), the Export Control Council and the disciplinary committee of the Swedish Bar Association. Elected in June 2017.

Staff representatives

- **Jonas Thulin** (born in 1965). Program Manager Life Science (in Business Ecosystems). Employed by Business Sweden since 2009. Elected in November 2020.
- **Asligül Sungur** (born in 1978). Team Lead Regional Consulting EMEA. Employed by Business Sweden since 2010. Elected in December 2021.

The following members left the Board in 2022

- **Linn Tagesson** (born in 1981). Co-founder and Head of Innovation, Babyshop Group. Education: Journalism – bachelor's degree. Other appointments: Vice Chair of Svensk Digital Handel, member of the Board of Babyshop Group, member of the supervisory committee Melijoe. Elected in June 2021.
- **Jonas Wiström** (born in 1960). President and CEO and former chair of Ratos AB, former President and CEO of AFRY. Education: Graduate Engineer, Royal Institute of Technology, Stockholm. Other appointments: None. Elected in June 2014.

CHAIR AND VICE CHAIR OF THE BOARD OF DIRECTORS

The chair and vice chair are appointed by the Board from among its members. The chair is appointed from among the members appointed by the Government. The vice chair is appointed from among the members appointed by the SFTA after both owners have been consulted.

The chair of the Board is in regular contact with the CEO to follow operations and is responsible for the other members receiving the information and documentation required to perform their appointments on the Board. The chair is responsible for evaluating the work of the Board, participates in the evaluation of the senior executives of Business Sweden and represents Business Sweden in owner-related matters.

THE WORK OF THE BOARD OF DIRECTORS

During the year, the Board met 5 times and also had one inaugural Board meeting and one meeting by correspondence. At these meetings, the Board discussed the ordinary business at each meeting according to the rules of

procedure adopted, such as financial monitoring and the budget, and adoption of objectives and strategies. In addition to those, there was also a Board trip to the USA.

The Board is quorate when more than half of its members, including the chair or the vice chair, are present. The decision of the Board is the majority opinion. If a majority cannot be obtained for an opinion the vote of the chair is the casting vote.

The CEO and the secretary to the Board usually attend meetings of the Board.

Business Sweden's external auditor attends at least one Board meeting each year to report on their observations from their examination of internal control, administration and financial reporting. The Board meets the organisation's auditor at least once a year without the presence of the CEO or anyone else from management.

EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS

The Board evaluates its work continuously in a systematic, structured process. Every other year, this is done by means of more detailed follow-up, which is carried out either by external evaluators or in an internal procedure. The chair is responsible for the evaluation and for the results being communicated to the Board. A detailed evaluation was carried out during fall 2019 and at the end of 2021, where all Board members were given the opportunity to provide both written and oral feedback.

At the end of each Board meeting, there is also an evaluation of the Board meeting without the CEO or anyone else from management being present.

AUDIT COMMITTEE

The Board has set up an Audit Committee consisting of three Board members. The Audit Committee prepares business on behalf of the Board and monitors matters ahead of decisions by the Board on:

- The company's financial reporting and internal control
- Risk management
- External auditing of the annual accounts and consolidated accounts

The work of the Audit Committee is reported to the full Board. In 2022, the committee met three times. The committee members during the year were Per Westerberg, Åke Svensson,

Jonas Wiström and Johan Söderström. Åke Svensson took over as the chair of the Audit Committee when Jonas Wiström resigned from the Board. External auditors, lay auditors and their alternates also attend the meetings of the Audit Committee, as do the CEO, CFO and Finance Manager of Business Sweden.

REMUNERATION COMMITTEE

The Board has set up a Remuneration Committee, the purpose of which is to represent the Board in matters concerning the remuneration and employment terms of the CEO and officers reporting directly to the CEO. The work of the Remuneration Committee is reported to the full Board.

According to the Board's working instructions, the Remuneration Committee consists of the chair and the vice chair of the Board. In 2022, the Remuneration Committee had one meeting, in May. On that occasion, the committee consisted of Ulrica Messing and Jonas Wiström.

BOARD ATTENDANCE

The attendance of Board members at Board meetings and meetings of the Audit Committee and Remuneration Committee is summarised below.

BOARD MEMBERS' FEES

The Board's fees are decided by the governing body. For 2022, the fee for the chair of the Board was set at SEK 143,000 (110,000) and for the vice chair at SEK 108,000 (75,000) for each member of the Board. No extra fee is paid to Board members for work on the Audit and Remuneration Committees.

No fee is paid to the CEO, the secretary to the Board and the staff representatives.

CHIEF EXECUTIVE OFFICER

The Board appoints a Chief Executive Officer (CEO) to lead and develop day-to-day operations and to be responsible for the ongoing management of operations.

- **Jan Larsson** (born in 1967). Former Communications Director at Handelsbanken, CEO of YrkesAkademin, Partner and Public Affairs Consultant at Brunswick, Communications Director at Nordea, Management Consultant at McKinsey & Co, State Secretary at the Government Offices, Prime Minister's Office. Education: BSc in Economics, Uppsala University.

At its inaugural meeting on 1 July 2022, the Board adopted the current CEO instructions, which clarify the division of work and responsibilities between the Board and the CEO. The areas of responsibility for the CEO in the instructions include:

- Compliance with the business plan and objectives, policy and strategic plans adopted by the Board.
- Continuously providing the members of the Board with information to enable them to follow the result, position, liquidity and development of operations.
- Producing supporting information, decision information and draft agendas ahead of Board meetings and presenting the business of the meeting.
- Updating group-wide policies annually.
- Continuously informing the Board about important events such as disputes of importance, termination of important agreements, suspension of payments by or the occurrence of some other insolvency situation relating to an important client.

Board member	Board meetings*	Audit Committee	Remuneration Committee
Ulrica Messing, chair	3 out of 5	-	1 out of 1
Johan Söderström, vice chair as of 1 July	2 out of 3	1 out of 1	-
Jonas Wiström, vice chair through 30 June	3 out of 3	2 out of 2	1 out of 1
Peter Cerny	2 out of 3	-	-
Anna Karin Hatt	5 out of 5	-	-
Per-Arne Hjelmborn	5 out of 5	-	-
Marie Nilsson	5 out of 5	-	-
Magnus Schöldtz	5 out of 5	-	-
Anna Stellingner	5 out of 5	-	-
Åke Svensson	5 out of 5	2 out of 3	-
Linn Tagesson	1 out of 1	-	-
Per Westerberg	5 out of 5	3 out of 3	-

* Excluding the inaugural Board meeting on 1 July 2022

GROUP MANAGEMENT 2022

At the end of 2022, Business Sweden's Group management team consisted of 7 people. There was also one vacancy and two positions where the person appointed had not yet started. So, at year-end, all of those positions were temporarily filled. The senior executives are named in the organisation chart. Compared to the previous year, the following changes were made: During the fall, Cherif Sayed moved over to the position of Chief Operating Officer after having served as the acting Regional Manager for Sweden. Nina Lindberg took over as Vice President Region Sweden and Region MEA (Middle East & Africa) after having served as Vice President for Region EMEA (Europe, Middle East & Africa). Region EMEA was divided into Region MEA and Region Europe. At year-end, the position of Vice President for Region Europe was vacant, but was later filled by Yvonne Pernodd. Furthermore, David Hallgren, who had held the position of Vice President APAC (Asia Pacific), resigned from Business Sweden. Region APAC was then divided into Region SSEA (South & South East Asia) with Emil Akander as Vice President and Region EAPAC (East Asia Pacific) with Joakim Abeleen as Vice President. Vice President of Human Resources, Helena Herolf, resigned and was replaced by Karolina Lirón Källåker after year-end. Prior to her taking over the position, Julia Frishammar served as the Acting Vice President of Human Resources. Vice President of Marcom, Charlotte Rylme, resigned and was replaced by Lotta Loosme subsequent to year-end. In the interim, the position was temporarily filled by Therese Claret.

The CEO leads the work in the Group management team and makes decisions in consultation with other members of the team. The management team's meetings were primarily focused on:

- Strategic and operational development
- Efficiency and improvements in profitability
- Business development and development of the service offering
- Financial monitoring and control
- Talent management, internal training and knowledge sharing

Management also maintain continuous contact in operational matters.

AUDITORS

EXTERNAL AUDITORS

The task of the external auditors is to conduct an independent examination of the administration, internal control and financial reporting by the Board and the CEO on behalf of the owners.

In accordance with the articles of association, the governing body appoints an auditor and an alternate auditor every year. Both are required to be authorised public accountants. At the meeting of the governing body on 26 April 2022, the authorised public accountant Ann-Christine Hägglund from PricewaterhouseCoopers AB (PwC) was re-elected auditor of Business Sweden. Victor Brusewitz, an authorised public accountant at the same firm, was re-elected alternate auditor.

LAY AUDITORS

In addition, the articles of association of Business Sweden lay down that the owners must each propose a lay auditor and an alternate. The State has appointed Anna Ferry (Ambassador, Ministry for Foreign Affairs) with Josa Kärre (Deputy Director, Ministry for Foreign Affairs) as alternate, and the SFTA appointed Daniel Wiberg (Doctor of Economic Sciences, Chief Economist, Strand Kapitalförvaltning) with Jonas Berggren (International Head of Analysis, Confederation of Swedish Enterprise) as alternate.

Fees to and reimbursement of costs for auditors are reported in note 7, page 61.

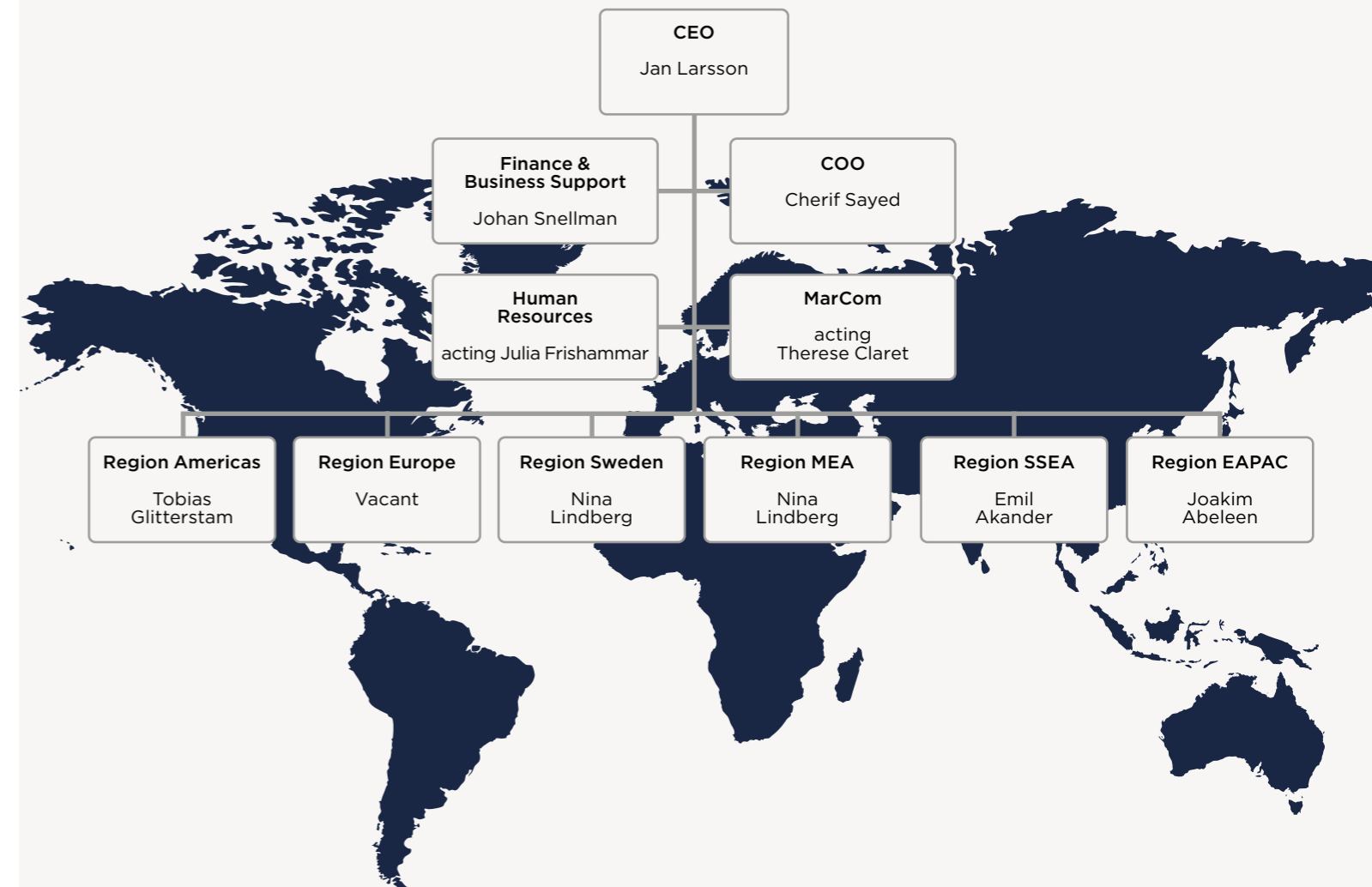
REMUNERATION TO SENIOR EXECUTIVES

Remuneration to senior executives is prepared by the Remuneration Committee for decision by the Board. Business Sweden's CEO and the other members of the Group management team receive monthly salary and benefits according to individual contracts of employment. There are no variable salaries. Pay is reviewed each calendar year.

Business Sweden seeks to provide market levels of remuneration so as to be able to recruit and retain senior executives. Pay statistics are obtained regularly from other relevant market participants. In addition, remuneration does not solely follow the level for statistically comparable positions; instead in each instance Business Sweden takes account of the individual's performance and achievement of objectives.

Pay and other remuneration to the Board, CEO and other senior executives in 2022 is shown in note 8, pages 62-64.

GROUP MANAGEMENT 2022



INTERNAL CONTROL OF FINANCIAL REPORTING

The control processes in place in Business Sweden are based on the framework for internal control published by the Committee of the Sponsoring Organizations of Treadway Commission (COSO).

DIVISION OF RESPONSIBILITY

The Board has overall responsibility for internal control of financial reporting. The Board's rules of procedure set out the responsibility of the Board and the internal division of labour between the Board and the committees. The Board has appointed an Audit Committee from among its members that is to represent the Board in monitoring the company's financial reporting, internal control and risk management and the external audit of the annual accounts and consolidated accounts. The CEO instructions contain guidelines for financial reporting to the Board, according to which day-to-day work on internal control is delegated to the CEO.

RISK MANAGEMENT

Business Sweden's distributed operations, with 467 employees at 43 offices around the world and 10 offices in Sweden, entail a complexity and a challenge in terms of governance, control and adaptation to regulatory frameworks in different countries. This is why the work on internal control is of particular importance.

Internal tools for financial reporting in the form of a framework of policies and guidelines are documented and available to all employees on Business Sweden's intranet. They define, for instance, accounting and reporting rules, and how the budget and forecast processes are designed and how internal controls are to be performed.

Business Sweden uses a digital tool for documentation and monitoring of significant control points in its international operations. The tool is used as the basis for the selection of units for extended examination of internal controls.

There is also a finance policy that has been adopted by the Board. According to the finance policy, Business Sweden's operations are to be characterised by low risk-taking in the financial area. Investments for speculative purposes are not permitted and currency, interest rate and credit risks are to be minimised as far as is reasonable. The intention of the guidelines is for them to form the basis for effective internal control and ensure that financial report-

ing is correct and consistent in comparisons between years.

CONTROL STRUCTURE

Business Sweden works to continuously improve its internal control environment. This includes identifying the most important financial processes in its operations, drawing up descriptions of flows and setting measurement points for monitoring key controls.

On the basis of Business Sweden's definition of the central control framework, a monitored level was maintained in 2022. This is deemed to be the target level for Business Sweden centrally. In addition to the central processes described above, there are also supplementary procedures at local level at the offices abroad. During the year, work continued on the development of guidelines, internal procedures and the financial systems.

A new control framework for the operations abroad was launched as well to aid in the efforts of improving the internal control environment. For its organisation abroad, Business Sweden remains at an informal to standardised level but more towards standardised as a result of the control framework now being in place.

CONTROL ACTIVITIES AND FOLLOW-UP

The staff of the accounting department at Business Sweden perform and document control activities according to an established schedule. In addition, financial information is analysed to establish earnings trends compared with the budget and forecast and with the previous year. This analytical follow-up is performed for different entities, single projects and operations as a whole. The analytical examination is performed by controllers, country and division managers and senior management.

Since 2009, Business Sweden has been using PricewaterhouseCoopers (PwC) to carry out an extended examination of internal controls at the entities abroad as a separate engagement. The ambition is to examine all offices abroad of a substantial size on site over a three-year period. The purpose of the examination is to ensure that the day-to-day procedures at these offices function well and are appropriate, and to ensure that the financial reporting from the offices to the head office in Sweden continues to be of a high quality. In addition to PwC, Business Sweden's own resources also examine offices abroad.

INTERNAL CONTROL - THE ROAD TO MATURITY



In 2022, a total of 13 (11) offices were subject to such an extended examination. PwC examined 9 during the year and Business Sweden 4. All of the examinations were performed on site, except for 2, which could not be due to the COVID-19 restrictions. Observations from this extended examination are reported orally and in writing to senior management, the Audit Committee and the Board.

– Employees and external parties can report anonymously to an external whistleblower tool via the whistleblower channel on the internet. Messages are encrypted and any attempts to reveal the identity of a person who is providing information anonymously are strictly forbidden. Neither is it allowed to take any form of retaliation on a person who has reported information on a whistleblower issue.

RESPONSIBILITY FOR SUSTAINABILITY

- The Board has overall responsibility and decides on our sustainability strategy and policies.
- The CEO is responsible for implementing the Board's decisions and strategies in the area of sustainability.
- The Head of Sustainability has responsibility for, and reports to, the management team on the results of the sustainability strategy.
- The global sustainability team and regional sustainability coordinators are responsible for developing and implementing the sustainability strategy in collaboration with managers and employees throughout the world.
- The Sustainability Committee is responsible for managing risks, complex issues and cases.
- Managers are responsible for compliance with the code of conduct within their respective teams.
- The whistleblower team and third-party service providers are responsible for managing any suspected cases of non-compliance with the code of conduct or statutory requirements.

EXTERNAL FINANCIAL AND OTHER REPORTING

The Board and the CEO present an annual report each year. In addition to its annual report, Business Sweden must, according to the Government's guidelines, report and comment each year on the implementation and outcome of the State commission for the past year. This is done in the 'Report on State commissions to Business Sweden'. The report for 2022 must be presented no later than 1 March 2023. Business Sweden's official website, www.business-sweden.se, is a priority channel for all of this communication.

DEPARTURES FROM THE SWEDISH CODE OF CORPORATE GOVERNANCE

The departures from the Code that are caused by Business Sweden's organisational form and ownership structure mainly concern the nomination of and fees to Board members and auditors (i.e. there is no nomination committee) and the reporting of the independence of Board members of large owners (there are only two owners).



SUSTAINABILITY REPORT

CATALYSTS FOR SUSTAINABLE DEVELOPMENT

Business Sweden plays an important role in promoting green transition, sustainable growth and responsible business. The long-term goal of Business Sweden's global sustainability work is to deliver of the governmental assignment while increasing Sweden's global contribution to the implementation of Agenda 2030 and the Paris Agreement, along with helping Sweden achieve its transition target of net zero emissions by 2045.

The sustainability strategy consists of five strategic focus areas:

1. **Accelerate exports of Swedish sustainable solutions**

Business Sweden shall proactively help Swedish companies with sustainable solutions, disruptive technologies, and circular business models to grow internationally in order to generate growth, sustainable development and contribute to the green transition in both Sweden and globally.

2. **Increase the share of sustainable investments in Sweden**

Business Sweden shall systematically strive to increase the share of sustainable investments and attract the innovations and skills Sweden needs to speed up the country's green and circular transition, create more jobs and promote sustainable growth.

3. **Promote international responsible business**

Business Sweden shall actively assist companies in minimising negative impacts of doing business by identifying, preventing and mitigating sustainability-related risks associated with but not limited to corruption, human rights, working conditions as well as environment and climate in connection with project assignments and promotional activities.

4. **Position Sweden and Swedish industry as sustainability leaders**

Business Sweden shall work together with Team Sweden and Swedish companies to strategically position Sweden and Swedish enterprise as leaders in green transformation, sustainable development and responsible business, with the aim of strengthening competitiveness, increasing awareness, fostering collaborations, and driving incentives for innovative solutions that contribute to sustainable growth and the green transition.

5. **Walk the talk – Living our core values**

Business Sweden shall both facilitate and ensure that its employees lead by example and act in accordance with the organisation's code of conduct, international guidelines, laws, and standards. Aligned with the organisation's core values Collaboration, Responsibility and Impact, employees shall strive to accelerate Business Sweden's positive impact while minimizing its negative impact, for the benefit of Sweden, our clients, and the countries where we operate.

The five pillars of the sustainability strategy also encompass the contiguous development of the organisation's strategy, sustainability leadership, services and skills in order to meet the global needs and customer's demand as well as minimise risks and maximise the sustainability benefits. This involves responsible and ethical business conduct, reducing the organisation's carbon footprint within all three scopes and ensuring diversity, equity and inclusion. Additionally, Business Sweden shall strive to collaborate more internally and within Team Sweden, as well as assisting companies to foster cross sector and cross border collaborations. Other prioritised focus areas are to ensure a safe and secure working environment, fair working conditions, high customer satisfaction and quality, good financial results and customer confidentiality.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

TOWARDS SHARED GOALS

Business Sweden is active in both the public and private spheres. Our unique role enables us to create platforms and initiatives that bring leading companies, government authorities, research institutes, trade associations, chambers of commerce and other relevant stakeholders throughout the world together, which strengthens the opportunities of working towards shared goals. Interdisciplinary, cross-sector and cross-border collaborations are a prerequisite for achieving Agenda 2030.

Business Sweden's key stakeholders are those who directly or indirectly impact our business or are impacted by our business. Engaging in continuous dialogue with these stakeholders is crucial in order to meet our targets, achieve good results and maximise opportunities which contribute to the green transition, sustainable development and growth in both Sweden and the rest of the world.

STAKEHOLDER OVERVIEW

The table below lists the most important issues for Business Sweden's main stakeholders, along with their expectations on us and our activities throughout 2022.

Stakeholder	Expectations and most important issues	Engagement and activities in 2022
Customers	<ul style="list-style-type: none"> Deliver on Business Sweden's sustainability strategy Sustainability-integrated services and support to realise customers' sustainability strategies and goals Collaboration with Team Sweden and relevant stakeholders to strengthen positioning and competitiveness, along with establishing and strengthening international networks and collaborations Information and support on complex markets, regulations, along with minimising risks and negative impact Positioning and participation in international arenas 	<ul style="list-style-type: none"> Customer surveys Meetings and visits with customers Annual stakeholder engagement External website and social media Trade delegations, state visits and promotional efforts Seminars, trainings, networking meetings, receptions and representation
Employees	<ul style="list-style-type: none"> Deliver on Business Sweden's sustainability strategy Clear strategy and inclusive leadership Sustainability-integrated services Develop frameworks and tools to deliver on the sustainability strategy and better assist customers to maximise positive impact, minimise risks, and negative impact Act as a role model and deliver on the stated goals Skills and career development Equality and diversity 	<ul style="list-style-type: none"> Employee surveys Employee engagement and performance reviews Annual stakeholder engagement Board meetings and employee representatives Engagement with trade unions Internal courses and trainings
Owners	<ul style="list-style-type: none"> Deliver on Business Sweden's sustainability strategy and government assignment Clear, inclusive and transparent leadership Develop sustainability-integrated services Strong collaboration with other stakeholders, especially the Swedish International Development Cooperation Agency (Sida) Pave the way for more sustainable business dealings in complex markets and developing countries Skills development and leadership training Equality and diversity 	<ul style="list-style-type: none"> The government assignment Commission letter Ownership policy Board meetings State delegation Regular discussions Annual stakeholder engagement
Partners	<ul style="list-style-type: none"> Deliver on Business Sweden's sustainability strategy Strong collaboration, capacity and information exchange Clear, inclusive and transparent leadership Promote responsible business Develop sustainability-integrated services Clarify and harmonise shared sustainability goals 	<ul style="list-style-type: none"> Annual stakeholder engagement and in-depth interviews Delegations with corporate and governmental presence Regular discussions Joint customer engagement Seminars, forums and representation at major events

Stakeholder	Expectations and most important issues	Engagement and activities in 2022
Foreign governments and authorities	<ul style="list-style-type: none"> Promote sustainable export solutions and responsible business Collaborations, partnerships and knowledge exchange Regulatory compliance and transparency 	<ul style="list-style-type: none"> High-level meetings State and company delegations Seminars, forums, and representation at major events External website and social media
Media, the public and politicians	<ul style="list-style-type: none"> Contribute to sustainable development and knowledge dissemination Contribute to growth, increased employment, and job opportunities Correct use of public funds 	<ul style="list-style-type: none"> Regular engagement with political representatives and interest groups Publication and presentation of external reports Press releases as well as regular updates on external website and social media

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

Business Sweden regularly engages with its stakeholder groups and each year, there are structured engagements with our key stakeholders. A materiality analysis is also prepared on an annual basis which helps us identify the most significant sustainability and social issues that are relevant to Business Sweden and our stakeholders. Stakeholder engagements are based on Business Sweden's sustainability strategy and helps provide valuable insight into how they perceive our sustainability efforts and allows us to get a deeper understanding of their expectations and needs. It also provides us with feedback on our ability to generate value creation. The results from stakeholder engagement are presented in a materiality analysis, which identifies the most important focus areas. It is also used to set the organisation's strategic direction, along with impacting our work with sustainability and prioritisation on how we can strengthen sustainability integration in our business.

In anticipation of the EU's future legal requirements for sustainability reporting, which will include specific reporting indicators and stricter requirements for the materiality analysis, Business Sweden's sustainability team has been responsible for the methodology and implementation of stakeholder engagements. The organisation's leadership team has approved the proposed selection of stakeholder groups, questions posed and methodology. The materiality analysis has been based on the Global Reporting Initiative Standards, showcasing which areas our stakeholders consider to be most crucial for our organisation and where Business Sweden has the greatest ability to impact.

The methodology used for the materiality analysis has been based on the identification of prioritised challenges that have the greatest impact on the stakeholder groups' own sustainability agendas. The most important areas high-light issues that:

- Reflect our comprehensive economic, environmental and social impact
- Affect our ability to generate value, build confidence and lower the risks
- Affect stakeholders' assessment of our progress with sustainability and ability to generate value that is aligned with their agendas.

HOW THE STAKEHOLDER DIALOGUES WERE CONDUCTED

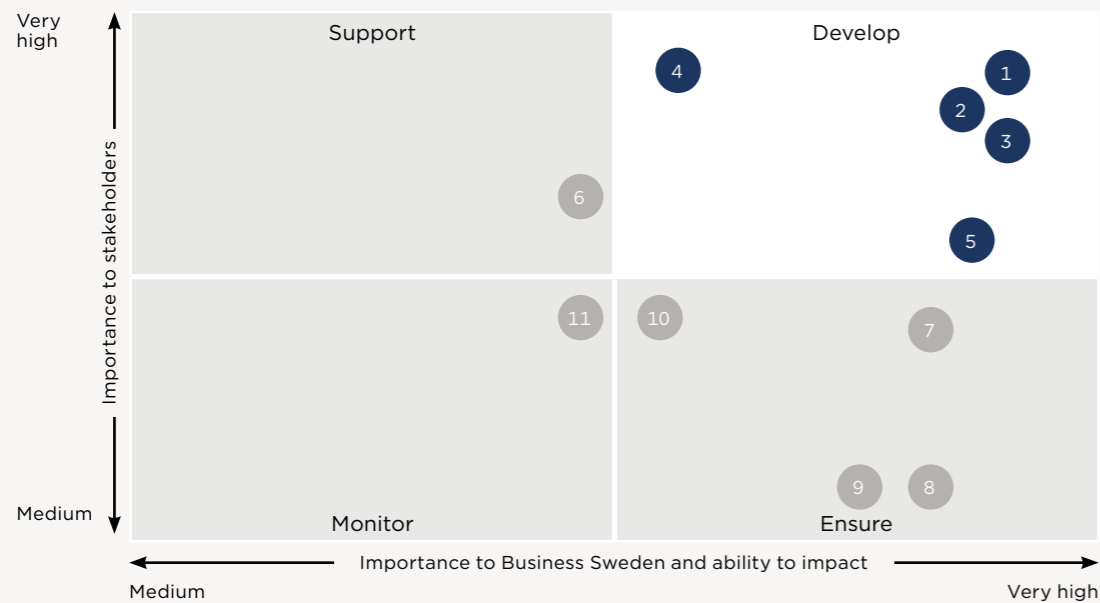
The stakeholder engagement dialogues were carried out in November and December of 2022 with the organisation's key stakeholders: employees, customers, owner and Team Sweden. Questions were posed, and feedback gathered, through questionnaires, round table discussions, and in-depth interviews with representatives from each stakeholder group. The point of departure was the previous year's materiality analysis and reflections on efforts during the year past. All stakeholders were asked to reflect on Business Sweden's strengths and development areas, along with its ability to deliver on the five strategic pillars of the sustainability strategy and eleven prioritised focus areas. Stakeholder groups were also asked to prioritise the areas particularly relevant to them, which they felt needed to be particularly prioritised and developed.

MATERIALITY MATRIX 2022

The results from stakeholder engagement dialogues have been summarised in a materiality analysis that has been reviewed and approved by Business Sweden's management team and Board of Directors. At the aggregated level, five priority areas were identified that are of particular importance to Business Sweden's stakeholder groups and where Business Sweden has the greatest ability to impact. Overall,

stakeholders stressed the importance of Business Sweden continuing to prioritise efforts to develop the organisation's service portfolio, expertise, strategic direction and leadership in order to work effectively with sustainability and strengthen Swedish competitiveness over the long term, along with the joint contribution to the sustainability agenda. Other relevant, priority areas for stakeholders were to deepen existing collaborations and facilitate new

Materiality matrix 2022



Prioritised work	Ensure
<p>1 Sustainability-integrated services Develop existing and new services to scale up sustainable solutions and minimise sustainability risks.</p> <p>2 Skills development Develop the talent of our employees to meet customer needs and expectations, along with generating business value, sustainability benefits and boosting competitiveness.</p> <p>3 Clear strategy and inclusive leadership Ensure clear and inclusive leadership. Integrate the sustainability strategy into the business strategy and create the conditions for the entire organisation to contribute to the goals.</p> <p>4 Collaboration Facilitate collaboration between various stakeholders across different types of industries and country borders, thereby strengthening Swedish competitiveness and promoting responsible entrepreneurship, the green transition and sustainable growth.</p> <p>5 Diversity, equality, and inclusion Continue promoting change efforts aimed at higher diversity, equality, and inclusion within the organisation and in external promotional activities.</p>	<p>6 Internal climate and environment efforts Reduce Business Sweden's direct and indirect carbon dioxide emissions in order to achieve the climate goals in accordance with the GHG Protocol and Global Carbon Law.</p> <p>7 Responsible, ethical business conduct Ensure that the conduct of all employees is consistent with Business Sweden's code of conduct, ethical norms, guidelines, and legislation.</p> <p>8 Secure and safe work environment Ensure that there is a healthy, secure, and safe workplace with fair working conditions.</p> <p>9 Good financial results Run operations that generate good results and achieve the financial targets.</p> <p>10 Customer confidentiality Ensure that customer confidentiality is protected.</p> <p>11 Customer satisfaction and quality Deliver services with high quality, sustainability benefits and business value.</p>

partnerships and networks, closely followed by diversity, equality and inclusion. Furthermore, stakeholders expect Business Sweden to ensure that the organisation achieves its climate goals, conducts its business objectives ethically, offers a safe and secure work environment, delivers good results, protects customer confidentiality and maintains high quality.

STAKEHOLDER REFLECTIONS

Overall, stakeholders expressed significant confidence in Business Sweden and were positive towards its efforts, engagement and greater focus on sustainability. They confirmed the importance of the sustainability strategy's five pillars and emphasised Business Sweden's unique role and ability to strengthen Sweden's competitiveness and contribute to the green transition and sustainable growth via the organisation's global network, vast expertise and local market knowledge. Stakeholders emphasised the importance of Business Sweden remaining on the forefront of and paving the way for sustainable growth in Sweden and the world by ensuring that the sustainability strategy is integrated into the business strategy, services and promotional efforts. Employees demonstrated a strong devotion and desire to continue developing and delivering on the organisation's commitments and doing their part to help scale up its sustainability solutions and realise the sustainability strategy and goals.

STRENGTHS AND IMPROVEMENT AREAS

The findings from the materiality analysis also revealed a number of strengths and areas for improvement. One of Business Sweden's strengths that was particularly emphasised was the organisation's role in both the public and private spheres, its global network, market insights, local presence and vast knowledge. Business Sweden has a reputation for being a facilitator of sustainable development, with significant potential to bring stakeholders together, identify sustainable business opportunities, help mitigate sustainability-related risks and impact agendas of both companies and countries. Its greatest strengths and pillars

included collaboration with Team Sweden and the organisation's strategic promotion efforts in international arenas such as COP27 and Stockholm+50. Stakeholders felt that positioning efforts and the communication campaigns of *Pioneer the Possible* were successful and influential in strengthening Sweden's brand and competitiveness.

Areas of improvement were leadership, knowledge and resource development, along with clarifying how the sustainability strategy is integrated with the business strategy, the organisation's long-term direction, risk appetite and priority areas within sustainability. Overall, stakeholders expressed a desire for Business Sweden to take on a clearer leadership role and derive the full benefits from Team Sweden's potential to facilitate more partnerships and deals that contribute to sustainable growth and implementation of Agenda 2030 and the Paris Agreement. Stakeholders wanted Business Sweden to continue its active involvement in international forums like COP and UNGA. Support with risk analyses, new regulations and market insights were requested, not least in complex markets, in order to create better conditions for business, prevent and convert risks into business opportunities. Strengthening the synergies between development cooperation, export and investment promotion were also seen as key focus areas so that there is a stronger ability to facilitate more deals that contribute to the green transition and sustainable development in developing countries and growth markets. There was also a desire for stronger collaboration within Team Sweden and with international stakeholders regarding boosting the positioning of Team Sweden whilst also improving the facilitation of knowledge exchange, along with harmonising frameworks, methods, tools and strategies. Finally, stakeholders wanted more clarification on how Business Sweden generates value and sustainability benefits to companies and countries via data-driven insights, using transparent methods for measurement.

Business Sweden highly values the stakeholder feedback provided and it ensure it influences the design of its future strategic sustainability efforts.

Risk management – environmental impact

Obligations and direction	<p>Business Sweden strives to increase the climate benefit of Swedish exports and to strengthen Sweden's contribution to the implementation of the Paris Agreement and Agenda 2030. It does this by actively promoting exports of Swedish companies' climate-smart solutions and increasing the percentage of sustainable investments in Sweden.</p> <p>Business Sweden's activities are based on the Swedish government's policy for international sustainable business and the goal of a climate-neutral Sweden by 2045, accepted international standards and principles regarding sustainable business such as the OECD's guidelines for multinational enterprises, the UN Global Compact's ten principles of business ethics and Agenda 2030 for sustainable development. Business Sweden has also joined SME Climate Hub and supports Fossil Free Sweden, which is Sweden's commitment to becoming a fossil-free welfare state.</p> <p>Business Sweden is striving to reduce the organisations greenhouse gas emissions by 50% by 2030 based on 2019 as the base year. It is also striving for net zero emissions by 2045 in accordance with the Greenhouse Gas Protocol and Carbon Law.</p>
Goals and KPIs	<p>The goal is for the focus of Business Sweden's daily operations to be on maximising sustainability benefits and minimising the risk of a negative impact. The long-term goals are:</p> <ul style="list-style-type: none"> – That all completed projects overall make a positive contribution to Agenda 2030. Avoidance of projects which, overall, have a negative impact on the climate and sustainability agenda (as of 2023). – That all completed projects have been executed in a responsible way, which includes consideration of the climate-related risks (as of 2023). – To reduce the organisation's GHG emissions by 50% (Scope 1, 2 and 3) by 2030 and have net zero emissions by 2045, with 2019 as the base year. See page 36.
Description of the risks	<p>Business Sweden's operations involve running offices, business travel, purchasing and projects that have a negative impact on the environment in the form of greenhouse gas emissions, water consumption, biodiversity effects, waste generation and other forms of land and resource consumption. A significant portion of Business Sweden's carbon footprint stems from the assignments and customers that we work with, along with our customers' and suppliers' value chains. Examples of some of the climate-related risks of the business are:</p> <ul style="list-style-type: none"> – Business-related travel, energy consumption, purchase of technology, office supplies, disposable items, marketing materials, catering and other resource use connected to our offices, project assignments and promotional efforts. – Project assignments that negatively affect the climate, oceans, water, land, air, biodiversity, waste, ecosystems and the use of both nature and resources through, for example, travel, material use and emissions from machinery. Risks can also arise in the execution of projects aimed at contributing to climate adaptation and emission reduction. – Lack of knowledge, understanding, analyses and due diligence on climate impact, environmental risks and regulatory requirements among employees, customers and buyers. – Deficiencies in transparency, reporting responsibilities and the reliability of information about the climate impact of customers, along with lacking insight and control into the value chain of subcontractors, particularly with larger projects. This involves a potential risk of a negative environmental impact from delivered services or products subsequent to delivery of the project. – Lack of (or deficient) environmental legislation, policy frameworks, criteria, requirements in public procurement, financing, incentives and standards can entail a risk that climate-smart solutions and export/investment projects are out-competed by less sustainable alternatives.
Ongoing efforts and examples of initiatives in 2022 to minimise risks	<ul style="list-style-type: none"> – Code of conduct and internal policy framework adapted to Business Sweden's business, along with environment & sustainability policy, travel policy, purchasing policy and other related governance documents and guidelines aimed at lowering the organisation's climate impact. – External partners are asked to give their written approval of, and comply with, Business Sweden's general terms, including a special sustainability clause within the scope of the project. – Regular training initiatives and tailored training programmes offered by Business Sweden Sustainability Academy, along with presentations on climate-related risks, opportunities, and regulations. – Continuous development of services, tools, and processes to assist colleagues and increase the climate benefit of exports, increase the percentage of sustainable investments in Sweden and both prevent and minimise the risks of a negative climate impact in projects and daily operations. – Ongoing business intelligence activities and stakeholder engagement with leading, innovative companies, academia, trade associations, expert networks, and civil society organisations to identify and match climate challenges with Swedish innovative solutions. – Risk analyses carried out in conjunction with projects, quotations, and tenders, as well as actively informing, inspiring and training employees, customers and their stakeholders on the importance of taking environmental and climate responsibility. – Annual promotion efforts around the world to boost environmental awareness, increase knowledge about the role of Sweden and the Swedish business community in achieving the green transition with the aim of enabling more efforts and innovation collaboration around circularity, climate transition and climate adaptation. – Climate initiatives with leading companies, researchers, and expert networks as well as close collaboration with Team Sweden to identify and win more projects that contribute to the climate agenda, ongoing information, and knowledge exchange. – Development of Team Sweden's Green Transition Initiative and climate office in Washington D.C., as well as Sweden's positioning agenda and communication concept, <i>Pioneer the Possible</i>. – Annual climate calculations and climate reporting in accordance with the GHG Protocol. A climate team, set up specifically to collect and follow-up on climate data and action plans.

Risks-management – countering corruption

Obligations and direction	<p>Business Sweden has zero tolerance for corruption and bribery. Operations are based on the Swedish government's policy for international sustainable business as well as accepted international norms and principles regarding sustainable business, such as the OECD's Guidelines for Multinational Enterprises, the Ten Principles on Business Ethics of the UN Global Compact, the UN Convention Against Corruption, the UN Guiding Principles on Business and Human Rights, the UN 2030 Agenda 2030 for Sustainable Development and the Swedish Anti-Corruption Institute (IMM) Code of Business Conduct.</p> <p>Employees are expected to act in accordance with the highest business ethical standards. Our starting point is Swedish anti-corruption legislation in cases where the local laws and norms are less stringent.</p>
Goals and KPIs	<p>The long-term goal is:</p> <ul style="list-style-type: none"> – That all completed consulting projects and promotional activities are executed in a responsible way, in accordance with the organisation's framework for business ethics compliance (as of 2023). – All employees are required to complete digital training on Business Sweden's code of conduct every year. – All employees must participate in adapted compliance and anti-corruption training as well.
Description of the risks	<p>Corruption risks in the form of bribes, gifts, extortion, fraud, conflict of interest, political pressure, abuse of power, intermediaries, money laundering, illegal money flow, nepotism, administrative or bureaucratic red tape may occur within the scope of Business Sweden's daily operations and in contact with third parties. Examples of situations where corruption risks could arise:</p> <ul style="list-style-type: none"> – Public procurement, interaction and/or recurring contact and meetings with private or public decision-makers. – Project assignments in complex markets and in countries associated with high risk, for example due to weak institutions, political instability, conflict, inadequate local legislation, criteria, and business ethics. – Large projects and in sectors associated with an increased risk of corruption and/or when the buyer or investor is a government body or authority. – Lack of knowledge and understanding of corruption risks and inadequate compliance with regulations, processes and procedures by employees, owners, customers, and buyers. – Lack of local presence or network, reliable information/data, along with inadequate transparency and demands for responsibility in customer value chains. – Nepotism and favouritism during recruitment, tenders, and projects, as well as receiving or giving gifts or benefits. – Financial transactions within the scope of Business Sweden's service portfolio.
Ongoing efforts and examples of initiatives in 2022 to minimise risks	<ul style="list-style-type: none"> – Code of conduct and internal policy framework adapted to Business Sweden's operations such as an Anti-corruption policy, Anti-money laundering policy, Anti-insider policy, Policy against conflict of interest and nepotism, Gift policy, Authorisation guidelines, Purchasing policy and Instructions regarding representation and gifts. – Guidelines on the management and revision of agreements and invoices, along with requirements on written approval of Business Sweden's general terms and its special clause on sustainability. – Regular training, the annual obligatory training on Business Sweden's code of conduct and tailored training via Business Sweden Sustainability Academy. – Continuous development and risk inventory of services, tools, and processes to facilitate internal compliance and minimise sustainability risks in the projects via, for example, risk analyses based on country, industry, project, choice of customer and partner. – Information and advice to customers to help them navigate complex markets, and both identify and manage the risks associated with corruption. – Ongoing stakeholder engagement, close collaboration with Team Sweden on information/knowledge exchange, as well as collaboration with the Swedish Anti-Corruption Institute (IMM), including the establishment of anti-corruption networks with Swedish multinational corporations. – Whistle-blower system available to all employees and others outside the company to report any suspected non-compliance with the code of conduct.



Risk management – diversity, equality and inclusion

Obligations and direction	Business Sweden has zero tolerance towards all forms of discrimination and unequal treatment of our employees and partners. Diversity, equality, and inclusion (DE&I) is crucial for maximising employees' potential and well-being, as well as a prerequisite for increasing Swedish companies' competitiveness globally. Business Sweden should have an inclusive corporate culture and leadership. Furthermore, the organisation's values of collaboration, responsibility and influence must permeate the employees' behaviour and conduct.
Goals and KPIs	The long-term goals are: <ul style="list-style-type: none"> – 40-60% representation of women at all levels of the organisation. – All promotion activities, such as delegation trips, meetings and conferences must strive to have gender balance between women and men (as of 2023).
Description of the risks	The risk of unfair treatment based on disability, gender, nationality, sexual orientation, ethnicity, as well as cultural or religious affiliation could occur within the scope of Business Sweden's operations, assignments and contact with third parties. Examples of situations could be: <ul style="list-style-type: none"> – A lack of clear, transparent and inclusive leadership, equal career and development opportunities, and equal remuneration models. – Deficiencies in diversity and inclusion efforts could lead to difficulties in attracting and retaining talent, which, in turn, could impact our ability to carry out our commission. – An experience of unequal treatment could cause a person to engage less, feel unsafe or lack confidence in the organisation. – Heightened safety and security risk for women and minority groups in places where we do business, or in countries we travel to, not least in markets where the norms and legislation do not offer women and men the same rights and opportunities. – Deficiencies in diversity, equality, and inclusion when it comes to equal representation in decisions, meetings, conferences, panels and delegation trips.
Ongoing efforts and examples of initiatives in 2022 to minimise risks	Code of conduct and internal policy framework adapted to Business Sweden's operations such as work environment policy, equality and anti-discrimination policy, policy against conflict of interest and nepotism as well as performance management processes and framework for balanced representation in our deliveries, equal career and development opportunities and equal remuneration model. <ul style="list-style-type: none"> – Business Sweden has set up a special role for DE&I, support for external suppliers and a global working group with representation from the central functions. Furthermore, all the offices, at all locations, are required to contribute to, and develop, the work towards more inclusion and diversity. – Proactive succession planning to retain talent and structured processes for equal treatment of all candidates prior to promotion or internal recruitment. – Encouragement to managers, partners and participants to strive for equal resourcing and representation, inclusion and diversity in promotional activities, delegation trips, meetings, conferences and panels. – Training on safety and security, along with tools for increasing security for female employees when they will be travelling or stationed abroad in countries with a heightened security risk. – Inclusion is a key component of Business Sweden's employer brand, as well as in all of its recruitment communication with the aim of being able to attract talent of different genders, ethnicity and experience. – Employees and others outside the organisation may use the whistle-blower function to report any suspected or confirmed violations of the organisation's code of conduct. – Transparent recruitment processes and advertising of vacant positions, along with requirements on there being diversified candidate representation.

Risk-management – human rights

Obligations and direction	Business Sweden has zero tolerance for all forms of violation of the UN Declaration of Human Rights, forced and child labour, land grabbing, modern slavery, and human trafficking. For Business Sweden, human rights are fundamental, equal for everyone and must never be violated. <p>Operations are based on the Swedish government's policy for international sustainable business and Sweden's national action plan on business and human rights, as well as accepted international norms and principles regarding sustainable business, such as the OECD's Guidelines for Multinational Enterprises, the Ten Principles on Business Ethics of the UN Global Compact, the UN Convention Against Corruption, the UN Guiding Principles on Business and Human Rights, the UN 2030 Agenda 2030 for Sustainable Development and the ILO Conventions.</p>
Goals and KPIs	The long-term goals are: <ul style="list-style-type: none"> – That all conducted projects overall make a positive contribution to Agenda 2030. Avoidance of projects which, overall, have a negative impact on the climate and sustainability agenda (as of 2023). Agenda 2030 includes focus on climate transition and climate adaptation (as of 2030). – That all conducted consulting projects and promotional activities are executed in a responsible way, in accordance with the organisation's framework for business ethics compliance (as of 2023). – All employees are required to complete digital training on Business Sweden's code of conduct every year.
Description of the risks	The direct and indirect risks of violations of human rights in consulting projects and promotional activities varies across countries and locations, industries, project size, buyers, as well as transparency and influence in the value chain and supplier chain. Examples of situations where human rights risks could arise as part of Business Sweden's daily operations are: <ul style="list-style-type: none"> – Project assignments in countries associated with high risk, for example due to weak institutions, political instability, conflict, inadequate local legislation and business ethics, migrant workers, indigenous peoples, national or ethnic minorities and where the right to participate in collective bargaining or to form or join free trade unions are hindered or absent. – Larger projects where the business activities may affect working conditions, health and safety in the immediate area or entail the risk of land grabbing and displacement of indigenous people, vulnerable groups, and cultural areas. – Lack of knowledge and understanding of human rights risks, along with inadequate demands for responsibility and compliance with regulations, processes and routines for employees, owners, customers, buyers, and suppliers. – Inadequate risk analyses and due diligence on projects and value/delivery chains of customers or suppliers in conjunction with project assignments and promotional activities leads to a risk of non-compliance with international directives and legislation on human rights, along with a risk that the delivered services/products are resold or used in a way that could violate human rights. – Inadequate local representation, local networks, stakeholder engagement, inclusion, and dialogue with those impacted by projects that involve construction, new establishment and land use. – Lack of transparency, reliable information, insight and control with suppliers and their supply chain in conjunction with purchasing and services rendered, or in conjunction with promotional activities and trade shows.
Ongoing efforts and examples of initiatives in 2022 to minimise risks	<ul style="list-style-type: none"> – Code of conduct and internal policy framework and guidelines adapted to Business Sweden's operations to prevent risks of human rights violations. Business Sweden's general terms and conditions for project agreements, purchases, promotional activities, and delegation travels contain a special sustainability clause. – Regular training on human rights, regulations and upcoming legal requirements for mandatory due diligence, annual mandatory training in Business Sweden's code of conduct. – Tailored training programme via Business Sweden Sustainability Academy. Managers and employees in complex markets underwent targeted training efforts with external human rights experts during the year. – Continuous development and risk inventory of services, tools, and processes to facilitate internal compliance and minimise sustainability risks in the projects via, for example, risk analyses based on country, industry, project, choice of customer and partner. – Information and advice to customers to help them navigate complex markets, and both identify and prevent the risks associated with human rights violations. – Ongoing stakeholder engagement, close collaboration with Team Sweden and expert networks such as CSR Sweden and the Raoul Wallenberg Institute aimed at increasing knowledge, information exchange and promoting compliance with national and international regulations. – Whistle-blower system available to all employees and others outside the company to report any suspected non-compliance with the code of conduct.

Risks and risk management – impact on employees

Obligations and direction	<p>Business Sweden's employees are its most important resource. Ensuring that there is a productive, sustainable and healthy work environment where the employees at our offices around the world feel safe, involved, included and motivated is one of Business Sweden's highest priorities. It is also a prerequisite for being able to deliver on the State commission, help Swedish companies grow and strengthen their competitiveness.</p> <p>Activities are based on the Swedish Government's policies for sustainable entrepreneurship, along with established norms and principles on labour rights and responsible entrepreneurship, such as the UN Global Compact's principles on labour rights, the ILO's eight fundamental conventions, as well as Swedish and local labour laws.</p>
Goals and KPIs	<p>The long-term goals are:</p> <ul style="list-style-type: none"> – An engagement index of 80% from the annual employee survey (Benchmark 79). – All employees complete digital training on Business Sweden's code of conduct every year. – All new employees complete training on the organisational culture, business ethics norms and other topics specific to their role, responsibilities, and the local context.
Description of the risks	<ul style="list-style-type: none"> – A lack of clear, transparent, and inclusive leadership, as well as clarity on the strategy and direction. – A sense of there being unequal career and development opportunities and remuneration models. – High workload, extensive changes being made and not enough opportunities for rest and recovery. – Working in high-risk countries where there is, for example, a lot of crime, political unrest, or other health & safety risks. – Working in a dynamic organisation with a variety of tasks, parallel workflows, contact points and many time zones. – Lack of knowledge, understanding or support for employees with special needs.
Ongoing efforts and examples of initiatives in 2022 to minimise risks	<ul style="list-style-type: none"> – Code of conduct and internal policy framework adapted to Business Sweden's operations such as work environment policy, equality and anti-discrimination policy, policy against conflict of interest and nepotism, as well as other related governance documents to systematically update, conduct risk analyses, establish action plans and follow up on work-related risks. – Annual employee surveys and stakeholder engagement on personnel issues, well-being, and skill development along with continuous monitoring of the work environment and employee experiences. – Structured process for recruitment, – operational management and performance monitoring. Support and tools to ensure that there is a safe work environment with clear expectations, secure and efficient teams, and a leadership style where coaching and close ties predominate. – Business Sweden has a leadership model of Envision, Engage and Enact. Managers thus have distinct responsibility for continuously supporting the skill development of each employee and making sure that they have opportunities for new experiences and involvement in new projects. – Regular risk analyses, safety & security training and development of relevant tools and processes for creating a work environment that is as safe and secure as possible. All work sites have specific safety-related documents, safety instructions, contingency plans, and training to support their operations. – There are both voluntary and obligatory trainings for the entire organisation, examples of which are health-promoting leadership and other subjects relevant to the business. – Employees and others outside the organisation may use the whistle-blower function to report any suspected or confirmed violations of the code of conduct.

Risks and risk management – impact on social conditions

Obligations and direction	<p>Business Sweden strives to increase Sweden's contribution to Agenda 2030 via our global presence, knowledge of the local conditions, vast industrial knowledge, local networks and close collaboration with Team Sweden, external stakeholders, and expert organisations. Together, we are striving to raise the level of knowledge, capacity and conditions for more projects that contribute to social sustainability and growth. Operations are based on the Swedish government's policy for international sustainable business and Sweden's national action plan on business and human rights, as well as accepted international norms and principles regarding sustainable business, such as the OECD's Guidelines for Multinational Enterprises, the Ten Principles on Business Ethics of the UN Global Compact, the UN Convention Against Corruption, the UN Guiding Principles on Business and Human Rights, the UN 2030 Agenda 2030 for Sustainable Development and the ILO Conventions.</p>
Goals and KPIs	<p>The long-term goals are:</p> <ul style="list-style-type: none"> – That all completed projects overall make a positive contribution to Agenda 2030. Avoidance of projects which, overall, have a negative impact on the climate and sustainability agenda (as of 2023). – That all completed consulting projects and promotional activities are executed in a responsible way, in accordance with the organisation's framework for business ethics compliance (as of 2023). – All employees are required to complete digital training on Business Sweden's code of conduct every year. – Score of 80% in the customer satisfaction index on Business Sweden's consideration of sustainability in project delivery.
Description of the risks	<ul style="list-style-type: none"> – Project assignments in countries with more comprehensive sustainability challenges and which are associated with high risk, for example due to weak institutions, political instability, conflict, inadequate local legislation, criteria, and business ethics. – Projects that involve major changes to infrastructure or where new technology is introduced could impact the working conditions and involve a risk that professions or jobs disappear, and companies go bankrupt. – A lack of inclusion, interaction or agreements with groups affected by projects that involve such things as construction, relocation or land use could result in future conflicts and both economic and social consequences. – A lack of knowledge and understanding among employees, customers, and buyers on social sustainability, as well as lack of compliance with rules and regulations, processes, and routines to prevent social sustainability risks or create the conditions for societal engagement, sustainable growth, fair transition and growth. – Insufficient risk analyses and due diligence into the value/supply chains of projects, customers, or suppliers in conjunction with project assignments or promotional activities could result in sustainability risks such as exploitation of challenging local conditions, natural resources, labour exploitation and economic, health, environmental or safety concerns for the workers and/or affected community groups. – Lack of local presence or network, reliable information/data, along with inadequate transparency and demands for responsibility in customer value chains.
Ongoing efforts and examples of initiatives in 2022 to minimise risks	<ul style="list-style-type: none"> – Code of conduct and internal policy framework adapted to Business Sweden's business, along with environment & sustainability policy, purchasing policy, work environment policy and other related governance documents and guidelines aimed at lowering the organisation's negative impact on social sustainability. – Business Sweden's general terms and conditions for project agreements, purchases, promotional activities, and delegation trips contain a special sustainability clause, which puts requirements on the companies we collaborate with and raises the level of ambition we expect from them. – Continuous development of services, tools and processes so that colleagues can, to an even greater extent, contribute to sustainable growth and prevent risks and negative impact in the projects Business Sweden is involved in. – Collaboration with local/global partners and multilateral development banks, such as the World Bank, Asian Development Bank and African Development Bank. – Collaboration with Team Sweden on initiatives to raise capacity in order to assist companies with identifying and managing risks of a negative impact, along with strengthening opportunities to, to an even greater extent, contribute to social, ecological and economic growth. This is done, for example, via the Sustainability Impact Accelerator and joint initiatives with Swedfund, EKN, SEK, Swedish International Development Cooperation Agency (Sida), National Board of Trade Sweden and the International Council of Swedish Industry. – Risk analyses carried out in conjunction with projects, quotations and tenders, as well as actively informing, inspiring and training employees, customers and their stakeholders on the importance of taking social, environmental and climate responsibility. – Regular training efforts and tailored training programmes via Business Sweden Sustainability Academy, along with presentations on regulations, sustainability risks and opportunities to promote decent working conditions, human rights and strengthen social conditions. – Whistle-blower system available to all employees and others outside the company to report any suspected non-compliance with the code of conduct.

SUSTAINABILITY DISCLOSURES

Sustainability disclosures, GHG emissions, tonnes CO ₂ e	2022	2021	2020	2019	2018	Goal
Scope 1 Company-owned cars	36	38	31	109	-	
Scope 2 Energy consumption, offices	990*	1,330*	1,330*	1,330*	-	Reduce Business Sweden's CO ₂ e by 50% by 2030 and achieve net zero emissions before 2045, with 2019 as the base year.
Scope 3 Business trips, IT equipment, upstream emissions from energy	2,200**	1,507**	1,142	2,550	-	
Total GHG emissions	3,226	2,875	2,503	3,989	-	

* Energy-related emissions have been calculated according to both the Market-based and Location-based methods. Our starting point was the Market-based method, which means that the emissions are based on the electricity mix purchased from the electricity supplier. The corresponding number of emissions according to a location-based calculation is 2,997 tonnes of CO₂e for 2022, which represents the emissions based on the average electricity mix in the electricity grid. Energy consumption was not calculated for 2019 or 2020, but it is estimated to be the same as 2021, which was the first year it was calculated. A base year adjustment will then be made in 2023 to calculate the actual emissions for energy consumption in 2019 and 2020.

** Quantitative and qualitative data for analysis of our business and commuting trips is based on data from 2019, 2020 and 2022. The emissions from business and commuting trips for 2021 were based on the emission calculations for 2019 and 2020. Emissions from IT equipment were not calculated for 2019 or 2020, but it is estimated to be the same as 2021, which was the first year it was calculated. A base year adjustment will then be made in 2023 to calculate the actual emissions of IT equipment in 2019 and 2020.

Compliance (%)	2022	2021	2020	2019	2018	Goal
Percentage trained on the code of conduct	100	100	100	87	81	100

During the year, all employees completed training on the code of conduct and signed it

Equality (%)	2022	2021	2020	2019	2018	Goal	
Senior positions							
Women on the Board of Directors	40	50	50	44	44	40-60% at all levels in the organisation.	
Women trade secretaries and country managers	38	31*	29*	29*	30*		
Women on the management team	33	22	38	50	44		
Women managers	41	37	36	-	-		
Other organisation							
Women senior project managers	61	51	59	-	-		
Women project managers	57	53	58	-	-		
Women consultants	59	55	57	-	-		
Women associates	66	73	61	-	-		

* The supporting documentations only includes trade secretary positions and not country managers.

Customers (%)	2022	2021	2020	2019	2018	Goal 2023
Indirect customer impact on sustainable international business	67	61	61	55	-	80

Our indirect customer impact on sustainable international business is measured via a Customer Satisfaction Index. Our customers rank Business Sweden on a scale of 1 to 5 on the statement, "Business Sweden has offered us CSR advice." Efforts are ongoing to increase our indirect impact by next year.

AUDITOR'S STATEMENT

The auditor's statement on the statutory sustainability report is provided on page 79.





ADMINISTRATION REPORT

Business Sweden, corporate identity no. 262000-1194, refers to the organisation formally registered as Sveriges Export- och Investeringsråd, also known as Swedish Trade and Invest Council with its registered office in Stockholm. Business Sweden has two owners, the Swedish State and the private business community in Sweden. The State is represented by the Swedish Ministry for Foreign Affairs and the business community by the Swedish Foreign Trade Association.

Business Sweden operates with staff stationed in 37 countries with an average of 467 (427) employees. Operations are carried out from 43 offices in 36 countries and ten locations in Sweden. The head office is in Stockholm. Its operations are conducted as trade offices, representative offices, branches and subsidiaries. For further information about the number of employees and subsidiaries, see note 8, pages 62-64, and note 15, page 68.

The Board of Directors and CEO of Business Sweden, (corporate identity number 262000-1194), with its registered office in Stockholm, hereby present the annual report for 2022.

Unless stated otherwise, the data concerns the Group. All amounts are stated in thousands of Swedish kronor (SEK thousand) unless specified otherwise. The data in parentheses refer to the preceding year.

NET SALES

Net sales for 2022 were SEK 809 million (712 million). The table below presents the distribution of net sales by source of funding. The increase is attributable to both an increase in assignments from the state and a strong recovery in assignments from industry (more information is available under “Significant events in 2022” on pages 41-43). For further information about advances from clients, work in progress, commissions from the Government and ministries and from the Confederation of Swedish Enterprise (Svenskt Näringsliv), see notes 19-21, pages 69-70.

Net sales (SEK million)	2022	2021
State commission, export and investment promotion	379	344
Other commissions from the Government, ministries and other State operators	85	59
Confederation of Swedish Enterprise	9	9
Company income	336	300
Total	809	712

FIVE-YEAR SUMMARY

Key ratios (SEK million)	2022	2021	2020	2019	2018
Net sales	809	712	663	796	740
Other operating income	4	2	10*	0	0
Operating expenses	-794	-661	-639	-787	-709
Operating profit before non-recurring costs	19	53	34	9	31
Non-recurring costs	-1	-1	-24**	-4	-1
Operating profit after non-recurring costs	18	52	10	5	30
Profit after financial items	18	50	6	5	30
Total assets	601	507	377	354	321
Equity	186	171	123	122	118
Equity/assets ratio (%)	31	34	33	34	37
Average number of employees	467	427	444	485	484

* Other operating income includes short-time working support of SEK 9.7 million..

** In the first half of 2020, Business Sweden gave 35 employees in Sweden notice of termination on account of a need to reduce staff numbers. The pandemic was the reason for this. At the end of June, notice of termination was issued to 32 people in Sweden and 15 people abroad. They were released from work at the same time.

EARNINGS

After a particularly strong 2021, Business Sweden returned to a more normal level, based on the historical trend, in 2022. The operating profit before non-recurring costs was SEK 19 million (53 million). The increase in company-financed services continued in 2022. At the same time, Business Sweden's employee benefit expenses and other expenses also increased as a result of recruitments and an expansion of the workforce. The increase was according to plan, since last year's workforce was too small to be sustainable over the long term in relation to the volume of assignments. The higher costs are also attributable to having held the investment conference, *Join Sweden Summit*. Other reasons for the higher costs in 2022 are inflation and currency effects.

Demand for Business Sweden's services from Swedish companies increased during the period after the peak of the pandemic. Overall, Business Sweden can reflect on the year past and conclude that sales were good, with a robust increase in revenue, but also higher costs. Total demand from companies increased during the year and it can be noted that all services in company-specific business development grew compared to 2021. The strongest growth, however, came from BI&O. Towards the end of the year, growth dampened somewhat due to the slow-down in the economy. In 2022, Business Sweden's State income was SEK 379 million, which is an increase of SEK 35 million compared to

previous year and it is primarily attributable to investment promotion activities.

Operating profit for the year included certain non-recurring costs, primarily restructuring costs associated with discontinuation of operations in Russia. These amounted to SEK -1 million (-1 million). The operating profit after non-recurring costs was SEK 18 million (52 million).

The profit before tax (after financial items) was SEK 18 million (50 million). The profit for the year was SEK 12 million (43 million). Tax on the profit for the year is attributable to Business Sweden's subsidiaries in Sweden and abroad.

CASH FLOW AND FINANCIAL POSITION

The cash flow from operating activities was positive and amounted to SEK 82 million (89 million) in 2022. This was due to an increase in current operating liabilities. The cash flow from investing activities was SEK -21 million (-8 million), primarily as a consequence of investments in property, plant and equipment. The total cash flow for 2022 was positive and amounted to SEK 61 million (82 million). This means that cash and cash equivalents at the year-end totalled SEK 367 million (304 million). Equity amounted to SEK 186 million (171 million), an increase of SEK 15 million.

SIGNIFICANT EVENTS IN 2022

EXPORT AND INVESTMENT PROMOTION

Promotional activities have partially returned to how things were prior to the pandemic, although they are now conducted in digital, traditional and hybrid formats.

Within the framework of the Government's special focus on investment promotion, Business Sweden received an additional SEK 25 million for 2021–2022. An international investor conference, the *Join Sweden Summit*, was held in June 2022. Senior representatives of relevant companies and industries, both international and national and regional in Sweden, attended the summit. Planning and marketing were done during 2021–2022.

During the year, Business Sweden received an additional SEK 25 million to make it easier for more Swedish SMEs to internationalise. It enabled Business Sweden to be more widely represented throughout Sweden. Business Sweden also received an advance to pay for the dismantling of the Swedish pavilion at Expo 2020 in Dubai. Those efforts will continue in 2023 and they will primarily be carried out by an external contractor.

COMPANY-SPECIFIC BUSINESS DEVELOPMENT

Company-specific operations at offices abroad to help companies in Sweden boost their international sales recovered markedly after the pandemic and increased to SEK 336 million (300 million), i.e. by 12%. Company-specific operations, excluding co-financed services, increased to SEK 279 million (255 million), i.e. by 9%. The increase is primarily attributable to Business Incubation & Operations, i.e. the practical support offered to companies when they set up in new markets. Company-specific business development attributable to Business Incubation & Operations totalled SEK 157 million during the year, which is an increase of SEK 23 million.

OFFICE NETWORK AND STAFFING

Business Sweden started hiring new employees when it was evident that the worst of the pandemic was over. In general the market demand for labour has been high, resulting in long lead times for recruitment and a high employee turnover rate at Business Sweden. The average number of employees increased from 427 to

467 during the year. The percentage of women employees at Business Sweden was 57% (54%). In Swedish operations, the percentage of women was 55% (52%) and abroad it was 57% (55%). The percentage of women managers in the Group overall is 41% (37%). The percentage of women trade secretaries was 38% (31%). During the year, Business Sweden had an average of 352 employees in 43 offices abroad in 36 countries.

The number of active offices abroad during the year increased to 43. As far as changes go, operations in Russia were made dormant due to the war. Besides that, two new offices were opened: one in Washington D.C. (USA) and another in Ho Chi Minh City (Vietnam). No other new offices, branches or subsidiaries were set up.

IT OCH DIGITISATION

In mid-January 2022, Business Sweden's IT department took over operations and support of the entire IT environment of International Council of Swedish Industry (NIR) from an external supplier.

The IT and digitisation departments of Business Sweden were merged during the year in order to use the organisation's resources more efficiently. Business Sweden has also strengthened the organisation's system administration in order to meet its support and strategy needs.

The IT year was also characterised by continuous enhancement of IT and data security and operational reliability in the form of investments in infrastructure. The strained geopolitical situation, along with increased pressure on IT systems is a strong driving force for continued investments in IT security. Several projects also continued, or were started during the year:

- A review of the organisation's ERP system in 2021 revealed that it was outdated. A new project thus started up to reinstall the current system, aimed at being able to operate as "one" company, regardless of legal/operational affiliation or service portfolio. The project also aims to reduce project administration time, improve quality/control and facilitate future cloud solutions.
- A project is underway to implement a new solution management of the organisation's internal and external projects, along with standardising and boosting document protection and upgrading processes on life cycle and document management. Phase 2 of the project has started, with focus on

boosting and further simplifying document protection, thereby minimising the risk of information leakage.

- Penetration testing has been performed on all externally published services to identify any vulnerabilities that could enable intrusion. The tests were carried out by an external party and no critical vulnerabilities that cause a significant risk were revealed.
- Completion of a new IT strategy that was started at the end of 2021 and aimed at arriving at plan for the next 5 years that encompasses IT and information security, technology choices and digitisation. The new strategy resulted in a decision to merge the IT and digitisation departments, which facilitates more efficient use of internal resources. Business Sweden's investment in internal expertise in application development has enabled the further development and management of internally developed systems that support the business processes for such things as State-funded projects.

GDPR

In 2022, Business Sweden completed the work of implementing a new administration model to update compliance with the data protection rules according to GDPR. The aim of the administration model is to simplify, systematise and streamline the organisation's GDPR work.

A major review of Business Sweden's Article 30 register was also carried out as part of the work on the new administration model. The register is a list of the personal data processing that takes place, where it takes place, the type of personal data processed, administration time required to delete data, etc.

Business Sweden has set up a GDPR Council. It meets regularly to decide on measures in line with changes in legislation, guidelines and practice, which are implemented on an ongoing basis.

COMMUNICATION AND MARKETING

Business Sweden's communication plays an important role in contributing to increased employment and growth for Sweden and is critical to delivering on both State and private commission. There are many objectives with this, such as sharing knowledge on concrete business opportunities in the markets were

Business Sweden is active, along with training, inspiring and encouraging Swedish SMEs to expand globally. It is also about positioning Sweden, Swedish companies and Swedish solutions in foreign markets so that Swedish companies can increase their global sales. Positioning Sweden and Sweden's areas of strength are another important way of enticing international companies to invest and expand in Sweden, this, together with communication and concrete investment opportunities. Communication should also be aimed at raising awareness of Business Sweden and the services we offer so that companies are encouraged to collaborate with us.

Besides the business arena, Business Sweden also communicates in the arenas of society and employees. For society, it has to do with getting those in power, partners and general society to understand the importance of trade and exports for a small country like Sweden and understanding the role that MNCs play. For employees, communication is directed at both existing and potential employees, since we need to both attract and retain the talent that lies at the core of our operations.

During the year, Business Sweden collaborated with the Swedish Institute on a new presentation for international companies entitled, "Why Sweden?". It is published on the Sharing Sweden website. As of January 2023, material from the *Join Sweden Summit*, such as videos about Sweden and Sweden's areas of strength will be published as well.

Specific campaigns have been directed at Swedish SMEs where we have further developed communication on the services we offer by adding new material such as customer cases aimed at encouraging global expansion. One of the main focus areas of the SME programme has been disseminating information on the regional initiative and the fact that Business Sweden's export advice is available and ready to offer practical support at all of the 21 regions in Sweden.

Additional assignments for more jobs and growth

The largest communication investment in 2022 was related to investment promotion and the additional assignment that Business Sweden received from the State to generate more jobs and growth in Sweden. One of Sweden's largest investments to position Sweden and its areas of strength was the *Join Sweden Summit*. It

took place in June 2022 in Stockholm, where participants could also join digitally, aimed at positioning Sweden and Sweden's areas of strength. Communication around the event went on throughout the year. It was built on the concept of Join Sweden, signalling that Sweden is both open and collaborative, inviting international companies to join us to increase their global competitiveness.

Effect of communication and marketing

Proactive, insightful communication and marketing with campaigns impacts many areas. The total number of followers of Business Sweden on social media and their levels of engagement continue to increase, particularly on LinkedIn. Business Sweden currently has more than 91,000 followers on social media, which is an increase of around 20% compared to previous year.

Awareness of Business Sweden among Swedish export companies has remained relatively stable. The survey in 2022 revealed that the level of awareness was 81%, compared to 83% in 2021. Since 2014 (53%), the trend of awareness has risen and over the last four years it has been stable at around 80% or higher. The same survey revealed that the Business Sweden's brand attractiveness fell somewhat in 2022 and was 46 (50).

BOARD MEMBERS

In July 2022, SFTA appointed Peter Cerny to be a new member of the Board of Business Sweden, replacing Linn Tagesson, who left the Board. Additionally, SAU appointed Johan Söderström as a new member of the Board, replacing Jonas Wiström, who resigned from the Board.

RISKS AND OPPORTUNITIES

The account given below of risks and uncertainties does not claim to be comprehensive. Nor are the risks listed in any particular order.

SUSTAINABILITY

Business Sweden's operations are associated with a number of sustainability-related risks linked to, among other things, corruption, human rights, working conditions, gender equality, environment and climate. At the same time, Business Sweden in collaboration with Team Sweden has great opportunities to positively

influence and contribute to green transition, sustainable development and responsible business ownership by helping companies scale up leading sustainable solutions and minimize the risks and negative impacts of doing business. These risks and opportunities are presented in more detail on pages 30-35.

GEOPOLITICAL SITUATION AND SECURITY

Business Sweden's operations are becoming increasingly international and with that comes a higher level of exposure to developments in the world around us. It is something that has become even more evident with Russia's invasion of Ukraine, the war that has ensued and its consequences. Tensions exist elsewhere in the world as well, which, hypothetically, could impact safety, security and the world economy to varying degrees and thus also Business Sweden.

OPERATIONS ABROAD

Business Sweden has operations in several countries with political instability, and this can adversely affect the possibilities of conducting business operations and international trade. If major changes take place in a short space of time, it can be difficult for Business Sweden to adapt its local activities and there may be painful losses of income and/or costs. Business Sweden's presence in these markets can, however, become increasingly important to clients in such circumstances.

The great bulk of Business Sweden's income is in Swedish kronor. In contrast, parts of Business Sweden's cost base in its operations abroad are in foreign currency, mainly EUR, USD and CNY, which means that Business Sweden is exposed to exchange rate fluctuations. Forward cover is therefore obtained for flows in foreign currency.

CYCLICAL DEPENDENCE

The part of Business Sweden's operations that is related to consultancy income from Swedish companies is affected by these companies' general belief in the future and their desire to invest. The state of the worldwide economy and international demand factors that directly impact Swedish companies, which became even more evident during the pandemic and which is now being acutely felt with the continued high rate of inflation, which will likely lead to recession, with lower growth and demand as

a result. The purchasing power of the Swedish krona compared with other major currencies and the existence of barriers to trade are other important factors that affect Swedish trade and, ultimately, demand for the services of Business Sweden.

SHARE OF STATE INCOME

The volume of State funding paid to Business Sweden for export and investment promotion activities is determined by the Government and Riksdag (Parliament). The funding is decided in December every year for the subsequent year via the Riksdag decision on the annual budget bill, i.e. it is an annual commission which has remained fairly stable in terms of size in recent years. The uncertainty about long-term funding affects Business Sweden's ability to plan and dimension its operations in the long term. The Government's budget bill currently indicates that the appropriation for export promotion will be almost halved and the appropriation for investment promotion will be significantly lower from 2024. This could likely have a major impact on Business Sweden's operations and its ability to deliver on its commission.

COVID-19 PANDEMIC

The part of Business Sweden's operations that is related to consultancy income from Swedish companies was noticeably affected by the pandemic in 2020. Business Sweden saw an increasingly positive business climate during 2021–2022. However, developments in the future will depend in part on the impact of vaccines, the progress of the vaccination programmes worldwide, and any new variants and further spread of infection. Although the effects in Sweden are currently limited, the worldwide situation is still difficult to assess. In the wake of the pandemic, many major recovery programmes have been launched to stimulate the economy. They open up many new opportunities for Swedish companies.

PROJECT-BASED OPERATIONS

Business Sweden's operations are predominantly project-based, and a large proportion of its projects are fixed-price commitments for which the profitability assessment can be adversely affected if delivery consumes more resources than planned. Business Sweden therefore constantly follows the outcome of projects and current forecasts in order to limit the risk of incurring losses.

STAFF ARE THE MOST IMPORTANT ASSET

Business Sweden's most important asset is its employees. In order to be able to develop its operations, it is therefore very important that Business Sweden is able to attract and retain qualified staff by offering interesting and challenging work, an attractive employee offer and the possibility of further development. As with many other employers, Business Sweden experienced employee turnover and there is much competition for talent in the labour market. Even though Business Sweden seeks to fill vacancies with internal candidates, it must still be able to attract new employees so that it can recruit replacements and grow. Certain positions, especially in operations abroad, may take longer to fill as local conditions may require special qualifications.

Business Sweden's ambition is for everyone, regardless of gender, background, sexual orientation and age, to have equal opportunities for employment, training and development in their work.

Employee benefit expenses are Business Sweden's largest expense item by far. To be able to establish a positive relationship between income and expenses, the level of Business Sweden's employee benefit expenses must be reasonable in relation to the market price that customers are prepared to pay for each service. The price level of external services has a great impact on earnings.

SUSTAINABILITY

In 2022, Business Sweden continued working towards the strategic objective of acting as a catalyst for sustainable development. Business Sweden plays an important role in promoting the green transition, sustainable growth and responsible business ownership. The long-term goal of Business Sweden's global sustainability work is to strengthen Sweden's contribution to the implementation of Agenda 2030 and the Paris Agreement, along with helping Sweden achieve its transition target of net zero emissions by 2045. This means, in part, delivering on the five strategic focus areas of the sustainability strategy:

1. **Accelerate exports of Swedish sustainable solutions**
Business Sweden shall help Swedish companies with disruptive technologies,

sustainable solutions and circular business models for growing internationally in order to generate growth, sustainable development and green transition in Sweden and internationally.

2. **Increase the percentage of foreign sustainable investments to Sweden**
Business Sweden shall systematically strive to increase the share of sustainable investments and attract the innovations and skills Sweden needs to speed up the country's green and circular transition, create more jobs and promote sustainable growth.
 3. **Promote international responsible entrepreneurship**
Business Sweden shall actively assist companies in minimising the negative impact of doing business by identifying, preventing and managing sustainability-related risks linked to, among other things, corruption, human rights, working conditions and the environment and climate in connection with project assignments and promotion efforts.
 4. **Position Sweden and Swedish enterprise**
Business Sweden shall work together with Team Sweden and Swedish companies to strategically position Sweden and Swedish enterprise as leaders in green transformation, sustainable development and responsible entrepreneurship, with the aim of strengthening competitiveness, increasing awareness, creating collaborations and driving incentives for innovations and processes that contribute to sustainable growth and the green transition.
 5. **Adherence to our values and sustainability goals**
Business Sweden shall both facilitate and ensure that its employees set a good example and that their conduct is aligned with the organisation's code of conduct, accepted international business norms, guidelines and laws. Employees shall adhere to the organisation's basic values of cooperation, responsibility and influence – to the benefit of Sweden, our customers and the countries where we operate.
- The five focus areas of the sustainability strategy also cover daily work to develop the business strategy and leadership in the area of sus-

tainability, further development of existing services, development of new services and skills development for employees in order to meet the needs of customers, minimise risks and maximise the sustainability benefits. It involves responsible and ethical business conduct, reducing the organisation's carbon footprint within all three scopes and ensuring diversity, equality and inclusion. Additionally, Business Sweden shall strive to have more collaboration with internally and within Team Sweden, as well as assisting companies with their industry-wide and transnational collaborations. Other prioritised focus areas are safe and secure working environment, fair working conditions, high customer satisfaction and quality, good financial results and customer confidentiality.

In accordance with Chapter 6, Section 10, and Chapter 7, Section 31 a-c, of the Swedish Annual Accounts Act, Business Sweden has prepared a sustainability report for the parent company and the Group. The sustainability report applies to all subsidiaries covered by the requirement according to the Swedish Annual Accounts Act and it is presented on pages 25-36.

PROSPECTS FOR 2023

Despite the downturn in the economy and uncertain geopolitical situation, the demand for Business Sweden's services is expected to rise in the year ahead, although not at the same rate as in 2022. Combined with the largely unchanged volume of the State commission, Business Sweden is expected to continue to grow in the pursuit of its aim.

A number of initiatives will take place in the year ahead aimed at developing sustainability efforts and delivering both value and sustainability benefits to stakeholders. Based on the materiality analysis, the Government's guideline letter and the organisation's new guideline on purpose-driven growth, focus will be on further developing and integrating the sustainability strategy with the business strategy and service portfolio. An overview and development of the compliance programme, processes, knowledge and capacity, in collaboration with Team Sweden, along with boosting the synergies between development collaboration and export/investment promotion will also be prioritised. There will also be focus on continued and more in-depth collaboration with Team Sweden, along with developing and facilitating new global networks and partnerships.

Furthermore, Business Sweden will continue striving to fortify the global positioning agenda and facilitate a strong presence on international arenas such as COP28 in Dubai. Finally, Business Sweden is striving to develop and implement its climate strategy and the DE&I agenda, along with clarifying its long-term priorities, boundaries, and methodology in order to measure and strengthen Business Sweden's sustainability value for companies and countries all over the world.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events have occurred after the end of the financial year and operations are continuing to proceed as planned.

PROPOSED APPROPRIATION OF PROFITS

The Group's equity amounts to SEK 186,364,000, of which the Group's annual profit amounts to SEK 11,789,000.

The parent company's non-restricted equity amounts to SEK 64,064,000, of which the parent company's annual profit amounts to SEK -2,216,000.

The Board of Directors and the CEO propose to the governing body that the profit available in the parent company be appropriated as follows (amounts in SEK):

Profit brought forward	66,280,477
Profit for the year	-2,216,263
Total	64,064,214
Carried forward	64,064,214

The profit from the operations of the parent company and the Group during the financial year and their general position are shown in the subsequent income statements, balance sheets, cash flow statements and supplementary disclosures.

CONSOLIDATED INCOME STATEMENT

SEK thousand	Note	2022	2021
OPERATING INCOME			
Net sales	3	808,873	711,805
Other operating income	5	4,014	2,012
Total		812,887	713,817
OPERATING EXPENSES			
Other external expenses	6,7	-291,665	-228,929
Employee benefit expenses	8	-496,962	-425,335
Depreciation/amortisation of property, plant and equipment and intangible assets	12, 13	-6,402	-7,797
Other operating expenses		-16	-19
OPERATING PROFIT		17,842	51,737
PROFIT FROM FINANCIAL ITEMS			
Other interest income and similar profit items	9	2,865	388
Interest expense and similar profit items	10	-2,685	-2,526
PROFIT AFTER FINANCIAL ITEMS		18,022	49,599
Tax on profit for the year	11	-6,233	-6,382
PROFIT FOR THE YEAR		11,789	43,217



CONSOLIDATED BALANCE SHEET

SEK thousand	Note	31/12/2022	31/12/2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Licences and similar rights	12	40	527
Development work in progress	12	4,345	0
Total		4,385	527
Property, plant and equipment			
Equipment	13	17,924	9,916
Construction in progress	13	3,109	2,619
Total		21,033	12,535
Financial assets			
Other long-term receivables	14	16,247	13,476
Deferred tax assets	16	69	160
Total		16,316	13,636
TOTAL NON-CURRENT ASSETS		41,734	26,698
CURRENT ASSETS			
Current receivables			
Accounts receivable - trade		135,241	129,835
Income earned but not invoiced	20	6,951	4,498
Other receivables		19,356	12,868
Prepaid expenses and accrued income	17	31,448	29,403
Total		192,996	176,604
Investments in securities etc.			
Other investments in securities, etc.	2	124,361	126,843
Total		124,361	126,843
Cash and bank balances	2	242,348	177,095
TOTAL CURRENT ASSETS		559,705	480,542
TOTAL ASSETS		601,439	507,240

CONSOLIDATED BALANCE SHEET

SEK thousand	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
EQUITY			
Other contributed capital		20	20
Other equity, including profit for the year		186,344	171,334
Total		186,364	171,354
PROVISIONS			
Deferred tax liabilities	16	2,751	2,032
Provisions for pensions	18	3,643	4,701
Total		6,394	6,733
CURRENT LIABILITIES			
Advance payments from customers	19, 21	259,657	201,658
Income invoiced but not earned	20, 21	37,218	37,611
Accounts payable - trade		34,694	27,538
Tax liabilities		7,025	4,885
Other current liabilities		24,851	20,844
Accrued expenses and deferred income	22	45,236	36,617
Total		408,681	329,153
TOTAL EQUITY AND LIABILITIES		601,439	507,240



PARENT COMPANY INCOME STATEMENT

SEK thousand	Note	2022	2021
OPERATING INCOME			
Net sales	3, 4	665,915	598,234
Other operating income	5	40,244	30,974
Total		706,159	629,208
OPERATING EXPENSES			
Other external expenses	4, 6, 7	-330,648	-263,310
Employee benefit expenses	8	-374,719	-341,691
Depreciation/amortisation of property, plant and equipment and intangible assets	12, 13	-5,007	-5,420
Other operating expenses		-	-19
OPERATING PROFIT		-4,215	18,768
PROFIT FROM FINANCIAL ITEMS			
Other interest income and similar profit items	9	4,012	1,393
Interest expense and similar profit items	10	-2,013	-35
PROFIT AFTER FINANCIAL ITEMS		-2,216	20,126
PROFIT FOR THE YEAR		-2,216	20,126

PARENT COMPANY BALANCE SHEET

SEK thousand	Note	31/12/2022	31/12/2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Licences and similar rights	12	40	527
Development work in progress	12	4,345	0
Total		4,385	527
Property, plant and equipment			
Equipment	13	14,887	7,955
Construction in progress	13	3,109	2,619
Total		17,996	10,574
Financial assets			
Shares in subsidiaries	15	101	101
Other long-term receivables	14	11,468	9,343
Total		11,569	9,444
TOTAL NON-CURRENT ASSETS		33,950	20,545
CURRENT ASSETS			
Current receivables			
Accounts receivable - trade		78,285	76,789
Receivables from Group companies		58,227	53,779
Income earned but not invoiced	20	14,033	13,345
Other receivables		10,093	9,124
Prepaid expenses and accrued income	17	26,894	27,229
Total		187,532	180,266
Investments in securities etc.			
Other investments in securities, etc.	2	99,974	101,904
Total		99,974	101,904
Cash and bank balances	2	122,974	64,228
TOTAL CURRENT ASSETS		410,480	346,398
TOTAL ASSETS		444,430	366,943

PARENT COMPANY BALANCE SHEET

SEK thousand	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
EQUITY			
Non-restricted equity			
Profit or loss brought forward		66,281	46,155
Profit for the year		-2,216	20,126
Total equity		64,064	66,281
PROVISIONS			
Provisions for pensions	18	3,643	4,701
Total		3,643	4,701
CURRENT LIABILITIES			
Advance payments from customers	19, 21	170,078	129,412
Income invoiced but not earned	20, 21	46,064	43,772
Accounts payable - trade		34,072	27,034
Liabilities to Group companies		77,099	53,767
Other current liabilities		11,995	10,391
Accrued expenses and deferred income	22	37,415	31,585
Total		376,723	295,961
TOTAL EQUITY AND LIABILITIES		444,430	366,943

GROUP'S AND PARENT COMPANY'S CHANGES IN EQUITY

SEK thousand	Other contributed capital	Other equity, including profit for the year	Total equity
GROUP			
EQUITY, 01/01/2021	20	122,983	123,003
Exchange differences on translation of foreign subsidiaries	-	5,134	5,134
Profit for the year	-	43,217	43,217
EQUITY, 31/12/2021	20	171,334	171,354
Exchange differences on translation of foreign subsidiaries	-	3,221	3,221
Profit for the year	-	11,789	11,789
EQUITY, 31/12/2022	20	186,344	186,364
	Profit brought forward	Profit for the year	Total equity
PARENT COMPANY			
EQUITY, 01/01/2021	49,975	-3,820	46,155
Appropriation of profit	-3,820	3,820	0
Profit for the year	-	20,126	20,126
EQUITY, 31/12/2021	46,155	20,126	66,281
Appropriation of profit	20,126	-20,126	-
Profit for the year	-	-2,216	-2,216
EQUITY, 31/12/2022	66,281	-2,216	64,064

CASH FLOW STATEMENTS

SEK thousand	Note	Group		Parent company	
		2022	2021	2022	2021
OPERATING ACTIVITIES					
Operating profit		17,842	51,737	-4,215	18,768
Depreciation/amortisation		6,402	7,797	5,007	5,420
Other items not affecting liquidity	23	-1,119	2,116	-1,305	798
Total		23,125	61,650	-513	24,986
Interest received	9	1,529	388	951	221
Dividend received		75	-	75	-
Interest paid	10	-202	-90	-83	-35
Income tax paid	11	-3,282	-1,370	-	-
Cash flow from operating activities before changes in working capital		21,245	60,578	430	25,172
<i>Cash flow from changes in working capital</i>					
Increase/decrease in accounts receivable - trade		-5,406	-42,046	-1,497	-20,801
Increase/decrease in current receivables		-10,985	9,990	-5,770	-14,408
Increase/decrease in accounts payable - trade		7,156	3,534	7,038	4,007
Increase/decrease in current operating liabilities		70,232	57,105	73,724	53,169
CASH FLOW FROM OPERATING ACTIVITIES		82,242	89,161	73,925	47,139
INVESTING ACTIVITIES					
Investments in intangible assets	12	-4,345	-	-4,345	-
Investments in property, plant and equipment	13	-14,393	-5,696	-11,975	-4,921
Sales of property, plant and equipment	13	391	395	280	395
Acquisition of financial assets	14	-5,009	-2,796	-4,700	-1,376
Disposal of financial assets	14	2,435	555	2,575	475
CASH FLOW FROM INVESTING ACTIVITIES		-20,921	-7,542	-18,165	-5,427
FINANCING ACTIVITIES					
Increase/decrease in debt		-	-	-	-
CASH FLOW FOR THE YEAR		61,321	81,619	55,760	41,712
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		303,938	223,217	166,132	123,248
Exchange rate difference and revaluation of cash and cash equivalents		1,450	-898	1,056	1,172
CASH AND CASH EQUIVALENTS AT THE YEAR-END		366,709	303,938	222,948	166,132



NOTES

NOTE 1 GENERAL INFORMATION

Business Sweden, corporate identity no. 262000-1194, with its registered office in Stockholm, is formally registered as Sveriges Export- och Investeringsråd, also known as Swedish Trade and Invest Council.

NOTE 2 ACCOUNTING AND VALUATION POLICIES

Business Sweden's annual report and consolidated accounts were prepared subject to the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board, BFNAR 2012:1 Annual reports and consolidated accounts (K3).

The accounting policies are unchanged from the previous year.

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

CONSOLIDATED FINANCIAL STATEMENTS

The company prepares consolidated financial statements. Companies in which the parent company holds the majority of votes at the Annual General Meeting and companies in which, via an agreement, the parent company has a controlling influence are classified as subsidiaries and consolidated in the consolidated accounts (see note 15). Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated accounts from the date on which the controlling influence ceases.

The consolidated financial statements are prepared according to the acquisition method. The acquisition date is the date on which the

controlling influence is obtained. Identifiable assets and liabilities are initially measured at fair value at the acquisition date. The minority interest in net assets acquired is measured at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the acquisition date and the cost, including the value of the minority interest, and is initially measured at cost. Balances between Group companies are fully eliminated.

The Group's foreign subsidiaries prepare their financial statements in foreign currency. In connection with consolidation, the items in these companies' balance sheets and income statements are translated. This is described in the *Foreign currency* section below. Exchange differences that arise are recognised as translation differences in the Group's equity.

FOREIGN CURRENCY

Business Sweden's accounting currency is Swedish kronor (SEK).

Receivables and liabilities in foreign currency were translated into SEK at the closing day rate. Any difference between cost and closing day value was taken up as income.

The current method was used to translate foreign subsidiaries' income statements and balance sheets into SEK. All assets and liabilities in foreign subsidiaries' balance sheets were translated at the closing day rate and all items in the income statement were translated at the average rate. Translation differences were recognised in equity.

INCOME

Income is recognised at the fair value of the payment that was received or will be received, less VAT, discounts, returns and similar deductions.

Consolidated income is derived primarily from service contracts performed.

Service contracts

In the case of service contracts performed, the income and the expenses attributable to the contract are recognised as income and expenses, respectively, pro rata in relation to the degree of completion of the contract on the balance sheet date (percentage of completion method). The degree of completion of services/contracts is determined by comparing the expenses incurred on the balance sheet date with the estimated total expenses. For services performed at a fixed price, revenue is recognised only to the extent equivalent to the contract expenses that will probably be paid by the customer. If a loss is expected on a contract, this is recognised as an expense.

Brokerage services

Brokerage services in Business Incubation & Operations, in which flows of economic benefits are received on behalf of another party, are recognised net in the income statement. See further information under the section on 'Estimates and assessments'. Commission received for a service is recognised as income in the income statement.

Public subsidies

A public subsidy that is not associated with a requirement for future performance is recognised as 'Other operating income' when the conditions for obtaining the subsidy are met.

ESTIMATES AND ASSESSMENTS

The accuracy of estimates and assessments is material to the valuation of service contracts in progress. Forecasts of results are constantly updated to minimise the risk of incorrect valuation and of any loss-making projects.

Recognition of brokerage services in Business Incubation & Operations is based on the assessment that the company is acting as an intermediary. The company does not have primary liability for the delivery of the services; it is ultimately incumbent on the employee to provide the services to the client company. Liability in relation to the employee lies ultimately with the client company, which is governed by the client contract. The client determines the level of payment to the employee, and monitors and evaluates the employee's performance. The company has the credit risk in relation to the client but covers this with an advance from the client (deposit), for which reason there is no risk for the company. These are recognised as Cash and bank balances and Current liabilities. As the

company acts as an intermediary, the transactions were recognised net via the balance sheet up to the end of September 2021. To facilitate internal monitoring and reporting, these transactions have been recognised net in the income statement from October 2021. The expenses and invoices for the clients of these projects are recognised in the same month. As in previous years, only the commission for brokerage services continues to be recognised as income in net sales.

Accounts receivable – trade are recognised at the amount that is expected to be paid after deduction of bad debts assessed on an individual basis. One of the criteria for assessment of bad debts is the number of days from the due date.

CLASSIFICATION

Receivables are recognised as current assets with the exception of items with a due date more than 12 months after the balance sheet date, which are classified as non-current assets.

NON-CURRENT ASSETS

Intangible assets

Non-current assets are recognised at cost less accumulated amortisation according to plan based on an assessment of the economic life of the asset. Trademarks are amortised over 3 years at 33% per year. Licences and similar rights are amortised over 5 years at 20% per year.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of an asset. The capital gain or loss on disposal of a non-current asset is recognised as Other operating income or Other operating expenses.

Property, plant and equipment are depreciated systematically over the expected useful life of the asset. Equipment and vehicles are depreciated annually at 20%, computer equipment at 33% and cost of improvement to another party's property according to the length of the lease. When determining the depreciable value of assets, the residual value of the asset is taken into account where relevant.

Financial assets

Securities with an outstanding maturity of more than 12 months on the balance sheet date are recognised among financial assets and are

measured at the lower of cost and fair value.

Investments are made in accordance with a financial policy adopted by the Board which governs maturities and permitted risk level, including counterparty risk.

INVESTMENTS IN SECURITIES ETC.

Securities with maturity of less than 12 months are recognised as investments in securities, etc. and are measured according to the lower of cost or market principle, i.e. the lower of cost and fair value. Accrued interest is distributed over the term. Investments are made in accordance with a financial policy adopted by the Board which governs maturities and permitted risk level, including counterparty risk.

LEASES

Leases in which the economic benefits and risks associated with the leased asset remain in all material respects with the lessor are classified as operating leases. Payments under these agreements are recognised as expenses on a linear basis over the lease term.

EMPLOYEE BENEFITS

Employee benefits in the Group consist primarily of salaries, paid holiday, paid sick leave and healthcare. Short-term benefits are recognised as an expense as they are earned and as a liability where there is a legal or informal obligation to pay a benefit.

PROVISIONS

Provisions for the year primarily concern pensions. They are calculated according to local rules.

INCOME TAX

The parent company in the Business Sweden Group, the Swedish Trade and Invest Council, is not a taxable entity. Tax recognised is therefore attributable to subsidiaries. Current taxes are measured on the basis of the tax rates and tax rules decided on before the balance sheet date. Deferred tax is income tax on taxable profit pertaining to future financial years as a consequence of previous transactions or events.

Deferred tax is calculated on all temporary differences, i.e. the difference between the carrying amounts for assets and liabilities and their tax values and tax losses. Current tax, like changes in deferred tax liabilities or deferred tax assets, is recognised in the income statement unless the change is attributable to an item that is recognised in equity.

CASH FLOW STATEMENT

The cash flow statements are prepared according to the indirect method. The cash flow recognised only includes transactions that involve inward or outward payments. In addition to cash and bank balances, cash and cash equivalents consists of investments in securities, etc. as they are exposed to only an insignificant risk of changes in value and are traded on an open market in known amounts.

OFFICES

Calculation of the number of offices is based on where Business Sweden's staff are employed.

PARENT COMPANY'S ACCOUNTING AND VALUATION POLICIES

The same accounting and valuation policies are applied in the parent company and the Group.

NOTE 3 NET SALES BY FIELD OF ACTIVITY

SEK thousand	Group		Parent company	
	2022	2021	2022	2021
THE STATE COMMISSION, EXPORT PROMOTION				
Basic export services	110,330	108,282	105,010	103,541
Small business programme	90,421	76,877	88,975	75,462
Targeted export promotion	81,595	80,278	77,651	76,651
THE STATE COMMISSION, INVESTMENT PROMOTION				
Investment promotion	95,910	77,484	90,981	70,923
Income from partners, the Government and ministries	571	533	571	533
OTHER COMMISSIONS FROM THE GOVERNMENT, MINISTRIES AND OTHER GOVERNMENT BODIES				
Export commissions within the framework of the food strategy	21,174	18,914	18,502	17,677
Commissions from the Ministry for Foreign Affairs Department for Trade Promotion, Nation Branding and CSR (FH) for project exports	8,671	9,514	7,657	8,483
Other special commissions from the Government Offices	575	995	707	763
Commissions from public authorities and other State operators	54,259	29,838	42,388	24,203
CONFEDERATION OF SWEDISH ENTERPRISE	9,000	9,000	9,000	9,000
COMPANY INCOME				
Company's share of services and programmes with partial State funding	57,670	45,165	50,082	38,346
Company-financed services	278,697	254,925	139,420	140,541
Intra-Group income	-	-	34,971	32,111
Total	808,873	711,805	665,915	598,234

NOTE 4 DISCLOSURE OF THE PARENT COMPANY'S PURCHASES AND SALES WITHIN THE SAME GROUP

%	2022	2021
Purchases	29,6%	29,8%
Sales	5,2%	5,4%

NOTE 5 OTHER OPERATING INCOME

SEK thousand	Group		Parent company	
	2022	2021	2022	2021
Other intra-Group income	-	-	35,882	28,866
Other income	4,014	2,012	4,362	2,108
Total	4,014	2,012	40,244	30,974

Other income in the Group consists largely of exchange gains on operating receivables and liabilities of SEK 3,660 thousand (1,600 thousand) and profit on sale of non-current assets, which amounts to SEK 354 thousand (395 thousand). The corresponding amount for the parent company amounts to SEK 4,115 thousand (1,700 thousand) and SEK 247 thousand (395 thousand) respectively.

NOTE 6 LEASES

SEK thousand/Due date	Group		Parent company	
	2022	2021	2022	2021
Within one year	59,362	47,748	43,692	40,470
Later than one year and within five years	103,837	95,759	77,272	88,347
Later than five years	3,625	-	3,625	-
Total	166,824	143,507	124,589	128,817
Lease payments carried as expenses in the period	67,910	62,017	52,312	48,305

The Group is the lessee of operating leases, primarily for rented premises.

NOTE 7 FEES TO AUDITORS

SEK thousand	Group		Parent company	
	2022	2021	2022	2021
PRICEWATERHOUSECOOPERS AB				
Audit engagement*	1,849	1,318	1,849	1,318
Tax advice	115	301	-	174
OTHER AUDITORS				
Audit engagement	242	163	-	-
Tax advice	-	51	-	-
LAY AUDITORS				
Audit engagement	50	50	50	50
Total	2,256	1,883	1,899	1,542

Audit engagement refers to the auditor's remuneration for the statutory audit and for extended auditing of internal control. The work involves auditing the annual report and consolidated accounts and accounting records, the administration by the Board of Directors and CEO and the fee for audit advice given in connection with the audit engagement.

Audit business in addition to the audit engagement refers to other quality assurance services that must be performed under statutes, articles of association or contracts.

Other services refers to expenses that are not classified as audit engagement, audit business in addition to the audit engagement or tax advice.

* The above excludes reimbursement of costs of 408 (0).

NOTE 8 AVERAGE NUMBER OF EMPLOYEES, SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS

AVERAGE NUMBER OF EMPLOYEES, PARENT COMPANY

Number/%	2022		2021	
	Employees	Of whom men	Employees	Of whom men
Sweden	115	45%	108	48%
Australia	1	100%	2	100%
Brazil	1	100%	2	100%
Chile	1	0%	1	0%
Denmark	5	60%	4	50%
Philippines	3	33%	2	0%
Finland	4	75%	4	75%
France	11	9%	9	11%
United Arab Emirates	10	40%	11	36%
India	28	71%	27	67%
Indonesia	1	100%	1	100%
Italy	4	50%	6	33%
Japan	9	56%	9	56%
Kenya	8	63%	9	56%
China	6	33%	6	33%
Malaysia	2	50%	2	50%
Mexico	2	50%	1	100%
Netherlands	4	75%	4	75%
Norway	2	0%	1	0%
Poland	6	33%	6	33%
Russia	1	100%	2	100%
Saudi Arabia	4	50%	2	50%
Singapore	1	100%	1	100%
Spain	7	68%	6	67%
United Kingdom	8	50%	9	67%
South Africa	6	50%	7	57%
South Korea	16	19%	14	29%
Taiwan	8	38%	9	44%
Thailand	3	67%	3	67%
Czech Republic	6	33%	5	40%
Turkey	1	100%	1	100%
Germany	10	30%	8	50%
USA	16	44%	13	46%
Vietnam	2	50%	3	67%
Austria	4	25%	6	67%
Total in parent company	316	46%	304	50%

NOTE 8 AVERAGE NUMBER OF EMPLOYEES, SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS (CONT.)

AVERAGE NUMBER OF EMPLOYEES, SUBSIDIARIES, BRANCHES AND REPRESENTATIVE OFFICES

Number/%	2022		2021	
	Employees	Of whom men	Employees	Of whom men
Australia*	5	40%	2	0%
Brazil	7	43%	5	40%
Chile*	3	100%	4	50%
Colombia*	5	40%	4	50%
Indonesia	8	50%	6	67%
Italy*	2	50%	0	0%
Japan	5	20%	4	25%
Canada	5	20%	5	40%
China	31	23%	31	19%
Malaysia*	6	67%	4	75%
Morocco*	7	43%	7	71%
Mexico	7	0%	5	40%
Netherlands*	1	0%	2	50%
Norway*	3	33%	2	50%
Poland*	2	50%	0	0%
Russia	3	0%	5	0%
Singapore*	15	33%	12	25%
United Kingdom*	6	50%	3	67%
Turkey	4	50%	4	25%
USA	21	43%	16	31%
Vietnam	3	33%	1	100%
Austria*	2	0%	1	0%
Total in subsidiaries, branches and representative offices	151	37%	123	35%
Group total	467	43%	427	46%

In the Group, there also an average of 308 (228) people who are Designated Service Providers in Business Incubation & Operations, which provides brokerage services.

The individuals who provide the above brokerage services are employed by Business Sweden on behalf of the client. All risks and expenses, such as salaries and other benefits, are invoiced to the client monthly. These salaries and benefits are not included in the summary of Business Sweden's total salaries and benefits in the table below. For 2022, these salaries and salary-related benefits amounted to SEK 266,790 thousand (198,468 thousand) and social security contributions, including payments to any local pension plans, amounted to SEK 33,897 thousand (23,457 thousand).

* Business Sweden runs some limited activities overseas through branch offices. In addition to these countries, activities are also run via a branch in New Zealand, although there are no employees there. In France and Spain, there are some dormant branches, with neither activities ongoing nor any employees.

NOTE 8 AVERAGE NUMBER OF EMPLOYEES, SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS (CONT.)

SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS

SEK thousand	2022		2021	
	Salaries and other benefits	Social security contributions (of which pension costs)	Salaries and other benefits	Social security contributions (of which pension costs)
Parent company	208,984	93,305 (27,851)	194,854	91,031 (29,248)
Subsidiaries, branches and representative offices	88,281	17,216 (4,505)	59,196	11,633 (3,088)
Group total	297,265	110,521 (32,356)	254,050	102,664 (32,336)

Of the parent company's pension costs, SEK 1,147 thousand (1,380 thousand) relates to the CEO.

NOTE 8 AVERAGE NUMBER OF EMPLOYEES, SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS (CONT.)

SALARIES AND OTHER BENEFITS DISTRIBUTED BETWEEN BOARD MEMBERS, ETC. AND EMPLOYEES

SEK thousand	2022		2021	
	Board of Directors, CEO and senior executives	Other employees	Board of Directors, CEO and senior executives	Other employees
Parent company	18,368	190,616	19,071	175,783
Subsidiaries, branches and representative offices	-	88,281	-	59,196
Group total	18,368	278,897	19,071	234,979

Salaries and benefits to the Board of Directors, the CEO and senior executives

Fees paid to the Board were SEK 733,000 (675,000), of which SEK 127,000 (110,000) to the Chair of the Board. Salary and benefits to the CEO amounted to SEK 3,958,000 for the year. (For the two CEOs working for Business Sweden in 2021, the amount was SEK 4,838,000). In addition to statutory pension and insurance benefits, the CEO is entitled to a defined-contribution pension equivalent to 30% of fixed salary. The CEO is also entitled to use their salary to take out insurance or make pension provisions, provided this is cost-neutral for Business Sweden. The CEO's employment ends at the age of 65.

Salary expenses for other senior executives amounted to SEK 13,626,000 (13,558,000), of which severance pay of SEK 618,000 (1,329,000).

Agreements on notice and severance pay

There is a mutual period of 6 months' notice for the CEO. Income that the CEO receives from employment or other income-earning activities during their work-free period of notice will be deducted from salary during their period of notice.

An agreement has been made with the CEO on severance pay of 12 months' salary. The agreement only relates to notice given by the company. The severance pay must be paid monthly in equal instalments starting in the month after the termination of their employment. The severance pay must be set off against income received from employment or other income-earning activities.

In the rest of the management team, there are three individuals who, in addition to a notice period of 6 months, are entitled to severance pay corresponding to 6 months' salary. The severance pay must be set off against income received from employment or other income-earning activities. The severance pay does not qualify for pension or annual leave.

NOTE 8 AVERAGE NUMBER OF EMPLOYEES, SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS (CONT.)

BOARD MEMBERS AND SENIOR EXECUTIVES

	2022		2021	
	Number on balance sheet date	Of whom men	Number on balance sheet date	Of whom men
GROUP (INCL. SUBSIDIARIES)				
Board members	12	67%	12	58%
CEO and other senior executives	9	67%	8	75%
PARENT COMPANY				
Board members	10	60%	10	50%
CEO and other senior executives	9	67%	8	75%

NOTE 9 OTHER INTEREST INCOME AND SIMILAR PROFIT ITEMS

SEK thousand	Group		Parent company	
	2022	2021	2022	2021
Dividends and similar profit items	75	-	75	-
Interest income	1,529	514	951	287
Change in value of investments in securities, etc.	-	-126	-	-66
Exchange differences	1,261	-	2,986	1,172
Total	2,865	388	4,012	1,393
Of which concerning Group companies			109	-

NOTE 10 INTEREST EXPENSE AND SIMILAR PROFIT ITEMS

SEK thousand	Group		Parent company	
	2022	2021	2022	2021
Interest expenses	-202	-90	-83	-35
Change in value of investments in securities, etc.	-2,483	-	-1,930	-
Exchange differences	-	-2,436	-	-
Total	-2,685	-2,526	-2,013	-35
Of which concerning Group companies			-	-

NOTE 11 TAX

SEK thousand	Group		Parent company	
	2022	2021	2022	2021
Current tax	-5,422	-4,971	-	-
Deferred tax	-811	-1,411	-	-
Tax on profit for the year	-6,233	-6,382	-	-
Net profit before tax	18,022	49,599	-2,216	20,126
Tax calculated at current tax rate (20.6%)	-3,713	-10,217	456	-4,146
Adjustment for non-taxable operations	-456	4,146	-456	4,146
Tax effect of:				
Non-deductible expenses	-395	-186	-	-
Non-taxable income	5	-	-	-
Tax attributable to previous year's profit	178	-159	-	-
Tax effect of standard interest on tax allocation reserve	-7	-2	-	-
Effect of foreign tax and tax rates	-1,844	37	-	-
Recognised tax expense	-6,233	-6,382	-	-

Business Sweden is not a taxable entity. Tax recognised is attributable to subsidiaries.

Due to increased activity in the branches and a delay in the settlement procedure of foreign tax, the relative tax cost for 2022 increased.

NOTE 12 INTANGIBLE ASSETS

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
TRADEMARKS				
Opening cost	8,002	8,002	8,002	8,002
Closing accumulated cost	8,002	8,002	8,002	8,002
Opening amortisation according to plan	-8,002	-8,002	-8,002	-8,002
Closing accumulated amortisation according to plan	-8,002	-8,002	-8,002	-8,002
Closing residual value according to plan	-	-	-	-
LICENCES AND OTHER RIGHTS				
Opening cost	2,595	2,595	2,595	2,595
Closing accumulated cost	2,595	2,595	2,595	2,595
Opening amortisation according to plan	-2,068	-1,549	-2,068	-1,549
Amortisation for year according to plan	-487	-519	-487	-519
Closing accumulated amortisation according to plan	-2,555	-2,068	-2,555	-2,068
Closing residual value according to plan	40	527	40	527
DEVELOPMENT WORK IN PROGRESS				
Expenditure during the year	4,345	-	4,345	-
Total	4,345	-	4,345	-

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
EQUIPMENT				
Opening cost	25,249	25,385	22,243	22,492
Purchases	1,713	158	1,034	158
Reclassification from construction in progress	451	-	451	-
Sales/disposals	-2,508	-407	-2,507	-407
Translation difference	71	113	-	-
Closing accumulated cost	24,976	25,249	21,221	22,243
Opening depreciation according to plan	-23,550	-21,433	-20,373	-18,596
Sales/disposals	2,474	389	2,474	389
Translation difference	-68	-98	-	-
Depreciation for the year according to plan	-659	-2,408	-902	-2,166
Closing accumulated depreciation according to plan	-21,803	-23,550	-18,801	-20,373
Closing residual value according to plan	3,173	1,699	2,420	1,870

NOTE 13 PROPERTY, PLANT AND EQUIPMENT (CONT.)

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
COMPUTER EQUIPMENT				
Opening cost	4,158	4,777	3,982	4,635
Purchases	2,950	63	2,512	39
Reclassification from construction in progress	466	-	466	-
Sales/disposals	-169	-692	-169	-692
Translation difference	11	10	-	-
Closing accumulated cost	7,416	4,158	6,791	3,982
Opening depreciation according to plan	-4,047	-4,463	-3,891	-4,334
Sales/disposals	169	692	169	692
Translation difference	-7	-9	-	-
Depreciation for the year according to plan	-638	-267	-571	-249
Closing accumulated depreciation according to plan	-4,523	-4,047	-4,293	-3,891
Closing residual value according to plan	2,893	111	2,498	91
VEHICLES				
Opening cost	14,621	13,792	12,243	12,111
Purchases	4,218	1,819	3,050	1,210
Sales/disposals	-2,243	-1,078	-1,562	-1,078
Translation difference	146	88	-	-
Closing accumulated cost	16,742	14,621	13,731	12,243
Opening depreciation according to plan	-11,420	-11,413	-9,896	-10,208
Sales/disposals	2,224	1,078	1,562	1,078
Translation difference	-96	-54	-	-
Depreciation for the year according to plan	-1,498	-1,031	-1,059	-766
Closing accumulated depreciation according to plan	-10,790	-11,420	-9,393	-9,896
Closing residual value according to plan	5,952	3,201	4,338	2,347
COST OF IMPROVEMENT TO THIRD PARTY PROPERTY				
Opening cost	33,595	34,701	25,171	26,529
Purchases	2,403	1,037	2,270	895
Reclassification from construction in progress	1,702	-	1,702	-
Sales/disposals	-285	-2,253	-281	-2,253
Translation difference	52	110	-	-
Closing accumulated cost	37,467	33,595	28,862	25,171
Opening depreciation according to plan	-28,690	-27,279	-21,524	-22,057
Sales/disposals	285	2,253	281	2,253
Translation difference	-37	-92	-	-
Depreciation for the year according to plan	-3,120	-3,572	-1,988	-1,720
Closing accumulated depreciation according to plan	-31,561	-28,690	-23,231	-21,524
Closing residual value according to plan	5,906	4,905	5,631	3,647
Total residual value according to plan	17,924	9,916	14,887	7,955
CONSTRUCTION IN PROGRESS				
Opening cost	2,619	-	2,619	-
Reclassification of completed projects	-2,619	-	-2,619	-
Cost of new projects in progress	3,109	2,619	3,109	2,619
Total	3,109	2,619	3,109	2,619

NOTE 14 OTHER LONG-TERM RECEIVABLES

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening cost	13,476	11,052	9,343	8,442
Additional receivables	5,009	2,796	4,700	1,376
Deductible receivables	-3,415	-1,259	-3,238	-1,058
Translation difference	1,177	887	663	583
Closing accumulated cost	16,247	13,476	11,468	9,343

Other long-term receivables primarily concerns rent deposits of SEK 13,236,000 (8,854,000) in the Group and SEK 9,290,000 (5,443,000) in the parent company.

NOTE 15 SHARES IN SUBSIDIARIES

Company name	Corporate identity no.	Registered office	Participating interest	
GROUP				
Business Sweden Business Support Office AB	556036-8051	Stockholm	100%	
Swedish Trade & Invest BSO K.K.	0104-01-004677	Tokyo	100%	
Swedish Trade Council (Beijing) Cons Co Ltd	9111010167570505XQ	Beijing	100%	
Swedish Trade Consultoria Brasil Ltda	35.220.392.225	Sao Paulo	99%	
Swedish Trade Development SA DE CV	STD0704037V3	Mexico City	99%	
Swedish Trade Office Canada Inc	897759767	Toronto	100%	
Swedish Trade Development Inc	36-3969771	Chicago	100%	
Swedish Trade Council Business Nigeria Limited (in liquidation)	RC999566	Lagos	99%	
Swedish Trade Council Business Support Office SA Proprietary Ltd (dormant)	2010/006232/07	Johannesburg	100%	
Limited Liability Company Business Sweden (dormant)	1197746081026	Moscow	100%	
Business Sweden Vietnam Company Limited	0108873761	Hanoi	100%	
Company name	Size of holding		Value of holding	
	Number of shares	Proportion of equity	Book value 2022	Book value 2021
PARENT COMPANY				
Business Sweden Business Support Office AB	1 000	100%	100	100
Swedish Trade Consultoria Brasil Ltda	220	1%	1	1
Swedish Trade Development SA DE CV	1	0%	0	0
Swedish Trade Council Business Nigeria Limited (in liquidation)	1	0%	0	0
Summa			101	101

NOTE 16 DEFERRED TAX

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
DEFERRED TAX ASSETS				
Other provisions	69	160	-	-
Total	69	160	-	-
DEFERRED TAX LIABILITIES				
Tax allocation reserves	2,750	2,029	-	-
Other temporary differences	1	3	-	-
Total	2,751	2,032	-	-

NOTE 17 PREPAID EXPENSES AND ACCRUED INCOME

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Prepaid rent	8,055	6,796	6,825	5,750
Prepaid IT licences	6,048	7,136	6,048	7,136
Other prepaid expenses	16,808	15,446	13,484	14,343
Other accrued income	537	25	537	-
Total	31,448	29,403	26,894	27,229

NOTE 18 PROVISIONS

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
United Arab Emirates	991	624	991	624
Saudi Arabia	474	176	474	176
Taiwan	2,178	3,901	2,178	3,901
Total	3,643	4,701	3,643	4,701

Pension provision for staff abroad under local rules.

NOTE 19 ADVANCE PAYMENTS FROM CUSTOMERS

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Advance payments, core State commission	58,004	48,497	58,004	48,497
Advance payments, State commission, received in 2019 spring adjustment budget	3,530	17,536	3,530	17,536
Advance payments, State commission, received in 2020 spring adjustment budget	-	6,000	-	6,000
Advance payments, State commission, received in 2021 spring adjustment budget	-	10,000	-	10,000
Advance payment other State commissions	2,861	2,334	2,861	2,334
Advance payment State commissions, decommissioning of Swedish pavilion, Expo 2020*	50,436	-	50,436	-
Deposits for brokerage services	144,826	117,291	55,247	45,045
Total	259,657	201,658	170,078	129,412

* Advance payment received for the decommissioning of the Swedish pavilion, Expo 2020. Most of it will be repaid in 2023, which is when, at the latest, the project must be completed. The actual costs will be less than the advance payment that was received. However, it is difficult to assess the size of the repayment, which is why we report the full amount of the unutilised advance.

NOTE 20 WORK IN PROGRESS

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Income earned but not invoiced	-6,951	-4,498	-14,033	-13,345
Income invoiced but not earned	37,218	37,611	46,064	43,772
Total	30,267	33,113	32,031	30,427
Work in progress, core State commissions	11,579	8,566	12,291	12,291
Work in progress, other State commissions	1,702	2,810	2,308	2,308
Work in progress, other commissions, including externally funded services	16,986	21,737	17,432	15,828
Total	30,267	33,113	32,031	30,427

NOTE 21 COMMISSIONS FROM THE GOVERNMENT AND MINISTRIES, AND FROM THE CONFEDERATION OF SWEDISH ENTERPRISE

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Advance payments, core State commission	58,004	48,497	58,004	48,497
Advance payments, State commission, 2019 spring adjustment budget	3,530	33,536	3,530	33,536
Advance payment State commissions, decommissioning of Swedish pavilion, Expo 2020	50,436	0	50,436	0
Advance payment other State commissions	2,861	2,334	2,861	2,334
Work in progress, core State commission	11,579	8,566	12,291	12,291
Work in progress, other State commissions	1,702	2,810	2,308	2,308
Total	128,112	95,743	129,430	98,966

	Export promotion	Investment promotion	Other commissions from the Government Offices	Confederation of Swedish Enterprise	Total
Amount at start of year 01/01/2022	58,707	31,893	5,144	-	95,743
Funding received	291,500	67,772	31,737	9,000	400,009
Funding received, decommissioning of Swedish pavilion Expo 2020	-	-	55,000	-	55,000
Reporting of State commissions, decommissioning of Swedish pavilion Expo 2020	1,497	-	-4,563	-	-3,066
Income earned	-282,346	-95,910	-30,420	-9,000	-417,676
Repaid funding to ministries	-	-	-1,898	-	-1,898
Amount at end of year 31/12/2022	69,358	3,755	55,000	-	128,112

NOTE 22 ACCRUED EXPENSES AND DEFERRED INCOME

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Accrued holiday pay	15,075	14,687	11,922	11,951
Accrued social security contributions, including payroll tax	8,363	7,815	7,414	7,429
Other items, Sweden	8,501	10,521	7,239	10,348
Other items, offices abroad	13,079	3,594	10,622	1,857
Deferred income	218	-	218	-
Total	45,236	36,617	37,415	31,585

The amount for other items, Sweden, for both the Group and the parent company includes a restructuring reserve of SEK 0 million (1.2 million).

NOTE 23 ADJUSTMENTS FOR NON-CASH ITEMS, ETC.

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Capital gains and losses on property, plant and equipment	-338	-377	-247	-377
Pension provisions	-1,058	1,175	-1,058	1,175
Other	277	1,318	-	-
Total adjustments	-1,119	2,116	-1,305	798

NOTE 24 CONTINGENT LIABILITIES AND PLEDGED ASSETS

SEK thousand	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Pledged assets	Inga	Inga	Inga	Inga
Contingent liabilities	Inga	Inga	Inga	Inga

NOTE 25 PROPOSAL FOR APPROPRIATION OF PROFITS

THE BOARD OF DIRECTORS AND THE CEO PROPOSE TO THE GOVERNING BODY THAT THE PROFIT AVAILABLE BE APPROPRIATED AS FOLLOWS:

KR	
Profit brought forward	66,280,477
Profit for the year	-2,216,263
Total	64,064,214
Carried forward	64,064,214



SIGNATURES TO THE ANNUAL REPORT

STOCKHOLM, 2023-02-23

Ulrica Messing
Chair

Johan Söderström
Vice Chair

Peter Cerny

Anna Karin Hatt

Per-Arne Hjelmborn

Marie Nilsson

Magnus Schöldtz

Anna Stellingner

Åke Svensson

Per Westerberg

Jan Larsson
Chief Executive Officer

OUR AUDITOR'S REPORT WAS SUBMITTED ON 2023-02-27

Ann-Christine Hägglund
Authorised public accountant
PricewaterhouseCoopers AB

Anna Ferry
Elected auditor

Daniel Wiberg
Elected auditor



AUDITOR'S REPORT

UNOFFICIAL TRANSLATION

To the representative council of Business Sweden, corporate identity number 262000-1194

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Business Sweden for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 39-73 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the representative council adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the authorized public accountant's responsibilities section and the elected representative auditors responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden. I as an authorized public accountant have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-38. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director 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 Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The authorized public accountant's responsibilities

My 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 my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Director's and the Managing Director.
- Conclude on the appropriateness of the Board of Director's and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. I

also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts and consolidated accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause 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 and consolidated 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.

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

The elected representative auditors responsibilities

We are to carry out an audit in accordance with the Auditing Act and thus in accordance with generally accepted auditing standards in Sweden. Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and whether the annual accounts and consolidated accounts give a fair presentation of Business Sweden's results and position.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Business Sweden for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the representative council that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Authorized public accountant's responsibilities section and the The elected representative auditors responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and I have as an authorized public accountant otherwise fulfilled my ethical responsibilities in accordance with these requirements.

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

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

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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 Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Annual Accounts Act or the statutes of Business Sweden.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the statutes.

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, the authorized public accountant exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based the authorized public accountant's professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the statutes.

Stockholm 27 February 2023

Ann-Christine Hägglund
Authorized Public Accountant
PricewaterhouseCoopers AB

Anna Ferry
Elected representative auditor

Daniel Wiberg
Elected representative auditor



AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

UNOFFICIAL TRANSLATION

To the representative council of Business Sweden, corporate identity number 262000-1194

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 on pages 25-36 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Stockholm February 27 2023

Ann-Christine Hägglund
Authorized Public Accountant
PricewaterhouseCoopers AB



*We help Swedish companies grow global sales and
international companies invest and expand in Sweden.*

BUSINESS-SWEDEN.COM

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