BERGMAN & BEVING

# ANNUAL REPORT SUSTAINABILITY REPORT 2023/2024

Drainage system at Arlanda Airport, supplied by Elkington.

## ABOUT BERGMAN & BEVING



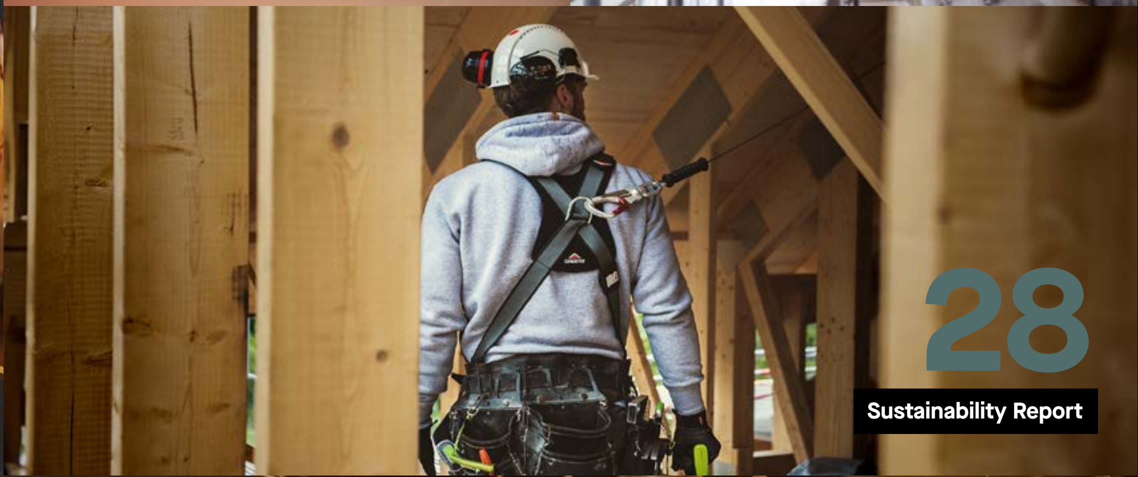
## FINANCIAL INFORMATION



## OTHER INFORMATION

10 Values and corporate culture


16 Architects' favourite



28 Sustainability Report

Arbesko Oxelösund. An uncompromising range of safety shoes developed in partnership with Swedish basic industry.

This Annual Report describes the operations of Bergman & Beving AB and the financial results for 2023/2024, and includes the Company's Corporate Governance Report and Sustainability Report. The statutory Annual Report comprises pages 54–102. The statutory Sustainability Report in accordance with the Swedish Annual Accounts Act can be found on pages 29–50. Unless otherwise stated, comparisons in brackets pertain to the corresponding period in the preceding year.

B&B

- **Bergman & Beving,** founded in 1906, is a Swedish listed group with extensive experience in acquiring and developing leading niche companies from a long-term ownership perspective.
- **The Group consists of** 30 business units: Albretsen, Arbesko, Ateco, A.T.E. Solutions, Belano, BVS, Cresto Group, Elkington, ESSVE, Fastit, FireSeal, Germ, Guide, H&H, Itaab, KGC, Kiilax, Lidén Weighing, Luna Group, Maskinab, Orbital Fabrications, Polartherm, Retco, Sandbergs, Skydda, SIS Group, Tema Norge, Teng Tools, Uveco and Zekler.
- **Our primary market** is the Nordic region, which accounts for approximately 70 percent of revenue.
- **Through our products,** we are represented at over 5,000 sales outlets and by distributors in approximately 25 countries.
- **We aim to be a sustainable company** where we actively work to create long-term value for society and our shareholders while limiting the impact of our operations on the environment.
- **The subsidiaries in the Group** are operated with decentralised business responsibility, with a focus on simplicity, responsibility and freedom, efficiency, openness and a willingness to change.

**4,723**
Revenue, MSEK

**438**
EBITA, MSEK

**26**
Return on working capital (P/WC), %

**7.15**
Earnings per share before dilution, SEK

**1,340**
Employees

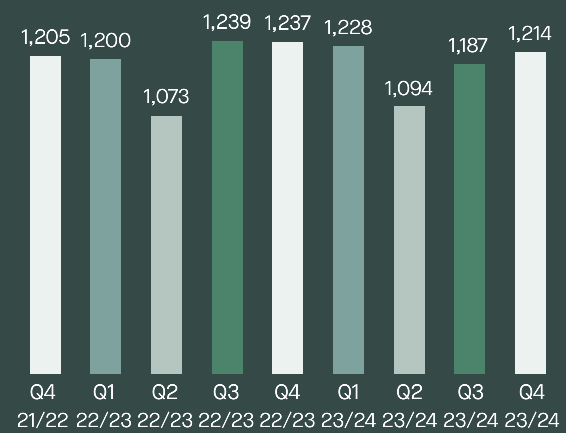


**NOTE:** Definitions and alternative performance measures are described on pages 112–113.

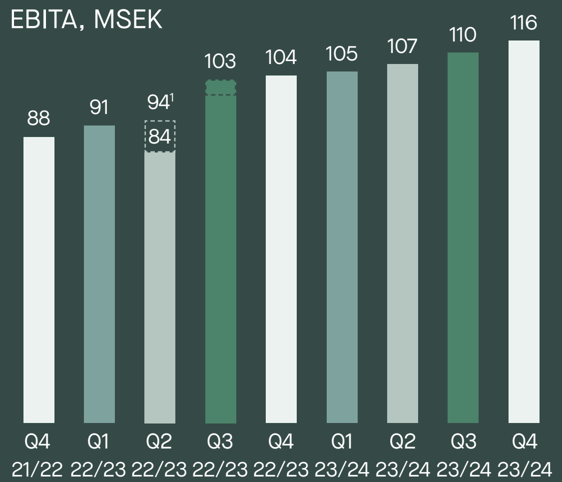
The suspended ceiling at Stockholm Central Station, supplied by Itaab.

## PROFIT AND REVENUE

### Revenue, MSEK




### EBITA, MSEK




1) The delivery problems due to the IT attack on Luna's logistics provider had negative impact of approximately MSEK 10 on EBITA.

## DISTRIBUTION OF REVENUE

### Brand type[1]

- **72%** Proprietary products
- **28%** Goods for resale

### Customer segment[1]

- **45%** Manufacturing
- **40%** Construction
- **15%** Other

### Geographic area[2]

- **35%** Sweden
- **24%** Norway
- **11%** Finland
- **3%** Denmark
- **6%** The Baltics
- **5%** The UK
- **3%** Poland
- **13%** Other

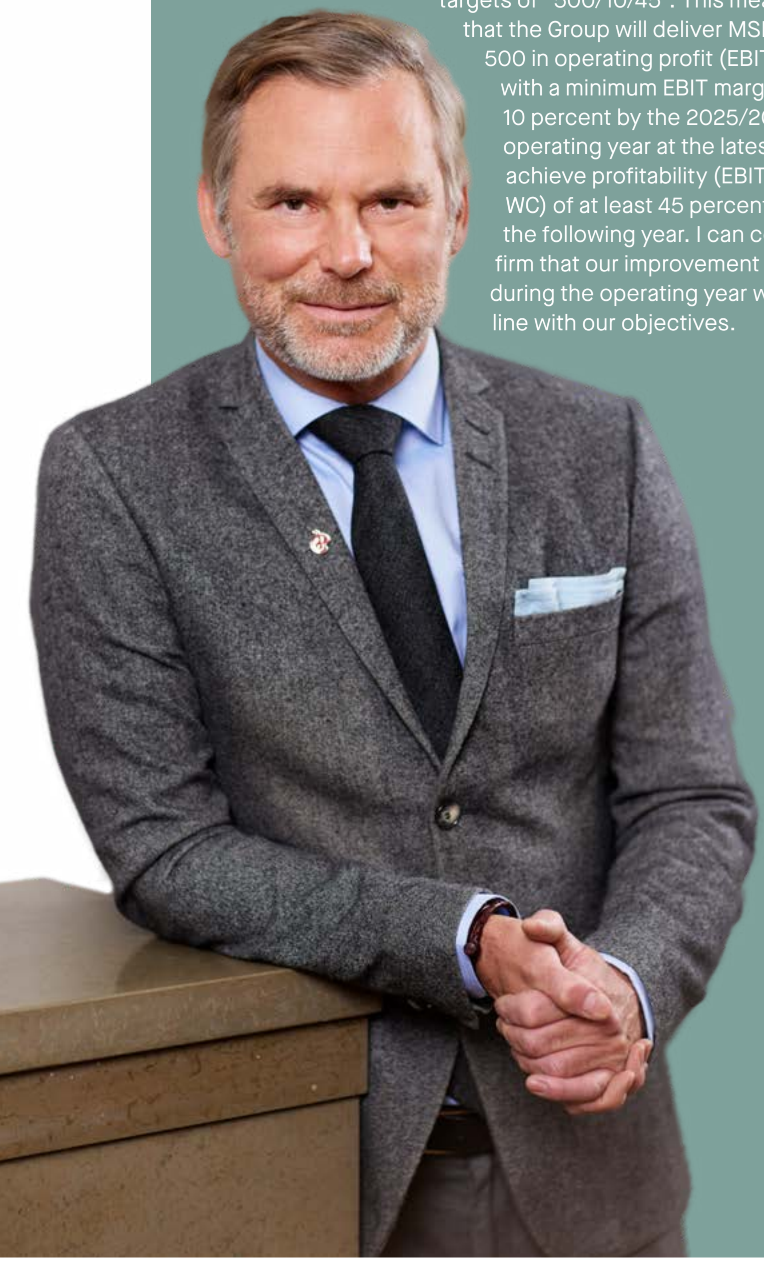
1) Pertains to the portion of external revenue. 2) Based on the domicile of the customers.

# CEO'S COMMENTS

## An operating year that has brought us closer to our objectives

Over the past operating year, we have taken several critical steps forward that have not only strengthened our business but also laid a solid foundation for a positive trend moving forward. It is with pride and gratitude that I see how we have continued to further develop the Group's culture and working method through our business expertise, decentralisation, acquisitions and management by objectives.

In autumn 2023, we presented the additional financial targets of "500/10/45". This means that the Group will deliver MSEK 500 in operating profit (EBIT) with a minimum EBIT margin of 10 percent by the 2025/2026 operating year at the latest and achieve profitability (EBITA/WC) of at least 45 percent in the following year. I can confirm that our improvement rate during the operating year was in line with our objectives.



EBITA increased 15 percent for the full-year, despite a weaker underlying market during the second half of the operating year. This, in turn, strengthened the EBITA margin by 1.3 percentage points to 9.3 percent, and we also improved the product mix and increased the proportion of proprietary products to 72 percent (70). Two of our three divisions performed very well during the year. EBITA rose 56 percent for Industrial Equipment (formerly Tools & Consumables) and 32 percent for Core Solutions (formerly Building Materials). Both divisions also posted an EBITA margin exceeding 10 percent and strengthened their profitability significantly compared with the preceding year. Safety Technology (formerly Workplace Safety), which has a major exposure to construction and industrial resellers in the Nordic region, was impacted by weaker demand, which was one of the reasons underlying the division's lower EBITA.

In addition, we reduced our inventories by just over MSEK 200, corresponding to an organic decline of 17 percent, and we see further improvement potential in inventory turnover moving forward as we are still not back to our pre-pandemic level. Inventory reductions and the increase in earnings strengthened the company's cash flow from operating activities by 99 percent to MSEK 663 (333) for the full-year, and profitability (P/WC) improved to 26 percent (21).

## The focus model is central to our companies' priorities

One of Bergman & Beving's winning concepts is our capital allocation model, referred to internally as the Focus Model, which guides our companies' priorities based on their profitability and earnings growth potential. Each subsidiary sets clearly defined performance and capital objectives as part of their annual business plan, with concrete actions and initiatives. This management by objectives also promotes the identification of new opportunities and adjustments when the market shows limited growth. By actively supporting the companies' application of the Focus Model, we ensure that their operations are conducted in line with our strategy. During the year, we worked hard to ensure that the companies are run by competent and independent management teams that work according to our Focus Model. To increase understanding and acceptance of our capital allocation and its application, over 20 percent of the Group's employees have completed our internal training programme in the last two years.

During the year, several of our companies developed further and improved their business strategies in line

"We will continue to prioritise earnings growth over volume growth and allocate capital to the Group companies with high profitability and the best growth potential."

with the Focus Model, which led to clear improvements. Let me give you some examples. During the year, Luna opted to prioritise profitability over growth. The company focused on improving its product mix, which increased the gross margin by several percentage points while lowering costs by 15 percent. This led to a stronger operating margin and an almost threefold increase in profitability. FireSeal, which specialises in fire seals primarily for the marine sector, has a profitability level that instead makes us want to invest in growth. By focusing on growth, the company succeeded in generating a double-digit increase in revenue during the year, which led to an almost threefold increase in operating profit.

### Six acquisitions of market-leading and highly profitable niche companies

Our vision is to be the leading niche supplier of productive, safe and sustainable solutions to the construction and manufacturing sectors. With this as our starting point, we have broadened our acquisition focus to include more technical areas. Over the past operating year, we completed six acquisitions that combined generate annual revenue of approximately MSEK 450 with profitability that is well above the Group's average. One example of our broader focus is the acquisition of Orbital Fabrications, which has given us a platform in the niche market for gas control equipment with demands for high purity. Another example is the acquisition of Ateco, which offers fire alarm products and systems for public and commercial properties. The acquisition of Itaab, the main manufacturer and supplier of metal suspended ceilings in Sweden, also represents a new technical niche for us. All of the companies have had a good start in the Group, and their earnings performance has either been in line with or exceeded our expectations. Since the profitability of all of the acquired companies is at least 45 percent, our focus for these companies will be growth with maintained profitability.

### New division names – a reflection of our expanded acquisition strategy

In recent years, we have carried out a strategic review of the Group's operations, which has been personally important to me. The review has increased demands on the operating margins and profitability levels of our acquired companies and resulted in an endeavour to broaden our customer exposure. We now have a broader acquisition strategy with various types of technical B2B companies, preferably companies with proprietary products and strong market positions with end customers in the construction and manufacturing sectors. Due to our broader acquisition focus, it has not always been possible to categorise some acquisitions under our historical division names. To better reflect our broader focus and strategic development, we have therefore changed the names of our three divisions. The Building Materials division is now Core Solutions, Workplace Safety is Safety Technology, and Tools & Consumables is Industrial Equipment. These name changes are not simply cosmetic, but rather reflect our change of strategy.

### Contributing to a sustainable company

Continuously developing our business to contribute to a more sustainable company is a core issue for us and a key element of our business concept – to provide productive, safe and sustainable solutions. Over the past year, we have worked to clarify our ambitions for contributing to the green transition, which led to concrete sustainability goals that will be followed up at subsidiary level. We have several ongoing initiatives that are aimed at increasing sustainability, including relocating production of our products from Asia to Europe. At Group level, we have also taken measures to ensure compliance with the new Corporate Sustainability Reporting Directive (CSRD).

### Good conditions for achieving 500/10/45

We will continue to prioritise earnings growth over volume growth and allocate capital to the Group companies with high profitability and the best growth potential. Our EBITA has now increased for the seventeenth consecutive year, and we see good opportunities for further improving our profitability, profit margin and cash flow moving forward. With a lower cost base and a better product mix, we will also be well positioned when the construction and manufacturing sectors begin to recover. Combined with our ability to attract and acquire highly profitable companies with strong cash flows and high growth potential, this means we have good conditions for achieving our 500/10/45 targets.

Finally, I would like to express my heartfelt thanks to all of our talented and dedicated employees who together contributed to the improvements we achieved during the year. I am looking forward to our new operating year with great confidence. We are building on Bergman & Beving's proud tradition together and continuing to create an even stronger Group.

**Magnus Söderlind**
President & CEO

RESQ offers rescue and evacuation products for rescue scenarios in a variety of industries and extreme environments, from high-altitude evacuation to deep shaft lifts.

# BUSINESS CONCEPT, VISION AND OBJECTIVES

## BUSINESS CONCEPT

**Our business concept is to attract, acquire and, over the long term, develop leading companies in expansive niches that deliver productive, safe and sustainable solutions to the manufacturing and construction sectors.**

We are a long-term owner of companies with solutions that command leading positions in expansive niches aimed at manufacturing and construction companies. "Leading" entails having the long-term ability to create value through sustainable development, growth and profitability. For our companies, this means aiming for market leadership in their selected niches in their markets. The Nordic region is at the international cutting edge in product areas that increase companies' productivity, improve workplace safety and support sustainability.

Since our companies' solutions meet Nordic customers' high standards in these areas, this gives our companies excellent opportunities to increase their exports when demand in our product areas grows in countries outside the Nordic region.

Acquiring companies is a part of our business concept, meaning that it is important to be an attractive buyer so that potential sellers see us as the best alternative among potential owners – and not primarily monetarily. Combined with our long-term approach, our value-generating "toolbox" – consisting of skills, experiences and resources – offers important added value in acquisition discussions.

## VISION

**Our vision is to be the leading niche supplier of productive, safe and sustainable solutions to companies.**

This vision also means that we strive to be a driving force for sustainable development, comprising improved safety and productivity in companies. Our companies' solutions strengthen our customers' sustainability, which ensures future growth opportunities.

## FINANCIAL TARGETS

**Our goal is to achieve average earnings growth of at least 15 percent per year over a business cycle and profitability (P/WC) of more than 45 percent.**

These targets are based on generating cash flow to finance organic growth initiatives ourselves, provide returns to our owners and grow through corporate acquisitions.

In our decentralised model, our companies' strategies and priorities are company-specific, but the Group-wide financial goals govern the companies' priorities between earnings and profitability growth together with the companies' growth potential. Strategies are connected to operational and financial goals in the short, medium, and long term. The companies are governed in a decentralised manner and monitored by the individual subsidiary board, with each company conducting its operations within the framework of agreed objectives.

## SUSTAINABILITY GOALS

**Our goal is to contribute to a more sustainable economy and society. We see sustainability as a prerequisite for long-term competitiveness where profitability, value generation and social value go hand in hand.**

Demand for sustainable solutions has increased in recent years and this trend will continue. All of our subsidiaries aim to continuously develop new solutions and products so that resource use becomes more efficient, including choice of materials, logistics solutions and an endeavour to achieve circularity. Bergman & Beving's focus areas and sustainability goals are presented in the Sustainability Report.

# VALUES AND CORPORATE CULTURE

Together with our skilled employees and a decentralised governance model, our companies and solutions are the basis for our success.

As owners, we primarily work through the companies' boards, where we challenge, support and follow up on tasks, but also allow a great deal of freedom in terms of how the companies achieve their goals. Our decentralised model and corporate culture are based on management by objectives and our values: responsibility and freedom, simplicity, efficiency, and openness and a willingness to change. Our decentralised model means that our employees prioritise initiatives and make decisions as close to their customers and market as possible. This creates value in our customer relationships while motivating and developing our employees. The founding principles of the Group also include acting with integrity, being considered a good role model and taking responsibility for sustainable, value-creating development. The Group has a whistleblowing system where both internal and external stakeholders can report suspected misconduct in our operations.

### Efficiency

We strive to do the right things the right way. We try to avoid administration and bureaucracy, and instead work with short decision paths.

### Simplicity

Clear goals, simple methods and clear responsibilities. We identify what is important and monitor our performance using straightforward performance measures.

### Values

### Responsibility and freedom

Each subsidiary conducts its own operations under its own responsibility with a large degree of freedom, meaning that they drive their own operations forward.

### Openness and a willingness to change

A willingness to change and an ability to adapt are prerequisites for business in a changing world. We see possibilities instead of problems, and learn from each other.

Systemtext in Malmö produces the highest number of OHS signs in Sweden.

## Corporate culture

"It feels good to be part of a company where decentralisation goes hand in hand with simplicity and efficiency."

**Mattias Brink, CEO of Itaab**

# OPERATIONS

## Strategy

We draw on over 100 years of experience in acquisitions and developing sustainable, profitable companies. Our decentralised governance model means that we strive for leading positions in:

- **Existing niches through organic growth and add-on acquisitions.**
- **New niches through acquisitions.**

Our goals are to be achieved through organic growth and acquisitions B&B has a strong and niche portfolio of companies, with each company striving for a leading position in its product areas. Their products are directed towards expansive niches in the manufacturing and construction sectors, where productive, safe and sustainable solutions are in demand. We build our companies based on a decentralised governance model where we acquire and develop sustainable, profitable companies over the long term. We look for small-scale, entrepreneurial companies to scale up. This allows us to combine the advantages of speed and sense of enterprise found in smaller, flatter organisations with the advantages that larger operations can often offer in the form of professionalism, breadth and experience. Acquisitions are an important part of our growth strategy and in addition to add-on acquisitions to our existing companies, we prioritise acquisitions of highly profitable, market-leading companies focused on new, expansive niche areas.

## Our capital allocation model – the Focus Model

Conditions for growth and profitability are central for what B&B believes should be the companies' strategic balance between a focus on profitability and earnings growth – a capital allocation model that we call the "Focus Model." In B&B, all companies are expected to achieve profitability (P/WC) of at least 45 percent over time, which is calculated as R12 EBITA/R12 average working capital. A business can improve its profitability in two ways: by increasing earnings through lower costs and/or increased income, or by reducing working capital by increasing its inventory turnover rate, reducing payment terms for customers or extending payment terms for suppliers.

The Focus Model's x axis represents the P/WC rate and the y axis represents the earnings growth potential. The earnings growth potential depends on the underlying market trend and the competitiveness of the offering. Each company's position in the Focus Model is known by each company's board and management, and they decide what the company will prioritise.

According to the Focus Model, a company with a P/WC of less than 25 percent should not prioritise revenue growth as this would be too capital-intensive. The focus should instead be to improve the gross margin and reduce costs, which could lead to lower revenue. Add-on acquisitions are not relevant – the company must "put its house in order" first. Usually, there is a need to increase working capital efficiency, where improving the inventory turnover rate is usually the most important component.

For companies with a P/WC in the range of 25-45 percent, the main focus is also improving profitability and therefore making only selective investments in organic growth. This could involve, for example, recruiting sellers to target a specific customer segment with high profitability potential.

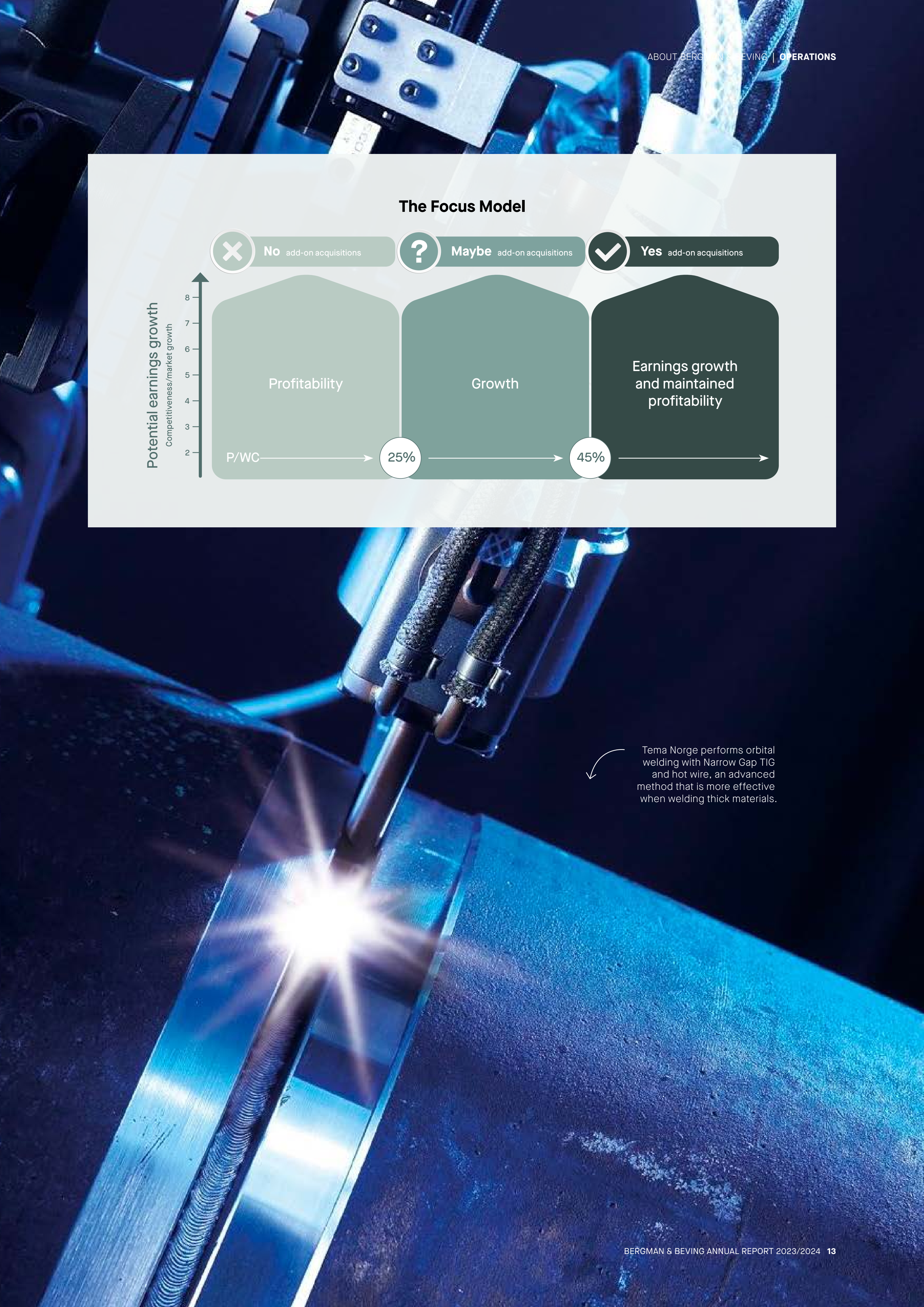
Companies with a P/WC of more than 45 percent, that also have earnings growth potential, should focus on growth, primarily by increasing revenue. Growth can take place both organically and through add-on acquisitions.

Our 30 autonomous business units in our decentralised governance model work with individual strategies, goals and activities, but their priorities must be based on the Focus Model. Over the past two years, more than 20 percent of the Group's employees have attended our business school, where the Focus Model is an integral part of the content. This has increased understanding and acceptance of our capital allocation model and how it should be used in practice by the companies. Combined with our decentralised governance model and the commitment of our employees, this has meant that we can adapt quickly to changed conditions, enabling rapid and customer-focused measures. The fact that we have now achieved broad acceptance of the Focus Model across the organisation means that we have good conditions for continuing to deliver improved earnings and profitability moving forward.

## New division names

In recent years, we have carried out a strategic review of the Group's operations. The review has resulted in an endeavour to reduce our dependence on Nordic resellers as a channel for our product companies. This has led to a broader acquisition strategy comprising various types of niche technical companies, but with a continued focus on technical B2B companies with their head office in the Nordic region or the UK and end customers in the construction and manufacturing sectors. This broader acquisition focus has meant that our acquisitions in recent years have not always matched the names of our previous divisions. To better reflect our broader acquisition strategy, we have therefore changed the names of our three divisions. The corporate structure of the divisions remains unchanged.

Building Materials has been renamed Core Solutions, which describes more clearly that the division's companies have products and solutions that become part of the final products. Clear examples of this include roofing panels from Itaab, screws from ESSVE and fire protection from FireSeal. Workplace Safety has been renamed Safety Technology in order to include companies from across the entire safety sector, such as Ateco's fire alarm devices. Finally, Tools & Consumables has been renamed Industrial Equipment and, in future, will include companies that supply products to the construction and manufacturing sectors that customers use to produce their final products, such as tools from TengTools, portable heaters from Polartherm and control units from A.T.E. Solutions.




Tema Norge performs orbital welding with Narrow Gap TIG and hot wire, an advanced method that is more effective when welding thick materials.

Division
# CORE SOLUTIONS

"In line with renaming the division, we want to expand our focus on acquisitions moving forward."

**Mats Gullbrandsson, Division Head**

**1,410**
Revenue, MSEK

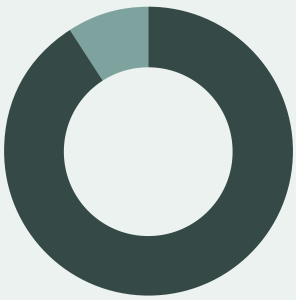
**150**
EBITA, MSEK

**10.6**
EBITA margin, %

**298**
Employees

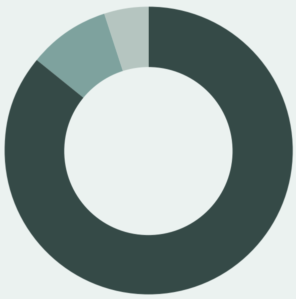
## DISTRIBUTION OF REVENUE 2023/2024

### Brand type[1]



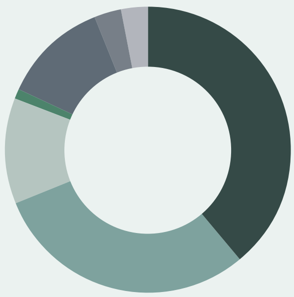
- **91%** Proprietary products
- **9%** Goods for resale

### Customer segment[1]



- **86%** Construction
- **9%** Manufacturing
- **5%** Other

### Geographic area[2]



- **39%** Sweden
- **30%** Norway
- **12%** Finland
- **1%** Denmark
- **12%** The Baltics
- **3%** Poland
- **3%** Other

1) Pertains to the portion of external revenue. 2) Based on the domicile of the customers.

# STRUCTURAL SOLUTIONS

Core Solutions is a division experiencing growth. With our latest acquisitions, we have created a strong and diversified base for the future. Companies in Division Core Solutions offer safe, effective and sustainable products and solutions that become part of the final product. The division's customers operate in the construction and manufacturing industries. All of our companies and products require a clear awareness of customer wishes in order to be relevant. As such, professional end users are also included in the product development process.

ESSVE is the largest company in the division and is currently the market leader in the Nordic region in professional fastening components for the construction industry. ESSVE's offering is complemented by the expertise of the Finnish company H&H, which offers a complete range of construction fastening components for professional end users.

A number of new acquisitions have been completed in recent years, complementing the portfolio with structural solutions. In the previous financial year, we acquired the Finnish company Kiilax, which specialises in duct access covers and plywood-based products. We completed two significant acquisitions during the operating year: Elkington is a Swedish market leader in duct access hatches and Itaab is a Swedish market leader in metal suspended ceilings. KGC is a market leader in bricklaying, plastering and tiling in Sweden. Through the business units BVS and FireSeal, we are also integrating solutions for fire safety, with both companies mainly operating in Norway and Sweden. The division also includes the highly specialised company Fastit, which focuses on innovative fastening products developed directly for the industrial sector, including the telecom and automotive industries.

## 2023/2024

During the operating year, the division significantly strengthened its earnings with an EBITA margin of over 10 percent. This was despite the uncertainty that characterised the year in several of the division's markets. Softer demand from construction customers in Sweden and Norway was already noted at the beginning of the year. As part of addressing this lower demand, ESSVE focused on operational improvements during the year to ensure a positive earnings and profitability performance. The market trend varied and was difficult to assess for other business units. In fire safety, marine sales were strong and a new growth area in fire seals for offshore wind turbines received its first order during the year. However, the market was weaker for onshore sales in fire safety. The division's overall earnings growth was strong, and the division's two acquisitions made a positive contribution in line with expectations.

## FUTURE FOCUS

We will focus on developing the division's companies in line with the Focus Model. This means that we will continue our expansion in the product areas of lightwall assembly and fire safety solutions for offshore wind turbines. We will also focus on developing our markets for existing products both within and outside the Nordic region. Those companies that have not met their profitability requirements will continue their efforts to increase efficiency. The division has also continued its focus on acquisitions of highly profitable, specialised product companies in new niche industries.

The division's business units are:


# Architects' favourite when it comes to customised suspended ceilings

**Itaab in Örebro is a market leader in metal suspended ceilings for public spaces. With a focus on customisation and safety, Itaab is the supplier of choice for many of Sweden's leading architects. A successful niche company that B&B is delighted to own.**

Have you noticed any suspended ceilings while staying at hotels, attending conferences or moving around other public spaces? The fact that most metal suspended ceilings with eye-catching designs come from Itaab is probably because the company has a strong focus on quality, sees customisation as standard and knows how to use the solid knowledge that comes from 65 years in the business. About 25 people now work at Itaab in Örebro, with 6,500 $m^2$ of industrial and warehouse space with a machine park and coating. The company also has a Service Centre in Stockholm. The product range mainly consists of metal suspended ceiling systems, but also lighting and sound absorbers.

### Support – not control

Itaab was acquired in 2023 when Erik Byström, who had owned the company for 20 years, wanted to pursue other interests. After meeting many potential buyers, he accepted B&B's offer, according to Mattias Brink, Itaab's CEO for the past eight years.

"It was very important to Erik that Itaab would live on and thrive. He also thought that B&B's culture and motto of 'keep things simple' was a good match with our philosophy. I personally am very appreciative of the Group's decentralised governance model, with no interference, where companies are kept for long as they are profitable. Having access to the Group's marketing, financial and legal experience and expertise is very valuable. And when it comes to capital, there is financial muscle that enables us to expand. There is great potential in the network with the other business units in the Group," says Mattias Brink.

### Nothing is too difficult

The sales team mostly works with architects to ensure they have the right metal ceiling solutions for the requirements of their projects. Since there are virtually no limits to how a suspended ceiling can be designed if an assignment is given to Itaab, the company is the supplier of choice for many of Sweden's leading architects. Mattias appreciates the challenges and likes unique projects.

"We've made hundreds of suspended ceilings with an extreme design and nothing has been too difficult for us yet. Itaab's strengths are our breadth and our expertise – it is obvious that we are solution-oriented and focused on quality," says Mattias Brink.

Itaab is an excellent example of the type of company that B&B wants to acquire: with high profitability and a market leader in its niche. The company is included in Division Core Solutions.

# The Elkington access cover is a standard in its niche

**Elkington in Trosa was acquired in 2023. As Sweden's leading supplier of duct access covers, Elkington is expanding the breadth of Division Core Solutions.**

Anyone who walks across Sergels torg in central Stockholm steps on them. Anyone who's visited the newly renovated National Museum in Stockholm has also stepped on them: The Elkington access cover. Elkington's duct access covers have set a standard in their niche and are now known simply as the "Elkington access cover." There's something exciting about a company that is a leader in a product category that most people never even think about.

## Quality covers and hatches

Elkington AB has been a supplier to be reckoned with since the company was founded in 1961 and is now a market leader in duct access covers with a market share of more than 50 percent. Other categories in the product range are floor and wall hatches, roof and ceiling hatches, and gas flue hatches.

"We've been supplying the highest quality duct access covers for over 60 years and now offer a range of solutions to suit all needs. Orders come from the builder or contractor and are recommended by architects and designers," says Jenny Dineborn, Marketing Manager at Elkington.

## Opportunities to expand

The company currently has ten employees and its order book is considered strong. Lotten Nyman is Vice President of Elkington and sees B&B's ownership as an opportunity to support further growth.

"Having a strong owner like B&B feels secure and gives us an opportunity to develop. There is a structure with strategies specifically for development and for driving our work forward. I think it's valuable to be part of a larger context and have an inspirational exchange with Group colleagues," says Lotten Nyman.

## A work perk

Mats Gullbrandsson, Head of Division Core Solutions, sees the acquisition from a long-term perspective.

"For us at B&B, every new acquisition involves optimising the long-term conditions for the company's development based on the Focus Model. We look for well-managed niche companies where we allow the management to continue running the business. Following the acquisition of a company, we avoid pursuing strategies and synergies. We support the company by providing information about opportunities instead. For my own part, I consider it a 'work perk' to be able to meet so many driven entrepreneurs and company managements and to come into contact with the products and solutions supplied by the business units in our divisions," says Mats Gullbrandsson.

## Division
# SAFETY TECHNOLOGY

"Supported by strong underlying demand for safety solutions, we will expand both organically and through acquisitions in new and exciting safety niches."

**Fredrik Valentin, Division Head**

**1,604**
Revenue, MSEK

**116**
EBITA, MSEK

**7.2**
EBITA margin, %

**409**
Employees

### DISTRIBUTION OF REVENUE 2023/2024

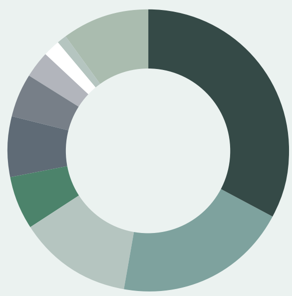
**Brand type**[1]

- **74%** Proprietary products
- **26%** Goods for resale

**Customer segment**[1]

- **52%** Manufacturing
- **18%** Construction
- **30%** Other

**Geographic area**[2]



- **33%** Sweden
- **20%** Norway
- **13%** Finland
- **6%** Denmark
- **7%** Benelux
- **5%** The UK
- **3%** Germany
- **2%** Poland
- **1%** The Baltics
- **10%** Other

1) Pertains to the portion of external revenue. 2) Based on the domicile of the customers.

# ADVANCED PROTECTIVE EQUIPMENT FOR PROFESSIONAL USE

All of the companies in Safety Technology contribute to increased safety. The division's units offer safety products and services for professional end users. Safety is increasingly becoming a prioritised issue in line with the market's growing focus on social sustainability. Our brands cover many different safety aspects. Zekler's multi-faceted range encompasses eye protection, hearing protection, respiratory protection and helmets. Arbesko manufactures safety shoes that can handle the most demanding work situations, and Guide develops protective gloves for various needs. Cresto Group offers rescue and evacuation solutions and personal safety equipment for working at heights. Companies in the SIS Group offer safety signage products including OHS signs. Through our ownership of Skydda, we also have access to one of the market's leading distributors of protection products.

The acquisitions carried out in recent years have broadened the division's safety range. During the operating year, the Swedish company Ateco was incorporated. Ateco specialises in fire alarm systems, which is an entirely new niche for us.

## 2023/2024

The market for safety and personal protective equipment has underlying long-term growth since the construction and manufacturing sectors are working continuously to improve the safety of their operations. During the year, however, our companies were adversely impacted by a decline in the number of construction and manufacturing employees across the Nordic region. During the operating year, most of the division's business units were also affected by the fact that their customers (resellers) had already reduced the buffer inventories they had accumulated during the pandemic at the beginning of the year.

Cresto Group, on the other hand, whose customers include international wind power players, noted favourable demand. In light of the market challenges, the majority of the division's companies have operated in accordance with the Focus Model. Initiatives to improve profitability have included cost-saving measures, product mix improvements and increased capital efficiency. Despite this, the division did not manage to offset the softer demand and delivered weaker profit and lower profitability year-on-year. To increase the pace and scope of measures in the division, we therefore made some changes to management after the end of the financial year.

## FUTURE FOCUS

As part of our strategy to benefit from the underlying growth opportunities in the construction and manufacturing sectors, we will continue to enhance the efficiency of the division's operations in order to elevate our position with a lower cost base and higher efficiency when the market turns. We also aim to acquire companies in new, highly profitable safety niches. Combined, this provides the division with good prerequisites to increase its earnings and profitability.

The division's business units are:

# REGULATORY REQUIREMENTS AND STRONG OFFERINGS ARE DRIVING GROWTH

**Ateco is Safety Technology's latest acquisition. Ateco specialises in intelligent and flexible fire alarm systems and sells complete solutions for both permanent installations and construction sites.**

Ateco sells solutions for fire protection installations for public and commercial properties. The company develops proprietary products when it sees a need in the market or receives a request directly from a customer, explains Robin Brorsson, CEO of Ateco. The market is constantly changing.

"The regulatory requirements for fire protection are creating a natural demand for Ateco's products. Moreover, these regulatory requirements are continuously changing and when properties are renovated their fire protection standards have to be upgraded to meet the latest requirements," says Robin Brorsson.

## Historically favourable growth

In the 2023/2024 financial year, Ateco's revenue was approximately MSEK 50, up nearly 20 percent. That is also in line with the trend over the past five years, with annual revenue of 20–30 percent per year, with some variation due to external factors such as the pandemic and component shortages. The Swedish market accounted for nearly all of this revenue.

"Demand was strong during our most recent financial year. We have not noted any slowdown as yet, since we don't sell for installation in residential construction. The construction that is taking place needs fire safety solutions and we have a strong position, mainly because our products are fast and superior when it comes to compliance with local Swedish fire safety requirements," says Robin Brorsson.

## New products and markets

While Ateco is a relatively well-known brand in the market, the aim is to increase brand awareness, according to Robin Brorsson.

"Our ambition is to work more closely with the major electricity wholesalers, where I see strong growth potential." Ateco launched several new proprietary products in 2024. New markets are also in the pipeline.

"We are currently focused on the Swedish market but, over time, we'll also address neighbouring markets such as Finland and Norway," he concludes.

*Robin Brorsson, CEO, Ateco*

“I am happy with the division’s latest acquisition. Ateco’s focus on fire safety is a positive contribution to the division’s safety area.”

**Fredrik Valentin, Division Head**


*In 2023, Ateco launched a new communication system that enables up to ten exit points.*

## Division

# INDUSTRIAL EQUIPMENT

"We are maintaining our successful focus on profitability and capital efficiency. At the same time, we are investing in growth in those companies that meet our profitability requirements."

**Oscar Fredell, Division Head**

**1,741**
Revenue, MSEK

**189**
EBITA, MSEK

**10.9**
EBITA margin, %

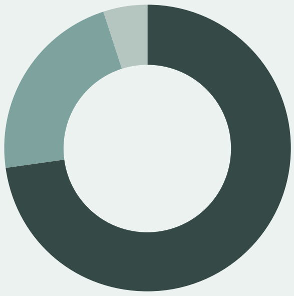
**455**
Employees

### DISTRIBUTION OF REVENUE 2023/2024

**Brand type[1]**

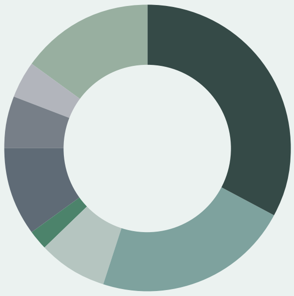
- **53%** Goods for resale
- **47%** Proprietary products

**Customer segment[1]**



- **73%** Manufacturing
- **22%** Construction
- **5%** Other

**Geographic area[2]**



- **33%** Sweden
- **22%** Norway
- **8%** Finland
- **2%** Denmark
- **10%** The UK
- **6%** The Baltics
- **4%** Poland
- **15%** Other

1) Pertains to the portion of external revenue. 2) Based on the domicile of the customers.

# SOLUTIONS THAT ENSURE CUSTOMER PRODUCT DELIVERIES

In recent years, Industrial Equipment has completed acquisitions that have broadened the division both operationally and geographically. Within the framework of its operations, the division delivers various types of value-creating end-customer solutions for industry such as tools, instruments and machinery that are used in the customers' businesses.

Geographically, the division now comprises even more UK companies that are leaders in their niches in their home market: Orbital Fabrications manufactures gas handling systems and components that require high purity, and A.T.E. Solutions has established a market-leading position in automated testing equipment in the UK. In the Swedish market, Germ and the newly acquired Sandbergs contribute niche solutions for professional and environmentally friendly handling of liquids and lubricants. Our new welding companies Retco and Tema Norge operate in Finland and Norway. Both are well known for their in-depth knowledge of specialty welding. Polartherm, also based in Finland, holds a strong position as a supplier of large mobile heating solutions in Europe. Our international brands – TengTools, with a focus on tools and tool storage systems, and Albretsen, which specialises in tool safety – are continuing to deliver growth in their niche areas for tools. Luna Group, well established as a leading distributor of tools and consumables in the Nordic region, considerably improved its profitability and profit margin during the year, despite a decline in revenue. In line with our work according to the Focus Model, the company implemented extensive cost savings and strengthened its product mix. Since profitability has not yet reached the desired level, the company will focus on profitability improvements ahead of revenue growth. The division also consists of four smaller Swedish companies – Belano Maskin, Uveco, Lidén Weighing and Maskinab Teknik (the latter of which was added shortly after the end of the operating year) – which all play an important role in our portfolio.

## 2023/2024

Industrial Equipment achieved a milestone during the operating year by delivering a double-digit operating margin for the very first time and posting historically high profit. The division's positive trend was attributable to our adaptation to a challenging market climate and to the fact that we followed the priorities outlined in Focus Model, which resulted in both organic and acquired earnings growth as well as improved profitability. Despite challenges in the market, with initially weak demand from resellers in the construction sector, we addressed these challenges by implementing cost adjustments and mix improvements. Most of the division's companies improved both their earnings and profitability during the year.

Demand from our manufacturing customers was stable during the first half-year, but we also noted a slowdown in this sector towards the end of the year. Luna, which was already focusing on cost savings and strengthening the product mix at the beginning of the year, delivered a clear earnings improvement despite the challenging market. During the year, we welcomed three new companies to the division: Tema Norge, a leading player in orbital and mechanised welding in Norway, the Swedish company Sandbergs, which specialises in liquid handling equipment, and the UK company Orbital Fabrications, active in gas control. These acquisitions have also helped to broaden our offering and our geographic reach. The year ended with a historically strong quarter, led by the businesses acquired in recent years. Shortly after the end of the operating year, we continued to strengthen our position in industrial machinery for sheet metal processing through the acquisition of the Swedish company Maskinab Technology.

## FUTURE FOCUS

We will continue to focus on profitability and capital efficiency, which is crucial for those companies with a challenging market outlook. At the same time, we will work to expand those operations where demand and profitability are high. Ahead of the coming year, we have strong faith in our ability to improve our profitability by developing our existing companies and acquiring highly profitable niche companies. Our acquisition strategy remains goal-oriented and selective, with a focus on companies in niches that display not only high profitability but also growth potential. All in all, we will continue to follow our current path. We see good opportunities and feel well prepared and positioned for the future.

The division's business units are:

# LONG-TERM OWNERSHIP WAS CRITICAL FOR UK MARKET LEADER

A.T.E. SOLUTIONS

**When the UK company A.T.E. Solutions was looking for a new owner, the requirements were clear. B&B's corporate culture and aim to be a long-term owner were critical for the former owner. The aim now is to continue growing through acquisitions and a broader market.**

A.T.E. Solutions is a market-leading supplier of automated testing equipment in the UK. The company was founded 1988 and has successfully combined applications with service. A.T.E. Solutions is now one of the few companies that provide a complete test solution for checking circuit boards, which are often a critical component in many products. Customers include manufacturers with high demands on testing in areas such as the defence, aviation and power industries.

## Integrity and honesty

When A.T.E. Solutions was looking for a buyer, the choice fell on B&B, mainly due to B&B's aim to engage in long-term ownership combined with a corporate culture that was similar to its own.

Steve Lees, Technical Director and former head owner of A.T.E. Solutions, says it is B&B's integrity and honesty that he likes best. This creates a simple relationship between A.T.E. and B&B, he says, where they know exactly where they stand.

"The deal was well received by our employees, who can now see a future with the company due to the acquisition. There haven't been any major organisational changes since the takeover, but one major advantage of being part of B&B is that we will be able to continue growing through additional acquisitions," says Steve Lees.

## More markets

A.T.E. Solutions is one of the few companies that provide a complete test solution for manufacturers. This includes the design and build of A.T.E. systems, fixturing, test software, servicing and legacy equipment support.

Testing that the signals in a printed circuit board work correctly is absolutely critical for a product's functionality, such as in an aeroplane. A manufacturer that designs a technologically advanced product requires A.T.E.'s testing equipment to ensure that the embedded printed circuit board works as intended. A.T.E.'s testing equipment can check, for example, that a printed circuit board reacts when stimulated from a side system. Some equipment can test signals with a mix of analogue, digital or high current stimulation.

Moving forward, the goal will be to continue strengthening the business unit's leading position in the UK, and to bring A.T.E. Solutions' complete offering to more markets.

*Steve Lees, Technical Director and former head owner*


A.T.E. Solutions offers a wide range of test applications, including function testing, in-circuit testing, JTAG Boundary Scan, unit programming and test fixtures.

# THE BERGMAN & BEVING SHARE

**The Bergman & Beving Class B share has been listed on the Stockholm Stock Exchange since 1976. Bergman & Beving's market capitalisation as of 31 March 2024 was MSEK 5,748.**

## Share capital and growth in 2023/2024

Bergman & Beving's Class B share is currently listed on the Mid Cap list under the ticker BERG B. B&B's market capitalisation as of 31 March 2024 increased year-on-year and amounted to MSEK 5,748 (3,390).

## Share capital

As of 31 March 2024, the share capital amounted to MSEK 57. The total number of shares was 27,436,416, of which 1,062,436 were Class A shares and 26,373,980 were Class B shares. Each Class A share entitles the holder to ten votes and each Class B share to one vote. Only the Class B share is listed on the Stockholm Stock Exchange (Sweden).

## Repurchase of own shares

Bergman & Beving's Class B shares held in treasury as of 31 March 2024 amounted to 729,043 (861,677), corresponding to 2.7 percent of the total number of shares and 2.0 percent of the total number of votes. The repurchased shares are reserved, in part, to cover the company's obligations to the holders of call options for repurchased Class B shares issued by Bergman & Beving.

As of 31 March 2024, Bergman & Beving had four outstanding call option programmes totalling 648,900 Class B shares. The programmes are targeted at senior managers in the Group.

The redemption price for call options issued in connection with the share-based incentive programme for 2020 is SEK 99.50 and the redemption period is from 11 September 2023 until 7 June 2024, inclusive.

The redemption price for call options issued in connection with the share-based incentive programme for 2021 is SEK 197.30 and the redemption period is from 16 September 2024 until 12 June 2025, inclusive.

The redemption price for call options issued in connection with the share-based incentive programme for 2022 is SEK 106.10 and the redemption period is from 9 September 2025 until 5 June 2026, inclusive.

The redemption price for call options issued in connection with the share-based incentive programme for 2023 is SEK 181.10 and the redemption period is from 9 September 2026 until 4 June 2027, inclusive.

For further information regarding the terms of the share-based incentive programmes, refer to Note 5 on pages 80–83.

## Dividend

The Board of Directors' proposal for the dividend for the 2023/2024 operating year is SEK 3.80 (3.60) per share, corresponding to a total of MSEK 101 (96). The pay-out ratio is 53 percent (46) of earnings per share. Over the past ten years (since 2014/2015), the average pay-out ratio, including the proposed dividend for the year, amounted to approximately 45 percent of earnings per share.

## Ownership structure

As of 31 March 2024, Bergman & Beving had 5,990 shareholders (6,336). Institutional investors, such as mutual funds, insurance companies and pension funds in Sweden and abroad, owned approximately 76 percent (77) of the total number of shares (capital), of which the share of foreign owners was approximately 16 percent (15) of the total number of shares (capital). The ownership model based on votes is presented in the diagram below.

### Allocation of ownership, % votes


### Share data 2023/2024

**Listing:** Nasdaq Mid Cap list
**Ticker:** BERG B
**ISIN Code:** SE0000101362

## Classes of shares as of 31 March 2024[1]

| | | % of | |
|---|---|---|---|
| | No. of shares | capital | votes |
| Class A shares | 1,062,436 | 3.9 | 28.7 |
| Class B shares | 26,373,980 | 96.1 | 71.3 |
| **Total number of shares before repurchasing** | **27,436,416** | **100** | **100** |
| Of which repurchased Class B shares | –729,043 | 2.7 | 2.0 |
| **Total number of shares after repurchasing** | **26,707,373** | | |

## Ownership structure as of 31 March 2024[1]

| | Owners | | Shares | |
|---|---|---|---|---|
| Holding | Number | % of total | Number | % of total |
| 1–500 | 4,867 | 81.2 | 539,331 | 2.0 |
| 501–1,000 | 495 | 8.3 | 394,397 | 1.4 |
| 1,001–5,000 | 447 | 7.5 | 983,645 | 3.6 |
| 5,001–10,000 | 63 | 1.1 | 471,494 | 1.7 |
| 10,001–20,000 | 33 | 0.5 | 473,087 | 1.7 |
| 20,001– | 85 | 1.4 | 24,574,462 | 89.6 |
| **Total** | **5,990** | **100** | **27,436,416** | **100** |

## Major shareholders as of 31 March 2024[1]

| | Number | | % of | |
|---|---|---|---|---|
| Holding | Class A shares | Class B shares | Capital | Votes |
| Anders Börjesson & Tisenhult-gruppen | 497,192 | 2,160,000 | 9.95 | 19.66 |
| Tom Hedelius | 493,124 | 0 | 1.85 | 13.60 |
| Fidelity Investments (FMR) | 0 | 2,443,460 | 9.15 | 6.74 |
| Lannebo Fonder | 0 | 2,237,662 | 8.38 | 6.17 |
| Swedbank Robur Fonder | 0 | 2,152,050 | 8.06 | 5.93 |
| SHB Pension Fund Insurance Association | 0 | 1,390,000 | 5.20 | 3.83 |
| Adam Gerge (AEMG Capital) | 0 | 1,025,000 | 3.84 | 2.83 |
| Dimensional Fund Advisors | 0 | 960,796 | 3.60 | 2.65 |
| Handelsbanken Fonder | 0 | 941,864 | 3.53 | 2.60 |
| Spiltan Fonder | 0 | 912,409 | 3.42 | 2.52 |
| Sandrew AB | 0 | 800,000 | 3.00 | 2.21 |
| ODIN Fonder | 0 | 679,100 | 2.54 | 1.87 |
| Avanza Pension | 0 | 395,286 | 1.48 | 1.09 |
| Per Säve | 20,000 | 160,000 | 0.67 | 0.99 |
| Magnus Söderlind | 0 | 314,549 | 1.15 | 0.87 |
| Other shareholders | 52,120 | 9,072,761 | 34.18 | 26.44 |
| **Total (excl. repurchased shares)** | **1,062,436** | **25,644,937** | **100** | **100** |
| Repurchased Class B shares | | 729,043 | | |
| **Total number of shares** | **1,062,436** | **26,373,980** | | |

1) Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and Finansinspektionen (FI), Sweden's financial supervisory authority, and other sources.

## Share price development 2019–2024

BERGMAN & BEVING

Machine operator wearing L.Brador workwear, Guide gloves and Arbesko safety shoes. Tengtools make work simple and efficient.

# SUSTAINABILITY REPORT 2023/2024

**Bergman & Beving** has prepared a Sustainability Report for the 2023/2024 financial year covering the Parent Company, Bergman & Beving AB (publ), Corporate Registration Number 556034–8590, and its subsidiaries. Bergman & Beving aims to be a sustainable company where we actively work to limit the effect of our operations on the environment and simultaneously create long-term value for society and our shareholders. The Group's work to achieve this goal is presented in this Sustainability Report. By signing the 2023/2024 Annual Report, the Board of Directors has also signed the Sustainability Report.

# SUSTAINABILITY REPORT 2023/2024

In Accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Bergman & Beving has chosen to prepare this statutory sustainability report as a separate report from the statutory annual report.

Our Sustainability Report describes our sustainability goals, why we have them and our progress during the year. We also describe several examples of initiatives and activities in our prioritised focus areas that fall outside the scope of measurable targets.

The Sustainability Report, structured according to the table of contents below, is in line with the strategy we developed based on our chosen focus areas and goals from the UN Sustainable Development Goals (SDGs). Our goals cover all ESG areas (Environmental, Social and Governance).

# CONTENT

# WITH A FOCUS ON THE FUTURE, WE ARE STRIVING FOR EXCELLENCE TODAY

In our endeavour to continuously be the trusted choice for our customers, employees and shareholders, we assume the role as the leading niche supplier of innovative, safe and sustainable solutions. Our aim is to inspire the choice of sustainable and reliable products, whose superior quality guarantees long-lasting performance. B&B's range symbolises sustainability and robustness, which contributes to responsible use of the earth's resources.

Sustainability has been transformed from a responsibility to a strategic necessity to ensure our relevance in the business world of the future. B&B is guided by three principles: responsibility (we exclude the unnecessary), a long-term approach (we include the essential), and a solution focus (we prioritise what matters).

The past year has been marked by a serious approach to alignment with the EU's sustainability directives, including a comprehensive CSRD double materiality assessment. This has enabled a focused effort in critical areas and the identification of relevant KPIs, which clarify our continued development.

Our commitment to climate action is strong, as demonstrated by our efforts to calculate emissions using the GHG Protocol standard. We have not covered all categories in Scope 3, but we are aiming to complete this in the coming year.

While working with CSRD compliance, we have methodically assessed and selected data to avoid reporting non-essential data points, which cuts costs and improves our focus on sustainability and business progress, while clarifying our material sustainability topics for our stakeholders.

Our vision is a continuous improvement in sustainability in our business models. Continuously developing our business and engaging in sustainable business practices means reduced business risk, lower operating costs, better access to capital and more favourable financing costs as well as a work environment that fosters creative thinking, a sense of community and engagement.

*Magnus Söderlind, President & CEO*

# SUSTAINABILITY VISION

Sustainable development refers to development that meets today's needs without jeopardising the ability of future generations to meet their own needs. As a proponent of sustainable development, we take responsibility for the way in which our businesses reach their profitability goals. This responsibility spans the entire value chain – from product development and purchasing to the end of the product's life cycle.

Our vision is to be the leading niche supplier of productive, safe and sustainable solutions to companies. This vision also means that we strive to be a driving force for sustainable development, including improved safety and productivity in companies. Our companies' solutions strengthen our customers' sustainability.

For us, leading means the long-term ability to create value through sustainable development, growth and profitability. This means being a company that takes responsibility for society and the environment while it strives for higher profitability. Achieving this goal will require, for example, smart product development and responsibility for the working conditions in the supplier chain, dedicated employees that enjoy working for their employer and efficient transports.

Sustainability creates business value in the form of more loyal customers, more satisfied employees and more sustainable products. Simply put, sustainability is a prerequisite for long-term profitability.

The purpose is to reduce business risks and create business opportunities, while also pursuing a credible and future-oriented sustainability agenda.

# GOVERNANCE MODEL

This section describes how B&B guides the business towards set sustainability goals, and the rules and policies that govern this work. For more information, refer to the Corporate Governance Report, which is part of B&B's statutory Annual Report.

## HOW BERGMAN & BEVING GOVERNS SUSTAINABILITY

**Board of Directors** – Establishes Group-wide sustainability goals, responsible for the sustainability strategy and the Code of Conduct as well as decisions on policies.

**Management** – Breaks down sustainability goals and prioritises work. Monitors and evaluates development.

**Business units** – Establish their own sustainability goals in addition to the Group-wide ones and conduct sustainability initiatives.

**Employees** – Carry out sustainability initiatives and develop tools and processes that promote sustainability in the operations.

## VALUES AND CORPORATE CULTURE

Our values and corporate culture form the basis of the Group's sustainability agenda. B&B's values and corporate culture are based on genuine entrepreneurship. We strive to innovate and develop competitive offerings and build relationships. We summarise our values with keywords such as: responsibility and freedom, simplicity, efficiency, openness and a willingness to change.

From a sustainability perspective, this can be interpreted to mean that we are guided by three principles:

- Responsibility – we exclude the unnecessary
- A long-term approach – we include the essential
- A solution focus – we prioritise what matters, according to materiality and severity.

All of the Group's companies conduct their operations with a high degree of freedom and are also held accountable for meeting our ambitious objectives. In practice, this means that our employees prioritise initiatives and take decisions as close to their customers and market as possible. This approach to employeeship fosters motivation, creative thinking, a sense of community and engagement, which moves the business forward. We act with integrity, are considered a good role model and take responsibility for sustainable, value-creating development.

## CODE OF CONDUCT

Our Code of Conduct applies to everyone working directly or indirectly for B&B.
The Code of Conduct contains the following:

- Human Rights Policy
- Business Ethics Policy
- Social Policy
- Environmental Policy

The Code of Conduct is a critical tool for supporting B&B's decentralised organisation and applies to all employees and suppliers.

The Code of Conduct is based on documents such as the Universal Declaration of Human Rights, the International Labour Organization (ILO) Core Conventions, the OECD Guidelines for Multinational Enterprises and the principles of the UN Global Compact. The Code of Conduct is also based on the Code of Business Conduct from the Swedish Anti-Corruption Institute (IMM), a driving force within anti-corruption in society and business.

### Human rights and business ethics

B&B has been working actively for many years to minimise the risks associated with human rights and business ethics in our value chain as we are well aware of the fact that we purchase products and materials from countries such as China, Pakistan and Brazil. To minimise these risks, we have wholly owned subsidiaries in China and Brazil. These companies guide the selection of subcontractors in each country more effectively and can also make it easier to conduct physical audits. The double materiality assessment that we conducted in 2023 identified a risk in Pakistan, where we only work through suppliers, but indicated that this risk is not material for the Group as a whole due to its highly limited scope. In 2020, B&B collaborated with the Aktiv Påverkan fund from Söderberg & Partners, supported by Save the Children's Centre for Child Rights and Business. The aim of the collaboration was to identify any open child labour risks in our subcontractor chain and to plan a system overview to develop structured supplier dialogues in order to develop preventive solutions that are sustainable over time.

A sustainable value chain means responsible purchasing that complies with the Group's values with respect to business ethics, human rights, prohibitions on child and forced labour, and equitable working conditions. Bergman & Beving's Code of Conduct imposes requirements on suppliers to respect fundamental human rights and to treat their labour force fairly and with respect, with the aim of counteracting corruption. The suppliers also ensure that their sub-suppliers, contractors and agents act in accordance with the Group's Code of Conduct and assess their performance in relation to this Code. It is important to the Group that its business partners meet its expectations, and that every supplier actively approves and confirms that it will observe the Code of Conduct. Regularly conducted audits, by both independent external consultants and by internal trained personnel, ensure that the Group's suppliers are meeting our expectations.

### Our role in the communities where we operate

Our Code of Conduct also contains a Social Policy. This policy describes how we maintain an open attitude in our dialogue with stakeholders, how we handle confidential information and how we use social media. The aim of our local engagement is to help strengthen the communities in which we operate by being a viable and long-term business. The Social Policy describes how we comply with the taxation laws and regulations of all countries in which we operate and how we apply the OECD Transfer Pricing Guidelines.

### Environmental Policy

The Code of Conduct also includes our Environmental Policy, which describes how the Group is to work actively to continuously reduce our direct and indirect environmental impact. According to the Environmental Policy, the Group's activities should be based on circularity and efficient use of natural resources, and important decisions should take environmental impacts into consideration in order to create long-term value for the Group's stakeholders.

## OTHER GROUP POLICIES

In addition our Code of Conduct, the Group has a number of employee policies and guidelines, such as guidelines for systematic occupational health and safety, incidents and emergencies, equal treatment as well as guidelines for alcohol, drugs and hazardous substances.

## WHISTLEBLOWING SYSTEM

The Group has a whistleblowing system where both internal and external stakeholders can report suspected misconduct and improprieties in our operations.

A.T.E. Solutions are experts at building automated testing equipment solutions for the electronics industry.

# SUSTAINABILITY STRATEGY

## STAKEHOLDER DIALOGUES AND MATERIALITY ASSESSMENT

B&B works continuously to prioritise how we can maximise the impact of our sustainability initiatives. To enable targeted efforts and resources, B&B's sustainability strategy is based on materiality assessments. When making these assessments, we identified where we can have the greatest impact. The materiality assessments, in turn, are based on stakeholder dialogues. The foundation for the Group's sustainability strategy was laid in 2017 when the first stakeholder dialogue and subsequent assessment were carried out. In 2021/2022, another materiality assessment was carried out in the form of stakeholder dialogues and in autumn 2023, a double materiality assessment was carried out in accordance with the EU's new CSRD requirements. This assessment will form the basis for our ongoing work with sustainability and the results of this process can be illustrated as shown below. It will be developed in line with our ongoing work with the CSRD.

### Double materiality assessment in accordance with the CSRD

| Environment and climate | | | | | Social sustainability | | | | Governance | |
|---|---|---|---|---|---|---|---|---|---|---|
| E1 Climate change | E2 Pollution | E3 Water and marine resources | E4 Biodiversity and ecosystems | E5 Resource use and circular economy | S1 Own workforce | S2 Workers in the value chain | S3 Affected communities | S4 Consumers and end users | G1 Business conduct | |
| Climate change adaptation | Pollution to soil | Water | Direct impact drivers of biodiversity loss | Resource inflows, including resource use | Working conditions | Working conditions | Communities' economic, social and cultural rights | Information-related impacts for consumers and/or end users | Corporate culture | Management of relationships with suppliers including payment practices |
| Climate change mitigation | Substances of concern | Marine resources | Impact on the state of species | Resource outflows related to products and services | Equal treatment and opportunities for all | Equal treatment and opportunities for all | Communities' civil and political rights | Personal safety of consumers and/or end users | Protection of whistleblowers | Political engagement |
| Energy | Microplastics | | Impacts on the extent and condition of ecosystems | Waste | Other work-related rights | Other work-related rights | Rights of indigenous peoples | Social inclusion of consumers and/or end users | Corruption and bribery | Animal welfare |
| | Pollution of living organisms and food resources | | Impacts and dependencies on ecosystem services | | | | | | | |
| | Pollution to water | | | | | | | | | |
| | Pollution to air | | | | | | | | | |
| | Substances of very high concern | | | | | | | | | |

**Material sub-topic** **Non-material sub-topic**

Long value chains result in elevated risks when a high level of responsibility rests with suppliers. That is why it is important to actively work together with our suppliers regarding sustainability issues. For our customers, it is important that we build trust and that they are confident that we take responsibility throughout the entire value chain.

We have high ambitions to be clearer and more transparent in our communication and to work towards measurable goals through focused activities where we have the greatest ability to impact, and where the severity and likelihood is high. B&B's sustainability strategy is based on the fact that a safe work environment, responsible purchasing, product safety and climate impact are the most important sustainability matters for us to address.

## FOCUS AREAS AND GOAL FORMULATION

Bergman & Beving believes that the Group's sustainability goals, which are structured in a framework with focus areas, are still current and relevant, but will continue to be evaluated in accordance with the CSRD. The focus areas apply across all units within the Group and are described in more detail in the next chapter. Each company can implement unit-specific goals in addition to these focus areas.

The Board monitors sustainability efforts in connection with the annual strategy review.

Based on the results of completed stakeholder dialogues and materiality assessments, management's priorities are structured in a framework with six focus areas that are also linked the UN's SDGs. Our goals cover all ESG areas (Environmental, Social and Governance).

**Focus area**

### EQUALITY AND DIVERSITY

An inclusive work climate

5 GENDER EQUALITY

**ELKINGTON**
– A female-dominated company in a male-dominated industry

**Focus area**

### EMPLOYEES

Attract and develop employees

8 DECENT WORK AND ECONOMIC GROWTH

**POLARTHERM**
– Ability to influence gives a high eNPS

**Focus area**

### SUSTAINABLE VALUE CHAIN

Responsible purchasing

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

**KGC**
– Bringing production home to Europe from Asia

**Focus area**

### PRODUCT PORTFOLIO

Sustainable and certified products

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

**ORBITAL**
– Aiming for ISO 14001

**Focus area**

### MATERIALS, WASTE AND CIRCULAR FLOWS

Increase resource efficiency

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

**GUIDE**
– First gloves in the world with environmental product declaration

**Focus area**

### EMISSIONS AND ENERGY CONSUMPTION

Reduce our GHG emissions

13 CLIMATE ACTION

**ITAAB**
– Investment will eliminate emissions

## Focus area

# EQUALITY AND DIVERSITY

## GOAL FORMULATION

The goal for gender distribution is continuous improvement towards an even distribution to better reflect the social and customer structure, and to pave the way for the industry to become more balanced.

## PERFORMANCE MEASURES

We measure and monitor the following:

- Gender distribution, number of employees
- Gender distribution, managers
- Gender distribution, newly recruited salaried employees

*For the performance trend between years, refer to "Sustainability data" on page 48.*

## ACTIVITIES AND PROGRESS DURING THE YEAR

We operate in a male-dominated industry, and we can make a difference with respect to diversity and equality. An inclusive work climate where differences are utilised and where all employees have equal conditions and opportunities.
We are very aware that there are several gender identities but in this respect we have chosen to limit ourselves. Equality and diversity are considered central issues that affect the entire business model and corporate culture.

They have obvious business value and we work purposefully with everything from equality in communication to skills-based, unbiased recruitment. To provide customers with the best service possible, it is important to build competent teams and have a leadership that reflects the values of both the Group and society. The Group's policy for equal treatment describes how all employees are to conduct themselves to eliminate discrimination and contribute to gender equality and diversity. We believe the gain will be that better decisions are made and that the industry will be perceived as more open for everyone, regardless of gender. The proportion of women on the Board of Bergman & Beving in 2023/2024 was 25 percent (25), while Group management consisted of two men. However, since employee turnover is low, this measure of equality and diversity is slow to change.

Bergman & Beving aims to offer an inclusive work climate where all employees have equal conditions and opportunities, differences are utilised and the attitude is that diversity enriches us.

# A FEMALE-DOMINATED COMPANY IN A MALE-DOMINATED INDUSTRY

**Elkington is one of Bergman & Beving's newest acquisitions and a Swedish leader in duct access hatches. The company really stands out in the male-dominated construction industry. Most of the company's employees are women.**

Elkington currently has eight employees, one of whom is a man. But this is not a deliberate strategy, according to Vice President Lotten Nyman.

"We have not made an active choice to employ only women. We have employed people who are good at what they do.

"You could probably say that we are an unequal company with so few male employees. We are currently recruiting new salespeople. We don't know whether they'll be men or women. The choice is always based on ability and personal qualities," she says.

"Our customers have reacted positively and a lot of people like the fact that we are a company of women in a male-dominated industry," she says.

Elkington was founded nearly 60 year ago and the company's customers can be found in infrastructure, the public sector and roadworks.

*Lotten Nyman, Vice President, Elkington*

*A warm and friendly environment is important to Elkington, where everyone has an equal voice.*

## Focus area

# EMPLOYEES

### GOAL FORMULATION

Attract and develop employees through safe work environments, skills development and personal growth. The goal is an Employee Index (EI) score of over 70.

### PERFORMANCE MEASURES

We measure and monitor the following:

- Employee index, EI

*For the performance trend between years, refer to “Sustainability data” on page 48.*

## ACTIVITIES AND PROGRESS DURING THE YEAR

8 DECENT WORK AND ECONOMIC GROWTH

B&B’s greatest asset is its skilled employees. Their commitment is an important prerequisite for continuing to develop new and existing business. Our ambition is to leverage our employees’ desire to develop within the operations. B&B’s governance model, with clearly decentralised responsibility and decision-making, is important for achieving this, but also for attracting new committed and skilled employees.

The Group takes a positive view towards internal recruitment, and many employees with managerial responsibilities in the Group began their career in one of the subsidiaries. Bergman & Beving’s employee philosophy focuses on being an attractive employer with a workplace where people have a high degree of job satisfaction, feel they are involved and can develop. Commitment and employee satisfaction are monitored through regular employee surveys. Through these surveys, the Group gains an understanding of its employees’ attitudes towards their work while also creating a link between employees’ well-being, attitudes and values, and the requirements for earnings performance from our owners. The Group-wide employee survey is conducted roughly every 18 months and the most recent was conducted in 2023. The most recent survey showed an improved EI score of 81 (80) and a high eNPS of 31. Units can choose to carry out “temperature readings” in between surveys.

Our governance model includes an internal Business School for training employees in business matters, explaining Bergman & Beving’s values and sharing experiences with other business units. During the year, seven training sessions were held in four countries with over 120 participants.

# POLARTHERM GIVES ITS EMPLOYEES A VOICE

**Polartherm's employees are highly likely to recommend their company as a great place to work. Giving its employees a voice contributes to this high score.**

The Finnish company Polartherm – active in powerful, mobile heaters for niche areas in industry, construction and aviation – has received a high Employee Net Promoter Score (eNPS) of 31. For comparison, scores between 10 and 30 are considered "good," and the result is clearly better than the industry average.

One of the main reasons for the high score is that Polartherm's employees are able to influence matters that affect them at work, according to Heli Koivu, Head of Quality at Polartherm.

"We set joint goals every year. All employees are aware of, and involved in the achievement of, our goals. Before we finalise the goals, we always ask for ideas from all of our employees, which is also part of our continuous improvement process. Management is obviously responsible for making the decisions, but our employees are very happy to give their input to this process," says Heli Koivu.

Polartherm usually holds at least one workshop with its employees every year, using its goals as a starting point. Sometimes, more workshops are held. Last year, for example, two sub-topics were addressed at the same time: how to improve sustainability, and how to improve the factory layout. This is relevant since Polartherm has decided to replace its business systems in the coming years, which will affect inventory processes, for example. Management wanted to gather ideas from the employees.

"I think the workshop broadened the view of what sustainability is. It's not just about environmental aspects and recycling, there's so much more to it," says Heli Koivu.

"These types of workshops motivate and encourage our employees to make continuous improvements. I think they also inspire employee commitment. Our employees have always been very enthusiastic about taking part in these workshops so far,"

*Heli Koivu, Head of Quality*


*Polartherm is the leading military air heating equipment manufacturer in Northern Europe with over 40 years of experience in the design and manufacturing of air heaters.*

**About eNPS** – eNPS is an indicator that shows how engaged and loyal employees are to a company. The Net Promoter Score (NPS) was originally invented to help companies predict their long-term profitability by asking customers a question with the insight that "a satisfied customer is not enough, a customer must be loyal." The score was then further developed to measure employee satisfaction rates (eNPS) based on the same idea that "satisfied" is not enough – a loyal employee/ambassador is needed to ensure that employees would recommend their workplace to their friends and family as a good place to work. By measuring eNPS and what drives it, employee engagement can be linked to customer loyalty, which in turn can link profitability to attitudes and approaches. eNPS is now an equally accepted indicator as the conventional EI score.

eNPS is a value, based on the likelihood that a person would recommend their workplace to friends and family as a good place to work. eNPS surveys ask: How likely is it that you would recommend your workplace to friends or family? The NPS is then calculated by subtracting the share (%) of Critics from the share (%) of Ambassadors. The result is a score between -100 and +100. A score over 0 means there are more Ambassadors than Critics. A score above 30 is considered "very good" but it is important to see how the trend develops from year to year.

## Focus area

# SUSTAINABLE VALUE CHAIN

### GOAL FORMULATION

The Group's operations and products promote positive working conditions and economic growth in the entire value chain. Through responsible purchasing, we support equitable working conditions and human rights, and conduct operations according to good business ethics and without corruption. The goal is to continuously increase purchases from certified suppliers and suppliers who have signed our Code of Conduct.

### PERFORMANCE MEASURES

We measure and monitor the following:

- Share of procurement volume from certified suppliers
- Share of procurement volume from suppliers who have signed our Code of Conduct

*For the performance trend between years, refer to "Sustainability data" on page 48.*

## ACTIVITIES AND PROGRESS DURING THE YEAR

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

A sustainable value chain means responsible purchasing that complies with the Group's values with respect to business ethics, human rights, prohibitions on child and forced labour, and equitable working conditions. B&B's Code of Conduct imposes requirements on suppliers to respect fundamental human rights and to treat their labour force fairly and with respect, with the aim of counteracting corruption. The suppliers also ensure that their sub-suppliers, contractors and agents act in accordance with the Group's Code of Conduct and assess their performance in relation to this Code. It is important to the Group that its business partners meet its expectations, and that every supplier actively approves and confirms that it will observe the Code of Conduct. We strive for a sustainable value chain by deliberately increasing the share of purchases from certified suppliers and the share of purchases from suppliers who have signed our Code of Conduct.

Regularly conducted audits, by both independent external consultants and by internal trained personnel, ensure that the Group's suppliers are meeting its requirements. During the year, some 80 audits were carried out.

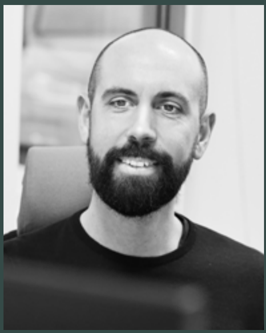
# KGC – BRINGING PRODUCTION HOME TO EUROPE FROM ASIA

**KGC is a Swedish, specialised supplier of professional tools for bricklaying, plastering and tiling. The company is now working to relocate production from Asia to Europe and move closer to its market, to conduct more sustainable purchasing and to secure the flow of goods.**

KGC has supplied quality tools for bricklaying and tiling for more than 70 years. By reducing the distance between its production and end users, the company is aiming to secure the flow of goods, improve transparency and enable the verification of sustainability.

"It's no secret that production in Asia is exposed to sustainability risks, and following these up is resource-intensive. By moving closer to our producers, we are strengthening our ability to continuously monitor their sustainability performance. Furthermore, by using producers based in the EU who are subject to considerably stricter legal requirements, we will probably reduce the climate impact of our products," says Johan Kahn, Purchasing & Marketing Director at KGC.

KGC is planning to base all production of the company's products in the EU by 2026.



*Johan Kahn, Purchasing & Marketing Director, KGC*

*KGC's trowels are made in Sweden from Accoya® wood, which comes from fast-growing and sustainably managed Radiata pine.*

## Focus area

# PRODUCT PORTFOLIO

### GOAL FORMULATION

We offer sustainable, certified and safe products and solutions to our customers. The goal is to continuously increase the share of revenue from certified products and services.

### PERFORMANCE MEASURES

We measure and monitor the following:

- Share of sales of certified products and services

*For the performance trend between years,* *refer to "Sustainability data" on page 48.*

## ACTIVITIES AND PROGRESS DURING THE YEAR

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

B&B's business concept is based on the idea that the customer offerings from our operations should be a positive force for sustainability, with a focus on providing productive, safe and sustainable solutions to the construction and manufacturing sectors. We want our customers to be able to choose safe and sustainable products that can be used for a long time thanks to their quality. High-quality products have a long life, which saves the earth's resources. All of the companies in the Group have clear objectives when it comes to continuously streamlining their resource use and increasing reuse and recycling. Products should be safe to use and correctly labelled. Another way to ensure a sustainable product portfolio is to increase sales of certified products and services, which every company in the Group measures and follows up as a performance measure.

Arbesko manufactures all shoes in Sweden, which significantly reduces the length of transport routes while lowering carbon emissions and guaranteeing high quality and equitable working conditions.

# ORBITAL FABRICATIONS IS AIMING FOR ENVIRONMENTAL CERTIFICATION

**ISO 14001 is the internationally recognised standard for environmental management systems and is firmly established among Bergman & Beving's companies. Next in line is Orbital Fabrications in the UK, which is aiming for dual certification – both its quality and environmental management systems.**

## Easier to prioritise

"We take sustainability very seriously and our goal is to obtain ISO 14001 certification, which is the most recognised international standard for environmental management systems," says Martin Kay, Operations Manager at Orbital Fabrications.

The standard helps organisations establish an environmental policy and environmental objectives, understand how important aspects can be managed, introduce necessary controls and set clear goals for improving environmental performance.

"This is being pursued by Group management and will improve our existing environmental priorities, and help the entire company to develop, monitor and improve our environmental performance. It is a good complement to our existing ISO 9001 certification, which is the world's most recognised quality management system standard," says Martin Kay.

**ISO 14001** is the recognised standard for environmental management systems and is used internationally. It can be used by all industries, areas and businesses and provides a framework for continually improving their environmental performance. It has many benefits, such as more efficient use of resources and energy, smarter procurement and lower costs for waste management. In the long term, it reduces harm to the environment and ecosystems.

The standard creates an environmental management system that can be integrated into the existing organisation. The aim is to make it easier for the organisation to improve its environmental performance. The standard provides a model for continuous improvement.

Several companies in the Bergman & Beving Group already hold ISO 14001 certification: AAK Safety, Arbesko, Cresto Safety, ESSVE produkter, Fastit, Guide, Kiilax, Logistikpartner, Skydda, Zekler, Tema Norge, Luna, Teng Tools AB and Germ.

*Orbital Fabrications Ltd. is taking a giant step forward for the environment by following sound environmental principles.*

## Focus area

# MATERIALS, WASTE AND CIRCULAR FLOWS

### GOAL FORMULATION

We want to improve resource efficiency and circular flows by reducing the consumption of materials and raw goods, and by increasing recycling and reuse.

### PERFORMANCE MEASURES

We measure and monitor the following:

- Consumption of packaging

*For the performance trend between years, refer to "Sustainability data" on page 48.*

## ACTIVITIES AND PROGRESS DURING THE YEAR

B&B works to limit the environmental impact of our operations. We want to increase resource efficiency in order to reduce material consumption, recycle and reuse more material and raw goods, and improve circular flows. The performance measure we currently monitor within the Group is consumption of packaging per delivered cubic metre ($m^3$) from our logistics centre, which many of our units have agreements with and use as a logistics partner. The goal is to gradually reduce the use of packaging. Not all initiatives and activities can be measured. At B&B, we carried out a number of activities in this focus area during the year. These include a project to start measuring and monitoring more areas across our entire value chain linked to materials, waste and circular flows. In several places, these are included in the GHG Protocol's Scope 3 categories. This project continued throughout the entire financial year and is expected to end in autumn 2024.

**What is an EPD?** An Environmental Product Declaration (EPD) is an independently verified and registered document to communicate that a company has evaluated the life-cycle environmental impacts of its product in a standard manner. An EPD provides guidance for procurement.

# FIRST GLOVES IN THE WORLD WITH AN EPD

**Guide Gloves has become the first glove maker in the world to create an EPD for one of its glove models. The goal is to create EPDs for all of the company's products.**

An EPD shows product-specific environmental information and is an important source of data for a product's life cycle assessment. More and more customers are requesting this information. This was a natural investment for Guide Gloves, according to Ellinor Vegborn, Quality & Sustainability Manager at Guide Gloves.

"EPDs are very important for us due to upcoming EU legislation but also for meeting demands from customers. We will eventually need to conduct life cycle assessments for all of our products. Our customers will be able to choose products based on their environmental impact," says Ellinor Vegborn.

**Production has the greatest impact**

Now that the first EPD has been created, it also lays the foundation for future initiatives.

"We will apply the lessons we learned from the EPD process in our continued efforts to identify where in the product's life cycle we have a negative impact on the environment. When we've completed the process for more of our models, we will be able to compare them with each other. Then we can help our customers make more sustainable choices and we will know, in a standardised manner, where we need to improve our processes in order to reduce our environmental impact. For Guide Gloves, production has the greatest impact," says Ellinor Vegborn.

Production has the greatest impact, followed by freight, since we produce our products in Asia and then ship them to Sweden. We use recycled polyester in yarn and the yarn is dyed during the extrusion of the filaments (the polyester is melted and pushed out into thin threads that are twisted into yarn), which means that no water or energy-intensive dyeing process is used. The rest of the production process is water-based and solvent-free, but otherwise similar to all other production. Solvents are harmful to humans and the environment, so choosing water-based instead, whenever possible, is moving our carbon footprint in the right direction," she says.

**The European Green Deal**

The new EU legislation requires careful preparation, according to Ellinor Vegborn.

"There are many different policy measures under the European Green Deal that will come into effect over the next three to four years. As a manufacturer with production in Asia, we will be affected. We are still in the early stages of planning how we can prepare until the laws come into force. There is still a lot that hasn't been adopted by the EU yet, but we are preparing as best we can and where we think we will be most affected. In recent years, Guide Gloves has implemented a wide range of sustainability initiatives."

"We've been reporting our Scope 1 and 2 GHG emissions since 2020, and Scope 3 emissions since 2023. Otherwise, we have reduced the weight of our packaging and choose recycled wherever possible. We work actively to choose materials for our products that do not contain hazardous chemicals. The product team works together with our suppliers to develop sustainable materials and production processes, such as reduced water consumption and chemical use in the production of input materials", says Ellinor Vegborn.

**Joint sustainability team**

Bergman & Beving also has a sustainability team at Group level that meets on a regular basis.

"It's a valued network where we can share our experience and discuss opportunities and challenges," says Ellinor Vegborn, who is pleased with the work that Guide Gloves has done but says that there is more to do.

"We've come a long way, but still have a long way to go because we have gradually expanded our goals. Our customers appreciate what we are doing. The response from them has been generally very positive, but at the same time, not many know what an EPD is," says Ellinor Vegborn.

## Focus area

# EMISSIONS AND ENERGY CONSUMPTION

### GOAL FORMULATION

By measuring the climate impact of our operations, we can implement focused measures to reduce our impact and help build better structures for sustainable consumption and production. The goal is for all operations to reduce their climate impact and to help reach the goals of the Paris Agreement. Through smart transportation and energy solutions in our operations, we can reduce our environmental impact. The goal is a coefficient of fullness of 80 percent for incoming freight and 50 percent for outgoing freight and to decrease the percentage of air shipments.

### PERFORMANCE MEASURES

We measure and monitor the following:

- Energy consumption and GHG emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol) initiative
- Coefficient of fullness, incoming freight
- Coefficient of fullness, outgoing freight
- Percentage air shipments

*For the performance trend between years, refer to "Sustainability data" on page 48.*

## ACTIVITIES AND PROGRESS DURING THE YEAR


The first thing many people think of when it comes to sustainability is greenhouse gas emissions into the atmosphere and energy consumption, since activities in these areas can affect and counteract the ongoing climate crisis.

Projects are also ongoing to report and monitor emissions in accordance with the GHG Protocol's Scope 3 categories – upstream and downstream in the Group's value chain. By measuring and analysing first, we can concentrate our resources to where we have the greatest impact and opportunities to improve.

When it comes to transportation, B&B has opted for ships as a means of transport between continents and to minimise air transport. The containers loaded onto the ships should achieve a certain coefficient of fullness in order to be efficient as regards both costs and reducing emissions. The coefficient of fullness is also measured on all transports leaving the Group's logistics centre in Ulricehamn, where deliveries to customers go by truck and we measure the portion of air shipments. The climate footprint of our upstream and downstream transports is included in the project to calculate Scope 3 GHG emissions.

B&B's operations are working actively to reduce both GHG emissions and energy consumption.

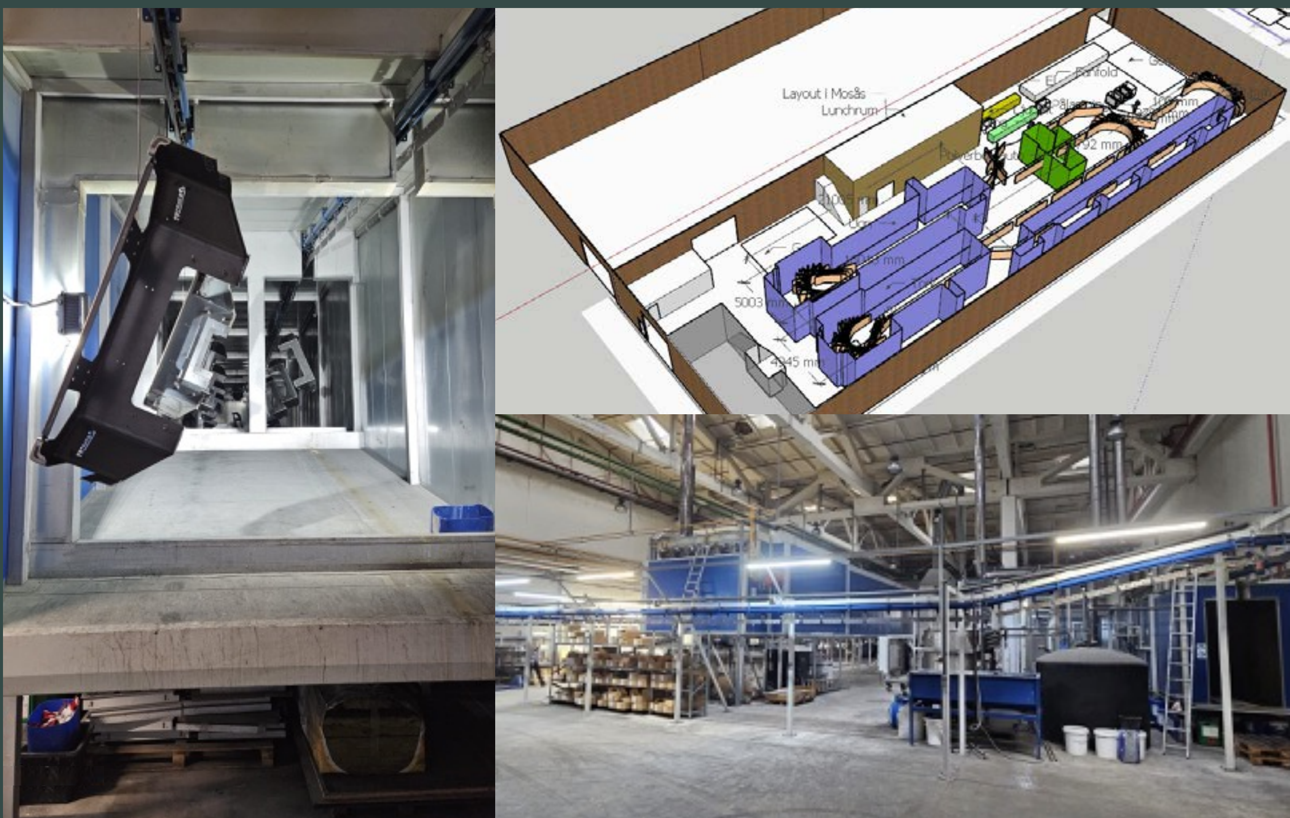
# INVESTING IN ENVIRONMENTALLY FRIENDLY POWDER COATING LINE

**By investing in a powder coating line, Itaab is aiming to reduce solvent and hazardous waste, thereby drastically reducing its environmental impact.**

Itaab is the leading manufacturer of metal suspended ceilings in Sweden. The company currently uses a wet painting line in its coating process, which results in a bottleneck when demand is high. By investing in a powder coating line, Itaab will eliminate the risk of future capacity problems, while reducing emissions.

Reducing the use of hazardous chemicals, paint and solvents in the production process will also have a positive effect on the work environment. The efficiency of the coating process is also expected to increase significantly.

The new powder coating line is expected to be operational by autumn 2024.




*Itaab is investing in a powder coating line to reduce hazardous waste and emissions.*

# SUSTAINABILITY DATA

| PERFORMANCE MEASURES | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|---|
| **SOCIAL SUSTAINABILITY** | | | | | |
| **Equality and diversity** | | | | | |
| Gender distribution, % (women/men) | 31/69 | 33/67 | 34/66 | 33/67 | 31/69 |
| Gender distribution: managers, % (women/men) | 25/75 | 26/74 | 30/70 | 27/73 | 25/75 |
| Gender distribution: newly recruited salaried employees, % (women/men) | 22/78 | 38/62 | 32/68 | 43/57 | – |
| **Employees** | | | | | |
| Employee index | 81 | – | 80 | – | 78 |
| **ENVIRONMENT AND CLIMATE** | | | | | |
| **Sustainable value chain** | | | | | |
| Share of procurement volume from certified suppliers, % | 78.4 | 76.2 | 75.0 | 73.0 | – |
| Share of procurement volume from suppliers who have signed our Code of Conduct, % | 97.2 | 92.9 | 83.8 | 83.9 | – |
| **Product portfolio** | | | | | |
| Share of revenue from certified products and services, % | 83.1 | 85.4 | 83.6 | 66.3 | – |
| **Materials and waste** | | | | | |
| Consumption of packaging (hg/m$^3$) | 97.4 | 73.1 | 76.0 | 72.8 | 98.4 |
| **Emissions and energy consumption** | | | | | |
| **GHG Protocol, Scopes 1 and 2** | | | | | |
| Scope 1–2 emissions per krona in revenue (total $CO_2$e emissions tonne/MSEK) | 0.259 | 0.223 | 0.231 | 0.259 | – |
| Total Scope 1-2 emissions (tonne $CO_2$e) | 1,931 | 1,763 | 1,843 | 1,886 | – |
| Total energy consumption (MWh) | 12,479 | 10,280 | 10,713 | 9,254 | – |
| of which electricity (MWh) | 6,828 | 5,988 | 5,989 | 5,164 | – |
| of which district heating and cooling (MWh) | 5,651 | 4,291 | 4,724 | 4,090 | – |
| Energy consumption per krona in revenue (MWh/MSEK) | 1.68 | 1.30 | 1.34 | 1.27 | – |
| **Coefficients of fullness** | | | | | |
| Coefficient of fullness, incoming freight (%) | 71.9 | 68.8 | 72.3 | 72.1 | 70.0 |
| Coefficient of fullness, outgoing freight (%) | 49.8 | 46.9 | 46.6 | 46.9 | 46.4 |
| **Percentage air shipments (%)** | 1.3 | 2.4 | 2.0 | 2.5 | – |
| **EU taxonomy** | | | | | |
| Proportion of turnover aligned with the taxonomy, % | n/a | n/a | n/a | – | – |
| Proportion of OPEX (investments) aligned with the taxonomy, % | n/a | n/a | n/a | – | – |
| Proportion of CAPEX (costs) aligned with the taxonomy, % | n/a | n/a | n/a | – | – |

# COMMENTS ON SUSTAINABILITY DATA FOR THE YEAR

## Equality and diversity

- Gender distribution: The decrease during the year was mainly attributable to acquisitions, which reduced the average for the Group. Excluding acquisitions, the distribution would have been 32/68.
- Gender distribution, managers: The decrease during the year was attributable to acquisitions and the figure would have remained unchanged excluding these.
- Gender distribution, newly recruited: We measure this because we believe an increase here will, in the long term, lead to improvements in the gender distribution among managers and that a decrease will have the opposite effect.

## Employees

Group-wide employee surveys are conducted roughly every 18 months and the most recent survey in 2023 showed an improvement and an eNPS of 31. Refer to the factbox on page 39. Units can choose to carry out "temperature readings" in between surveys.

## Sustainable value chain

The companies' work to increase the share of procurement from certified suppliers and to have our suppliers sign and operate according to the Group's Code of Conduct yielded results during the year.

## Product portfolio

The decrease during the year is actually an increase if all companies are included. In the preceding year, the newly acquired company Polartherm was excluded.

## Materials and waste

The main reason for the increase during the year was a new customer with a highly diversified range that required extensive packaging to ensure safe and secure delivery. Another reason was a changed order structure, with a lower volume per order. To some extent, this could be offset by smaller packaging sizes, but due to the nature of the products, the length, width and height had to be taken into account. However, the improved coefficient of fullness showed that we have become better at adapting our choice of packaging and at cutting down the corrugated boxes to reduce the amount of air in the packages.

## Emissions and energy consumption

### GHG emissions calculations

These calculations are based on calendar year data and exclude acquisitions during the year. All performance measures in this category that were set in relation to revenue increased due to a deliberate focus by the Group's companies on more profitable business, whereby revenue decreased.

- Scope 1–2 emissions per krona in revenue: The increase in 2023 was attributable to the acquisition of three relatively energy-intensive companies in the preceding financial year – Kiilax and Polartherm in Finland, and Fallskyddspecialisterna in Sweden. Finland also has a higher emission factor for purchased energy (kWh) than Sweden, for example. Excluding two other producing units – Cresto in Slovakia and BVS in Hungary – which under-reported their purchased energy in 2022, there was no increase in 2023 (0.222 $CO_2e$/MSEK).
- Energy consumption per krona in revenue: Excluding companies that were included for the first time during the year (three more energy-intensive companies) and a couple of energy-intensive companies that under-reported purchased energy in 2022, the performance measure was 1.54. The increase was otherwise linked to the above-mentioned reason regarding a decrease in revenue.

### Coefficients of fullness

- Coefficient of fullness, incoming freight: 2022 was characterised by sea freight turmoil with a major shortage of containers. The year's improvement was linked to a return to more normal conditions.
- Coefficient of fullness, outgoing freight: We improved considerably during the year. Improved processes in our new warehouse combined with adaptation to each company's needs improved the coefficient of fullness compared with the year-earlier period. Since Luna has its own freight agreements, the company was not included in the measurement. We are developing our measurement model to include flows not included in Logistikpartner's freight agreements. Efforts to adapt packaging to each customer's shipment structure had a positive effect on the coefficient of fullness for outgoing freight and packaging consumption. When the packaging is better suited (higher coefficient of fullness), we also use less.

### Percentage air shipments

The percentage of air shipments in all three divisions decreased considerably compared with preceding years.

## EU taxonomy

Our industry is not taxonomy-eligible, which is why no values are given for these parameters.

# THE GROUP'S SUSTAINABILITY TEAM

### Sustainability team: A source of inspiration for sustainable innovation and knowledge sharing

The heart of B&B's sustainability work is our sustainability team, an intra-Group network of experts and enthusiasts with a shared ambition – to increase the focus on sustainability in all of the Group's companies. By embracing both diversity and vision, this team is paving the way for continuous development and knowledge sharing in areas that are critical for our planet and our business. With an agenda that is regularly updated with relevant themes – from circular business models to calculating our GHG emissions – we are enabling more in-depth expertise and a practical application of sustainable principles across our operational borders.

### Dialogue and exchange: Meeting forums for inspiration and action

Our meetings, both digital and physical, are more than just information exchanges; they are incubators for ideas, engagement and forward-looking energy. Inviting external speakers and holding thematic sessions creates a rich environment for learning and inspiration. This openness to external perspectives and expertise help us remain adaptable and forward-looking, ready to integrate innovative and sustainable solutions into our operations.

### Moving forward together: A sustainable journey from every aspect

B&B's sustainability team reflects the Group's ambition to not only achieve, but also surpass our sustainability goals. By recognising the unique challenges and progress of each of the Group's companies, we are fostering a culture based on shared responsibility and collective success. This collaboration strengthens our ability to respond to growing demands from customers and other stakeholders in a way that accounts for both environmental and social conditions. Our vision is clear: to be the leading niche supplier of productive, safe and sustainable solutions to companies. By navigating our way forward together, we are not only building business value but also contributing to a more sustainable and just society for all.

> "The Group formed a sustainability team three years ago that meets several times per year. It is a valued network where we can share our experience and discuss opportunities and challenges."

**Ellinor Vegborn, Quality & Sustainability Manager at Guide Gloves**

*The company's sustainability team promotes long-term sustainability by sharing experience and best practices with all of the Group's companies.*

# AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the General Meeting of the shareholders in Bergman & Beving AB (publ), corporate identity number 556034–8590

### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2023-04-01 – 2024-03-31 and that it has been prepared in accordance with the Annual Accounts Act. The Sustainability Report is included on pages 29–50 in the annual report.

### The scope of the audit

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

### Opinion

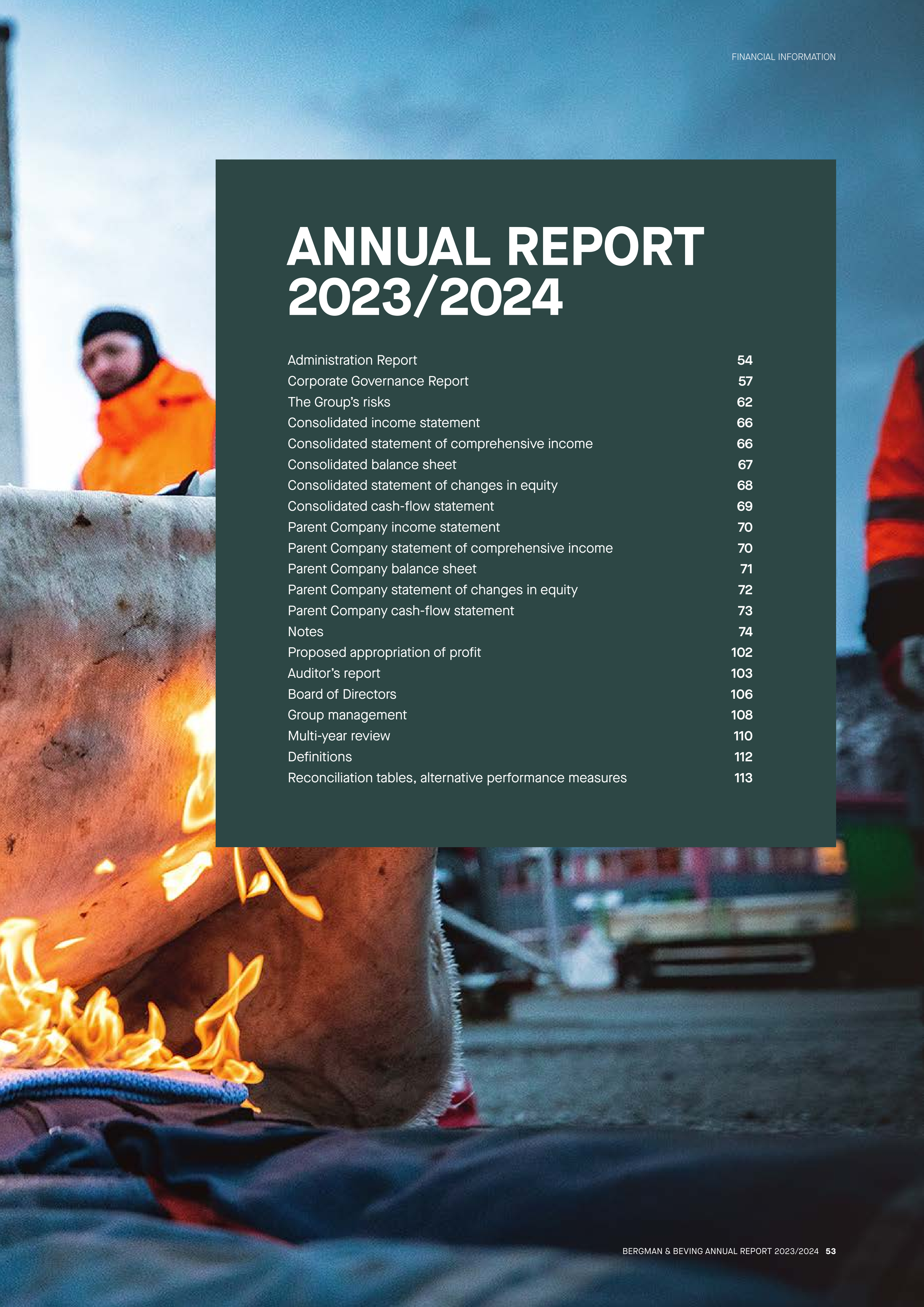
A statutory sustainability report has been prepared.

Stockholm July 3, 2024
Deloitte AB

*Signature on Swedish original*

**Andreas Frountzos**
Authorized Public Accountant

Fire safety training
with AAK Safety Norway



# ANNUAL REPORT 2023/2024

# Administration Report

WITH CORPORATE GOVERNANCE REPORT 1 APRIL 2023–31 MARCH 2024

The Board of Directors and President & CEO of Bergman & Beving AB (publ), Corporate Registration Number 556034–8590, hereby submit the Annual Report and consolidated financial statements for the 1 April 2023–31 March 2024 financial year. The following Corporate Governance Report, income statements, balance sheets, statements of comprehensive income, statements of changes in equity, cash-flow statements and notes constitute an integrated part of the Annual Report and have been reviewed by the Company's auditors. The statutory Sustainability Report in accordance with the Swedish Annual Accounts Act can be found on pages 29–50.

Bergman & Beving is a Swedish listed group that sells various niche solutions to the manufacturing and construction sectors. The Group has some 30 business units represented in more than 25 countries. The Group's revenue amounts to MSEK 4,723, with over 70 percent attributable to proprietary products. The remainder attributable to goods for resale. The Group is organised into three divisions. The names of the divisions were changed at the start of the financial year 2024/2025 as follows: To better reflect the nature of the operations, the Building Materials division is now Core Solutions, Workplace Safety has changed its name to Safety Technology, and Tools & Consumables is now Industrial Equipment.

## Revenue and profit

### Revenue

Revenue amounted to MSEK 4,723 (4,749). Acquired revenue amounted to 8 percent. Exchange-rate fluctuations had a positive impact of 1 percent. Revenue declined 12 percent organically, primarily due to a weaker market and the fact that the Group prioritised earnings growth.

### Profit

The Bergman & Beving Group's EBITA increased to MSEK 438 (382), corresponding to an EBITA margin of 9.3 percent (8.0). EBITA was charged with amortisation, depreciation and impairment on intangible and tangible non-current assets as well as amortisation, depreciation and impairment in connection with corporate acquisitions. EBITA was also charged with depreciation of right-of-use assets of MSEK –155 (–135). Operating profit before net financial items increased to MSEK 372 (339). Both metrics trended positively during the year despite the weaker market. Many of the Group's companies improved their product mix and adapted their costs to market conditions. However, the earnings increase was mainly related to acquired units.

Net financial items amounted to MSEK –111 (–68), and as expected given the year's higher interest rates, bank financing accounted for the largest increase.

Profit after financial items amounted to MSEK 261 (271).

Net profit totalled MSEK 201 (214), corresponding to earnings per share of SEK 7.15 (7.80) before and after dilution.

## Operations

The Group's positive performance continued during the financial year, despite continued economic uncertainty in the construction and manufacturing sectors. Since the Group uses a decentralised governance model, where decisions are made in the subsidiaries or in our corporate groups, the most units handled the weaker market in a positive manner.

Work with acquisitions continued during the year, resulting in six new companies joining the Group.

### Core Solutions

The division offers a market-leading range of construction fastening components for professional end users in the construction sector. The division's customers are also active in the industrial sector, where customised fastening products are delivered for manufacturing processes. In addition, the division also has a strong range of products and solutions in fire protection, tiling and bricklaying. The newer companies in the division also supply products and solutions for metal suspended ceilings, inspection hatches and duct access hatches.

Revenue amounted to MSEK 1,410 (1,379) and EBITA to MSEK 150 (114). The year was characterised by uncertainty in several of the division's markets. The companies have adapted to developments and worked with operational improvements. Despite a weaker construction market, the division reported a healthy earnings performance. As expected, the year's acquisitions helped to strengthen the division's earnings.

### Safety Technology

The division offers products and services in safety. Customers are primarily manufacturing and construction material resellers, but includes major manufacturing customers on the international level. Since before, the division's units together offer a complete solution comprising safety products and services for professional end users. The newly acquired company Ateco expands the offer with fire alarm safety systems.

Revenue amounted to MSEK 1,604 (1,656) and EBITA to MSEK 116 (152). Demand for safety equipment, which includes personal protective equipment, is rising with time, but is being negatively impacted by a declining number of employees in the construction and manufacturing sector. Most of the division's units were impacted by this during the year. Although several of the division's companies have implemented cost-saving programmes, they have found it challenging to offset this weaker demand.

### Industrial Equipment

Through its largest business unit Luna, the division has maintained a long-term focus on tools, machinery and consumables. Luna is the Nordic region's leading distributor in this area. Other business areas are becoming more prevalent as new companies join the division. Solutions are currently offered for tool safety, handling of lubricants and liquids, mobile heating solutions, automated testing equipment and systems for gas control.

Revenue amounted to MSEK 1,741 (1,752) and EBITA totalled MSEK 189 (121). The division's strong earnings performance is mainly explained by positive earnings from acquired companies. The division's largest unit was impacted by weaker demand and implemented several cost-saving programmes starting early in the year. This adaptation of operations is main reason that Luna also contributed to the division's improved earnings.

### Parent Company

The Parent Company's revenue amounted to MSEK 41 (37) and profit after financial items to MSEK 46 (30). The Parent Company's balance-sheet total amounted to MSEK 3,957 (3,707) and the equity/assets ratio was 28 percent (31).

The Parent Company is responsible for financing the Group, and during the year, interest-bearing liabilities to credit institutions increased, as did interest income and expenses due to higher interest rates.

## Corporate acquisitions

During April 2023, Industrial Equipment acquired all of the shares in Tema Norge AS. Tema Norge is a leading player in Norway in orbital welding and mechanised welding technology and generates annual revenue of approximately MSEK 45.

During June 2023, Core Solutions acquired all of the shares in Elkington AB. The company is a leading actor in Sweden in duct access hatches but also sells related products in wall and roof hatches. The company has annual revenue of approximately MSEK 40.

During July 2023, Core Solutions acquired all of the shares in Itaab Trading AB. The company is the leading manufacturer and supplier of metal suspended ceilings in Sweden with annual revenue of approximately MSEK 75.

During August 2023, Industrial Equipment acquired all of the shares in Sandbergs i Jämtland AB. The company is a niche supplier of liquid handling equipment in Sweden. The company has annual revenue of approximately MSEK 60.

During November 2023, Safety Technology acquired 70 percent of the shares in Ateco. Ateco is a leading niche supplier of systems, products and accessories for both fixed and temporary fire alarm installations in public and commercial properties and has annual revenue of approximately MSEK 50.

During December 2023, Industrial Equipment acquired 80 percent of the shares in Orbital Fabrications Limited. The company is the UK's leading manufacturer of gas handling systems and components that require high purity and has annual revenue of approximately MSEK 180. The company was consolidated in the Group's earnings as of 1 January 2024.

## Profitability, cash flow and financial position

The Group's profitability, measured as the return on working capital, P/WC (EBITA in relation to working capital), increased to 26 percent (21) for the financial year. The return on equity was 9 percent (10).

Cash flow from operating activities for the financial year amounted to MSEK 663 (333). Working capital decreased during the year by MSEK 208, mainly as a result of a decline in inventory levels and lower accounts receivable. Cash flow for the financial year was charged with net investments in non-current assets of MSEK 56 (45) and MSEK 312 (255) pertaining to acquisitions.

The Group's operational net loan liability at the end of the period amounted to MSEK 1,057 (1,090), excluding expensed pension obligations of MSEK 558 (490) and lease liabilities of MSEK 442 (437). The change in pension obligations is mainly attributable to a lower discount rate. Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 977 (946). Financial income and expenses amounted to MSEK −111 (−68) for the full year, of which the net expense for bank financing amounted to MSEK −74 (−35).

## Employees

At the end of the financial year, the number of employees in the Group totalled 1,340, compared with 1,348 at the beginning of the financial year. During the year, 134 employees were gained via acquisitions. The average number of employees during the year was 1,335 (1,283).

| Employees | 23/24 | 22/23 | 21/22 |
|---|---|---|---|
| Average no. of employees | 1,335 | 1,283 | 1,195 |
| Percentage women | 32 | 34 | 34 |
| Percentage men | 68 | 66 | 66 |
| **Distribution by age, %** | | | |
| 29 years or younger | 9 | 11 | 10 |
| 30–39 years | 23 | 24 | 27 |
| 40–49 years | 32 | 31 | 32 |
| 50–59 years | 27 | 27 | 24 |
| 60 years or older | 9 | 7 | 7 |
| **Length of employment, %** | | | |
| Less than 2 years | 23 | 27 | 24 |
| 2–5 years | 30 | 29 | 28 |
| 6–10 years | 18 | 16 | 17 |
| 11–15 years | 10 | 10 | 11 |
| 16 years or more | 19 | 18 | 19 |

## Environmental impact

During the financial year, the Group conducted operations subject to permit and reporting requirements in one of its Swedish subsidiaries related to trading in certain chemical products. No Group companies are involved in any environmentally related disputes.

## Research and development

The Group invests resources to develop products, various concepts and service solutions for customers och business partners. In aim to strengthen and develop Bergman & Beving's position as one of the leading niche suppliers of productive, safe and sustainable solutions to the manufacturing and construction sectors. The Group does not conduct any research.

## Financial and business risks

Efficient and systematic risk assessment of financial and business risks is important for Bergman & Beving. For a detailed account of risks and the Group's management thereof, refer to pages 62–65 and Note 22 Financial instruments and financial risk management.

## Future development

Market trends in the uncertain climate are being carefully monitored. Bergman & Beving has good potential to continue improving its profitability in many areas.

Bergman & Beving will maintain a clear focus on the business and continue to carry out initiatives to improve profitability. We have the capacity to continue to acquire highly profitable niche companies with strong cash flows and growth opportunities, and the ambition is to acquire four to six companies in the upcoming operating year.

## Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Bergman & Beving and its related parties during the financial year.

## Share structure and repurchase of shares

At the end of the financial year, the share capital totalled MSEK 56.9. The distribution by class of share is as follows:

| Class of share | No. of shares | No. of votes | % of capital | % of votes |
|---|---|---|---|---|
| Class A shares, 10 votes per share | 1,062,436 | 10,624,360 | 3.9 | 28.7 |
| Class B shares, 1 vote per share | 26,373,980 | 26,373,980 | 96.1 | 71.3 |
| **Total number of shares before repurchasing** | **27,436,416** | **36,998,340** | **100.0** | **100.0** |
| Of which, repurchased Class B shares | −729,043 | | 2.7 | 2.0 |
| **Total number of shares after repurchasing** | **26,707,373** | | | |

The share price as of 31 March 2024 was SEK 209.50. The average number of treasury shares was 784,291 during the period and 729,043 at the end of the period. The average purchase price for the repurchased shares was SEK 87.88 per share.

## Dividend

The Board proposes a dividend of SEK 3.80 (3.60) per share. The proposed dividend corresponds to 53 percent of the Group's earnings per share for the 2023/2024 financial year.

The Board of Directors has assessed the Company's and the Group's financial position and the Company's and the Group's ability to meet their short and long-term obligations. A total of approximately MSEK 101 is required for the proposed dividend payment, which means that, all other things being equal, the Group's equity/assets ratio would decrease 2 percentage points as of 31 March 2024. After payment of the proposed dividend and taking into consideration the prevailing market conditions, the Company's and the Group's equity/assets ratio is deemed to meet the demands placed on the operations conducted by the Group.

The Board's assessment is that the proposed dividend is well balanced taking into account the demands placed on the size of the Company's and the Group's equity and liquidity due to the type of business conducted, its scope and relative risks.

### Proposed appropriation of profit

The Board's and the CEO's proposed appropriation of profit is presented on page 102.

## Guidelines for remuneration of senior management

For information concerning the current guidelines for remuneration of senior management, adopted at the 2020 Annual General Meeting, see Note 5 Employees and personnel costs. For the 2024 Annual General Meeting, the Board of Directors have to propose new guidelines. The Board of Directors will present the new guidelines drafts in the notice of the Annual General Meeting. Mainly, the draft is expected to be unchanged guidelines.

## Events after the end of the financial year

On 2 April 2024, all shares in Maskinab Teknik AB were acquired in the Industrial Equipment division. The company is a leading supplier of machinery for sheet metal processing in Sweden with annual revenue of approximately MSEK 35.

No other significant events occurred after the balance-sheet date.

# Corporate Governance Report

Bergman & Beving applies the Swedish Corporate Governance Code (the "Code"). The Code is part of the self-regulation system of Swedish trade and industry, and is based on the "comply or explain" principle. This means that a company that applies the Code may deviate from individual rules, but is required to provide an explanation for each deviation.

This Corporate Governance Report for the 2023/2024 financial year was prepared in accordance with the recommendations of the Code. The report also contains an account of the work of the Election Committee in preparation for the 2024 Annual General Meeting. Bergman & Beving deviates from the recommendations of the Code in one area: the auditors' review of the Company's six-month or nine-month interim reports.

This deviation from the Code is reported in further detail in the relevant section below. The Corporate Governance Report constitutes a part of the formal annual accounts and has been reviewed by the Company's auditors.

## Distribution of responsibility and Articles of Association

The purpose of the Company's corporate governance structure is to establish a clear distribution of roles and responsibilities between the owners, Board of Directors, Board committees and executive management. Bergman & Beving AB primarily applies the Swedish Companies Act and the rules that apply since the Company's Class B share is listed on Nasdaq Stockholm ("Stockholm Stock Exchange") as well as best practice in the stock market. The Code is part of the regulations of the Stockholm Stock Exchange. In the course of its operations, Bergman & Beving also complies with the regulations stipulated in Bergman & Beving's Articles of Association.

According to the Articles of Association, the registered name of the Company is Bergman & Beving Aktiebolag. The Company is a public limited liability company and the financial year is from 1 April to 31 March. The appointment of directors and amendments to the Articles of Association occur in accordance with the Swedish Companies Act.

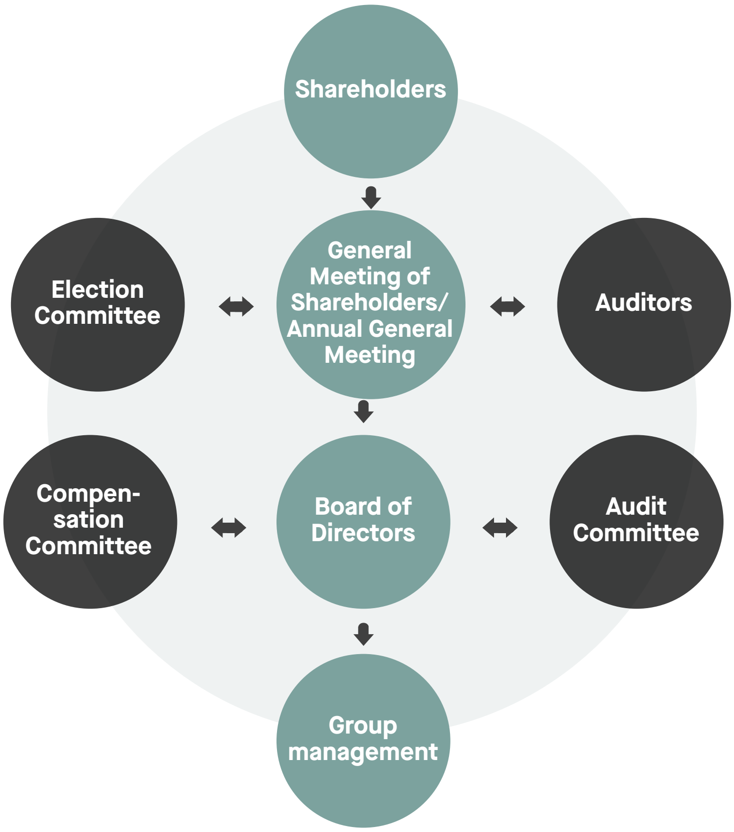
The Articles of Association are available in full on the Company's website at www.bergmanbeving.com.

## Share structure, shareholders and repurchase of own shares

As of 31 March 2024, Bergman & Beving AB had 5,990 shareholders. The share capital amounted to approximately MSEK 57. The distribution by class of share is as follows:

| Class of share | As of 31 March 2024 |
| --- | --- |
| Class A shares | 1,062,436 |
| Class B shares | 26,373,980 |
| **Total number of shares before repurchasing** | **27,436,416** |
| Less: Repurchased Class B shares | –729,043 |
| **Total number of shares after repurchasing** | **26,707,373** |

## Bergman & Beving's corporate governance structure




**The General Meeting of Shareholders** is the Company's highest decision-making body. The Board of Directors and its Chairman as well as the auditors, where applicable, are appointed by the Annual General Meeting.

**The Election Committee** drafts motions to the Annual General Meeting regarding the composition of the Board of Directors.

By order of the Annual General Meeting, it is the duty of the appointed **auditors** to examine the financial statements and the administration of the Board of Directors and the President & CEO during the financial year.

**The Board of Directors** is ultimately responsible for the Company's organisation and administration. It is also the duty of the Board to ensure that all shareholders' interests in Bergman & Beving are provided for. The Board of Directors appoints the President & CEO and the executive vice presidents.

**The Audit Committee** examines the procedures for risk management, governance, control and financial reporting.

**The Compensation Committee** prepares motions concerning remuneration levels for the President & CEO as well as general incentive programmes – subject to the approval of the Board – and decides on remuneration levels for other senior management.

The President & CEO and other **members of Group management** are responsible for the day-to-day management of Bergman & Beving.

All shares carry equal rights to Bergman & Beving AB's assets and earnings. The Company's Class A shares entitle the holder to ten votes each and each Class B share entitles the holder to one vote. The Articles of Association contain no limitations concerning how many votes each shareholder may cast at the General Meeting of Shareholders. For repurchased shares held in treasury, all rights are waived until such time as the shares are reissued. The Board of Directors is not authorised to make decisions regarding new share issues.

According to Chapter 6, Section 2a of the Swedish Annual Accounts Act, listed companies are required to submit information concerning certain circumstances that may affect opportunities to take over the Company through a public takeover bid for the shares in the Company.

The Company's lenders are entitled to cancel approved committed credit facilities if the Company's shares are delisted from the Stockholm Stock Exchange or in connection with public takeover bids if the bidder secures a shareholding of more than 50 percent of the number of shares in the Company or controls at least 50 percent of the votes in the Company. Otherwise the Company has not entered into any significant agreements with suppliers or employees that would be affected, change, expire or stipulate the payment of financial remuneration should control of the Company change as a result of a public takeover bid for the shares in the Company.
As of 31 March 2024, Anders Börjesson (including Tisenhult-gruppen) held 19.66 percent and Tom Hedelius held 13.60 percent of the total number of votes in the Company. No other shareholders had direct or indirect shareholdings in the Company representing more than one-tenth of the total number of votes.

Further information regarding Bergman & Beving's shares and ownership structure is presented in the section on Bergman & Beving's share on pages 26–27.

### Repurchase of own shares and incentive programmes

The number of Class B shares held in treasury as of 31 March 2024 amounted to 729,043, corresponding to 2.7 percent of the total number of shares and 2.0 percent of the total number of votes. The quotient value of this holding at 31 March 2024 amounted to SEK 1,511,230.

Repurchased shares include the Company's obligations outstanding for the call option programme of repurchased shares totalling 648,900 shares:

- 10,900 Class B shares in the call option programme issued by Bergman & Beving AB in September 2020, which extends through 7 June 2024. The redemption price for the call options in this programme is SEK 99.50.
- 178,000 Class B shares in the call option programme issued by Bergman & Beving AB in September 2021, which extends through 12 June 2025. The redemption price for the call options in this programme is SEK 197.30.
- 210,000 Class B shares in the call option programme issued by Bergman & Beving AB in September 2022, which extends through 5 June 2026. The redemption price for the call options in this programme is SEK 106.10.
- 250,000 Class B shares in the call option programme issued by Bergman & Beving AB in September 2023, which extends through 4 June 2027. The redemption price for the call options in this programme is SEK 181.10.

The Board has decided to propose that the Annual General Meeting in August 2024 resolve to authorise a repurchase of own shares.
In brief, this motion entails that the Annual General Meeting would authorise the Board, during the period until the next Annual General Meeting, to repurchase a maximum number of own shares through Nasdaq Stockholm so that the Company's holding of treasury shares at no time exceeds 10 percent of the total number of shares in the Company.

This authorisation would enable the Board to use repurchased shares to pay for acquisitions or to sell the shares in a manner other than through Nasdaq Stockholm in order to finance acquisitions and to fulfil the Company's obligations in connection with its share-based incentive programmes for senior management.

## General Meeting of Shareholders

The General Meeting of Shareholders is the Company's highest decision-making body where shareholders exercise their voting rights. At the Annual General Meeting, decisions are made concerning the Annual Report, dividends, the election of the directors and auditors, directors' and auditors' fees, and other matters in accordance with the Swedish Companies Act and the Articles of Association.

The Company does not apply any special arrangements with respect to the function of the General Meeting of Shareholders due to the provisions of the Articles of Association or due to any shareholders' agreement known to the Company.

### Annual General Meeting 2023

The Annual General Meeting of Bergman & Beving AB was held on 24 August 2023 in Stockholm, Sweden. The notice of the Annual General Meeting and the supporting documentation for the Meeting were published in accordance with the Company's Articles of Association. The Meeting was held in Swedish and, based on the composition of the shareholder base, interpreters to other languages were deemed unnecessary. The notice of the Meeting and other materials were available in Swedish and English. A total of 59.0 percent of the votes in the Company were represented at the Meeting.

Among other decisions, the Annual General Meeting resolved to pay a dividend of SEK 3.60 per share. The Company's President & CEO Magnus Söderlind presented the Group's operations, the outcome for the 2022/2023 financial year, the Group's performance in the first quarter of the new financial year and commented on the Group's future prospects. Fredrik Börjesson, Charlotte Hansson, Henrik Hedelius, Malin Nordesjö, Niklas Stenberg and Jörgen Wigh were re-elected as directors. Jörgen Wigh was elected Chairman of the Board.

The minutes from the Annual General Meeting were made available at Bergman & Beving and on the Company's website two weeks after the Meeting. The minutes are available in Swedish and English.

## Election Committee

The Annual General Meeting in August 2023 resolved to authorise the Chairman of the Board to contact the largest shareholders, in terms of votes, not later than 31 January 2024 and request that they appoint four members who, together with the Chairman of the Board, will constitute an Election Committee to prepare motions to the 2024 Annual General Meeting. The Election Committee is to prepare motions regarding the Chairman of the Annual General Meeting, the number of directors, the election of directors, the Chairman of the Board and auditors, fees to be paid to each director and the auditors, and any changes to the selection criteria and principles for appointing the next Election Committee (in accordance with a resolution passed by the 2012 Annual General Meeting).

In accordance with this authorisation, the Election Committee for the Annual General Meeting in August 2024 comprises Chairman of the Board Jörgen Wigh, Anders Börjesson, Henrik Hedelius, Johan Lannebo (representing Lannebo Fonder) and Caroline Sjösten (representing Swedbank Robur Fonder).

The other members appointed Anders Börjesson as Chairman of the Election Committee. Anders Börjesson was appointed spokesperson for the Election Committee at the upcoming Annual General Meeting.
The composition of the Election Committee was presented in conjunction with the publication of the Interim Report on 9 February 2024.

The Election Committee's motions regarding the new Board of Directors and the motion regarding auditors will be presented in the notice of the 2024 Annual General Meeting and on the Company's website. The Election Committee will present and motivate its motion regarding the Board of Directors and auditors on the Company's website in conjunction with the publication of the notice of the Meeting and at the Annual General Meeting itself.

No separate remuneration was paid for work on the Election Committee during the year.

## The Board of Directors 2023/2024

In accordance with Bergman & Beving's Articles of Association, the Board of Directors is to comprise not fewer than five and not more than eight directors.

### Directors

The Board of Directors of Bergman & Beving AB currently comprises six regular directors elected by the Annual General Meeting on 24 August 2023: Jörgen Wigh (Chairman), Fredrik Börjesson, Charlotte Hansson, Henrik

Hedelius, Malin Nordesjö and Niklas Stenberg. A detailed presentation of these directors, including information on other assignments and work experience, is available on pages 106–107 and on the Company's website. All directors are independent in relation to the Company and senior management. Three directors are dependent in relation to the Company's major shareholders. Accordingly, the Board of Directors meets the requirement that at least two of the directors who are independent in relation to the Company also be independent in relation to major shareholders.

According to the resolution of the Annual General Meeting, each director elected by the Annual General Meeting is to receive a fee of SEK 385,000. The Chairman of the Board is to receive a fee of SEK 875,000. Accordingly, the total fee to be paid in accordance with the resolution of the Annual General Meeting amounts to SEK 2,800,000. The Meeting resolved that the following additional fees are to be paid for committee work: SEK 80,000 to each member of the Compensation Committee and SEK 80,000 to the Chairman of the Audit Committee. Refer to the table below for a summary of the members of the Board, their participation in committees, attendance at Board meetings, dependency and fees. The Board also includes two employee representatives: Mikael Lindblom and Jörgen Bengtsson.

### Chairman of the Board

The Chairman of the Board is responsible for ensuring that the work of the Board is well organised and conducted efficiently and that the Board performs its duties. In particular, the Chairman is responsible for organising and leading the work of the Board in a manner that creates the best possible conditions for the Board to conduct its work. It is the Chairman's task to ensure that a new director receives the required introductory training and any other training deemed appropriate by the Chairman and the director, to ensure that the Board continuously updates and deepens its knowledge about the Company, to ensure that the Board holds meetings as required and receives sufficient information and supporting data for its work, to propose an agenda for Board meetings in consultation with the President & CEO, to ensure that the decisions of the Board are carried out and to ensure that the work of the Board is evaluated annually. The Chairman is responsible for all contact with the owners regarding ownership matters and for conveying feedback from the owners to the Board.

### Duties of the Board

The Board of Directors is ultimately responsible for the Company's organisation and administration. Based on its analysis of the Company's operating environment, the Board is also responsible for deciding on strategic matters. Each year, the Board adopts written rules of procedure that regulate the work of the Board and its internal distribution of responsibility, including its committees, the procedure for resolutions within the Board, the agendas of Board meetings and the duties of the Chairman. The Board also issues instructions to the President & CEO, which grant the authority to make decisions regarding investments, corporate acquisitions and sales as well as financing issues. The Board has also adopted a number of policies for the Group's operations, including a Financial Policy, Information Policy and Code of Conduct. The Board of Directors oversees the work of the President & CEO through continuous monitoring of the operations during the year and is responsible for ensuring that the organisation and management as well as the guidelines for administration of the Company are appropriate and that the Company has adequate internal control and effective systems in place for monitoring and controlling the Company's operations and compliance with legislation and regulations applicable to the Company's operations. The Board is also responsible for establishing, developing and monitoring the Company's goals and strategies, decisions regarding acquisitions and divestments of operations, major investments, repurchases of own shares, and appointment and remuneration of Group management. The Board and the President & CEO present the annual accounts to the Annual General Meeting. The work of the Board is evaluated annually under the supervision of the Chairman of the Board. The Election Committee is informed of the results of this evaluation. The Board evaluates the work of the President & CEO on an ongoing basis. This issue is also specifically addressed each year at a Board meeting, without the presence of any member of Group management. The Board also evaluates and comments on any significant assignments, if any, performed by the President & CEO outside the Company.

### Work of the Board

The work of the Board of Directors follows an annual plan. In addition to the statutory meeting held in conjunction with the Annual General Meeting, the Board of Directors normally convenes on seven occasions each year (scheduled meetings). Extraordinary meetings are convened when necessary. Each meeting follows an agenda, which is distributed to the directors prior to each Board meeting along with supporting documentation. The decisions of the Board are made after discussions led by the Chairman of the Board. The task of the committees appointed by the Board is to draft motions for resolutions by the Board (see below).

The agenda for the statutory meeting of the Board includes the adoption of the rules of procedure for the Board of Directors, decisions regarding signatory powers and the approval of the minutes. The items addressed at the scheduled meeting in May include the year-end financial statements, the proposed appropriation of profit and the financial report. In conjunction with this meeting, the Company's auditors report to the Audit Committee on their observations and assessments based on the audit performed. Each scheduled meeting also includes a number of fixed agenda items, including reports on the current financial outcome of the Company's operations.

In addition to the statutory meeting, the Board of Directors convened on eight occasions during the 2023/2024 financial year.

## Board composition, attendance, dependency conditions and fees for 2023/2024

| | | | No. of meetings attended | | | Dependent in relation to [1] | | |
|---|---|---|---|---|---|---|---|---|
| **Regular directors** | **Year of election** | **Position** | **Board of Directors** | **Audit Committee** | **Compensation Committee** | **Bergman & Beving** | **Major shareholders** | **Fee, SEK[2]** |
| **No. of meetings** | | | **9** | **4** | **1** | | | |
| Jörgen Wigh | 2019 | Chairman | 9 | 4 | 1 | No | No | 1,035,000 |
| Fredrik Börjesson | 2019 | Director | 9 | 4 | | No | Yes | 385,000 |
| Charlotte Hansson | 2020 | Director | 9 | 4 | | No | No | 385,000 |
| Henrik Hedelius | 2015 | Director | 9 | 4 | | No | Yes | 385,000 |
| Malin Nordesjö | 2017 | Director | 9 | 4 | 1 | No | Yes | 465,000 |
| Niklas Stenberg | 2021 | Director | 9 | 4 | | No | No | 385,000 |

1) According to the definitions in the Swedish Corporate Governance Code.
2) Including remuneration for work on Committees.

The Board's work during the year focused on issues pertaining to the Group's strategic development and future organisation, ongoing business operations, earnings and profitability trends, corporate acquisitions and the Group's financial position. Refer to the table on this page for information regarding attendance at Board and committee meetings.

The President & CEO presents reports at the Board meetings. The Group's CFO and other salaried employees in the Group participate in Board meetings to report on specific issues or whenever deemed appropriate.

Peter Schön, CFO of Bergman & Beving AB, serves as the secretary to the Board as well as to the Election Committee.

**Compensation Committee**

The Compensation Committee appointed by the Board prepares, as needed, the Board's motion regarding "Guidelines for determining remuneration of senior management". The proposed guidelines are addressed by the Board and then presented to the Annual General Meeting for resolution.

Based on the resolution of the Annual General Meeting, the Compensation Committee submits a motion concerning remuneration of the President & CEO to the Board for approval, decides on remuneration of the other members of Group management and drafts motions for any incentive programmes. The Compensation Committee informs the Board of its decisions. The Committee is then responsible for monitoring and evaluating the application of the guidelines for determining remuneration of Group management as adopted by the Annual General Meeting (refer to Note 5 Employees and personnel costs on pages 80–83). The Compensation Committee also monitors and evaluates any ongoing programmes for variable remuneration for Group management as well as any programmes concluded during the year.

The Compensation Committee consists of Chairman of the Board Jörgen Wigh (Chairman of the Compensation Committee) and Director Malin Nordesjö. President & CEO Magnus Söderlind has presented reports to the Committee. The President & CEO does not report on his own remuneration.

The Compensation Committee convened on one occasion during the 2023/2024 financial year, during which minutes were taken. During the year, SEK 80,000 was paid to each of the two committee members for their work on the Compensation Committee.

**Audit Committee**

The Board as a whole constitutes Audit Committee, which – without influencing the work and duties of the Board in any other respect – is responsible for monitoring the Company's financial reporting, monitoring the efficiency of the Company's internal control and risk management with respect to its financial reporting, remaining informed about the audit of the Annual Report and consolidated financial statements, reviewing and monitoring the impartiality and independence of the auditors and whether the auditors have provided the Company with services other than auditing services, and assisting in the preparation of motions regarding the election of auditors for resolution by the General Meeting of Shareholders.

The work of the Audit Committee has been carried out as part of the Board's work at scheduled Board meetings. In conjunction with the adoption of the annual accounts, the Board meets with and receives a report from the Company's external auditors. At the same time, the Board also meets with the auditors without the presence of the President & CEO or other members of Group management.

The Audit Committee includes all regular directors, and Chairman Jörgen Wigh serves as the Chairman of the Committee. The Chairman possesses accounting expertise.

Directors Jörgen Wigh, Charlotte Hansson and Niklas Stenberg are independent in relation to the Company's major shareholders.

The Audit Committee convened on four occasions during the 2023/2024 financial year, during which minutes were taken.

During the year, a fee of SEK 80,000 was paid to Audit Committee Chairman Jörgen Wigh. Other than this, no separate remuneration was paid for work on the Audit Committee.

## President & CEO and Group management

Magnus Söderlind has held the position of President & CEO of Bergman & Beving AB since 1 May 2021. Magnus Söderlind previously worked as Executive Vice President at Lagercrantz Group AB and has held several senior positions at technology companies.
The President & CEO manages the operations in accordance with the Swedish Companies Act and the framework established by the Board. With respect to the authority of the President & CEO to make decisions regarding investments, corporate acquisitions, corporate sales and financing issues, the rules approved by the Board of Directors apply. In consultation with the Chairman of the Board, the President & CEO prepares the necessary information and supporting data for Board meetings, reports on various matters and explains the motivation for motions presented for resolution. The President & CEO leads the work of Group management and makes decisions in consultation with the other members of management.

Bergman & Beving's Group management comprised President & CEO Magnus Söderlind and CFO Peter Schön. Remuneration of Group management for the 2023/2024 financial year and a description of the company's incentive programmes are presented in Note 5 Employees and personnel costs on pages 80–83.

For more detailed information about Group management, refer to pages 108–109.

## Auditors

According to the Articles of Association, a registered accounting firm (or, alternatively, one or two authorised public accountants) is to be elected as auditor. Deloitte AB was elected as the Company's auditor at the 2023 Annual General Meeting for the period until the end of the 2024 Annual General Meeting. The Auditor in Charge is Andreas Frountzos. Deloitte performs the audit of Bergman & Beving AB and a large number of its subsidiaries.

The Company's auditors follow an audit plan, which includes feedback from the Board and the Audit Committee. The auditors report their findings to the company management teams, Group management and the Board and Audit Committee of Bergman & Beving AB during the course of the audit and in conjunction with the adoption of the annual accounts. The Company's auditor also participates in the Annual General Meeting, presenting and commenting on the audit work.

The independence of the external auditors is regulated through special instructions established by the Board, which state the areas which may be addressed by the external auditors in addition to the normal audit work. Deloitte continuously assesses its independence in relation to the Company and provides the Board with written assurance of the auditing firm's independence in relation to Bergman & Beving each year. During the past year, the auditors were mainly consulted on accounting and tax issues. The total fee for Deloitte's services in addition to the audit assignment amounted to MSEK 0 (0) during the 2023/2024 financial year.

## Ethical guidelines

Bergman & Beving strives to conduct its business with high requirements imposed on integrity and ethics. The Board of Directors adopts a Code of Conduct for the Group's operations on an annual basis, which also includes ethical guidelines. Bergman & Beving's Code of Conduct is available in its entirety on the Company's website at www.bergmanbeving.com.

## Guidelines for remuneration of senior management

The Board aims to ensure that the remuneration system in place for the President & CEO and the other members of Group management is competitive and in line with market conditions. Current guidelines for remuneration of senior management are presented in Note 5 Employees and personnel costs on pages 80–83. The Board intends to propose new guidelines ahead of the Annual General Meeting on 29 August 2024.

## Internal control of financial reporting

According to the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Directors is responsible for the Company's internal control. This responsibility includes an annual evaluation of the financial reporting received by the Board of Directors and specifying requirements for its content and presentation so as to ensure the quality of the reporting. These requirements stipulate that the financial reporting must be suited to its purpose, with the application of the accounting rules in force and other requirements that apply to listed companies. The following description is limited to the internal control of Bergman & Beving with respect to financial reporting.

The basis of the internal control of the Company's financial reporting comprises the control environment, including the organisation, decision paths, lines of authority and responsibilities documented and communicated in various control documents, such as policies established by the Board, and Group-wide guidelines and manuals.

Bergman & Beving bases and organises its operations on decentralised accountability for profitability, with its operating areas taking the form of companies. Accordingly, central control documents are used to provide formal work plans for internal Board work and instructions for the division of responsibility between the Board and the President & CEO.

The Group's most important financial control documents are gathered on its Intranet and include a comprehensive Financial Policy, a reporting manual, a manual for the Group's treasury function, a description of accounting policies and expanded instructions preceding every closing of the books. These financial rules and regulations are updated regularly and training programmes are offered during the financial year to ensure the uniform implementation and application of the rules and regulations. On a more general level, all operations in the Bergman & Beving Group are to be conducted in accordance with the Group's Code of Conduct.

Bergman & Beving has established control structures to manage the risks that the Board of Directors and corporate management consider to be significant to the Company's internal control with respect to financial reporting. Examples include transaction-related controls, such as regulations concerning attestation and investments, as well as clear payment procedures and analytical controls performed by the Group's controller organisation. Controllers at all levels in the Group play a key role in terms of integrity, competence and the ability to create an environment that is conducive to achieving transparency and true and fair financial reporting.

The monthly earnings follow-up conducted via the internal reporting system is another important overall control activity. The earnings follow-up includes reconciliations with previously set goals and the most recent forecast as well as follow-up of adopted key financial ratios.

This follow-up of earnings also functions as an important complement to the controls and reconciliations performed in the actual financial processes. Follow-ups to assure the quality of the Group's internal control are performed within the Group in various ways. The central finance function works proactively through its participation in various projects aimed at developing internal control. Under the supervision of the Group's CFO, the Group's finance function conducts an annual evaluation of the internal control of the companies. Each company conducts an evaluation in the form of a self-assessment based on predefined questions prepared by the finance function in consultation with the Group's auditors. This evaluation is intended to provide information about the Group's internal control processes and compliance. Each year, the Board of Directors assesses whether this procedure is appropriate and, in consultation with the Company's auditors, suggests changes to the internal control processes.

Bergman & Beving strives to achieve an open corporate climate and high business ethics. The success of the Group is based on a number of ethical guidelines, which are described in the Code of Conduct. The Group's internal and external stakeholders play a key role in helping to identify any deviations from established values and ethical guidelines. To make it easier to identify such deviations, Bergman & Beving has introduced a whistle-blowing system. The whistleblowing system allows any suspicions of misconduct to be reported anonymously. It is an important tool for reducing risks and fostering high business ethics and thereby maintaining customer and public confidence in the Group's operations.

### Internal audit

The Board has decided not to establish a special internal audit function. This decision was made based on the size and operations of the Group as well as the existing internal control processes as described above. When necessary, the Audit Committee commissions external advisors to assist on projects relating to internal control.

### Auditors' review of the six-month or nine-month reports

Neither Bergman & Beving's six-month report nor its nine-month report for the 2023/2024 financial year were reviewed by the Company's external auditors, which is a deviation from the rules of the Code.

The Board of Directors has determined that the additional expense that would be incurred by the Company for an expanded review of the six-month report or nine-month report by the Company's auditors is not warranted.

## Non-compliance

The Company has not breached the rulebook of the stock exchange on which its shares are listed for trading or best practice in the stock market.

# The Group's risks

## Market risks

| Risk | Description | Bergman & Beving's risk management |
|---|---|---|
| **Economy and market** | Demand for Bergman & Beving's products and services is largely impacted by macroeconomic factors that are beyond the Group's control. These could include pandemics, wars, economic trends in the construction sector, trends and investor willingness in the manufacturing industry, and the conditions in the global capital market. Should these factors deteriorate in the markets where the Group is active, this could have a negative impact on the Group's financial position and earnings. | Since Bergman & Beving's numerous subsidiaries focus on different product areas and geographic markets, the Group is less sensitive to market fluctuations in individual industrial areas, sectors or geographic areas. The Group also works continuously to develop operations that are less dependent on a specific market and to adapt its costs to specific conditions. Bergman & Beving's sales primarily comprise construction and industrial consumables, which reduces dependence on short-term investor willingness in these industries. |
| **Structural changes** | Globalisation, digitisation and rapid technological advancement are fuelling structural changes in customer operations. While this trend could boost demand for Bergman & Beving's advanced services, it could also cause the Group's customers to disappear as a result of mergers, closures and relocation to low-cost countries. Globalisation is also increasing the risk of our customers making their purchases directly from manufacturers or from players earlier in the value chain. | In addition to having an organisation with a willingness to change and a strong entrepreneurial spirit, Bergman & Beving is exposed to a large number of industries, which provides protection against structural changes. The Group also strives to follow global trends and therefore continually invests in new technology, such as digitisation. To a certain extent, the Group is also protected against any negative impact by the fact that it offers various forms of unique added value such as strong product brands, excellent service and long-standing customer relationships. The Group's competitiveness also allows it to deliver outside its immediate geographic area. |
| **Competitors** | Most of Bergman & Beving's commercial subsidiaries operate in industries that are exposed to competition. Mergers may also take place between suppliers in the industry, allowing them to create broader offerings, which could result in price pressure. The subsidiaries' future competitive opportunities depend on their capacity to remain at the cutting edge of technology and respond rapidly to market demands. Intensified competition, or an inability on the part of a subsidiary to meet new market demands, could have a negative impact on the Group's financial position and earnings. | Bergman & Beving endeavours to offer products and services for which price is not the sole differentiating factor. The risk of declining demand is mitigated as a result of the Group's supply reliability, service, availability and competitive proprietary brands. Through Bergman & Beving's long-standing tradition of building profitable relationships with suppliers and customers, the Group continuously hones its expertise and competitiveness. To reduce the risk of competition from suppliers, the Group continually works to ensure that a partnership with Bergman & Beving is the most profitable sales strategy for its suppliers. |

## Operational risks

| Risk | Description | Bergman & Beving's risk management |
|---|---|---|
| **Customers** | There is a risk of customer dependency both in terms of the number of customers per geographic market and customer segment. Such a risk can also arise in customer contracts in terms of their duration, guarantees and liability limitations. | Bergman & Beving has a favourable risk spread in terms of geographical presence and customer segment. The Group aims to have a customer base without overly dominant customers. The ten largest customers accounted for approximately 27 percent of revenue during the 2023/2024 financial year. |
| **Pandemic** | The outbreak of a pandemic could lead to a lack of physical meetings, products and personnel as well as more expensive transportation and longer delivery times. The outbreak of a pandemic could present a serious threat to health and the work environment. | Bergman & Beving encourages a willingness to change and the creativity to think in new ways, and our decentralised and entrepreneurship-driven business model plays an important role in this regard. Technological development to promote digital meetings. Be flexible in planning product purchasing. The health and well-being of our employees is always in focus, and Bergman & Beving follows the recommendations of the authorities to counter the spread of disease and reduce absenteeism. |
| **Ability to recruit and retain employees** | Bergman & Beving's continued success is dependent on its ability to retain experienced employees with specific skills and to recruit new, talented individuals. There is a risk that one or more members of senior management or other key individuals may leave the Group on short notice. Bergman & Beving's financial position and earnings could be negatively impacted if the Group were to fail to recruit suitable replacements or new, talented key individuals. | Creating the conditions for development and job satisfaction within the Group is a priority. Bergman & Beving's Business School is targeted at both new employees and senior management, and is intended to increase internal knowledge sharing, assist employees in their professional development and improve the corporate culture. The Group conducts regular employee surveys to learn more about the employees' perceptions of their employer, their work situation and areas for improvement and development. Refer to the section "Employees" in the Sustainability Report. |
| **IT-related risks** | Digital risks are continuously on the rise throughout society. Bergman & Beving is dependent on various information systems and other technology to operate and develop its business. Unplanned stoppages and cybersecurity incidents such as unauthorised data, viruses, sabotage and other cybercrimes can lead to a loss of income and reputational damage. IT breaches or cyber incidents involving third parties, such as suppliers or customers, could also impact Bergman & Beving's ability to deliver and earnings capacity. Updating and the advancement of IT systems and applications is critical for streamlining the companies' processes. Bergman & Beving updates business-critical systems on an ongoing basis, and there is a risk that disruptions to this work could impact inbound and outbound deliveries as well as reporting. | To ensure stable IT environments and prevent incidents from occurring, Bergman & Beving conducts regular risk analyses, continual maintenance and IT security reviews. The response time for taking measures to tackle unplanned IT disruptions can be shortened through the availability of internal and external resources. Bergman & Beving also uses the services of external cybersecurity experts to ensure that the security level is continuously adapted and updated based on prevailing threats and the increasing cybersecurity demands of customers. Bergman & Beving follows technological developments, secures the long-term management and governance of IT infrastructure security and integrates processes to support and safeguard operations. |
| **Acquisitions** | Acquisitions are a crucial component of Bergman & Beving's strategy. Acquired companies provide us with a presence in new product markets and bring different strategic advantages, and perhaps most important of all, they bring skilled employees with a strong sense of entrepreneurship. The assessment, evaluation and integration of acquisitions are associated with risks. | The management team of each company has considerable freedom but also bears a responsibility to continue developing the company on their own following the acquisition. Part of the acquisition strategy involves ensuring that key individuals in all newly acquired companies are motivated to operate the companies independently as part of the Group. Bergman & Beving has a well-proven acquisition process in which management participates from the start and revenue synergies are not included in the calculations. Bergman & Beving's acquisitions of numerous but relatively small companies leads to an inherent spread of risk. |

## Sustainability risks

| Risk | Description | Bergman & Beving's risk management |
|---|---|---|
| **Environment** | Global trends with respect to environmental awareness and sustainability along with legislative changes in these areas could impact purchases and sales of the Group's products, the transport of goods and the manner in which customers use the Group's products. There is a risk that one of the Group's subsidiaries, through its corporate registration number, could have a historical responsibility under the Swedish Environmental Code or corresponding local laws in the countries in which they operate. Financing and interest-rate risk as a result of increasing requirements related to climate change, pollution and the use of resources could arise if Bergman & Beving has difficulties meeting the stricter demands of its stakeholders. | Bergman & Beving's subsidiaries primarily focus on trade and operations with a small direct impact on the environment. The Group monitors its operations and environment-related risks through its sustainability reporting, and all companies comply with the Group's Code of Conduct. Bergman & Beving takes a proactive approach to continuous improvements. The goal is to provide products that are good from a quality and environmental point of view, and that improve customers' environmental performance. In connection with acquisitions, Bergman & Beving analyses the corporate registration numbers of the companies in question in order to mitigate the risk of being held liable for damages for historical environmental issues. Bergman & Beving conducts GHG emissions calculations in accordance with the GHG Protocol in order to obtain control over and actively work to reduce its climate impact. |
| **Corruption and bribery** | Corruption is illegal but nevertheless prevalent throughout the world. Unfortunately, although many people associate corruption with countries with a weak democracy, corruption also arises in various forms in openly democratic countries. Swedish companies are often unaware of the risks facing their operations. It is important to watch out for any signs of corruption in all parts of the value chain. | Bergman & Beving has a policy of zero tolerance toward bribery and corruption, which is stated clearly in the Code of Conduct. The Code of Conduct is to be communicated to and followed by all employees and everyone who directly or indirectly works for the Bergman & Beving Group. Through the Group's whistleblowing function, employees and other stakeholders are encouraged to report all cases of unethical behaviour and have the option to remain anonymous. The Group's Financial Policy also requires internal control systems to be used for all payments. |
| **Sustainable products** | Sustainable products are increasingly in demand, leading to a risk of Bergman & Beving not maintaining its cutting-edge position in this area and being unable to offer the products that are in demand in the market. | Part of Bergman & Beving's strategy is to invest in the development of our proprietary brands. Bergman & Beving also monitors its share of certified products and the amount of purchases from suppliers who have approved and signed Bergman & Beving's Code of Conduct. |
| **Sustainable value chain** | In order to deliver its products, Bergman & Beving depends on its external suppliers to fulfil their agreements with respect to, for example, volumes, quality and delivery times. Incorrect or delayed deliveries, or nondeliveries, could have a negative impact on the Group's financial position and earnings. The Group's reputation also depends on its suppliers and sub-suppliers maintaining a high level of business ethics in such areas as human rights and working conditions. Risks are particularly likely to arise when it comes to employees in the value chain in high-risk countries where we operate. | The Group's long-standing, positive relationships with carefully selected suppliers reduces the risk of not being able to deliver as agreed. To ensure that the Group's high standard of business ethics is maintained, all suppliers are also required to follow our Code of Conduct. To ensure compliance with the Code of Conduct, the Group regularly inspects external production facilities. To remain close to the value chain in high-risk countries, we have wholly owned subsidiaries in China, Taiwan and Brazil. The Group does not have a long-term dependency on any individual supplier. |
| **Society** | The climate in society is changing, with increased polarisation, a greater tendency toward nationalism and a heightened focus on the individual rather than society as a whole. A harsher tone with growing segregation and discrimination. The risk that these elements could become more prevalent in our organisations. | Bergman & Beving manages this risk with active sustainable management via training and skills development in line with our core values. Equal communication, both internally and externally, provides us with the ability to impact the society in which we operate. |

## Financial risks

| Risk | Description | Bergman & Beving's risk management |
|---|---|---|
| **Currency risk** | Foreign-exchange risk refers to the risk that foreign-exchange rates could have a negative impact on Bergman & Beving's financial position and earnings. Transaction exposure refers to the risk that arises due to the Group's payment flows in foreign currencies. Translation exposure arises as a result of the Group's net investments in foreign currencies through its foreign subsidiaries. | In accordance with the Financial Policy established by the Board of Directors, Bergman & Beving aims to manage the financial risks that arise in the operations in a structured and efficient manner. The Financial Policy stipulates the Group's aim to identify, minimise and control financial risks, and defines how responsibility for managing these risks is to be distributed within the organisation. The goal is to minimise the consequences of the financial risks on earnings. A more detailed description of how Bergman & Beving's management of financial risks is available in the note concerning financial instruments and financial risk management. |
| **Refinancing risk** | The Group is also exposed to financing risk, meaning the risk that financing the Group's capital requirements could become more difficult or more expensive. Such a risk could arise if financiers impose sustainability requirements that the Group has difficulty meeting. | |
| **Interest-rate risk** | Interest-rate risk refers to the risk that unfavourable changes in interest rates could have a negative impact on the Group's financial position and earnings. Such a risk could arise if financiers impose sustainability requirements that the Group has difficulty meeting, resulting in higher interest rates on financing. | |
| **Credit risk** | With respect to customers, there is a risk of non-payment or late payment. Bergman & Beving's credit risk is low since the risk is spread over a large number of customers and reflects the Group's trading. | Bergman & Beving works actively to reduce risks connected to receivables from customers. During the financial year and historically, the Group's confirmed credit losses have been few in number and low in amount. For more detailed information, refer to the note on Financial instruments and financial risk management |
| **Acquisitions** | The Group acquires small units that do not individually comprise any major risk for the Group. However, factoring in all acquisitions over time, there is a risk that goodwill and other intangible assets could be incorrectly valued. In such case, there is a risk that assets may be impaired if an acquired unit underperforms compared with the Group's expectations. | Bergman & Beving has a well-proven acquisition process in which management participates from the start and revenue synergies are not included in the calculations. A more detailed description of how Bergman & Beving manages financial risks related to acquisitions is available in the note on Intangible non-current assets. |

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# Income statement

| MSEK | Note | 2023/2024 | 2022/2023 |
|---|---|---|---|
| Revenue | 2, 4 | 4,723 | 4,749 |
| Other operating income | 3 | 39 | 44 |
| **Total operating income** | | **4,762** | **4,793** |
| Cost of goods sold | | –2,463 | –2,627 |
| Personnel costs | | –1,018 | –931 |
| Depreciation, amortisation and impairment losses | | –284 | –232 |
| Other operating expenses | | –625 | –664 |
| **Total operating expenses** | | **–4,390** | **–4,454** |
| **Operating profit** | 4, 5, 6 | **372** | **339** |
| Financial income | | 17 | 9 |
| Financial expenses | | –128 | –77 |
| **Net financial items** | 7 | **–111** | **–68** |
| **Profit after financial items** | | **261** | **271** |
| Taxes | 9 | –60 | –57 |
| **Net profit** | | **201** | **214** |
| *Of which, attributable to:* | | | |
| Parent Company shareholders | | 191 | 207 |
| Non-controlling interests | | 10 | 7 |
| Earnings per share before dilution, SEK | 17 | 7.15 | 7.80 |
| Earnings per share after dilution, SEK | 17 | 7.15 | 7.80 |
| Proposed/resolved dividend per share, SEK | | 3.80 | 3.60 |

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# Statement of comprehensive income

| MSEK | Note | 2023/2024 | 2022/2023 |
|---|---|---|---|
| **Net profit** | | **201** | **214** |
| **Other comprehensive income** | | | |
| *Components that will not be reclassified to net profit* | | | |
| Remeasurement of defined-benefit pension plans | | –91 | 120 |
| Tax attributable to components that will not be reclassified | 9 | 19 | –25 |
| **Total** | | **–72** | **95** |
| *Components that will be reclassified to net profit* | | | |
| Translation differences | | 32 | 44 |
| Fair value changes for the year in cash-flow hedges | | –2 | 6 |
| Tax attributable to components that will be reclassified | 9 | 0 | –1 |
| **Total** | | **30** | **49** |
| **Other comprehensive income** | | **–42** | **144** |
| **Comprehensive income** | | **159** | **358** |
| *Of which, attributable to:* | | | |
| Parent Company shareholders | | 147 | 350 |
| Non-controlling interests | | 12 | 8 |

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# Balance sheet

| MSEK | Note | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | 10 | 2,018 | 1,815 |
| Other intangible non-current assets | 10 | 781 | 604 |
| Tangible non-current assets | 11 | 157 | 140 |
| Right-of-use assets | 23 | 442 | 441 |
| Financial investments | 22 | 0 | 0 |
| Other long-term receivables | 13 | 4 | 5 |
| Deferred tax assets | 9 | 59 | 34 |
| **Total non-current assets** | | **3,461** | **3,039** |
| **Current assets** | | | |
| Inventories | 14 | 1,189 | 1,360 |
| Tax assets | | 65 | 47 |
| Accounts receivable | 22 | 936 | 969 |
| Prepaid expenses and accrued income | 15 | 66 | 57 |
| Other receivables | 13 | 49 | 57 |
| Cash and cash equivalents | | 296 | 220 |
| **Total current assets** | 22 | **2,601** | **2,710** |
| **TOTAL ASSETS** | 4 | **6,062** | **5,749** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | 16 | | |
| Share capital | | 57 | 57 |
| Other contributed capital | | 71 | 71 |
| Reserves | | 50 | 22 |
| Retained earnings, including net profit | | 1,930 | 2,031 |
| **Equity attributable to Parent Company shareholders** | | **2,108** | **2,181** |
| Non-controlling interests | | 105 | 59 |
| **Total equity** | | **2,213** | **2,240** |
| **Non-current liabilities** | | | |
| Non-current interest-bearing liabilities | 22 | 1,374 | 1,362 |
| Provisions for pensions | 18 | 558 | 490 |
| Other non-current provisions | 19 | 261 | 92 |
| Deferred tax liabilities | 9 | 163 | 115 |
| **Total non-current liabilities** | | **2,356** | **2,059** |
| **Current liabilities** | | | |
| Current interest-bearing liabilities | 22 | 421 | 385 |
| Accounts payable | | 484 | 487 |
| Tax liabilities | | 51 | 39 |
| Other liabilities | 20 | 212 | 189 |
| Accrued expenses and deferred income | 21 | 325 | 350 |
| **Total current liabilities** | | **1,493** | **1,450** |
| **Total liabilities** | 4, 22 | **3,849** | **3,509** |
| **TOTAL EQUITY AND LIABILITIES** | | **6,062** | **5,749** |

For information about the Group's pledged assets and contingent liabilities, refer to Note 24.

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# Statement of changes in equity

| MSEK | Share capital | Other contributed capital | Reserves | Retained earnings, including net profit | Total Parent Company owners | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| **Closing equity, 31 March 2022** | **57** | **71** | **–26** | **1,813** | **1,915** | **17** | **1,932** |
| Net profit | | | | 207 | **207** | 7 | **214** |
| Other comprehensive income | | | 48 | 95 | **143** | 1 | **144** |
| **Comprehensive income** | | | **48** | **302** | **350** | **8** | **358** |
| Dividend | | | | –90 | **–90** | –1 | **–91** |
| Exercise and purchase of options for repurchased shares | | | | 6 | **6** | | **6** |
| Acquisition of partly owned subsidiaries | | | | | **–** | 35 | **35** |
| **Transactions with the Group's owners** | | | | **–84** | **–84** | **34** | **–50** |
| **Closing equity, 31 March 2023** | **57** | **71** | **22** | **2,031** | **2,181** | **59** | **2,240** |
| Net profit | | | | 191 | **191** | 10 | **201** |
| Other comprehensive income | | | 28 | –72 | **–44** | 2 | **–42** |
| **Comprehensive income** | | | **28** | **119** | **147** | **12** | **159** |
| Dividend | | | | –96 | **–96** | –3 | **–99** |
| Exercise and purchase of options for repurchased shares | | | | 10 | **10** | | **10** |
| Option liabilities, acquisitions | | | | –134 | **–134** | | **–134** |
| Acquisition of partly owned subsidiaries | | | | | **–** | 37 | **37** |
| **Transactions with the Group's owners** | | | | **–220** | **–220** | **34** | **–186** |
| **Closing equity, 31 March 2024** | **57** | **71** | **50** | **1,930** | **2,108** | **105** | **2,213** |

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# Cash-flow statement

| MSEK | Note | 2023/2024 | 2022/2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit after financial items | | 261 | 271 |
| **Of which interest paid** | | | |
| Interest received | | 17 | 9 |
| Interest paid | | –109 | –63 |
| **Adjustments for non-cash items** | | | |
| Depreciation, amortisation and impairment of non-current assets | 10, 11, 23 | 284 | 232 |
| Profit/loss from the sale of companies and facilities | | 2 | –19 |
| Change in pension obligations and other provisions | | 20 | 19 |
| Other non-cash items | | –17 | 2 |
| Income taxes paid | | –95 | –116 |
| **Cash flow from operating activities before changes in working capital** | | **455** | **389** |
| **Cash flow from changes in working capital** | | | |
| Change in inventories | | 226 | –19 |
| Change in operating receivables | | 116 | 158 |
| Change in operating liabilities | | –134 | –195 |
| **Changes in working capital** | | **208** | **–56** |
| **Cash flow from operating activities** | | **663** | **333** |
| **Investing activities** | | | |
| Acquisition of intangible and tangible non-current assets | | –58 | –45 |
| Disposal of intangible and tangible non-current assets | | 2 | 0 |
| Acquisition of businesses | 28 | –312 | –255 |
| Disposal of businesses | | – | 19 |
| **Cash flow from investing activities** | | **–368** | **–281** |
| **Financing activities** | | | |
| Borrowings | | 135 | 248 |
| Repayment of loans | | –93 | –4 |
| Repayment of leases | | –149 | –146 |
| Pension benefits paid | | –27 | –38 |
| Redeemed and issued call options | | 10 | 6 |
| Dividend paid to Parent Company shareholders | | –96 | –90 |
| Dividend paid to non-controlling interest | | –3 | –1 |
| **Cash flow from financing activities** | | **–223** | **–25** |
| **Cash flow for the year** | | **72** | **27** |
| **Cash and cash equivalents at the beginning of the year** | | **220** | **182** |
| Cash flow for the year | | 72 | 27 |
| Exchange-rate differences in cash and cash equivalents | | 4 | 11 |
| **Cash and cash equivalents at year-end** | | **296** | **220** |

PARENT COMPANY

# Income statement

| MSEK | Note | 2023/2024 | 2022/2023 |
|---|---|---|---|
| Revenue | 2 | 41 | 37 |
| Other operating income | | 0 | 0 |
| **Total operating income** | | **41** | **37** |
| Personnel costs | | –27 | –32 |
| Depreciation, amortisation and impairment losses | | 0 | 0 |
| Other operating expenses | | –26 | –22 |
| **Total operating expenses** | 5, 6 | **–53** | **–54** |
| **Operating loss** | | **–12** | **–17** |
| **Profit from financial items** | | | |
| Profit from other securities and receivables recognised as non-current assets | 7 | 175 | 97 |
| Other interest income and similar profit/loss items | 7 | 12 | 7 |
| Interest expense and similar profit/loss items | 7 | –129 | –57 |
| **Profit after financial items** | | **46** | **30** |
| Appropriations | 8 | 11 | 15 |
| **Profit before taxes** | | **57** | **45** |
| Taxes | 9 | 0 | –1 |
| **Net profit** | | **57** | **44** |

PARENT COMPANY

# Statement of comprehensive income

| MSEK | Note | 2023/2024 | 2022/2023 |
|---|---|---|---|
| **Net profit** | | **57** | **44** |
| **Other comprehensive income** | | | |
| *Components that will not be reclassified to net profit* | | – | – |
| *Components that will be reclassified to net profit* | | | |
| Fair value changes for the year in cash-flow hedges | | –2 | 6 |
| Taxes attributable to other comprehensive income | 9 | 0 | –1 |
| **Other comprehensive income** | | **–2** | **5** |
| **Comprehensive income** | | **55** | **49** |

PARENT COMPANY

# Balance sheet

| MSEK | Note | 2023/2024 | 2022/2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Tangible non-current assets | 11 | 1 | 2 |
| *Financial non-current assets* | | | |
| Participations in Group companies | 26 | 704 | 704 |
| Receivables from Group companies | 12 | 1,866 | 1,879 |
| *Total financial non-current assets* | | 2,570 | 2,583 |
| **Total non-current assets** | | **2,571** | **2,585** |
| | | | |
| **Current assets** | | | |
| *Current receivables* | | | |
| Receivables from Group companies | | 1,375 | 1,107 |
| Other receivables | | 6 | 9 |
| Prepaid expenses and accrued income | 15 | 4 | 5 |
| *Total current receivables* | | 1,385 | 1,121 |
| Cash and bank | | 1 | 1 |
| **Total current assets** | | **1,386** | **1,122** |
| **TOTAL ASSETS** | | **3,957** | **3,707** |
| | | | |
| **EQUITY, PROVISIONS AND LIABILITIES** | | | |
| **Equity** | 16 | | |
| *Restricted equity* | | | |
| Share capital | | 57 | 57 |
| Statutory reserve | | 86 | 86 |
| *Non-restricted equity* | | | |
| Fair value reserve | | 0 | 2 |
| Retained earnings | | 913 | 955 |
| Net profit | | 57 | 44 |
| **Total equity** | | **1,113** | **1,144** |
| **Untaxed reserves** | 27 | **–** | **6** |
| | | | |
| **Provisions** | | | |
| Provisions for pensions and similar commitments | 18 | 43 | 43 |
| Deferred tax liability | 9 | 0 | 0 |
| **Total provisions** | | **43** | **43** |
| | | | |
| **Non-current liabilities** | | | |
| Liabilities to credit institutions | 22 | 1,070 | 1,060 |
| Liabilities to Group companies | 12 | 210 | 223 |
| **Total non-current liabilities** | | **1,280** | **1,283** |
| | | | |
| **Current liabilities** | | | |
| Liabilities to credit institutions | 22 | 278 | 243 |
| Accounts payable | | 2 | 4 |
| Liabilities to Group companies | | 1,220 | 961 |
| Tax liabilities | | – | 0 |
| Other liabilities | | 2 | 3 |
| Accrued expenses and deferred income | 21 | 19 | 20 |
| **Total current liabilities** | | **1,521** | **1,231** |
| **TOTAL EQUITY, PROVISIONS AND LIABILITIES** | | **3,957** | **3,707** |

PARENT COMPANY

# Statement of changes in equity

| | Restricted equity | | Non-restricted equity | | | | |
|---|---|---|---|---|---|---|---|
| **MSEK** | **Share capital** | **Statutory reserve** | **Treasury shares** | **Fair value reserve** | **Retained earnings** | **Net profit** | **Total equity** |
| **Closing equity, 31 March 2022** | **57** | **86** | **–80** | **–3** | **1,075** | **44** | **1,179** |
| Reversal of earnings | | | | | 44 | –44 | **–** |
| Net profit | | | | | | 44 | **44** |
| Other comprehensive income | | | | 5 | | | **5** |
| Dividend | | | | | –90 | | **–90** |
| Premium received for issued call options | | | | | 2 | | **2** |
| Redeemed options | | | 4 | | 0 | | **4** |
| **Closing equity, 31 March 2023** | **57** | **86** | **–76** | **2** | **1,031** | **44** | **1,144** |
| Reversal of earnings | | | | | 44 | –44 | **–** |
| Net profit | | | | | | 57 | **57** |
| Other comprehensive income | | | | –2 | | | **–2** |
| Dividend | | | | | –96 | | **–96** |
| Premium received for issued call options | | | | | –2 | | **–2** |
| Redeemed options | | | 12 | | 0 | | **12** |
| **Closing equity, 31 March 2024** | **57** | **86** | **–64** | **0** | **977** | **57** | **1,113** |

PARENT COMPANY

# Cash-flow statement

| MSEK | Note | 2023/2024 | 2022/2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit after financial items | | 46 | 30 |
| **Of which interest paid** | | | |
| Interest received | | 187 | 104 |
| Interest paid | | –127 | –57 |
| **Adjustments for non-cash items** | | | |
| Depreciation, amortisation and impairment of non-current assets | 10, 11 | 0 | 0 |
| Change in pension obligations | | 3 | 9 |
| Income taxes paid | | –5 | 0 |
| **Cash flow from operating activities before changes in working capital** | | **44** | **39** |
| **Cash flow from changes in working capital** | | | |
| Change in current receivables and liabilities to Group companies | | 26 | –385 |
| Change in operating receivables | | 9 | –9 |
| Change in operating liabilities | | –6 | –4 |
| **Changes in working capital** | | **29** | **–398** |
| **Cash flow from operating activities** | | **73** | **–359** |
| **Investing activities** | | | |
| Acquisition of intangible and tangible non-current assets | | – | – |
| **Cash flow from investing activities** | | **0** | **0** |
| **Cash flow before financing** | | **73** | **–359** |
| **Financing activities** | | | |
| Changes in long-term receivables and liabilities to Group companies | | 1 | 178 |
| Borrowings | | 135 | 241 |
| Repayment of loans | | –91 | – |
| Redeemed and issued call options | | 10 | 6 |
| Dividend paid | | –96 | –90 |
| Pension benefits paid | | –3 | –3 |
| Group contributions paid and received | | –29 | 27 |
| **Cash flow from financing activities** | | **–73** | **359** |
| **Cash flow for the year** | | **0** | **0** |
| Cash and cash equivalents at the beginning of the year | | 1 | 1 |
| **Cash and cash equivalents at year-end** | | **1** | **1** |

# Notes

## NOTE 1 Significant accounting policies

### Compliance with standards and legislation

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretive statements from the IFRS Interpretations Committee as approved by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board has also been applied. The Parent Company applies the same accounting policies as the Group, except in the cases stated below under the section Parent Company accounting policies.

The Annual Report and consolidated financial statements were approved for publication by the Board of Directors and President & CEO on 3 July 2024. The Group's and the Parent Company's income statements and balance sheets are subject to approval by the Annual General Meeting to be held on 29 August 2024.

### Basis applied when preparing the financial statements

The Parent Company's functional currency is Swedish kronor (SEK), which also constitutes the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless specifically stated otherwise, are rounded to the nearest million. Comparisons given in brackets pertain to the corresponding amount from the preceding year.

Judgments made by management when applying IFRS that have a significant effect on the financial statements and estimates made which can lead to substantial adjustments in the following year's financial statements are described in more detail in Note 30 Key estimates and judgments.

The stated accounting policies for the Group have been applied consistently for all periods presented in the consolidated financial statements, unless specifically stated otherwise. The Group's accounting policies have been applied consistently in the reporting and consolidating of the Parent Company and subsidiaries.

### Amended accounting policies

Amendments to IFRS applicable as of 1 January 2023 have not had a material impact on the Group's financial reporting.

### New or amended IFRS that will be applied in coming periods

A number of new and amended IFRS have not yet come into effect and have not been applied in advance in the preparation of these financial statements. The amended IFRS to be applied in the future are not expected to have any material impact on the Group's financial statements.

### Segment reporting

An operating segment is a part of the Group that conducts operations that can generate income and incur costs, and for which independent financial information is available. The earnings of an operating segment are also monitored by the Company's chief operating decision-maker to enable them to be assessed and to allow resources to be allocated to the operating segment. Refer to Note 4 for a more detailed description of the Group's division and a presentation of operating segments.

### Principles of consolidation

#### Subsidiaries

Subsidiaries are entities over which Bergman & Beving AB has a controlling influence. A controlling influence exists if the Parent Company has power over the investee, is exposed to or has rights to variable returns from its involvement and has the ability to use its power over the investee to affect the amount of the investor's returns. When assessing whether or not a controlling influence exists, consideration is given to potential voting shares and whether any so-called de facto control exists.

Subsidiaries are recognised in accordance with the purchase method of accounting. This method entails that the acquisition of a subsidiary is viewed as a transaction through which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities. The acquisition analysis determines the fair value, on the date of acquisition, of the identifiable assets, assumed liabilities and any non-controlling interests. Transaction fees are recognised in other operating expenses in profit or loss.

In the case of business combinations where the transferred remuneration, any non-controlling interests and the fair value of previously held participations (step acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are to be recognised separately, the difference is recognised as goodwill. Contingent considerations are measured at fair value on the date of acquisition. Remeasurements are made for each financial statement and the difference is recognised in other operating income in profit or loss.

If the acquisition does not pertain to 100 percent of the subsidiary, it is deemed a non-controlling interest. There are two methods for recognising non-controlling interest. (i) by recognising the non-controlling interest's share of the proportional net assets or (ii) by recognising the non-controlling interest at fair value, meaning that the non-controlling interest is part of goodwill. Which of these two alternatives is to be applied can be determined on a case-by-case basis. As a starting point, the Group elects to recognise non-controlling interests calculated as a proportional share of the identified net assets.

The financial statements of subsidiaries are consolidated from the date of acquisition until the date when the controlling influence ceases.

### Foreign currency

#### Transactions in foreign currency

Exchange-rate differences that arise during translation to functional currency are recognised in net profit. Exchange-rate differences on operating receivables and operating liabilities are included in operating profit while exchange-rate differences on financial receivables and liabilities are recognised in financial items.

#### Translation of foreign entities

Translation differences arising as a result of the translation of a foreign entity's functional currency to the Group's reporting currency, SEK, are recognised directly in other comprehensive income and are accumulated in equity, referred to as the translation reserve.

### Revenue

The Group's revenue comprises the sale of goods and services. Revenue is measured based on the remuneration specified in the contract with the customer. The Group recognises revenue once control of the goods or services has been transferred to the customer.

Since the vast majority of sales refers to goods, revenue is usually recognised at a point in time when the goods have been delivered to the buyer, meaning when control of the goods has been passed. Volume discounts to customers are offered and thus reduce revenue. Revenue is not recognised if there is a risk that a significant reversal may arise due to an estimated discount. Guarantees are offered but do not constitute a separate performance and thus do not impact revenue recognition.

Revenue from service assignments, which primarily comprise brief safety training sessions, is normally recognised when the service is performed.

### Leases

The Group's leased assets mainly comprises offices, warehouse premises, company cars, warehouse vehicles and other warehouse equipment. The Group recognises a right-of-use asset and a lease liability on the lease's commencement date. For the majority of the Group's leases, an assessment has been made that the lease term comprises the non-terminable lease term. An exception is made for leases for premises where the original term has expired and the lease is extended until further

**Note 1 cont.**

notice. If there is no indication that the lease will be terminated, it is extended for a newly determined period.

No right-of-use asset and lease liability are recognised on leases with a term of 12 months or less or where the underlying asset has a low value, of less than SEK 50 thousand. Lease payments for these leases are recognised on a straight-line basis over the term of the lease.

## Financial income and expenses

Financial income and expenses consist of interest income on bank funds and receivables, interest expenses on loans and exchange-rate differences. Exchange gains and losses are recognised in a net amount.

## Financial instruments

Financial instruments are measured and recognised in the Group in accordance with the rules of IFRS 9. Financial instruments recognised as assets in the balance sheet include cash and cash equivalents, accounts receivable, other receivables, financial investments and derivatives. Liabilities include loan liabilities, accounts payable, other liabilities and derivatives.

### Classification and measurement

All financial instruments are initially recognised at cost, corresponding to the fair value of the instrument plus transaction costs, with the exception of derivatives and financial assets and liabilities measured at fair value through profit or loss, which are measured at fair value, excluding transaction costs. A financial instrument's classification determines how it is measured after the initial reporting occasion. The classification of financial assets under IFRS 9 is based on the Company's business model for holding the financial assets and the characteristics of the contractual cash flows from the financial asset. The Group's holdings of financial instruments are classified as follows:

*Financial investments*

Bergman & Beving has only insignificant unlisted holdings in this category. The Group measures these at fair value through profit or loss.

*Accounts receivable, other receivables that are financial assets and cash and cash equivalents*

Accounts receivables, other current receivables, long-term receivables and cash and cash equivalents are recognised at amortised cost less any reserve for impairment. Amounts are not discounted when they do not have a material impact. The items are recognised after deductions for expected credit losses. Impairment requirements on receivables are determined based on individual testing of credit risk when the receivable initially arises and subsequently over its entire lifetime. The companies in the Group evaluate credit risk using available information about past credit events, current circumstances and forecasts on future performance. The credit risk is generally spread over a wide range of customers and is a good reflection of the Group's trading where the total revenue is built up of many business transactions and a favourable risk spread of sales across varying industries and companies. Historically, the Bergman & Beving Group's confirmed credit losses have been few in number and low in amount. The credit quality of the accounts receivable that have neither matured for payment nor been impaired is deemed favourable.

*Financial liabilities measured at amortised cost*

This category includes loans, accounts payable and certain other operating liabilities. All financial liabilities are recognised at amortised cost. Accounts payable and other operating liabilities are not discounted due to their short maturities.

Financial liabilities that arise in conjunction with acquisitions regarding issued put options on equity instruments in partly owned subsidiaries that entitle the shareholders to sell the remaining shares are also included in this category. An initial assessment is made of the discounted liability and it is recognised against equity. In accordance with the agreement, the option price is based on the acquired operations' expected future financial performance, meaning a market valuation of the put option. This assessment is made by management. Remeasurements are recognised in equity. The liability is classified as a non-current provision until a request is made to exercise the option. The final settlement is recognised as a transaction with a minority owner.

*Financial liabilities measured at fair value through profit or loss*

Liabilities for contingent additional purchase considerations arising in business combinations are measured at fair value through profit or loss. Measurement of these liabilities takes place under Level 3 of the fair value hierarchy, meaning that it is based on the expected future financial performance of the acquired operations as assessed by management. The liability is classified as a non-current provision until a current liability can be calculated using accurate data for the earnings outcome. The earnings effect from remeasured purchase considerations is recognised in Other operating income or Other operating expenses, respectively.

*Derivatives and hedge accounting*

Derivative instruments are initially measured at fair value. Derivative instruments held for hedging comprise foreign-exchange forward contracts for hedging highly probably forecast transactions in foreign currency (cash-flow hedging). To fulfil the requirements for hedge accounting, there must be a clear link to the hedged item, the hedge must effectively protect the hedged item, hedging documentation must have been drawn up and the effectiveness must be measurable.

After the initial recognition, foreign-exchange forward contracts are measured at fair value. The effective portion of changes in the fair value of derivative instruments identified as cash-flow hedges are recognised in other comprehensive income and the accumulated changes in value are recognised in a separate component under equity (the hedging reserve).

Any gains or losses attributable to any ineffective portion are recognised immediately in profit or loss. Accumulated amounts in equity are reversed to net profit in the periods in which the hedged item affects profit or loss (for example, when the forecast sale that is hedged affects profit or loss).

*Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise liquid bank funds. The impairment risk is assessed as insignificant since cash and cash equivalents are placed in banks with high credit ratings.

## Tangible non-current assets

Tangible non-current assets comprises buildings and land, leasehold improvements, machinery and equipment, and construction in progress.

### Depreciation policies

Assets are depreciated on a straight-line basis over their useful lives. Land is not depreciated. The Group applies component depreciation, which means that depreciation is based on the estimated useful life of individual components.

### Estimated useful lives:

| | |
|---|---|
| Buildings, property used in operations | 5–100 years |
| Land improvements | 20 years |
| Leasehold improvements | 3–15 years |
| Machinery | 3–10 years |
| Equipment | 3–10 years |

Property used in operations consists of a number of components with varying useful lives. The main classification is buildings and land. The land component is not depreciated since its useful life is considered to be unlimited. Buildings, however, consist of a number of components for which the useful life varies. The useful lives of these components have been deemed to vary between five and 100 years.

### The following main groups of components have been identified and constitute the basis for the depreciation of buildings:

| | |
|---|---|
| Core | 100 years |
| Core improvements, inner walls, etc. | 50 years |
| Installations: heating, electricity, water, & sanitation, ventilation, etc. | 10–50 years |
| Outer surfaces: facing, roofing, etc. | 10–50 years |
| Inner surfaces: machinery equipment, etc. | 10–15 years |
| Building equipment | 5–10 years |

An assessment of the depreciation methods applied and the residual value and useful life of assets is carried out on an annual basis.

**Note 1 cont.**

## Intangible assets

### Goodwill

Goodwill represents the difference between the consideration transferred for a business combination and the fair value of the acquired assets and assumed liabilities. Goodwill is measured at cost, less any accumulated impairment losses. Goodwill is distributed to cash-generating units and is not amortised continuously. Instead, impairment testing is conducted on an annual basis.

### Brands

The Group has brands with both indefinite and definite useful lives. Like goodwill, the brands that have indefinite useful lives are measured at cost less any accumulated impairment, and brands are divided into cash-generating units and are not amortised but rather tested annually for any impairment requirement.

The brands that definite useful lives are recognised at initial acquisition cost less accumulated amortisation and impairment losses.

### Other intangible assets

Other intangible assets are recognised at acquisition cost less accumulated amortisation and impairment losses and comprise customer relations, purchases of software, capitalised expenditure for development of IT systems and products.

Costs for development, for which the results or other expertise is applied to bring about new or improved products and processes, are recognised as an asset in the statement of financial position if the product is technically and commercially viable and the Company has sufficient resources to complete development and subsequently use or sell the intangible asset. The carrying amount includes all directly attributable expenses, for example materials or services, remuneration of employees, registration of legal rights, and amortisation of licences.

Accrued expenses for internally generated goodwill and internally generated brands are recognised in net profit when the cost is incurred.

### Amortisation policies

Amortisation is recognised in net profit on a straight-line basis over the estimated useful life of the intangible asset, unless the useful life is indefinable. Goodwill and intangible assets with an indefinable useful life, such as certain brands, are tested on an annual basis for any indications of an impairment requirement, or as soon as there are indications that the asset in question has declined in value. Intangible assets that are subject to amortisation are amortised from the date on which they are available for use.

### Estimated useful lives:

| | |
|---|---|
| Brands | 0–10 years |
| Customer relations, etc. | 3–10 years |
| Software, IT investments | 3–10 years |
| Product development | 3–8 years |

An assessment of the amortisation methods and useful lives applied is carried out on an annual basis.

## Impairment of tangible and intangible assets

The carrying amount of the Group's assets is tested on at least each balance-sheet date to determine whether there are any indications of an impairment requirement. If there is any indication of impairment, the recoverable amount of the asset is calculated.

The recoverable amount of goodwill, other intangible assets with an indefinable useful life and intangible assets not yet ready for use is calculated at least annually. Where it is not possible to allocate essentially independent cash flows to an individual asset, net assets are grouped at the lowest level at which essentially independent cash flows can be determined (cash-generating unit).

An impairment loss is recognised when an asset's or a cash-generating unit's carrying amount exceeds the recoverable amount. An impairment loss is recognised as a cost in net profit. When impairment losses are identified for a cash-generating unit, the impairment loss is primarily allocated to goodwill. Proportional impairment charges are then made against other non-current assets included in the unit.

The recoverable amount is the higher of fair value less selling expenses and value in use. For the purpose of calculating the value in use, future cash flows are discounted using a discount factor that reflects risk-free interest and the risk associated with the specific asset. For an asset that does not generate cash flows and is essentially independent of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed if there has been a change in the assumptions on which the calculation of the recoverable amount was based. An impairment loss is reversed only to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset if no impairment loss had been charged, taking into account the amortisation that would then have been made.

## Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is primarily calculated using a method based on a weighted average and includes expenditures arising during the acquisition of the inventory assets and transportation thereof to their current location and state or by applying the "first-in, first-out" (FIFO) method. Net realisable value is the estimated selling price in the operating activities, after deduction of the estimated costs for completion and for accomplishing a sale.

## Equity

The Group's equity can be divided into share capital, other contributed capital, reserves, retained earnings including net profit and non-controlling interest.

### Repurchase of own shares

Holdings of treasury shares are recognised as a reduction of equity. Acquisitions of such instruments are recognised as a deduction item against equity. Proceeds from the disposal of holdings of treasury shares are recognised as an increase in equity.

### Dividends

Dividends are recognised as a liability after the Annual General Meeting has approved the dividend.

## Employee benefits

The Group has pension solutions classified and recognised as defined-contribution pension plans as well as defined-benefit pension plans in accordance with IAS 19.

### Defined-benefit pension plans

The Group's net obligations pertaining to defined-benefit pension plans are calculated separately for each plan in the form of an estimate of the future remuneration that the employee has earned as a result of his/her employment in both the current and prior periods. These calculations are performed by a qualified actuary using the projected unit credit (PUC) method as of the date of the year-end accounts on 31 March. The obligations are measured at the present value of expected future payments, with due consideration for future salary increases. The Group's defined-benefit pension plans comprise in all essential respects Swedish PRI pensions, which are unfunded pension plans. The discount rate used for the Swedish plans is the interest rate on the balance-sheet date for Swedish investment grade corporate bonds and housing bonds with a term equivalent to the Group's pension obligations.

Other significant assumptions and judgments, in addition to the discount rate for the purpose of calculating the Group's defined-benefit plans, comprise future salary increases, inflation and expected length of life. Expected salary increases are based on a combined assessment of the Group's own history and market expectations. Inflation assumptions for the Swedish plans are based on the Swedish Riksbank's long-term inflation target, which is 2 percent. Length of life assumptions are based on mortality tables that apply a Swedish study known as DUS23 from 31 March 2024.

Obligations for retirement pensions to salaried employees in Sweden in accordance with the ITP plan are handled mainly within the PRI Pensionsgaranti. However, obligations for family pensions are secured by insurance with Alecta. These obligations are also defined-benefit obligations, although the Group has not had access to the information

**Note 1 cont.**

necessary to recognise these obligations as a defined-benefit plan. Therefore, these pensions secured by insurance with Alecta are recognised as defined-contribution plans. As of 31 December 2023, Alecta's surplus in the form of its collective solvency margin was 158 percent (172). The collective solvency margin is defined as the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond with IAS 19. Alecta's surplus can be distributed to the policy holders and/or the insured.

Interest expense/income net on the defined-benefit commitment/asset is recognised in net profit under net financial items. Net interest income is based on the interest rate arising on the discounting of the net obligation, meaning the interest on the obligation, plan assets and the interest on the effect of any asset limitations. Other components are recognised in operating profit/loss. Remeasurement effects comprise actuarial gains and losses, the difference between actual returns on plan assets and the total included in net interest income (excluding interest included in net financial items). Remeasurement effects are recognised in other comprehensive income under the item Remeasurement of defined-benefit pension plans. The special payroll tax comprises a portion of the actuarial assumptions and, accordingly, is recognised as a portion of the net obligation/net asset. The portion of the special payroll tax calculated based on the Swedish Pension Obligations Vesting Act in legal entities is recognised, for reasons of simplification, as accrued expenses instead of as a portion of the net obligation. Yield tax is recognised continuously in profit or loss for the period to which the tax pertains and thus is not included in the liability calculation.

### Share-based benefits

The past four Annual General Meetings resolved that call option programmes would be offered to members of senior management of the Group. Since a market premium was paid for the options, no personnel costs were incurred at the time of issuance. However, the terms stipulate that the employee may receive a certain subsidy for the premiums paid to the employee, provided that certain terms and conditions are fulfilled. In this case, the subsidies are paid two years after the employee's purchase of options. The subsidy comprises a personnel cost and is expensed and recognised as a liability until the payment date, provided that the primary terms regarding employment are fulfilled.

## Cash-flow statement

Receipts and disbursements have been divided into the following categories: operating activities, investing activities and financing activities. The indirect method is applied for flows from operating activities.

The changes in operating assets and operating liabilities for the year have been adjusted for effects of changes in exchange rates. Acquisitions and disposals are recognised in investing activities.

The assets and liabilities held by the entities acquired and sold on the date of acquisition are not included in the analysis of changes in working capital, nor in the changes of balance-sheet items recognised in investing and financing activities.

Cash and bank flows are attributable to changes in cash and cash equivalents.

## Parent Company accounting policies

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The Swedish Financial Reporting Board's statements concerning listed companies have also been applied. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and with due consideration given to the relationship between accounting and taxation. The recommendation states the exceptions from and additions to be made to IFRS.

### Amended accounting policies

Unless otherwise stated below, the same changes as detailed above for the Group applied to the Parent Company's accounting policies during the financial year.

### Subsidiaries

Participations in subsidiaries are recognised in the Parent Company in accordance with the cost method. This means that transaction fees are included in the carrying amount for holdings in subsidiaries. In the consolidated financial statements, transaction fees are recognised directly in earnings when incurred. Contingent considerations are valued on the basis of the probability that a consideration will be paid. Any changes to provisions/receivables are added to/deducted from the cost. In the consolidated financial statements contingent considerations are measured at fair value, including changes in value, in profit or loss.

### Leased assets

The Parent Company does not apply IFRS 16, in accordance with the exception included in RFR 2. As lessee, lease payments are recognised on a straight-line basis as a cost over the lease term and right-of-use assets and lease liabilities are not recognised in the balance sheet.

### Employee benefits

Other bases for the calculation of defined-benefit pension plans are used in the Parent Company than those set out in IAS 19. The Parent Company complies with the provisions of the Swedish Pension Obligations Vesting Act and the directives of the Swedish Financial Supervisory Authority, since this is a condition for tax deductibility. The most important differences compared with the rules in IAS 19 are how the discount interest rate is determined, that the calculation of the defined-benefit obligation takes place based on the current salary level without assumption of future salary increases, and that all actuarial gains and losses are recognised in profit or loss.

### Taxes

In the Parent Company, untaxed reserves are recognised including deferred tax liabilities. However, in the consolidated financial statements, untaxed reserves are divided into deferred tax liabilities and equity. Correspondingly, the Parent Company, appropriations are not distributed to deferred tax expense in profit or loss.

### Financial guarantee agreements

In accordance with RFR 2, the Parent Company has elected not to apply the provisions in IFRS 9 concerning financial guarantee agreements on behalf of subsidiaries. The relief rule pertains to financial guarantee agreements issued on behalf of subsidiaries and associated companies. The Parent Company recognises financial guarantees as provisions in the balance sheet when the Company has a commitment for which payment will probably be required to regulate the commitment.

### Financial instruments

The Parent Company has decided not to fully apply IFRS 9 to financial instruments. However, parts of the policies in IFRS 9 are applicable – such as those pertaining to impairment, recognition/derecognition and criteria for the application of hedge accounting as well as the effective interest method for interest income and interest expense. Financial non-current assets in the Parent Company are measured at cost less any impairment and financial current assets using the lower of cost or net realisable value. IFRS 9's impairment requirements are applied for financial assets recognised at amortised cost.

Since the Group's financial operations are managed by Bergman & Beving AB, the Parent Company has a central Treasury function and therefore issues foreign-exchange forward contracts to the subsidiaries for hedging of their future currency flows in foreign currency. The Parent Company's financial assets and liabilities that are measured at fair value comprise unrealised gains or losses from these foreign-exchange forward contracts.

### Group contributions and shareholders' contributions

Shareholders' contributions are recognised directly in equity of the recipient and capitalised in shares and participations of the donor. Group contributions, both received and paid, are recognised in profit or loss as appropriations.

## NOTE 2 Distribution of revenue

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023/2024 | 2022/2023 | 2023/2024 | 2022/2023 |
| **Revenue** | | | | |
| Sale of goods | 4,603 | 4,622 | – | – |
| Training sessions and other service assignments sold | 114 | 125 | 41 | 37 |
| Other | 6 | 2 | – | – |
| **Total** | **4,723** | **4,749** | **41** | **37** |

Since the majority of the Group's revenue from service assignments pertains to sold training sessions that are carried out within a short period, the revenue is recognised in the same way as the sale of goods in conjunction with delivery at a point in time, which is also when the payment takes place.
Payment of revenue in the Parent Company pertains to intra-Group services totalling MSEK 41 (37).

## NOTE 3 Other operating income

| | Group | |
|---|---|---|
| | 2023/2024 | 2022/2023 |
| Exchange-rate gains on operating receivables/liabilities | 5 | 7 |
| Grants from EU, central and local government | 3 | 0 |
| Insurance indemnification | 0 | 0 |
| Capital gain, sale of tangible non-current assets | 1 | 0 |
| Capital gain, sale of subsidiaries and other business units | – | 19 |
| Capitalised work for own account | 5 | 1 |
| Reversal of purchase considerations for previous acquisitions | 14 | 17 |
| Compensation for nondeliveries | 10 | 0 |
| Other | 1 | 0 |
| **Total** | **39** | **44** |

## NOTE 4 Segment reporting

Bergman & Beving comprises three divisions: Core Solutions, Safety Technology and Industrial Equipment. The divisions are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group-wide includes the Group's management, economy, finance, logistics, IT and legal affairs functions and the effects of the IFRS 16 Leases. The divisions are based on the same accounting policies as the Group except for IFRS 16 Leases. Lease payments are therefore recognised as an operating expense in the divisions and not divided into depreciation and interest.

Bergman & Beving consists of companies that sell various niche solutions to the manufacturing and construction sectors. But all of their products are directed towards the manufacturing and construction sectors, where productive, safe and sustainable solutions are in demand. Several of the companies hold leading positions in their niches.

Core Solutions primarily offers products and services for the construction sector and customised solutions for the manufacturing sector. The division has a complete range of construction fastening components for professional end users, niche solutions for fire safety, a wide range of specialised hatches and ceiling solutions, and products for tiling and bricklaying.

Safety Technology offers products and services in safety. Together, the division's units offer a complete solution comprising safety products and services for professional end users.

Industrial Equipment, which is the largest unit, has maintained a long-term focus on tools, machinery and consumables. The unit is the Nordic region's leading distributor in this area. Other areas are becoming more prevalent as new companies join the division. Solutions are currently being sold for tool safety, handling of lubricants and liquids, mobile heating solutions, automated testing equipment and systems for gas control.

Intra-Group pricing between the operating segments occurs on market terms. There are no assets in the operating segments that are affected by material changes compared with the most recent Annual Report.

**Note 4 cont.**

| | 2023/2024 | | | | | |
|---|---|---|---|---|---|---|
| | **Core Solutions** | **Safety Technology** | **Industrial Equipment** | **Group-wide** | **Eliminations** | **Group total** |
| **Revenue** | | | | | | |
| External customers | 1,408 | 1,572 | 1,740 | 3 | – | **4,723** |
| Internal customers | 2 | 32 | 1 | 357 | –392 | **–** |
| **Total** | **1,410** | **1,604** | **1,741** | **360** | **–392** | **4,723** |
| EBITA | 150 | 116 | 189 | –17 | – | **438** |
| Depreciation and amortisation in connection with acquisitions | –19 | –20 | –27 | – | – | **–66** |
| **Operating profit/loss** | **131** | **96** | **162** | **–17** | **–** | **372** |
| Financial income and expenses | – | – | – | –111 | – | **–111** |
| **Profit/loss before taxes** | **131** | **96** | **162** | **–128** | **–** | **261** |
| EBITA margin, % | 10.6 | 7.2 | 10.9 | | | **9.3** |
| Total assets | 2,621 | 1,997 | 2,221 | 1,646 | –2,423 | **6,062** |
| Total liabilities | 754 | 840 | 1,038 | 3,640 | –2,423 | **3,849** |
| **Other disclosures** | | | | | | |
| Investments excl. effects of the year's acquisitions | 33 | 13 | 8 | 138 | – | **192** |
| Of which, right-of-use assets | – | – | – | 134 | – | **134** |
| Depreciation and amortisation | –32 | –45 | –38 | –169 | – | **–284** |
| Of which, right-of-use assets | – | – | – | –155 | – | **–155** |

| | 2022/2023 | | | | | |
|---|---|---|---|---|---|---|
| | **Core Solutions** | **Safety Technology** | **Industrial Equipment** | **Group-wide** | **Eliminations** | **Group total** |
| **Revenue** | | | | | | |
| External customers | 1,373 | 1,622 | 1,751 | 3 | – | **4,749** |
| Internal customers | 6 | 34 | 1 | 366 | –407 | **–** |
| **Total** | **1,379** | **1,656** | **1,752** | **369** | **–407** | **4,749** |
| EBITA | 114 | 152 | 121 | –5 | – | **382** |
| Depreciation and amortisation in connection with acquisitions | –7 | –17 | –19 | **–** | – | **–43** |
| **Operating profit/loss** | **107** | **135** | **102** | **–5** | **–** | **339** |
| Financial income and expenses | – | – | – | –68 | – | **–68** |
| **Profit/loss before taxes** | **107** | **135** | **102** | **–73** | **–** | **271** |
| EBITA margin, % | 8.3 | 9.4 | 6.9 | | | **8.0** |
| Total assets | 1,879 | 2,157 | 2,153 | 1,821 | –2,261 | **5,749** |
| Total liabilities | 907 | 1,083 | 705 | 3,075 | –2,261 | **3,509** |
| **Other disclosures** | | | | | | |
| Investments excl. effects of the year's acquisitions | 12 | 39 | 2 | 198 | – | **251** |
| Of which, right-of-use assets | – | – | – | 193 | – | **193** |
| Depreciation and amortisation | –18 | –39 | –28 | –147 | – | **–232** |
| Of which, right-of-use assets | – | – | – | –135 | – | **–135** |

## Information on geographic area

The Group primarily conducts operations in Sweden, Norway and Finland. Revenue presented for the geographic markets is based on the domicile of the customers, while non-current assets are based on the geographic location of the operations. The divisions are not followed up according to geographic area.

| | 2023/2024 | | 2022/2023 | |
|---|---|---|---|---|
| | **External revenue** | **Non-current assets** | **External revenue** | **Non-current assets** |
| Sweden | 1,659 | 2,483 | 1,737 | 2,235 |
| Norway | 1,125 | 207 | 1,195 | 155 |
| Finland | 510 | 256 | 507 | 292 |
| Other countries | 1,429 | 452 | 1,310 | 317 |
| **Group total** | **4,723** | **3,398** | **4,749** | **2,999** |

# **NOTE 5** Employees and personnel costs

| Average number of employees by country | 2023/2024 No. | 2023/2024 Of whom, women % | 2022/2023 No. | 2022/2023 Of whom, women % |
|---|---|---|---|---|
| Sweden, Parent Company | 5 | 0 | 5 | 0 |
| Sweden, other Swedish companies | 578 | 33 | 558 | 33 |
| Norway | 135 | 18 | 131 | 18 |
| Finland | 138 | 30 | 110 | 30 |
| Denmark | 32 | 26 | 35 | 29 |
| UK | 100 | 25 | 72 | 33 |
| Poland | 61 | 40 | 66 | 41 |
| Estonia | 51 | 41 | 53 | 41 |
| Slovakia | 45 | 63 | 49 | 64 |
| Brazil | 39 | 50 | 50 | 48 |
| Other countries | 151 | 32 | 154 | 32 |
| **Group total** | **1,335** | **32** | **1,283** | **34** |

The number of full-time employees at year-end was 1,340 (1,348).

| Percentage of women on Bergman & Beving's Board of Directors and senior management | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Parent Company** | | |
| Board of Directors | 33% | 33% |
| Group management | 0% | 0% |
| **Group** | | |
| Boards of directors | 13% | 14% |
| Senior management | 21% | 22% |

| Remuneration and other benefits | 2023/2024 Senior management | 2023/2024 Other employees | 2023/2024 Total | 2022/2023 Senior management | 2022/2023 Other employees | 2022/2023 Total |
|---|---|---|---|---|---|---|
| **Parent Company** | | | | | | |
| Salaries and other remuneration | 9 | 7 | **16** | 9 | 9 | **18** |
| Of which, variable remuneration | 0 | 0 | **0** | 1 | 1 | **2** |
| Social security contributions | 6 | 6 | **12** | 5 | 12 | **17** |
| Of which, pension costs | 2 | 2 | **4** | 2 | 6 | **8** |
| **Group** | | | | | | |
| Salaries and other remuneration | 58 | 723 | **781** | 52 | 660 | **712** |
| Of which, variable remuneration | 3 | 20 | **23** | 4 | 29 | **33** |
| Social security contributions | 28 | 235 | **263** | 24 | 225 | **249** |
| Of which, pension costs | 11 | 58 | **69** | 11 | 58 | **69** |

The category Senior management includes people employed by the Parent Company as well as the presidents and executive vice presidents of the Group's subsidiaries.

Pension costs of MSEK 2 (12) pertain to the Group's defined-benefit plans and MSEK 67 (57) to defined-contribution plans.

## Preparation and decision-making process concerning remuneration to the Board of Directors, the President & CEO and other members of senior management

The Election Committee submits motions for resolution by the Annual General Meeting concerning directors' fees to be allocated to the Chairman of the Board and other Directors. The process of preparing and passing resolutions concerning remuneration to Bergman & Beving's President & CEO and other members of Group management is based on the guidelines proposed by the Board of Directors and adopted by the Annual General Meeting.

The Compensation Committee prepares and submits motions to the Board of Directors concerning the formulation of a remuneration structure for the Group management in line with the guidelines of the Annual General Meeting and prepare motions regarding any share-based incentive programmes. The Compensation Committee also submits motions to the Board regarding remuneration and other terms of employment for the President & CEO and resolves on remuneration for other members of Group management.

A more detailed presentation of the composition and work of the Compensation Committee is found in the Corporate Governance Report.

| Remuneration to directors, SEK thousand | Group 2023/2024 | Group 2022/2023 |
|---|---|---|
| Jörgen Wigh, Chairman | 1,035 | 1,010 |
| Fredrik Börjesson | 385 | 375 |
| Charlotte Hansson | 385 | 375 |
| Henrik Hedelius | 385 | 375 |
| Malin Nordesjö | 465 | 455 |
| Niklas Stenberg | 385 | 375 |
| **Total** | **3,040** | **2,965** |

### Fees to the Board

In accordance with the resolution passed by the Annual General Meeting in August 2023, the directors received directors' fees for their work on Bergman & Beving AB's Board of Directors during the 2023/2024 operating year. Chairman of the Board Jörgen Wigh has not received any remuneration other than directors' fee.

## Remuneration and other benefits to Group management in 2023/2024

| SEK thousand | Fixed salary | Variable salary, one-year[1] | Variable salary, multi-year | Other benefits | Pension costs | Other remuneration[2] | Total | Call options outstanding (no.) |
|---|---|---|---|---|---|---|---|---|
| Magnus Söderlind, President & CEO | 4,886 | 295 | 300 | 98 | 1,490 | 660 | **7,729** | 135,500 |
| *percentage of total remuneration* | *63%* | *4%* | *4%* | *1%* | *19%* | *9%* | | |
| Other senior management (1 position) | 2,383 | 153 | – | 114 | 747 | 435 | **3,832** | 112,400 |
| **Total** | **7,269** | **448** | **300** | **212** | **2,237** | **1,095** | **11,561** | **247,900** |

1) Bonus based on 80 percent of the profitability goal and 20 percent of the return goal (P/WC). The outcome for the year was 36 percent. The bonus for 2023/2024 was paid in 2024/2025.
2) Includes a subsidy for the options programmes.

**Note 5 cont.**

## Remuneration and other benefits to Group management in 2022/2023

| SEK thousand | Fixed salary | Variable salary, one-year[1] | Variable salary, multi-year | Other benefits | Pension costs | Other remuneration[2] | Total | Call options outstanding (no.) |
|---|---|---|---|---|---|---|---|---|
| Magnus Söderlind, President & CEO | 4,375 | 852 | 300 | 110 | 1,351 | – | **6,988** | 84,000 |
| *percentage of total remuneration* | *63%* | *12%* | *4%* | *2%* | *19%* | – | | |
| Other senior management (1 position) | 2,275 | 449 | – | 108 | 688 | 112 | **3,632** | 98,400 |
| **Total** | **6,650** | **1,301** | **300** | **218** | **2,039** | **112** | **10,620** | **182,400** |

1) Bonus based on 80 percent of the profitability goal and 20 percent of the return goal (P/WC). The outcome for the year was 19 percent. The bonus for 2022/2023 was paid in 2023/2024.
2) Includes a subsidy for the options programmes (no payment was made to the CEO for 2022/2023).

## Comparable information about remuneration and the Company's performance

| | 23/24 vs 22/23 | 22/23 vs 21/22 | 21/22 vs 20/21 | 20/21 vs 19/20 |
|---|---|---|---|---|
| **Remuneration to the President & CEO [1]** | | | | |
| Annual change in total remuneration | 11% | 3% | 26% | −6% |
| **The Company's financial results** | | | | |
| Annual change in net profit (EBT) | −4% | 5% | 22% | 37% |
| Annual change in P/WC | 24% | −5% | 10% | 25% |
| **Remuneration to employees [2]** | | | | |
| Annual change in total remuneration, Sweden | 1% | 5% | −4% | 6% |

1) Remuneration refers to the total of all the remuneration components reported in the above table.
2) Calculated on average number of full-time equivalents at the Group's company in Sweden. The number of employees in the Parent Company, excluding Group management, was deemed too small to make a relevant comparison.

The Company did not compile similar data about financial years prior to 2020/2021.

## President & CEO

Magnus Söderlind has been President & CEO since 1 May 2021.

Remuneration to the President & CEO of Bergman & Beving comprises fixed salary, variable salary, participation in the call option programmes, other benefits and pension. For the Company's President & CEO, variable salary can amount to a maximum of 30 percent of fixed salary, based on the Group's earnings. In addition, a premium of 20 percent of the variable salary can be paid as a consideration for the entire variable portion being used to acquire shares in Bergman & Beving AB.

From the age of 65, the President & CEO is covered by a defined-contribution pension, whose size depends on the outcome of the pension insurance policies taken out. Pension premiums paid include premiums for health insurance.

According to the agreement for the President & CEO, in the event of termination of employment at the initiative of the Company, the period of notice is nine months for the first three years of employment and 12 months thereafter. Aside from salary and other benefits during the period of notice, in the event of termination of employment at the initiative of the Company, severance pay equivalent to six months' salary will be paid to the President & CEO for the first three years of employment and severance pay equivalent to 12 months' salary thereafter.

## Other senior management

Peter Schön, CFO of Bergman & Beving AB, was a member of other senior management for the entire financial year.

Remuneration to other members of senior management comprises fixed salary, variable salary, participation in the call option programmes, other benefits and pension. The variable salary amounts to a maximum of 30 percent of fixed salary, based on the Group's earnings. In addition, a premium of 20 percent of the variable salary can be paid as a consideration for the entire variable portion being used to acquire shares in Bergman & Beving AB.

From the age of 65, other members of senior management are covered by a defined-contribution pension solution, whose size depends on the outcome of the pension insurance policies taken out. Pension premiums paid include premiums for health insurance. In the event of termination of employment at the initiative of the Company, the period of notice is nine months. In addition to salary and other benefits during the notice period, a severance payment of three months' salary is payable by the Company.

## Long-term incentive (LTI) programme

The Board of Bergman & Beving AB decided to offer a long-term incentive programme to the President & CEO involving annual cash-based gross remuneration amount of SEK 300 thousand over a three-year period starting in 2021/2022. The programme's third payment was therefore made during the financial year. Payment of the cash-based gross remuneration amount was conditional on an initial investment in Bergman & Beving shares of approximately MSEK 2.5, with continued employment by the Company.

## Call option programme 2023/2027

Following a resolution passed by the Annual General Meeting in August 2023, approximately 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 250,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 250,000, corresponding to 0.9 percent of the total number of shares and 0.7 percent of the votes. The price per call option is SEK 22.10, equivalent to the market value according to an external independent valuation using the Black & Scholes model. Each option entitles its holder to purchase one Class B share in Bergman & Beving AB at a redemption price of SEK 181.10, with a redemption period from 9 September 2026 until 4 June 2027, inclusive. The redemption price is equivalent to 120 percent of the average share price during the measurement period from 25 August to 7 September 2023. The programme was secured in its entirety through repurchase of treasury shares.

This offering is linked to a subsidy corresponding to the paid option price. This means that an amount of SEK 22.10 per acquired call option can be paid to the holder. The subsidy is to be paid by the holder's employer in September 2025 on the condition that all originally acquired call options in this programme remain and that the individual has remained an employee of the Bergman & Beving Group.

## Call option programme 2022/2026

Following a resolution passed by the Annual General Meeting in August 2022, approximately 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 210,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 210,000, corresponding to 0.8 percent of the total number of shares and 0.6 percent of the votes. The price per call option is SEK 8.30, equivalent to the market value according to an external independent valuation using the Black & Scholes model. Each option entitles its holder to purchase one Class B share in Bergman & Beving AB at a redemption price of SEK 106.10, with a redemption period from 9 September 2025 until 5 June 2026, inclusive. The redemption price is equivalent to 120 percent of the average share price during the measurement period from 25 August to 7 September 2022. The programme was secured in its entirety through repurchase of treasury shares.

This offering is linked to a subsidy corresponding to the paid option price. This means that an amount of SEK 8.30 per acquired call option can be paid to the holder. The subsidy is to be paid by the holder's employer in September 2024 on the condition that all originally acquired call options in this programme remain and that the individual has remained an employee of the Bergman & Beving Group.

**Note 5 cont.**

## Call option programme 2021/2025

Following a resolution passed by the Annual General Meeting in August 2021, approximately 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 178,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 178,000, corresponding to 0.6 percent of the total number of shares and 0.5 percent of the votes. The price per call option is SEK 15.00, equivalent to the market value according to an external independent valuation using the Black & Scholes model. Each option entitles its holder to purchase one Class B share in Bergman & Beving AB at a redemption price of SEK 197.30, with a redemption period from 16 September 2024 until 12 June 2025, inclusive. The redemption price is equivalent to 120 percent of the average share price during the measurement period from 1–14 September 2021. The programme was secured in its entirety through repurchase of treasury shares.

This offering is linked to a subsidy corresponding to the paid option price. This means that an amount of SEK 15.00 per acquired call option can be paid to the holder. A total subsidy of MSEK 2 was paid in accordance with this programme in September 2023.

## Call option programme 2020/2024

Following a resolution passed by the Annual General Meeting in August 2020, approximately 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 244,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 244,000, corresponding to 0.9 percent of the total number of shares and 0.7 percent of the votes. The price per call option is SEK 4.96, equivalent to the market value according to an external independent valuation using the Black & Scholes model. Each option entitles its holder to purchase one Class B share in Bergman & Beving AB at a redemption price of SEK 99.50, with a redemption period from 11 September 2023 until 7 June 2024, inclusive. The redemption price is equivalent to 120 percent of the average share price during the measurement period from 27 August to 9 September 2020. The programme was secured in its entirety through repurchase of treasury shares.

This offering is linked to a subsidy corresponding to the paid option price. This means that an amount of SEK 4.96 per acquired call option can be paid to the holder. A total subsidy of just under MSEK 1 was paid in accordance with this programme in September 2022. The redemption period began at the end of the financial year and the remaining options outstanding are presented in the table.

The table below shows the options issued and options outstanding as of 31 March 2024:

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| **Call option programme** | **Redemption price, SEK** | **No. of options issued** | **No. of options outstanding** | **No. of options issued** | **No. of options outstanding** |
| 2020/2024 | 99.50 | 244,000 | 10,900 | 86,500 | – |
| 2021/2025 | 197.30 | 178,000 | 178,000 | 98,000 | 98,000 |
| 2022/2026 | 106.10 | 210,000 | 210,000 | 127,600 | 127,600 |
| 2023/2027 | 181.10 | 250,000 | 250,000 | 140,500 | 140,500 |
| **The President & CEO's holdings** | | | | | |
| 2020/2024 | 99.50 | – | – | | |
| 2021/2025 | 197.30 | 44,000 | 44,000 | | |
| 2022/2026 | 106.10 | 40,000 | 40,000 | | |
| 2023/2027 | 181.10 | 51,500 | 51,500 | | |

## Guidelines for remuneration of senior management

The Company must provide remuneration that is in line with market conditions if it is to implement the Company's strategy and sustainable long-term interests. The remuneration is to be in relation to the responsibilities and powers held and consists of fixed and variable salary, pension and other benefits. Fixed salary is to be paid in the form of cash salary and be reviewed annually. The variable salary may be equivalent to not more than 40 percent of the fixed annual salary. In addition, a premium of 20 percent of the variable salary can be paid for the portion used to acquire shares in Bergman & Beving AB. Variable remuneration shall be linked to established, predetermined and measurable targets, which may be financial or non-financial, or individual performances that promote the Company's long-term and sustainable development. Variable salary is regulated the year after qualification. The Board of Directors assesses, on the basis of a proposal from the Compensation Committee, how well the President & CEO fulfilled the targets for variable remuneration at the end of the measurement period. The President & CEO makes a similar assessment of other management. Pension benefits for the President & CEO and other senior management may consist of either a defined-benefit pension plan according to ITP or a defined-contribution plan with certain individual adjustments. Provisions for pensions must not exceed 40 percent of the pensionable salary. Salary sacrifices can be used to strengthen the occupational pension by paying pension provisions as a lump sum on the condition that the total cost for the Company is neutral. Other benefits, including company car, travel concessions, healthcare insurance and occupational health services, shall be competitive and only represent a minor share of the total remuneration. In addition to remuneration, the Board shall annually evaluate the need for share-based incentive programmes and, where necessary, present a proposal for resolution at the General Meeting.

In the event of termination of employment on the initiative of the Company, the period of notice is a maximum of 12 months. Severance pay, in addition to salary and other benefits during the notice period, shall amount to not more than 12 months' fixed salary. Efforts should be made to link severance pay to rules governing loyalty and a non-compete undertaking according to prevailing case-law, in addition to rules that regulate deduction from other remuneration. In the event of termination of employment on the initiative of the member of senior management, the period of notice is a maximum of 12 months.

Bergman & Beving's directors elected by the General Meeting shall, in special cases and for a limited period, be paid for services that are not considered Board work. Remuneration for these services shall be on market terms and for each director never exceed two times the normal annual directors' fee.

The Board shall prepare a proposal for new guidelines at least every fourth year for resolution by the Annual General Meeting. The Compensation Committee appointed by the Board shall continuously monitor and evaluate these guidelines and their implementation. Remuneration of the President & CEO shall be decided by the Board of Directors after being prepared and recommended by the Compensation Committee, within the scope of established remuneration principles. Remuneration of other senior management shall be decided by the Compensation Committee, within the scope of established remuneration principles and after consulting with the President & CEO.

*Continues on next page...*

**Note 5 cont.**

The President & CEO and other senior management do not participate in the Board's or Compensation Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. The Board may decide to derogate from the guidelines for employment contracts governed by rules and practice other than what applies in Sweden or in individual cases if there are special reasons for this and a derogation is necessary to serve the Company's and shareholders' long-term interests. The Compensation Committee prepares the Board's decisions concerning derogation from the guidelines. In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account and comprised a part of the Compensation Committee's and Board's decision documentation.

*Guidelines established at the Annual General Meeting of Bergman & Beving AB held on 26 August 2020. These guidelines have been applied to all agreements entered into with the President & CEO and other members of Group management during 2021/2022. The guidelines apply until the 2024 Annual General Meeting.*

## NOTE 6 Fees and reimbursement to auditors

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023/2024 | 2022/2023 | 2023/2024 | 2022/2023 |
| **Audit assignment** | | | | |
| Deloitte | 3 | – | 1 | – |
| KPMG | 3 | 5 | 0 | 1 |
| Other auditors | 2 | 1 | – | – |
| **Fees for audit assignment** | **8** | **6** | **1** | **1** |
| **Audit activities in addition to audit assignment** | | | | |
| Deloitte | – | – | – | – |
| KPMG | 0 | 0 | 0 | – |
| Other auditors | 0 | 0 | – | – |
| **Fees for audit activities in addition to audit assignment** | **0** | **0** | **0** | **–** |
| **Tax advisory services** | | | | |
| Deloitte | – | – | – | – |
| KPMG | 0 | 0 | 0 | 0 |
| Other auditors | 0 | 0 | – | – |
| **Fees for tax advisory services** | **0** | **0** | **0** | **0** |
| **Other assignments** | | | | |
| Deloitte | – | – | – | – |
| KPMG | 1 | 0 | 1 | 0 |
| Other auditors | 0 | 1 | – | – |
| **Fees for other assignments** | **1** | **1** | **1** | **0** |
| **Total fees to auditors** | **9** | **7** | **2** | **1** |

Audit assignment refers to statutory auditing of the Annual Report and accounting as well as the administration of the Board of Directors and the President & CEO, and auditing and other reviews carried out in accordance with the law, agreements or contracts. This includes other work assignments that are incumbent upon the Company's auditors as well as advisory services or other assistance occasioned through the findings of such reviews or the performance of such other work assignments. Other assignments comprise advisory services concerning accounting issues. Bergman & Beving's Auditor in Charge for the 2023/2024 financial year is Deloitte AB and the Auditor in Charge for 2022/2023 was KPMG AB. The year's reported remuneration for the audit assignment comprised the year's invoiced costs as Auditor in Charge during the respective six-month periods. Other reported remuneration to KPMG for the 2023/2024 financial year pertains to other assignments that KPMG performed as Auditor in Charge.

## NOTE 7 Net financial items

| | Group | |
|---|---|---|
| | 2023/2024 | 2022/2023 |
| Interest income | 16 | 8 |
| Dividends | 0 | 0 |
| Exchange-rate changes | 1 | 0 |
| Other financial income | 0 | 1 |
| **Financial income** | **17** | **9** |
| Interest expense | –90 | –44 |
| Interest expense on defined-benefit pensions | –18 | –14 |
| Interest expense on lease liability | –15 | –9 |
| Other financial expenses | –5 | –10 |
| **Financial expenses** | **–128** | **–77** |
| **Net financial items** | **–111** | **–68** |

| | Parent Company | |
|---|---|---|
| | 2023/2024 | 2022/2023 |
| **Interest income and similar profit/loss items** | | |
| Interest income, Group companies | 175 | 97 |
| Interest income, other | 11 | 7 |
| Exchange-rate changes | 1 | 0 |
| **Total** | **187** | **104** |
| **Interest expense and similar profit/loss items** | | |
| Interest expense, Group companies | –40 | –10 |
| Interest expense, other | –89 | –44 |
| Other financial expenses | 0 | –3 |
| **Total** | **–129** | **–57** |

Interest expense pertains to financial liabilities measured at amortised cost.

## NOTE 8 Appropriations

| | Parent Company | |
|---|---|---|
| | 2023/2024 | 2022/2023 |
| Tax allocation reserve, reversal for the year | 6 | 44 |
| Accelerated depreciation | – | 0 |
| Group contributions received | 161 | 164 |
| Group contributions paid | –156 | –193 |
| **Total** | **11** | **15** |

# NOTE 9 Taxes

## Taxes recognised in profit or loss

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023/2024 | 2022/2023 | 2023/2024 | 2022/2023 |
| **Current tax** | | | | |
| Tax expense for the period | –75 | –73 | 0 | 0 |
| Deduction of foreign taxes | 0 | –1 | – | – |
| Adjustment of taxes attributable to earlier years | –1 | 0 | 0 | – |
| **Total current tax** | **–76** | **–74** | **0** | **0** |
| **Deferred tax** | | | | |
| Deferred tax attributable to temporary differences | 4 | 16 | – | –1 |
| Effect of changed tax rates | –2 | – | – | – |
| Utilisation of previously capitalised tax loss carryforwards | 1 | 1 | – | – |
| Deferred tax attributable to the capitalised tax value of remaining negative net interest income | 13 | – | – | – |
| **Total deferred tax** | **16** | **17** | **–** | **–1** |
| **Total tax** | **–60** | **–57** | **0** | **–1** |

## Reconciliation of effective taxes

### Group

The Group's weighted average tax rate, with its current geographic mix, is approximately 22 percent (21). The relationship between taxes at the average tax rate and recognised taxes for the Group is illustrated in the following table:

| | 2023/2024 | % | 2022/2023 | % |
|---|---|---|---|---|
| Profit before taxes | 261 | | 271 | |
| Taxes according to average tax rate for the Group | –57 | *22* | –57 | *21* |
| Tax effect of: | | | | |
| Changed tax rate | –2 | *1* | – | – |
| Standard rate/income on tax allocation reserve | 0 | *0* | –1 | *0* |
| Taxes attributable to earlier years | –1 | *0* | 0 | *0* |
| Utilisation of previously non-capitalised tax loss carryforwards | 0 | *0* | 0 | *0* |
| Non-taxable contingent consideration recognised as revenue | 3 | *–2* | 4 | *–2* |
| Non-deductible expenses | –5 | *2* | –5 | *2* |
| Non-taxable income | 1 | *0* | 5 | *–2* |
| Other items | 1 | *0* | –3 | *2* |
| **Total tax** | **–60** | ***23*** | **–57** | ***21*** |

### Parent Company

The relationship between the Swedish tax rate of 20.6 percent (20.6) and recognised taxes for the Parent Company is presented in the following table:

| | 2023/2024 | % | 2022/2023 | % |
|---|---|---|---|---|
| Profit before taxes | 57 | | 45 | |
| Tax according to current tax rate for the Parent Company | –12 | *21* | –9 | *21* |
| Tax effect of: | | | | |
| Standard rate/income on tax allocation reserve | 0 | *0* | 1 | *2* |
| Negative net interest income received | 12 | *–21* | 10 | *–23* |
| Non-deductible expenses | 0 | *0* | –1 | *2* |
| **Total tax** | **0** | ***0*** | **–1** | ***2*** |

## Taxes recognised in the statement of comprehensive income and directly against equity

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023/2024 | 2022/2023 | 2023/2024 | 2022/2023 |
| Deferred tax on defined-benefit pension plans | 19 | –25 | – | – |
| Deferred tax on hedge accounting of financial instruments | 0 | –1 | 0 | –1 |
| **Total** | **19** | **–26** | **0** | **–1** |

**Note 9 cont.**

## Deferred tax assets and liabilities

| | 31 Mar 2024 | | | 31 Mar 2023 | | |
|---|---|---|---|---|---|---|
| **Group** | **Receivables** | **Liabilities** | **Net** | **Receivables** | **Liabilities** | **Net** |
| Non-current assets | 6 | –132 | **–126** | 5 | –88 | **–83** |
| Untaxed reserves | 0 | –6 | **–6** | 0 | –4 | **–4** |
| Pension provisions | 14 | –1 | **13** | 3 | –3 | **0** |
| Capitalisation of remaining negative net interest income | 13 | – | **13** | – | – | – |
| Other | 26 | –24 | **2** | 26 | –20 | **6** |
| **Total** | **59** | **–163** | **–104** | **34** | **–115** | **–81** |

Deferred tax on temporary differences related to leases with the application of IFRS 16 amounted to MSEK 4 (2), of which MSEK 97 (92) pertains to a deferred tax asset and MSEK 93 (90) to a deferred tax liability.

| | 2023/2024 | | | | | |
|---|---|---|---|---|---|---|
| **Group** | **Amount at the beginning of the year** | **Recognised in profit or loss** | **Acquisition/ disposal of subsidiaries** | **Recognised in other comprehensive income** | **Translation effect** | **Amount at the end of the year** |
| Non-current assets | **–83** | 12 | –54 | 0 | –1 | **–126** |
| Untaxed reserves | **–4** | 1 | –3 | – | – | **–6** |
| Pension provisions | **0** | –6 | – | 19 | 0 | **13** |
| Capitalisation of remaining negative net interest income | **–** | 13 | – | – | – | **13** |
| Other | **6** | –4 | 0 | – | 0 | **2** |
| **Total** | **–81** | **16** | **–57** | **19** | **–1** | **–104** |

| | 2022/2023 | | | | | |
|---|---|---|---|---|---|---|
| **Group** | **Amount at the beginning of the year** | **Recognised in profit or loss** | **Acquisition/ disposal of subsidiaries** | **Recognised in other comprehensive income** | **Translation effect** | **Amount at the end of the year** |
| Non-current assets | **–55** | 9 | –34 | –1 | –2 | **–83** |
| Untaxed reserves | **–22** | 18 | – | – | – | **–4** |
| Pension provisions | **35** | –10 | – | –25 | 0 | **0** |
| Other | **6** | 0 | – | – | 0 | **6** |
| **Total** | **–36** | **17** | **–34** | **–26** | **–2** | **–81** |

Non-capitalised tax loss carryforwards in the Group amounted to MSEK 0 (0).
The Parent Company had a deferred tax asset/liability of MSEK 0 (0) pertaining to financial assets.

## Tax asset/liability, net

In addition to the deferred tax asset/liability, there are also the following tax assets and liabilities.

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023/2024** | **2022/2023** | **2023/2024** | **2022/2023** |
| Tax asset | 65 | 47 | 0 | – |
| Tax liability | –51 | –39 | – | 0 |
| **Tax asset/liability, net** | **14** | **8** | **0** | **0** |

# **NOTE 10** Intangible non-current assets

| | 2023/2024 | | | | | 2022/2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Acquired intangible assets | | | | | Acquired intangible assets | | | | |
| **Group** | **Goodwill** | **Brands** | **Customer relations** | **Other[2]** | **Total** | **Goodwill** | **Brands** | **Customer relations** | **Other[2]** | **Total** |
| **Accumulated cost** | | | | | | | | | | |
| **At the beginning of the year** | **1,815** | **70** | **526** | **353** | **2,764** | **1,667** | **70** | **347** | **322** | **2,406** |
| Investments | – | – | – | 29 | **29** | – | – | – | 31 | **31** |
| Acquisition of subsidiaries | 195 | – | 245 | – | **440** | 142 | – | 169 | 2 | **313** |
| Sales and disposals[1] | – | – | – | –4 | **–4** | – | – | – | –2 | **–2** |
| Translation differences | 8 | – | 10 | 0 | **18** | 6 | – | 10 | 0 | **16** |
| **At year-end** | **2,018** | **70** | **781** | **378** | **3,247** | **1,815** | **70** | **526** | **353** | **2,764** |
| | | | | | | | | | | |
| **Accumulated amortisation** | | | | | | | | | | |
| **At the beginning of the year** | **–** | **–14** | **–172** | **–153** | **–339** | **–** | **–13** | **–128** | **–124** | **–265** |
| Amortisation for the year | – | –2 | –65 | –34 | **–101** | – | –1 | –42 | –30 | **–73** |
| Acquisition of subsidiaries | – | – | – | – | **–** | – | – | 0 | –2 | **–2** |
| Sales and disposals | – | – | – | 1 | **1** | – | – | – | 2 | **2** |
| Translation differences | – | – | –2 | –1 | **–3** | – | – | –2 | 1 | **–1** |
| **At year-end** | **–** | **–16** | **–239** | **–187** | **–442** | **–** | **–14** | **–172** | **–153** | **–339** |
| | | | | | | | | | | |
| **Impairment losses on cost** | | | | | | | | | | |
| **At the beginning of the year** | **–** | **–** | **–** | **–6** | **–6** | **–** | **–** | **–** | **–6** | **–6** |
| Impairment losses for the year | – | – | – | – | **–** | – | – | – | – | **–** |
| **At year-end** | **–** | **–** | **–** | **–6** | **–6** | **–** | **–** | **–** | **–6** | **–6** |
| **Carrying amount at the beginning of the year** | **1,815** | **56** | **354** | **194** | **2,419** | **1,667** | **57** | **219** | **192** | **2,135** |
| **Carrying amount at year-end** | **2,018** | **54** | **542** | **185** | **2,799** | **1,815** | **56** | **354** | **194** | **2,419** |

1) Earnings on the disposal of intangible non-current assets amounted to MSEK –3 (0).
2) Other consists of software, capitalised expenditure for development of IT systems and products.

## Impairment testing of goodwill and other intangible assets with an indefinable useful life

Recognised goodwill values were tested prior to the balance-sheet date on 31 March 2024, using the balance sheet on 31 March 2024 as a base. Bergman & Beving's operating divisions comprise Core Solutions, Safety Technology and Industrial Equipment. The divisions are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations.

The Group's recognised goodwill of MSEK 2,018 (1,815) has been allocated by operating segment according to the table below:

| | **31 Mar 2024** | **31 Mar 2023** |
|---|---|---|
| Core Solutions | 714 | 644 |
| Safety Technology | 734 | 695 |
| Industrial Equipment | 570 | 476 |
| **Total goodwill** | **2,018** | **1,815** |

Current goodwill is monitored by Group management at the division level, which constitutes cash-generating units. Thus, goodwill values are tested at the corresponding division level.

Acquisitions conducted during the year have been allocated to the division that carried out the acquisition.

The calculation of future cash flows is based on the strategic plans established by Group management for the coming four years. Each division makes individual assumptions based on their market position and the market trend. Forecast cash flows are based on future revenue, contribution margin ratios, cost level, EBITDA, and working capital and investment requirements. Adjustments have been made where major changes are expected in order to better reflect these changes. These forecasts represent management's judgment and are based on both external and internal sources. The most material assumptions for establishing value in use are anticipated growth rate, EBITDA and discount rate. For the period after four years, annual growth is estimated at 2 percent.

The discount rate comprises a weighted average capital cost (WACC) for borrowed capital and equity and has been calculated at an average rate of 10 percent (11) before taxes. These assumptions apply for all cash-generating units.

The testing of goodwill values indicated that the recoverable amount was higher than the carrying amount and thus did not give rise to any impairment requirement. The sensitivity of the calculation means that the goodwill value would remain warranted even if the discount rate were to be raised by 1 percentage point, the long-term growth rate were to be reduced by 1 percentage point or EBITDA were to be reduced by 1 percentage point.

## Brands

Teng Tools represents a strong brand that is well known on the market. The carrying amount of the Teng Tools brand's associated division Industrial Equipment is MSEK 50 (50) and has an unlimited service life. Each year, a test is conducted to determine the impairment requirement for the brand based on the same principles as in the determination of goodwill. The testing of the brand did not indicate any impairment requirement. No other events or changed circumstances were identified that would warrant an impairment loss on brands.

## **NOTE 11** Tangible non-current assets

| Group | 2023/2024 Land and buildings | Leasehold improvements | Machinery and equipment | Construction in progress | Total | 2022/2023 Land and buildings | Leasehold improvements | Machinery and equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated cost** | | | | | | | | | | |
| **At the beginning of the year** | **80** | **41** | **253** | **7** | **381** | **75** | **38** | **205** | **5** | **323** |
| Investments | 1 | 2 | 17 | 9 | **29** | 5 | 1 | 17 | 3 | **26** |
| Acquisition of subsidiaries | 6 | – | 47 | – | **53** | 1 | 0 | 32 | – | **33** |
| Sales and disposals[1] | –1 | –1 | –12 | – | **–14** | 0 | 0 | –5 | – | **–5** |
| Disposal of subsidiaries | – | – | – | – | **–** | –2 | – | – | – | **–2** |
| Reclassifications | – | – | 1 | –1 | **0** | – | 2 | –1 | –1 | **0** |
| Translation differences | 1 | 0 | 4 | 0 | **5** | 1 | 0 | 5 | – | **6** |
| **At year-end** | **87** | **42** | **310** | **15** | **454** | **80** | **41** | **253** | **7** | **381** |
| **Accumulated depreciation** | | | | | | | | | | |
| **At the beginning of the year** | **–35** | **–21** | **–184** | | **–240** | **–33** | **–17** | **–146** | | **–196** |
| Depreciation for the year | –2 | –4 | –22 | | **–28** | –2 | –4 | –18 | | **–24** |
| Acquisition of subsidiaries | –1 | – | –35 | | **–36** | 0 | 0 | –21 | | **–21** |
| Sales and disposals[1] | – | 1 | 10 | | **11** | 0 | 0 | 5 | | **5** |
| Disposal of subsidiaries | – | – | – | | **–** | – | – | – | | **–** |
| Reclassifications | – | – | – | | **–** | – | 0 | 0 | | **0** |
| Translation differences | 0 | 0 | –3 | | **–3** | 0 | 0 | –4 | | **–4** |
| **At year-end** | **–38** | **–24** | **–234** | **–** | **–296** | **–35** | **–21** | **–184** | **–** | **–240** |
| **Impairment losses on cost** | | | | | | | | | | |
| **At the beginning of the year** | **–** | **–1** | **0** | | **–1** | **–** | **–1** | **0** | | **–1** |
| Impairment losses for the year | – | – | – | | **–** | – | – | – | | **–** |
| Reversal of impairment losses | – | – | – | | **–** | – | – | – | | **–** |
| Disposal of subsidiaries | – | – | – | | **–** | – | – | – | | **–** |
| Translation differences | – | – | 0 | | **0** | – | – | 0 | | **0** |
| **At year-end** | **–** | **–1** | **0** | **–** | **–1** | **–** | **–1** | **0** | **–** | **–1** |
| **Carrying amount at the beginning of the year** | **45** | **19** | **69** | **7** | **140** | **42** | **20** | **59** | **5** | **126** |
| **Carrying amount at year-end** | **49** | **17** | **76** | **15** | **157** | **45** | **19** | **69** | **7** | **140** |

1) Earnings on the disposal of tangible non-current assets amounted to MSEK 1 (0).

| Parent Company | 2023/2024 Leasehold improvements | Equipment | Total | 2022/2023 Leasehold improvements | Equipment | Total |
|---|---|---|---|---|---|---|
| **Accumulated cost** | | | | | | |
| **At the beginning of the year** | **2** | **1** | **3** | **2** | **1** | **3** |
| Investments | – | – | **–** | – | – | **–** |
| Sales and disposals | – | – | **–** | – | – | **–** |
| **At year-end** | **2** | **1** | **3** | **2** | **1** | **3** |
| **Accumulated depreciation according to plan** | | | | | | |
| **At the beginning of the year** | **–1** | **0** | **–1** | **–1** | **0** | **–1** |
| Depreciation for the year according to plan | 0 | –1 | **–1** | 0 | 0 | **0** |
| Sales and disposals | – | – | **–** | – | – | **–** |
| **At year-end** | **–1** | **–1** | **–2** | **–1** | **0** | **–1** |
| **Impairment losses on cost** | | | | | | |
| **At the beginning of the year** | **–** | **–** | **–** | **–** | **–** | **–** |
| Reversal of impairment losses | – | – | **–** | – | – | **–** |
| **At year-end** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Carrying amount at the beginning of the year** | **1** | **1** | **2** | **1** | **1** | **2** |
| **Carrying amount at year-end** | **1** | **0** | **1** | **1** | **1** | **2** |

## NOTE 12 Long-term intra-Group receivables and liabilities

| | Parent Company | |
|---|---|---|
| **Receivables from Group companies** | **31 Mar 2024** | **31 Mar 2023** |
| **Carrying amount at the beginning of the year** | **1,879** | **1,835** |
| Additional assets | 6 | 75 |
| Deducted assets | –19 | –31 |
| **Carrying amount at year-end** | **1,866** | **1,879** |

| | Parent Company | |
|---|---|---|
| **Liabilities to Group companies** | **31 Mar 2024** | **31 Mar 2023** |
| **Carrying amount at the beginning of the year** | **223** | **–** |
| Additional liabilities | 69 | 223 |
| Deducted liabilities | –82 | – |
| **Carrying amount at year-end** | **210** | **223** |

## NOTE 13 Long-term receivables och other receivables

| **Group** | **31 Mar 2024** | **31 Mar 2023** |
|---|---|---|
| **Long-term receivables classified as non-current assets** | | |
| Pension funds | 3 | 4 |
| Other receivables | 1 | 1 |
| **Total** | **4** | **5** |

| **Group** | **31 Mar 2024** | **31 Mar 2023** |
|---|---|---|
| **Other receivables classified as current assets** | | |
| Advance payments | 13 | 7 |
| Derivatives | 1 | 8 |
| VAT receivable | 16 | 15 |
| Receivable from pension foundations | 7 | 6 |
| Other receivables | 12 | 21 |
| **Total** | **49** | **57** |

## NOTE 14 Inventories

| **Group** | **31 Mar 2024** | **31 Mar 2023** |
|---|---|---|
| **Finished goods and goods for resale at the beginning of the year** | **1,360** | **1,233** |
| Change for the year | –214 | 136 |
| Impairment losses | –11 | –32 |
| Reversal of previous impairment losses | 54 | 23 |
| **Finished goods and goods for resale at year-end** | **1,189** | **1,360** |

The cost of goods sold includes impairment of inventories in the amount of MSEK -11 (-32) and the reversal of previous impairment of MSEK 54 (23), yielding a net amount of MSEK 43 (-9).

## NOTE 15 Prepaid expenses and accrued income

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **31 Mar 2024** | **31 Mar 2023** | **31 Mar 2024** | **31 Mar 2023** |
| **Prepaid expenses** | | | | |
| Rent | 3 | 3 | 1 | 1 |
| Insurance premiums | 4 | 5 | 1 | 3 |
| Marketing costs | 3 | 4 | – | – |
| Leases | 2 | 2 | – | – |
| Computer costs | 2 | 2 | – | – |
| Packaging | 5 | 6 | – | – |
| Licences | 8 | 6 | 0 | 0 |
| Other prepaid expenses | 21 | 17 | 2 | 1 |
| **Accrued income** | | | | |
| Commission and bonus income | 5 | 10 | – | – |
| Other accrued income | 13 | 2 | – | – |
| **Total** | **66** | **57** | **4** | **5** |

# NOTE 16 Reserves och equity

| Group | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Translation reserve** | | |
| **Opening translation reserve** | **20** | **–23** |
| Translation differences for the year[1] | 30 | 43 |
| **Closing translation reserve** | **50** | **20** |
| | | |
| **Hedging reserve** | | |
| **Opening hedging reserve** | **2** | **–3** |
| Cash-flow hedges recognised in other comprehensive income: | | |
| Hedging for the year | –1 | 1 |
| Transferred to profit or loss | –1 | 5 |
| Taxes attributable to cash-flow hedges | 0 | –1 |
| **Closing hedging reserve** | **0** | **2** |
| | | |
| **Total reserves** | | |
| **Opening reserves** | **22** | **–26** |
| Change in reserves for the year: | | |
| Translation reserve | 30 | 43 |
| Hedging reserve | –2 | 6 |
| Tax attributable to changes in reserves for the year | 0 | –1 |
| **Closing reserves** | **50** | **22** |

1) MSEK 2 (1) attributable to non-controlling interests has been excluded from this year's translation difference.

## Repurchased own shares included in the equity item retained earnings, including net profit

| | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Opening repurchased Class B shares** | **861,677** | **913,677** |
| Repurchase of own shares | – | – |
| Sale of treasury shares in connection with redemption of share options | –132,634 | –52,000 |
| **Closing repurchased own shares** | **729,043** | **861,677** |

## Share capital

The total share capital issued consisted of 27,436,416 shares. No changes took place during the year.

As of 31 March 2024, the registered share capital comprised 1,062,436 Class A shares and 26,373,980 Class B shares. All shares have a quotient value of SEK 2.07 (2.07). All shares entitle their holders to the same rights to the Company's remaining net assets. For shares held in treasury (see below), all rights are rescinded until these shares have been reissued.

## Other contributed capital

Other contributed capital refers to equity contributed by the owners. This includes share premium reserves transferred to the statutory reserve on 31 March 2006. Provisions to the share premium reserve from 1 April 2006 and onwards are recognised as contributed capital.

## Reserves

### Translation reserve

The translation reserve includes all exchange-rate differences arising from the translation of financial statements from foreign businesses that have prepared their financial statements in a currency other than the currency in which the consolidated financial statements are presented. The Parent Company and the Group present their financial statements in SEK.

### Fair value reserve

The fair value reserve comprises the effective portion of the accumulated net change in the fair value of a cash-flow hedging instrument for hedging transactions that have not yet occurred.

## Retained earnings, including net profit

Retained earnings, including net profit, include profit earned in the Parent Company and its subsidiaries. Option liabilities that arise in connection with acquisitions, earlier allocations to the statutory reserve, not including share premium reserves, are included in this capital item.

## Repurchased shares

Repurchased shares include the acquisition cost of treasury shares held by the Parent Company and its subsidiaries. As of 31 March 2024, the Group held 729,043 own shares (861,677) in treasury. The Parent Company's treasury shares are intended to cover the Group's commitments in outstanding options programmes. For further information regarding the terms of the options programmes, refer to Note 5.

## Appropriation of profit

The Board of Directors proposes a dividend of SEK 3.80 (3.60) per share, totalling SEK 101,488 thousand calculated based on the number of shares as of 31 March 2024, and with due consideration for the 729,043 repurchased shares held in treasury.

| SEK thousand | |
|---|---|
| Retained earnings | 912,822 |
| Net profit | 56,688 |
| **Total** | **969,510** |

| The Board of Directors proposes that the available funds be allocated as follows: | |
|---|---|
| Dividend to shareholders, SEK 3.80 per share | 101,488 |
| To be brought forward | 868,022 |
| **Total** | **969,510** |

Over the past ten years, the ordinary dividend has amounted to approximately 45 percent of earnings per share.

| Year | Earnings per share[1] | Dividend[1] | Pay-out ratio, % |
|---|---|---|---|
| 2023/2024 | 7.15 | 3.80 | 53 |
| 2022/2023 | 7.80 | 3.60 | 46 |
| 2021/2022 | 7.55 | 3.40 | 45 |
| 2020/2021 | 6.15 | 3.00 | 49 |
| 2019/2020 | 4.30 | 1.50 | 35 |
| 2018/2019 | 6.25 | 3.00 | 48 |
| 2017/2018 | 5.70 | 2.50 | 44 |
| 2016/2017 | 8.40 | 5.00 | 60 |
| 2015/2016 | 12.90 | 5.00 | 39 |
| 2014/2015 | 10.90 | 4.00 | 37 |
| **Total** | **77.10** | **34.80** | **45** |

1) Earnings per share for 2017/2018 pertain only to continuing operations. No recalculation took place for 2016/2017 or for preceding year. Accordingly, earnings per share and dividends pertain to the B&B TOOLS Group including what was at the time Momentum Group.

## Capital management

### Bergman & Beving's long-term targets

Bergman & Beving has an internal profitability target for the Group as a whole and all of its profit units. The measure that is used is called P/WC, which refers to operating profit in relation to utilised working capital for the profit unit being measured. The Group's goal is for P/WC to amount to at least 45 percent per year for the Group as a whole and for each individual segment. The working capital that is required for the Group's various units is simplified into inventories plus accounts receivable less accounts payable.

Each segment develops its own business plans and priorities based on its performance in relation to a P/WC of at least 45 percent.

No changes were made to the Group's capital management during the year.

# NOTE 17 Earnings per share

## Earnings per share for the Group as a whole

| | Before dilution | | After dilution | |
|---|---|---|---|---|
| | 2023/2024 | 2022/2023 | 2023/2024 | 2022/2023 |
| Earnings per share, SEK | 7.15 | 7.80 | 7.15 | 7.80 |

The calculation of the numerators and denominators used in the above calculations of earnings per share is specified below.

## Earnings per share before dilution

The calculation of earnings per share for 2023/2024 was based on net profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 191 (207) and a weighted average number of shares outstanding during 2023/2024 amounting to 26,653,562 (26,559,578). The two components have been calculated in the following manner:

**Net profit attributable to Parent Company shareholders, before dilution**

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Net profit attributable to Parent Company shareholders | 191 | 207 |
| **Profit attributable to Parent Company shareholders, before dilution** | **191** | **207** |

**Weighted average number of shares outstanding, before dilution**

| | 2023/2024 | 2022/2023 |
|---|---|---|
| **Total number of shares, 1 April** | **27,436,416** | **27,436,416** |
| Effect of holding of treasury shares | –782,854 | –876,838 |
| **Number of shares for calculation of earnings per share** | **26,653,562** | **26,559,578** |

## Earnings per share after dilution

The calculation of earnings per share after dilution for 2023/2024 was based on net profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 191 (207) and a weighted average number of shares outstanding during 2023/2024 amounting to 26,801,414 (26,586,171). Weighted average number of shares outstanding has been adjusted for theoretical dilution of the number of shares, which for the year was attributable to call options issued to employees. The two components have been calculated in the following manner:

**Net profit attributable to Parent Company shareholders, after dilution**

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Net profit attributable to Parent Company shareholders | 191 | 207 |
| **Profit attributable to Parent Company shareholders, before dilution** | **191** | **207** |

**Weighted average number of shares outstanding, after dilution**

| | 2023/2024 | 2022/2023 |
|---|---|---|
| **Total number of shares, 1 April** | **27,436,416** | **27,436,416** |
| Effect of holding of treasury shares | –782,854 | –876,838 |
| Effect of options programmes | 147,852 | 26,593 |
| **Number of shares for calculation of earnings per share** | **26,801,414** | **26,586,171** |

As of 31 March 2024, Bergman & Beving AB had four call option programmes outstanding. In all of the programmes, the redemption price was lower than the share price as of 31 March 2024. Call options issued resulted in an insignificant dilution effect. Details about these call option programmes are provided in Note 5 Employees and personnel costs.

# NOTE 18 Provisions for pensions

Bergman & Beving offers pension solutions through a number of defined-contribution and defined-benefit plans. The plans are structured in accordance with local regulations and practices. In recent years, the Group has attempted to switch to pension solutions that are defined contribution and the cost of such plans comprises an increasingly significant portion of the total pension cost. The plans cover essentially all Group employees. Defined-benefit plans are only available in Sweden, Norway and Taiwan. In other countries in which the Group is active, defined-contribution plans are offered.

## Defined-contribution pension plans

These plans mainly cover retirement pensions and family pensions. Premiums are paid on an ongoing basis during the year by each Group company to separate legal entities, such as insurance companies, with the premium level based on salary. The pension cost for the period is included in profit or loss.

## Defined-benefit pension plans

These plans mainly cover retirement pensions. Vesting is based on the number of years of service. For each year of service, the employee earns an increased right to pension, which is recognised as benefits earned during the year and as an increase in pension obligations. The defined-benefit plans are exposed to actuarial risks, such as length of life, currency, interest-rate and investment risks. Approximately 95 percent of the pension obligations' gross present value pertains to Swedish PRI pensions, which are unfunded pension plans.

### Commitments for employee benefits, defined-benefit plans

The following provisions for pension obligations have been made in the balance sheet:

| Group | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| Pension obligations unfunded plans, present value | 558 | 489 |
| Pension obligations funded plans, present value | 26 | 26 |
| Plan assets, fair value | –28 | –29 |
| **Net pension obligations** | **556** | **486** |

The Group has a number of defined-benefit pension plans that are all managed individually. Funded plans are recognised in a net amount in the balance sheet. Accordingly, the obligations are recognised in the balance sheet in the following net amounts:

| Group | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| Plan assets for pension obligations | –3 | –4 |
| Provisions for pensions and similar commitments | 559 | 490 |
| **Net liabilities according to the balance sheet** | **556** | **486** |
| Of which, credit insured through PRI Pensionsgaranti | 464 | 447 |

### Performance of pension obligations and plan assets

Pension obligations, plan assets and provisions for pension obligations for the defined-benefit pension plans have developed as follows:

| Pension obligations unfunded plans | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Opening balance** | **490** | **607** |
| Benefits earned during the year | 2 | 12 |
| Interest expense | 18 | 14 |
| Benefits paid | –25 | –23 |
| Other | 0 | 0 |
| Remeasurement recognised in other comprehensive income, see separate specification | 73 | –120 |
| Translation differences | 0 | 0 |
| **Pension obligations unfunded plans, present value** | **558** | **490** |

**Note 18 cont.**

| Pension obligations funded plans | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Opening balance** | **26** | **27** |
| Benefits earned during the year | 0 | 0 |
| Interest expense | 1 | 1 |
| Benefits paid | –2 | –2 |
| Other | 0 | 0 |
| Remeasurement recognised in other comprehensive income, see separate specification | 1 | 2 |
| Translation differences | 0 | –2 |
| **Pension obligations funded plans, present value** | **26** | **26** |

| Present value of pension obligation specified by category (%) | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| Active | 7 | 8 |
| Paid-up policy holders | 42 | 42 |
| Pensioners | 51 | 50 |
| **Total** | **100** | **100** |

| Plan assets | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Opening balance** | **30** | **30** |
| Interest income recognised in profit or loss | 1 | 1 |
| Funds contributed by employers | 0 | 1 |
| Funds paid to employers | –2 | –2 |
| Other | 0 | 0 |
| Remeasurement recognised in other comprehensive income, see separate specification | 0 | 2 |
| Translation differences | –1 | –2 |
| **Plan assets, fair value** | **28** | **30** |

Plan assets comprise funds paid to and managed by insurance companies and are distributed between the following classes of assets:

| Plan assets | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| Cash and cash equivalents | 1 | 1 |
| Equity instruments | 5 | 5 |
| Debt instruments | 18 | 19 |
| Properties | 3 | 3 |
| Other assets | 1 | 2 |
| **Plan assets, fair value** | **28** | **30** |

All plan assets are managed by an insurance company and are incl uded in the insurance company's asset portfolio. The assets are thus not considered to be traded on an active market from Bergman & Beving's perspective. Estimated pension payments from funded pension obligations over the next ten-year period are calculated at approximately MSEK 23 and the liquidity risk is thus clearly limited with respect to the correlation between plan assets and obligations.

| Net change in defined-benefit obligations during the year | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Opening balance** | **486** | **604** |
| Pension costs, defined-benefit plans | 20 | 26 |
| Benefits paid | –27 | –25 |
| Funds contributed by employers | 0 | –1 |
| Funds paid to employers | 2 | 2 |
| Other | 0 | 0 |
| Remeasurement recognised in other comprehensive income, see separate specification | 74 | –120 |
| Translation differences | 1 | 0 |
| **Closing balance** | **556** | **486** |

### Pension costs

| Costs recognised in net profit | 2023/2024 | 2022/2023 |
|---|---|---|
| Pensions earned during the period | 2 | 12 |
| Net interest expense | 18 | 14 |
| **Pension costs, defined-benefit plans** | **20** | **26** |
| Pension costs, defined-contribution plans | 67 | 57 |
| **Pension costs in net profit** | **87** | **83** |

Pension costs are distributed in profit or loss between personnel costs and net financial items, with the latter comprising the net amount of interest on the obligations and interest on the plan assets.

| Remeasurement recognised in other comprehensive income | 2023/2024 | 2022/2023 |
|---|---|---|
| Actuarial gains and losses attributable to demographic assumptions | 6 | – |
| Actuarial gains and losses attributable to financial assumptions | 48 | –145 |
| Actuarial gains and losses attributable to experience-based assumptions | 18 | 25 |
| **Total remeasurement pension obligations** | **72** | **–120** |
| Difference between actual return and return according to discount rate on plan assets | 0 | 0 |
| **Total remeasurement included in other comprehensive income** | **72** | **–120** |

### Actuarial assumptions

| 2023/2024 | Sweden | Norway | Taiwan |
|---|---|---|---|
| Discount rate, 31 March, % | 3.50 | 3.60 | 1.20 |
| Expected salary increase, % | 2.75 | 3.50 | 1.75 |
| Expected inflation, % | 2.00 | n/a | n/a |
| Expected remaining period of service, years | 11.0 | n/a | 11.0 |

| 2022/2023 | Sweden | Norway | Taiwan |
|---|---|---|---|
| Discount rate, 31 March, % | 4.00 | 3.20 | 1.20 |
| Expected salary increase, % | 2.75 | 3.25 | 1.75 |
| Expected inflation, % | 2.00 | n/a | n/a |
| Expected remaining period of service, years | 11.6 | n/a | 11.0 |

### Length of life assumptions

Length of life assumptions are based on published statistics and mortality figures. Remaining lengths of lives are presented in the table below.

| | Sweden | Norway | Taiwan |
|---|---|---|---|
| Length of life assumptions at 65 years of age – retired members: | | | |
| Men | 21.8 | 22.9 | 20.8 |
| Women | 23.9 | 26.2 | 24.3 |
| Length of life assumptions at 65 years of age – members who are 40 years of age: | | | |
| Men | 24.0 | 24.2 | – |
| Women | 25.1 | 27.9 | – |

**Note 18 cont.**

### Sensitivity analysis

The most significant assumptions and judgments when calculating the Group's pension obligations comprise discount rate, future salary increases, inflation and expected length of life. The principles for establishing these factors are described in Note 1 Significant accounting policies. The table below shows how the total pension liability would be affected by changes in each assumption.

| Changes in pension obligations due to changed assumptions (MSEK): | Liability (increase/decrease): | |
|---|---|---|
| Discount rate, –0.50%/+0.50% | 40 | –36 |
| Salary increases, +0.50%/–0.50% | 10 | –8 |
| Inflation, +0.50%/–0.50% | 36 | –33 |
| Length of life, +1 year/–1 year | 21 | –21 |

The above sensitivity analysis is based on a change in one assumption while the others remain constant.

### Financing

As of 31 March 2024, the average weighted term of the total pension obligation was 14.7 years (14.2), of which unfunded PRI pensions in Sweden had an average weighted term of 15.0 years (14.4).

Bergman & Beving estimates that approximately MSEK 27 (27) will be paid in 2024/2025 to funded and unfunded defined-benefit pension plans recognised as defined-benefit plans and approximately MSEK 5 (6) will be paid in 2024/2025 to defined-benefit plans recognised as defined-contribution plans. The latter pertains exclusively to ITP2 in Swedish companies.

### Parent Company

A discount rate of 2.85 percent (2.85) was applied to the calculation of the amount of the pension obligation for the Parent Company. As of 31 March 2024, the Parent Company has one defined-benefit plan pertaining to PRI Pensionsgaranti. These obligations are recognised in the balance sheet in the following amounts:

| Parent Company | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| Pension obligations unfunded plan, present value | 43 | 43 |
| **Net pension obligations and net liability according to the balance sheet** | **43** | **43** |
| Of which, credit insured through PRI Pensionsgaranti | 43 | 43 |

Pension obligations for the defined-benefit pension plan have developed as follows:

| Pension obligations unfunded plans | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Opening balance** | **43** | **40** |
| Benefits earned during the year [1] | 1 | 4 |
| Interest expense | 2 | 2 |
| Benefits paid | –3 | –3 |
| **Closing balance** | **43** | **43** |

| Pension costs | 2023/2024 | 2022/2023 |
|---|---|---|
| Benefits earned during the year, personnel costs [1] | 1 | 4 |
| Interest expense | 2 | 2 |
| **Pension costs, defined-benefit plans** | **3** | **6** |
| Pension costs, defined-contribution plans | 3 | 4 |
| **Pension costs in net profit** | **6** | **10** |

1) Benefits earned in 2023/2024 include mortality gains of MSEK 2 (0).

## NOTE 19 Other provisions

| Group | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Provisions classified as non-current liabilities** | | |
| Guarantee commitments | 0 | 0 |
| Restructuring | 10 | 12 |
| Additional purchase considerations | 117 | 80 |
| Option liabilities, acquisitions | 134 | – |
| **Total** | **261** | **92** |

| Specification – non-current liabilities | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **92** | **35** |
| Provisions made during the period | 231 | 75 |
| Dissolutions made during the period | –62 | –18 |
| **Carrying amount at the end of the period** | **261** | **92** |

## NOTE 20 Other liabilities

| Group | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Other current liabilities** | | |
| Advance payments from customers | 6 | 3 |
| Employee withholding taxes | 20 | 19 |
| VAT liability | 123 | 121 |
| Additional purchase considerations | 55 | 26 |
| Other operating liabilities | 8 | 20 |
| **Total** | **212** | **189** |

## NOTE 21 Accrued expenses and deferred income

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 31 Mar 2024 | 31 Mar 2023 | 31 Mar 2024 | 31 Mar 2023 |
| **Accrued expenses** | | | | |
| Salaries and remuneration to employees | 121 | 113 | 4 | 6 |
| Pension costs | 3 | 3 | – | – |
| Social security contributions | 57 | 56 | 6 | 7 |
| Bonuses, refunds to customers/suppliers | 87 | 87 | – | – |
| Car and travel expenses | 1 | 2 | – | – |
| Directors' and auditors' fees | 5 | 5 | 0 | 1 |
| Other consulting fees | 1 | 2 | 0 | 0 |
| Marketing costs | 2 | 4 | – | – |
| Guarantee costs | 0 | 0 | – | – |
| Shipping costs | 3 | 4 | – | – |
| Operating and lease costs | 27 | 55 | – | – |
| Interest expense | 5 | 4 | 5 | 4 |
| Restructuring | 6 | 3 | – | – |
| Other accrued expenses | 7 | 12 | 4 | 2 |
| **Total** | **325** | **350** | **19** | **20** |

# NOTE 22 Financial instruments and financial risk management

## Financial risks

The operations of Bergman & Beving entail exposure to a number of financial risks. Changes, particularly in foreign-exchange rates and interest-rate levels, affect the Group's earnings and cash flow. Financing risks also arise and are managed within the framework of the Group's adopted policies.

## Financial operations

The goal of the Group's financial operations is to ensure high efficiency in the areas of investments, liquidity flows, borrowing, foreign-currency management and granting of credit. The Board of Directors determines the Financial Policy each year, including the guidelines, goals and framework for treasury management and for managing the financial risks in the Group. The Financial Policy defines and identifies the financial risks that can arise, and regulates the distribution of responsibility between the Board of Directors, the President & CEO, the CFO, the Treasury function as well as subsidiary presidents and CFOs. Actual outcomes are reported monthly or quarterly.

The Group's central financial operations comprise securing the Group's long-term supply of liquidity for investments and working capital in an efficient manner as well as ensuring that systems are available for efficient cash management in the Group companies. All foreign-currency management and granting of credit to customers are handled within the framework of the established policy. The Parent Company has a central Treasury function whose task is to manage the Group's external borrowing, investments of surplus liquidity, agreement and conditions governing cash pooling, pledging of the Group's assets and issuance of contingent liabilities.

## Financial instruments and hedge accounting

When needed, the Group uses financial derivative instruments to manage foreign-exchange risks and interest-rate risks that arise during operations. Derivative instruments held for hedging during the operating year comprise foreign-exchange forward contracts.

The Group identifies certain derivatives as a hedge on a highly probable forecast transaction (cash-flow hedging). These derivative instruments are hedged, which means that the instruments are recognised in the balance sheet at fair value and that any change in value of these instruments is recognised as equity in other comprehensive income until its underlying cash flow is reflected in profit or loss. Refer also to Note 1 Significant accounting policies.

## Foreign-exchange risks

For Bergman & Beving, foreign-exchange risk arises in the subsidiaries as follows: as a result of future payment flows in foreign currencies, referred to as a transaction exposure, through portions of the Group's equity comprising net assets of foreign subsidiaries and through the Group's profit comprising profit from foreign subsidiaries, referred to as a translation exposure.

### Transaction exposure

Transaction exposure comprises future contracted and forecast receipts and disbursements in foreign currencies for subsidiaries, which, in the Group's case, mainly involves purchases and sales of goods.

The total transaction exposure for key currencies is shown in the table below.

**Annual net flow by currency, MSEK**

| Currency | 2023/2024 | 2022/2023 |
|---|---|---|
| NOK | 659 | 746 |
| EUR | 194 | 124 |
| USD | −224 | −268 |
| TWD | −108 | −181 |
| DKK | 31 | 34 |
| PLN | 25 | 35 |
| CNY | −28 | −53 |
| GBP | −21 | −9 |
| JPY | −10 | −9 |

The Group has its primary customer markets in Sweden, Norway and Finland, with sales in SEK, NOK and EUR, respectively. A large portion of purchasing takes place outside the Nordic region and is mainly paid in EUR, USD and TWD. The breakdown per currency is not expected to change significantly in the coming years.

The effects of exchange-rate changes are reduced on the basis of purchases and sales in the same currency, currency clauses and foreign-exchange forward contracts. Risk exposure is limited by the Group's sales largely comprising products that are sold at a fixed price in the local currency according to a price list valid over a period of approximately six months.

Group companies hedge parts of their future currency outflows in foreign currency using foreign-exchange forward contracts, in accordance with the Financial Policy. Most of the hedging of exchange-rate changes is conducted for the period deemed necessary to allow sales prices to be adjusted to the new foreign-exchange rates. A smaller proportion of foreign-exchange forward contracts have terms of six to 12 months and are based on forecasts. Corresponding foreign-exchange forward hedging takes place for sales in foreign currencies when the costs are in local currency. All foreign-exchange forward contracts outstanding refer to cash-flow hedges. The item Fair value changes for the year in cash-flow hedges in other comprehensive income is divided into hedges outstanding of MSEK -1 (1) and reversed to profit or loss of MSEK -1 (5); both amounts are before tax. Both amounts are before tax Reversed to profit or loss is recognised against Cost of goods sold.

The nominal amounts of outstanding foreign-exchange forward contracts as of 31 March 2024 were as follows:

| MSEK<br>Foreign-exchange contract | Nominal value<br>as of 31 Mar 2024 | Nominal value<br>as of 31 Mar 2023 |
|---|---|---|
| NOK/SEK | 40 | 142 |
| USD/SEK [1] | 3 | 14 |
| EUR/SEK | 32 | 90 |

1) Foreign-exchange forward contracts for purchase of currency.

### Translation exposure of earnings

The Group's earnings are affected by the translation of the income statements of foreign subsidiaries, for which translation is carried out at the average exchange rate for the financial year. In cases when the local currency of the foreign subsidiary changes in relation to SEK, the Group's recognised revenue and earnings that were translated to SEK also change. Currency translation for the financial year generated an impact on operating profit of approximately MSEK 2 (13) compared with the preceding year's average rates. The table below shows how much the currency translation impacted the Group's revenue.

| Group | Revenue |
|---|---|
| Revenue in 2023/2024 translated to the average rate for 2022/2023 | 4,684 |
| **Currency translation** | |
| NOK | −54 |
| EUR | 62 |
| Other currencies | 31 |
| **Total currency translation** | 39 |
| **Revenue in 2023/2024** | **4,723** |

The following rates were applied in the year-end accounts:

| | Average rate | | Balance-sheet rate | |
|---|---|---|---|---|
| Currency | 2023/2024 | 2022/2023 | 31 Mar 2024 | 31 Mar 2023 |
| DKK | 1.541 | 1.451 | 1.545 | 1.514 |
| EUR | 11.489 | 10.796 | 11.525 | 11.276 |
| GBP | 13.293 | 12.501 | 13.478 | 12.814 |
| NOK | 0.995 | 1.045 | 0.985 | 0.995 |
| PLN | 2.584 | 2.298 | 2.673 | 2.414 |
| CNY | 1.480 | 1.507 | 1.475 | 1.508 |
| TWD | 0.338 | 0.341 | 0.332 | 0.341 |
| USD | 10.584 | 10.317 | 10.660 | 10.354 |

**Note 22 cont.**

The Group has net exposures in several foreign currencies. If the prices of the exposure currencies were to change by 5 percent based on the 2023/2024 income statement, the effect on revenue would amount to approximately MSEK 134 (129) and on operating profit to approximately MSEK 13 (12) over a 12-month period, all other things being equal. The largest exposure from a change in exchange rate of 5 percent on revenue is in NOK with MSEK 54 (58) and EUR with MSEK 52 (47).

### Translation exposure of equity

The value of the net assets of foreign subsidiaries is translated to SEK at year-end at the exchange rate in effect on the balance-sheet date. The exchange-rate difference between the years is recognised against equity under other comprehensive income. Translation of the balance sheets of foreign subsidiaries caused equity to increase by approximately MSEK 32 (44) during the year.

Bergman & Beving does not apply hedge accounting of net assets in foreign currency. Bergman & Beving has no derivatives for hedging equity in foreign subsidiaries as of 31 March 2024 and no translation differences from previous translation of foreign subsidiaries were reversed to profit or loss during the financial year.

Net assets in foreign subsidiaries by currency, MSEK:

| Currency | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| EUR | 667 | 653 |
| GBP | 488 | 253 |
| NOK | 401 | 301 |
| TWD | 62 | 66 |
| PLN | 49 | 42 |
| DKK | 46 | 60 |
| CNY | 34 | 39 |
| AUD | 24 | 1 |

## Interest-rate risks

Interest-rate risk refers to the risk that changes in market-interest rates affect the Group net interest income negatively. The rate of interest-rate fluctuation depends on the fixed-interest periods of the loans and the hedging instruments used. For fixed-interest periods for the Group's borrowing, refer below to liquidity and refinancing risk.

At times, the Group uses different forms of interest derivatives for the purpose of managing the risk of higher market interest rates in the future. As of 31 March 2024, the Bergman & Beving Group had no outstanding interest derivatives.

If market interest rates for bank loans and credit facilities were to increase by 1 percent, the impact on net interest income on an annual basis would be MSEK 14, based on the loan structure as of 1 April 2024. Including financial liabilities for leases, the annual impact would be MSEK 18.

### Financial liabilities and maturity structure

The Group's financial liabilities for bank loans and credit facilities amounted to MSEK 1,353 (1,310) as of 31 March 2024. Furthermore, there are financial liabilities pertaining to leases according to IFRS 16 of MSEK 442 (437).

Overall, the average remaining maturity for the Group's interest-bearing bank loans is 1.9 years (2.5 years). Including finance lease liabilities in accordance with IFRS 16, the remaining maturity in the Group is 2.0 years (2.5 years). The Parent Company's average remaining maturity is 1.9 years (2.5 years). See the tables below.

Group

| | 31 Mar 2024 | | Matures | | | |
|---|---|---|---|---|---|---|
| Maturity structure | Carrying amount | Future payment amount | within 3 months | after 3 months within 1 year | after 1 year within 5 years | after 5 years |
| Interest-bearing financial liabilities bank | 1,353 | 1,482 | 18 | 329 | 1,135 | – |
| Interest-bearing financial liabilities leases | 442 | 480 | 40 | 120 | 281 | 39 |
| Accounts payable and other non-interest-bearing financial liabilities | 696 | 696 | 696 | – | – | – |
| **Total financial liabilities** | **2,491** | **2,658** | **754** | **449** | **1,416** | **39** |

| | 31 Mar 2023 | | Matures | | | |
|---|---|---|---|---|---|---|
| Maturity structure | Carrying amount | Future payment amount | within 3 months | after 3 months within 1 year | after 1 year within 5 years | after 5 years |
| Interest-bearing financial liabilities bank | 1,310 | 1,479 | 16 | 289 | 1,174 | – |
| Interest-bearing financial liabilities leases | 437 | 471 | 38 | 114 | 260 | 59 |
| Accounts payable and other non-interest-bearing financial liabilities | 676 | 676 | 676 | – | – | – |
| **Total financial liabilities** | **2,423** | **2,626** | **730** | **403** | **1,434** | **59** |

Parent Company

| | 31 Mar 2024 | | Matures | | |
|---|---|---|---|---|---|
| Maturity structure | Carrying amount | Future payment amount | within 3 months | after 3 months within 1 year | after 1 year within 5 years |
| Interest-bearing financial liabilities | 1,348 | 1,477 | 18 | 329 | 1,130 |
| Liabilities to Group companies (excluding interest) [1] | 1,430 | 1,430 | 1,430 | – | – |
| Accounts payable and other non-interest-bearing financial liabilities | 4 | 4 | 4 | – | – |
| **Total financial liabilities** | **2,782** | **2,911** | **1,452** | **329** | **1,130** |

| | 31 Mar 2023 | | Matures | | |
|---|---|---|---|---|---|
| Maturity structure | Carrying amount | Future payment amount | within 3 months | after 3 months within 1 year | after 1 year within 5 years |
| Interest-bearing financial liabilities | 1,303 | 1,472 | 16 | 289 | 1,167 |
| Liabilities to Group companies (excluding interest) [1] | 1,184 | 1,184 | 1,184 | – | – |
| Accounts payable and other non-interest-bearing financial liabilities | 7 | 7 | 7 | – | – |
| **Total financial liabilities** | **2,494** | **2,663** | **1,207** | **289** | **1,167** |

1) Interest on liabilities to Group companies is not capitalised, but is instead regulated every quarter via the Parent Company's Group account structure.

**Note 22 cont.**

| | Group | |
|---|---|---|
| **Financial risk management** | **31 Mar 2024** | **31 Mar 2023** |
| **Non-current liabilities [1]** | | |
| Bank loans | 1,073 | 1,064 |
| Other financial liabilities | 2 | 1 |
| Financial liabilities leases (IFRS 16) | 299 | 297 |
| **Total non-current liabilities** | **1,374** | **1,362** |
| | | |
| **Current liabilities** | | |
| Committed credit facility | 278 | 243 |
| Current portion of bank loans | 0 | 2 |
| Financial liabilities leases (IFRS 16) | 143 | 140 |
| **Total current liabilities** | **421** | **385** |
| **Total interest-bearing liabilities** | **1,795** | **1,747** |

The contractual terms and conditions for interest-bearing liabilities are presented in the table below.

| | | | | | Group | | Parent Company | |
|---|---|---|---|---|---|---|---|---|
| **Bank loans** | | | | | **31 Mar 2024** | **31 Mar 2023** | **31 Mar 2024** | **31 Mar 2023** |
| | **Currency** | **Nominal interest** | **Maturity** | **Nominal value** | **Carrying amount** | **Carrying amount** | **Carrying amount** | **Carrying amount** |
| **Non-current liabilities[1]** | | | | | | | | |
| Interest-only bank loan | SEK | 5.5% | 26 Mar 2026 | 1,070 | 1,070 | 1,060 | 1,070 | 1,060 |
| Other bank loans, assumed upon acquisition | | | | 3 | 3 | 4 | – | – |
| **Total non-current liabilities** | | | | | **1,073** | **1,064** | **1,070** | **1,060** |
| | | | | | | | | |
| **Current liabilities** | | | | | | | | |
| **Committed credit facility** | | | | | | | | |
| Approved credit limit | | | | | 430 | 430 | 430 | 430 |
| Unutilised portion | | | | | –152 | –187 | –152 | –187 |
| **Utilised credit amount** | | 5.1% | | | **278** | **243** | **278** | **243** |
| Other bank loans, assumed upon acquisition | | | | | 0 | 2 | – | – |
| **Total, loans from credit institutions** | | | | | **1,351** | **1,309** | **1,348** | **1,303** |

1) The current loan structure including credit frameworks, maturity terms and interest-rate conditions is described under the section Liquidity and refinancing risks below.

Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 977 (946), of which cash and cash equivalents amounted to MSEK 296 (220).

## Liquidity and refinancing risks

Liquidity and refinancing risk pertains to the risk that the Group is unable to fulfil its payment obligation due to insufficient liquidity and that the possibility of financing is limited when loans are due for rescheduling.

Borrowing and trading in financial instruments is conducted with one of the large Nordic commercial banks and the management of loans is handled by the Parent Company's Treasury function. At financial year-end on 31 March 2024, the Parent Company had access to a committed credit facility of MSEK 430 (430), of which MSEK 152 (187) was unutilised. The credit facility is renewed on an annual basis with a maturity date of 31 December. In addition to this committed credit facility, the Group had an unutilised loan commitment totalling MSEK 530 (540).

The available loan amount is distributed between a revolving credit facility of MSEK 700 and a term loan of MSEK 400, which both run until 26 March 2026. There is also a revolving credit facility of MSEK 500, which was extended during the period until 17 October 2026 with the possibility of an extension until 17 October 2027. Current interest rates on the balance-sheet date are presented in the table Bank loans.

The loans carry interest corresponding to STIBOR 3M plus a margin. In addition, the financing agreement contains market-based financial conditions that must be fulfilled. In connection with raising the credit facility, Bergman & Beving is also required to pay an arrangement fee, a quarterly commitment fee on the unutilised portion of the credit framework, a recurring fee to the facility agent and, where applicable, a fee to extend the term of the credit facility.

The year's net cost for bank financing amounted to MSEK –74 (–35).

Current investments of any surplus liquidity are made on terms of one to three months at current market interest rates. The counterparty for deposits is always one of the large Nordic commercial banks.

**Note 22 cont.**

### Classification of financial instruments

| Group | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Financial assets** | | |
| **Financial assets measured at fair value** | | |
| Shares and participations (fair value through profit or loss) | 0 | 0 |
| Derivative hedging instruments | 1 | 8 |
| **Financial assets measured at amortised cost** | | |
| Long-term receivables | 2 | 2 |
| Accounts receivable | 936 | 969 |
| Other receivables | 48 | 49 |
| Cash and cash equivalents | 296 | 220 |
| **Total financial assets** | **1,283** | **1,248** |
| **Financial liabilities measured at fair value** | | |
| Additional purchase considerations (fair value through profit or loss) | 172 | 108 |
| **Financial liabilities measured at amortised cost** | | |
| Bank loans | 1,351 | 1,309 |
| Accounts payable | 484 | 487 |
| Option liabilities, acquisitions | 134 | – |
| Other liabilities | 269 | 162 |
| **Total financial liabilities** | **2,410** | **2,066** |

| Parent Company | 31 Mar 2024 | 31 Mar 2023 |
|---|---|---|
| **Financial assets** | | |
| **Financial assets measured at fair value** | | |
| Derivative hedging instruments | 1 | 8 |
| **Financial assets measured at amortised cost** | | |
| Receivables from Group companies | 3,241 | 2,986 |
| Other receivables | 1 | 1 |
| **Total financial assets** | **3,243** | **2,995** |
| **Financial liabilities measured at fair value** | | |
| Derivative hedging instruments | – | – |
| **Financial liabilities measured at amortised cost** | | |
| Bank loans | 1,348 | 1,303 |
| Liabilities to Group companies | 1,430 | 1,184 |
| Accounts payable | 2 | 4 |
| Other liabilities | 2 | 3 |
| **Total financial liabilities** | **2,782** | **2,494** |

The carrying amounts in the table above for financial assets and financial liabilities in the table above are equivalent to fair value in all material respects due to the fact that current market interest rates on bank loans do not differ appreciably from the contracted interest of the loans and other items have short terms. The exception is option liabilities that arise in connection with acquisitions. The put options are valued initially by management based on the expected future financial performance of the acquired operations.

### Derivatives

Derivatives belong to Level 2 of the fair value hierarchy. Derivatives that comprise foreign-exchange forward contracts are measured at fair value by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance-sheet date for the remaining contract period.

### Additional purchase considerations

Additional purchase considerations regarding acquired operations are classified in Level 3, meaning that measurement is based on the expected future financial performance of the acquired operations as assessed by management.

## Credit risk

In its commercial and financial transactions, the Group is exposed to credit risks in relation to Bergman & Beving's counterparties. Credit risk or counterparty risk pertains to the risk of loss if the counterparty does not fulfil its obligations. The Group is exposed to credit risk through its financial transactions, through the investment of surplus liquidity and implementation of foreign-exchange forward contracts and in connection with accounts receivable and advance payments to suppliers in the commercial operation. The Financial Policy stipulates that only the major Nordic commercial banks are suitable for the investment of surplus liquidity and foreign-exchange forward contract subscriptions.

In order to capitalise on the operating activities' knowledge of customers and suppliers, the credit risk assessments are managed in the commercial transactions by each company. The credit risk is generally spread over a wide range of customers and is a good reflection of the Group's trading. The total revenue is built up of many business transactions and a favourable risk spread of sales across varying industries and companies.

The credit risk for Alligo – the Group's largest customer, which many of the Group's companies sell to – is assessed as very low. No single customer of the Group accounts for a material portion of revenue.

To minimise the risk of credit losses, the Group companies apply credit policies that limit outstanding amounts and credit periods for individual customers. The size of each customer's credit is assessed individually. A credit rating is performed for all new customers. The intention is that credit limits will reflect the customer's payment capacity. Standardised terms of payment vary between 20 days net to F90 (free delivery month + 90 days). The most common terms of payment are 30 days net. For new customers, the standard is 30 days net.

Historically, Bergman & Beving's confirmed credit losses have been few in number and low in amount. The credit quality of the accounts receivable that have neither matured for payment nor been impaired is deemed favourable.

The Parent Company does not normally have any accounts receivable. Reserves for expected credit losses and maturity structure are presented in the table below.

**Note 22 cont.**

## Accounts receivable

| | Group | |
|---|---|---|
| | **31 Mar 2024** | **31 Mar 2023** |
| Accounts receivable | 951 | 978 |
| Accumulated reserve for expected credit losses | –15 | –9 |
| **Accounts receivable, net** | **936** | **969** |
| **A maturity analysis is presented below:** | | |
| Maturity analysis: | | |
| – not past due | 827 | 885 |
| – receivables past due by 1–30 days | 85 | 53 |
| – receivables past due by 31–60 days | 15 | 9 |
| – receivables past due by 61–90 days | 6 | 5 |
| – receivables past due by >90 days | 18 | 26 |
| **Total receivables** | **951** | **978** |

## Changes in liabilities from financial activities

| | | | Changes not affecting cash flow | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Group 2023/2024** | **At the beginning of the year** | **Cash flow** | **Leases** | **Acquisitions and divested business** | **Adjustments in the income statement** | **Change in fair value through other compre-hensive income** | **Translation differences** | **At year-end** |
| Committed credit facility | **243** | 35 | – | – | – | – | 0 | **278** |
| Liabilities to credit institutions | **1,065** | 8 | – | – | – | – | 0 | **1,073** |
| Lease liabilities IFRS 16 | **437** | –149 | 153 | – | – | – | 2 | **443** |
| Derivatives | **–** | 2 | – | – | – | –2 | – | **–** |
| Additional purchase considerations | **108** | –8 | – | 86 | –14 | – | 0 | **172** |
| **Total liabilities from financing activities** | **1,853** | **–112** | **153** | **86** | **–14** | **–2** | **2** | **1,966** |

| | | | Changes not affecting cash flow | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Group 2022/2023** | **At the beginning of the year** | **Cash flow** | **Leases** | **Acquisitions and divested business** | **Adjustments in the income statement** | **Change in fair value through other compre-hensive income** | **Translation differences** | **At year-end** |
| Committed credit facility | **284** | –41 | – | – | – | – | 0 | **243** |
| Liabilities to credit institutions | **787** | 278 | – | 0 | – | – | 0 | **1,065** |
| Lease liabilities IFRS 16 | **366** | –146 | 213 | – | – | – | 4 | **437** |
| Derivatives | **–** | –5 | – | – | – | 5 | – | **–** |
| Additional purchase considerations | **34** | –3 | – | 94 | –17 | – | 0 | **108** |
| **Total liabilities from financing activities** | **1,471** | **83** | **213** | **94** | **–17** | **5** | **4** | **1,853** |

| **Parent Company 2023/2024** | **At the beginning of the year** | **Cash flow** | **Change in fair value through other comprehensive income** | **At year-end** |
|---|---|---|---|---|
| Committed credit facility | **243** | 35 | – | **278** |
| Liabilities to credit institutions | **1,060** | 10 | – | **1,070** |
| Liabilities to Group companies | **1,184** | 246 | – | **1,430** |
| Derivatives | **–** | 2 | –2 | **–** |
| **Total liabilities from financing activities** | **2,487** | **293** | **–2** | **2,778** |

| **Parent Company 2022/2023** | **At the beginning of the year** | **Cash flow** | **Change in fair value through other comprehensive income** | **At year-end** |
|---|---|---|---|---|
| Committed credit facility | **282** | –39 | – | **243** |
| Liabilities to credit institutions | **780** | 280 | – | **1,060** |
| Liabilities to Group companies | **1,018** | 166 | – | **1,184** |
| Derivatives | **–** | –5 | 5 | **–** |
| **Total liabilities from financing activities** | **2,080** | **402** | **5** | **2,487** |

## NOTE 23 Leases

The Group recognises owned assets as tangible non-current assets, refer to Note 11. Non-current assets leased by the Group are recognised as right-of-use assets. These comprise several types of assets that would have been tangible non-current assets if they had been owned. The Group has no leased assets classified as property under management. The lease portfolio mainly comprises offices, warehouse premises, company cars, warehouse vehicles and other warehouse equipment.

| | 2023/2024 | | | | 2022/2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Group** | **Premises** | **Cars** | **Other** | **Total** | **Premises** | **Cars** | **Other** | **Total** |
| **Right-of-use assets** | | | | | | | | |
| Additional during the year | 103 | 32 | 25 | **160** | 146 | 27 | 50 | **223** |
| Depreciation during the year | –105 | –31 | –19 | **–155** | –88 | –31 | –16 | **–135** |
| At year-end | 320 | 44 | 78 | **442** | 323 | 47 | 71 | **441** |

Additional right-of-use assets include the cost for right-of-use assets acquired during the year and costs associated with reviewing lease liabilities due to changes in payments following changes to the lease term or indexation.
MSEK 26 (30) of the additional right-of-use assets for the year were from acquired companies.

| | Group | |
|---|---|---|
| **Lease liabilities** | **2023/2024** | **2022/2023** |
| Current | 143 | 140 |
| Non-current | 299 | 297 |
| **At year-end** | **442** | **437** |

A maturity analysis of lease liabilities is presented in Note 22 Financial instruments and financial risk management.

| | Group | |
|---|---|---|
| **Amounts recognised in profit or loss** | **2023/2024** | **2022/2023** |
| Depreciation of right-of-use assets | –155 | –135 |
| Interest on lease liabilities | –15 | –9 |
| Variable lease payments not included in the measurement of lease liability | –2 | –1 |
| Revenue from sub-leasing of right-of-use assets | 2 | 2 |
| Costs for short-term or low-value leases | –3 | –2 |

| **Parent Company** | **2023/2024** | **2022/2023** |
|---|---|---|
| Non-terminable lease payments amount to: | | |
| Within 1 year | 3 | 3 |
| Between 1 and 5 years | 8 | 2 |
| **Total** | **11** | **5** |
| | | |
| **Expensed lease payments for the period** | | |
| Assets held through operating leases | | |
| Minimum lease fees | 3 | 4 |
| **Total lease costs** | **3** | **4** |

Refers to costs for assets held through operating leases, such as rented premises, vehicles, other machinery and equipment. Refer also to Note 24 for pledged assets and contingent liabilities.

### Extension and termination options

Certain leases include extension options that may or may not be exercised. The possibility of extending a lease is only included in the length of the lease if it is reasonable to assume that the lease will be extended. During the term, the Group revis es whether it is reasonably certain that an extension option will be exercised if a significant event or a significant change in circumstances occurs that is within the Group's control.

For cars, the standard contracted lease term is three years. Extension options are offered, but are exercised to an insignificant extent. The standard contractual arrangement is for the lessor to set the residual value and bears the risk if the value at the end of the lease term is less than the calculation. Reconciliation of the Group's largest car contract is conducted a few times each year and if residual values are generally set too low the Group receives part of the surplus (which is normally an insignificant amount). In certain cases, the Group has an option to purchase the asset at the end of the lease term, though this does not normally take place.

## NOTE 24 Pledged assets and contingent liabilities

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **31 Mar 2024** | **31 Mar 2023** | **31 Mar 2024** | **31 Mar 2023** |
| **Pledged assets** | | | | |
| Real-estate mortgages | 4 | 4 | – | – |
| Corporate mortgages | 5 | 5 | – | – |
| **Total pledged assets** | **9** | **9** | **–** | **–** |
| **Contingent liabilities** | | | | |
| Guarantees for subsidiaries [1] | – | – | 421 | 403 |
| Guarantees, other | 28 | 28 | 1 | 1 |
| **Total contingent liabilities** | **28** | **28** | **422** | **404** |

1) Parent Company guarantees for subsidiaries essentially pertain to PRI obligations.

In addition to the above, the Parent Company has issued a guarantee concerning two Group companies' fulfilment of leases. The maturities run until 2027 and 2035 respectively with total lease costs of approximately MSEK 32 and MSEK 17 respectively.

## NOTE 25 Related parties

Bergman & Beving's related parties are primarily members of senior management. For information about the Group's transactions with these related parties, see Note 5 Employees and personnel costs. The Parent Company also has transactions with subsidiaries, which are priced based on market terms. Other than that, there have been no transactions between Bergman & Beving and related parties that significantly affected the Group's position and profit during the financial year.

## NOTE 26 Group companies

### Specification of the Parent Company's direct holdings of participations in subsidiaries

| Subsidiary | Corp. Reg. No. | Reg. office | No. of participations | Holding % | Carrying amount 31 Mar 2024 | Carrying amount 31 Mar 2023 |
|---|---|---|---|---|---|---|
| Tengtools AB | 556616-0353 | Alingsås | 1,000 | 100 | 1 | 1 |
| Bergman & Beving Invest AB | 556706-2699 | Stockholm | 1,000 | 100 | 693 | 693 |
| Bergman & Beving Fastigheter AB | 556787-7559 | Stockholm | 1,000 | 100 | 10 | 10 |
| **Total** | | | | | **704** | **704** |
| **Carrying amount at the beginning of the year** | | | | | **704** | **704** |
| **Accumulated cost** | | | | | | |
| At the beginning of the year | | | | | 704 | 704 |
| **Carrying amount at year-end** | | | | | **704** | **704** |

### Specification of the Parent Company's direct and indirect holdings of participations in subsidiaries

| Subsidiary | Country | Holding % 31 Mar 2024 | Holding % 31 Mar 2023 |
|---|---|---|---|
| 2:a Tekniska Compagniet AB[1] | Sweden | 70 | – |
| (3) Screen Tryck AB | Sweden | 100 | 100 |
| AAK Safety AB | Sweden | 100 | 100 |
| Arbesko AB | Sweden | 100 | 100 |
| Arbesko Skofabrik AB | Sweden | 100 | 100 |
| Arbesko-Fastigheter AB | Sweden | 100 | 100 |
| Arbesko-Gruppen AB | Sweden | 100 | 100 |
| Atricon AB | Sweden | 100 | 100 |
| B & O Vågar AB | Sweden | 100 | 100 |
| Belano Maskin AB | Sweden | 100 | 100 |
| Bergman & Beving Fastigheter AB | Sweden | 100 | 100 |
| Bergman & Beving Holding AB | Sweden | 100 | 100 |
| Bergman & Beving Invest AB | Sweden | 100 | 100 |
| Bergman & Beving Operations AB | Sweden | 100 | 100 |
| Bergman & Beving Safety AB | Sweden | 100 | 100 |
| BVS Brannvernsystemer AB | Sweden | 100 | 100 |
| Cresto Group AB | Sweden | 100 | 100 |
| Elkington AB[1] | Sweden | 100 | – |
| ESSVE Produkter AB | Sweden | 100 | 100 |
| ESSVE Sverige AB | Sweden | 100 | 100 |
| FireSeal AB | Sweden | 100 | 100 |
| Germ Aktiebolag | Sweden | 100 | 100 |
| Guide Gloves AB | Sweden | 100 | 100 |
| Itaab Trading AB[1] | Sweden | 100 | – |
| KGC Verktyg och Maskiner AB | Sweden | 100 | 100 |
| Lidén Weighing AB | Sweden | 100 | 100 |
| Lindahl & Nermark AB | Sweden | 100 | 100 |
| Logistikpartner i Ulricehamn AB | Sweden | 100 | 100 |
| Luna AB | Sweden | 100 | 100 |
| Luna Sverige AB | Sweden | 100 | 100 |
| Millers Beslag AB | Sweden | 100 | 100 |
| Oksebra Trading AB | Sweden | 100 | 100 |
| Sandbergs i Jämtland AB[1] | Sweden | 100 | – |
| Skydda i Sverige AB | Sweden | 100 | 100 |
| Systemtext AB | Sweden | 100 | 100 |
| Tengtools AB | Sweden | 100 | 100 |
| Tengtools International Sweden AB[2] | Sweden | 100 | 100 |
| TNS Sverige AB[1] | Sweden | 80 | – |
| Uveco AB | Sweden | 100 | 100 |
| Viewtech AB[1] | Sweden | 100 | – |
| Zekler Safety AB | Sweden | 75 | 75 |
| AAK Safety AS | Norway | 100 | 100 |
| BSafe Systems AS | Norway | 80 | 80 |
| BVS Brannvernsystemer AS | Norway | 100 | 100 |
| DigiPrint AS | Norway | 80 | 80 |
| ESSVE Norge AS | Norway | 100 | 100 |
| Guide Gloves AS | Norway | 100 | 100 |
| H.M. Albretsen Verktøysikring AS | Norway | 100 | 100 |
| JO Safety Norge AS | Norway | 100 | 100 |
| Luna Norge AS | Norway | 100 | 100 |
| Skydda Norge AS | Norway | 100 | 100 |
| Tema Norge Eiendom AS[1] | Norway | 100 | – |
| Tema Norge AS[1] | Norway | 100 | – |
| ESSVE Finland Oy | Finland | 100 | 100 |
| H&H Tuonti Oy | Finland | 100 | 100 |
| Kiilax Oy | Finland | 75 | 75 |
| Polartherm Group Oy | Finland | 80 | 80 |
| Polartherm Oy | Finland | 100 | 100 |
| Retco Oy | Finland | 100 | 100 |
| Skydda Suomi Oy | Finland | 100 | 100 |
| JO Safety A/S | Denmark | 100 | 100 |
| Skydda Danmark A/S | Denmark | 100 | 100 |
| ESSVE Estonia AS | Estonia | 100 | 100 |
| Luna Group Estonia AS | Estonia | 100 | 100 |
| ESSVE Latvia SIA | Latvia | 100 | 100 |
| Luna Group Latvia SIA | Latvia | 100 | 100 |
| ESSVE Lietuva, UAB | Lithuania | 100 | 100 |
| ESSVE Poland Sp. z o.o. | Poland | 100 | 100 |
| Luna Polska Sp. z o.o. | Poland | 100 | 100 |
| Abtech Safety Ltd | UK | 100 | 100 |

**Note 26 cont.**

| | | Holding % | |
|---|---|---|---|
| **Subsidiary** | **Country** | **31 Mar 2024** | **31 Mar 2023** |
| A.T.E Solutions Ltd | UK | 100 | 100 |
| Orbital Fabrications Limited[1] | UK | 80 | – |
| Outreach Organisation Ltd | UK | 100 | 100 |
| Outreach Rescue Medic Skills Ltd | UK | 100 | 100 |
| Safety Technology Ltd | UK | 100 | 100 |
| TengTools UK Limited | UK | 100 | 100 |
| T Tools Ireland Limited | Ireland | 100 | 100 |
| Masters of Gloves B.V. | Netherlands | 51 | 51 |
| VIP Safety B.V. | Netherlands | 100 | 100 |
| Guide Gloves SAS | France | 100 | 100 |
| BVS Fireprotection Kft | Hungary | 100 | 100 |
| Cresto Safety s.r.o. | Slovakia | 100 | 100 |
| Bergman & Beving (Shanghai) Co. Ltd | China | 100 | 100 |
| FireSeal Inc. | US | 100 | 100 |
| Safety Technology USA LLC | US | 100 | 100 |
| Oksebra do Brasil Artefatos de Coura Ltda | Brazil | 99 | 99 |
| Teng Tools Australia Pty Ltd | Australia | 60 | 60 |

1) Acquired by the Company in 2023/2024.
2) The company has a branch in Taiwan registered as Tengtools International Sweden AB, Taiwan Branch.

## NOTE 27 Untaxed reserves

The distribution of untaxed reserves recognised in the Parent Company's balance sheet is shown below. For the Group, these reserves are eliminated in their entirety; refer to Note 1 Significant accounting policies. As of 31 March 2024, the Parent Company had no untaxed reserves. In the previous financial year, the Parent Company's total untaxed reserves amounted to MSEK 6, of which MSEK 1 comprised deferred taxes and was included in the Group's recognised deferred tax liability.

| | Parent Company | |
|---|---|---|
| **Tax allocation reserve** | **31 Mar 2024** | **31 Mar 2023** |
| Allocation 2018/2019 | – | 3 |
| Allocation 2021/2022 | – | 3 |
| **Total** | **–** | **6** |

## NOTE 28 Acquisitions and disposals of operations

### Acquisitions

On 3 April, Industrial Equipment acquired all of the shares in Tema Norge AS. Tema Norge is a leading player in Norway in orbital welding and mechanised welding technology and generates annual revenue of approximately MSEK 45.

On 12 June, Core Solutions acquired all of the shares in Elkington AB. The company is a leading actor in Sweden in duct access hatches but also sells related products in wall and roof hatches. The company has annual revenue of approximately MSEK 40.

On 6 July, Core Solutions acquired all of the shares in Itaab Trading AB. The company is the leading manufacturer and supplier of metal suspended ceilings in Sweden with annual revenue of approximately MSEK 75.

On 31 August, Industrial Equipment acquired all of the shares in Sandbergs i Jämtland AB. The company is a niche supplier of liquid handling equipment in Sweden. The company has annual revenue of approximately MSEK 60.

On 13 November, Safety Technology acquired 70 percent of the shares in Ateco. Ateco is a leading niche supplier of systems, products and accessories for both fixed and temporary fire alarm installations in public and commercial properties and has annual revenue of approximately MSEK 50.

On 18 December, Industrial Equipment acquired 80 percent of the shares in Orbital Fabrications Limited. The company is the UK's leading manufacturer of gas handling systems and components that require high purity and has annual revenue of approximately MSEK 180. The company was consolidated in the Group's earnings as of 1 January 2024.

Bergman & Beving normally uses an acquisition model with a base consideration and a contingent consideration. The outcome of the contingent consideration depends on the future earnings of the acquired company. Typically, all acquired units are consolidated from the closing date.

The purchase price allocations for the acquisitions for the period from 1 April 2022 to 31 March 2023 have been finalised. Minor adjustments have been made in the calculations.

Contingent considerations of MSEK 8 (3) pertaining to previous years' acquisitions were paid. Remeasurement of contingent considerations had a positive effect of MSEK 14 (17) on the period. The effect on earnings is recognised in Other operating income or Other operating expenses, respectively.

**Group**

| **Acquisition of subsidiaries and other business units** | **2023/2024** | **2022/2023** |
|---|---|---|
| **Acquired assets** | | |
| Customer relations, etc. | 255 | 169 |
| Other non-current assets | 16 | 17 |
| Inventories | 49 | 79 |
| Other current assets | 69 | 64 |
| Cash and cash equivalents | 117 | 59 |
| **Total assets** | **506** | **388** |
| | | |
| **Acquired provisions and liabilities** | | |
| Deferred tax liability | –59 | –34 |
| Current operating liabilities | –90 | –57 |
| **Total provisions and liabilities** | **–149** | **–91** |
| | | |
| **Acquired net assets** | **357** | **297** |
| Goodwill | 201 | 139 |
| Non-controlling interests | –40 | –31 |
| **Total acquired** | **518** | **405** |
| | | |
| Purchase consideration | 518 | 405 |
| Less: Purchase consideration, unpaid | –97 | –94 |
| Less: Cash and cash equivalents in acquired companies | –117 | –59 |
| **Net change in cash and cash equivalents** | **–304** | **–252** |

Goodwill is based on the expected future sales trend and profitability as well as the personnel of the acquired companies.
No portion of goodwill is expected to be tax deductible.
With respect to the year's acquisitions, non-controlling interests were recognised at the proportional share of net assets. Acquisition-related transaction costs, which are recognised in other operating expenses in the income statement, amounted to MSEK 2 (5). The unpaid purchase consideration of MSEK 97 is contingent and is estimated to amount to a maximum of MSEK 107. The contingent considerations will fall due within three years. No significant divestments took place during the year.

## NOTE 29 Events after the balance-sheet date

On 2 April 2024, all shares in Maskinab Teknik AB were acquired in the Industrial Equipment division. The company is a leading supplier of machinery for sheet metal processing in Sweden with annual revenue of approximately MSEK 35.

No other significant events occurred after the balance-sheet date.

## NOTE 30 Key estimates and judgments

Estimates and judgments have been made based on the information available at the time this report was submitted. These estimates and judgements may be subject to change at a later date, partly due to changes in factors in the operating environment.
Below is an account of the most significant judgements, which is subject to a risk that future events and new information may change the basis for current estimates and judgements applied.

### Impairment testing of goodwill and other non-current assets

In accordance with IFRS, goodwill and certain brands are not amortised. Instead, annual tests for indications of impairment are performed. Other intangible and tangible non-current assets are amortised and depreciated, respectively, over the period the asset is deemed to generate income. All intangible and tangible non-current assets are subject to annual testing for indications of impairment. Impairment tests are based on a review of forecast future cash flows. The assumptions used when conducting impairment testing are described in Note 10 Intangible non-current assets.

### Inventory obsolescence

Since Bergman & Beving conducts trading operations, inventories constitute a large asset item in the consolidated balance sheet. The Group measures inventories at the lower of cost and net realisable value. The cost of inventories is primarily calculated using a method based on a weighted average and includes expenditures arising during the acquisition of the inventory assets and transportation thereof to their current location and state or by applying the "first-in, first-out" (FIFO) method. When calculating net realisable value, articles with redundancy and a low turnover rate, discontinued and damaged articles, and handling costs and other selling expenses are taken into consideration. If general demand for the Group's product range changes significantly and assumptions of the net realisable value of articles differ from the actual outcome, earnings in the financial statements may be affected.

### Pension obligations

In determining the Bergman & Beving Group's pension obligations under defined-benefit pension plans, certain assumptions have been made with respect to discount rates, inflation, salary increases, long-term returns on plan assets, mortality rates, retirement rates and other factors that may be of importance. These actuarial assumptions are reviewed on an annual basis and are changed when appropriate. Should these actuarial assumptions differ significantly from the actual future outcome, the Group's actuarial gains or losses will change, which may impact other comprehensive income.

### Assessment of liabilities in conjunction with acquisitions

Financial liabilities recognised in conjunction with acquisitions, such as additional purchase considerations and put options, are based on the purchased company's future earnings performance. As a result, the liability is based on an assessment of the outcome of expected future financial performance whereby future events change the basis of assessment whenever new information is known. Bergman & Beving makes new assessments continually.

## NOTE 31 Information about the Parent Company

Bergman & Beving Aktiebolag, Corporate Registration Number 556034-8590, is a registered limited liability company in Sweden with its registered office in Stockholm, Sweden. The Company is a public limited liability company (publ) and the Parent Company's Class B shares are registered on the Mid Cap list of Nasdaq Stockholm in Sweden. Bergman & Beving Aktiebolag is the ultimate Parent Company of the Group. It sells various niche solutions to the manufacturing and construction sectors. The Group's primary market is the Nordic region.

Contact information for the head office:

Bergman & Beving AB
P.O. Box 10024
SE-100 55 Stockholm, Sweden
Visiting address: Cardellgatan 1, Stockholm
Telephone: +46 10 454 77 00
E-mail: info@bb.se
Website: www.bergmanbeving.com

The consolidated financial statements for the 2023/2024 financial year comprise the Parent Company and its subsidiaries, together termed the Group.

# Proposed appropriation of profit

The following amounts are at the disposal of the Annual General Meeting of the Parent Company Bergman & Beving AB:

| | |
|---|---|
| Retained earnings | SEK 912,822 thousand |
| Net profit | SEK 56,688 thousand |
| | **SEK 969,510 thousand** |

The Board of Directors and the President & CEO propose that the available funds be allocated as follows:

| | |
|---|---|
| Dividend to shareholders, SEK 3.80 per share | SEK 101,488 thousand [1] |
| To be brought forward | SEK 868,022 thousand |
| | **SEK 969,510 thousand** |

According to the Board's assessment, the proposed dividend is justifiable in relation to the demands placed on the Group's equity due to the Group's operations, scope and risks, and in relation to the Group's consolidation requirements, liquidity and position in other respects. The income statements and balance sheets of the Group and the Parent Company are subject to adoption by the Annual General Meeting to be held on 29 August 2024.

## Board's assurance

The Board of Directors and the President & CEO regard this Annual Report to be prepared in accordance with generally accepted accounting policies and the consolidated financial statements in accordance with IFRS as adopted by the EU, and deem them to provide a true and fair view of the Company's and the Group's position and earnings. The Administration Report for the Parent Company and the Group gives a true and fair overview of the Company's and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group. The earnings and position of the Parent Company and the Group are presented in the income statements, balance sheets, cash-flow statements and notes included in the Annual Report.

**Stockholm 3 July 2024**

**Jörgen Wigh**
Chairman

**Fredrik Börjesson**
Director

**Charlotte Hansson**
Director

**Henrik Hedelius**
Director

**Malin Nordesjö**
Director

**Niklas Stenberg**
Director

**Jörgen Bengtsson**
Director – employee representative

**Mikael Lindblom**
Director – employee representative

**Magnus Söderlind**
President & CEO

Our auditor's report was submitted on 3 July 2024
**Deloitte AB**

**Andreas Frountzos**
Authorised Public Accountant

1) Calculated based on the number of shares as of 31 March 2024, and with due consideration for the 729,043 repurchased Class B shares held in treasury.

# Auditor's report

To the general meeting of the shareholders of Bergman & Beving AB (publ), corporate identity number 556034–8590

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Bergman & Beving AB (publ) for the financial year 2023-04-01 – 2024-03-31, except for the corporate governance statement on pages 57-61. The annual accounts and consolidated accounts of the company are included on pages 54-102 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 March 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 March 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 57-61. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

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

### Other information

The audit of the annual accounts for the fiscal year 2022-04-01 - 2023-03-31 has been performed by another auditor who has provided an audit report dated June 28, 2023 with unmodified opinions in the Report on the annual accounts and consolidated accounts as well as in the Report on other legal and regulatory requirements.

### 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 Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Acquisition-related transactions and assets

*Description of risk*

Bergman & Beving operates an acquisition-intensive business where acquisitions of new subsidiaries are accounted for using the acquisition method, which means that any goodwill is recognized at fair value as of the acquisition date, calculated as the purchase consideration minus the fair value of the net assets acquired and assumed liabilities, including contingent considerations. In some cases, acquisitions involving minority interests may include options for Bergman & Beving and/or the seller, or contingent additional purchase considerations. The valuation of assets and liabilities dependent on future results of the acquired companies is complex and requires significant estimates and judgments by management.

The goodwill and other intangible assets arising from completed acquisitions constitute a significant portion of Bergman & Beving's total assets. These assets are tested for impairment annually or when events or changes in circumstances indicate that the carrying value of the asset may be below its recoverable amount. The assessment of recoverable amount, defined as the higher of fair value less costs to sell and value in use, involves estimates by management in identifying and subsequently estimating the recoverable amount for these cash-generating units. Management typically determines the recoverable amount based on value in use, which is based on management's assessment of factors such as expected sales growth, margin development, weighted average cost of capital, level of future investments, and assumption of growth rate beyond the forecast period.

For further information, refer to notes 1 "Significant accounting policies," 28 "Acquisitions and disposals of operations," and note 10 "Intangible non-current assets" in the consolidated financial statements.

*Our audit procedures*

Our audit procedures included, but were not limited to:

- Reviewing the company's acquisition analyses, including valuation and accounting for contingent purchase considerations and financial liability for purchase or sale options;
- Reviewing and challenging, with the support of our internal valuation specialists, management's assessments of the fair value of acquired assets and liabilities for significant acquisitions;
- Reviewing and challenging, with the support of our valuation specialists, significant assumptions in management's valuation model for determining recoverable amount, including assessment of assumptions about sales growth, margin development, weighted average cost of capital, level of future investments, and assumption of growth rate beyond the forecast period;
- Comparing historical forecasts to actual outcomes;
- Performing arithmetic testing of cash flow models and reconciling assumptions to approved business plans; and
- Evaluating that the disclosures in the consolidated financial statements meet the requirements of IFRS.

### Other Information than the annual accounts and consolidated accounts

The other information consists of the remuneration report as well as the pages 1-53 and 106-116. The Board of Directors and the Managing Director are responsible for this other information. We expect to obtain the remuneration report after the date of this audit report.

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 Directors 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 and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## 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 Directors and the Managing Director of Bergman & Beving AB (publ) for the financial year 2023-04-01 – 2024-03-31 and the proposed appropriations of the company's profit or loss.

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

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

### Responsibilities of the Board of Directors 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's 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 Companies Act, the Annual Accounts Act or the Articles of Association.

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 Companies Act.

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we 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 on our 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## The auditors's examination of the Esef report

**Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Bergman & Beving AB (publ) for the financial year 2023-04-01 – 2024-03-31.

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

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

**Basis for opinion**

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

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

**Responsibilities of the Board of Directors and the Managing Director**

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

**Auditor's responsibility**

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

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

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

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

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

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

**The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 57-61 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

Deloitte AB was appointed auditor of Bergman & Beving AB (publ) by the general meeting of the shareholders on August 24, 2023 and has been the company's auditor since August 24, 2023.

Stockholm July 3, 2024
Deloitte AB

*Signature on the Swedish original*

Andreas Frountzos
Authorized Public Accountant

# Board of Directors

## Jörgen Wigh

Chairman of the Board since 2019. Director since 2019.

**Born:** 1965.

**Education:** M.Sc. Econ.

**Other board assignments:** Director of Lagercrantz Group AB.

**Work experience:** President & CEO of Lagercrantz Group AB. Previous experience as Executive Vice President of Bergman & Beving. Founder of PriceGain. Management Consultant at McKinsey & Company and Investment Manager at Spira Invest.

**Dependency conditions:** Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.

**Shares owned:** 125,000 Class B shares.

## Fredrik Börjesson

Director since 2019.

**Born:** 1978.

**Education:** M.Sc. Econ.

**Other board assignments:** Chairman of the Lagercrantz Group and Director of a number of companies within Tisenhult-gruppen.

**Work experience:** Senior positions in Tisenhult-gruppen.

**Dependency conditions:** Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.

**Shares owned:** 57,850 Class B shares as well as 497,192 Class A shares and 2,160,000 Class B shares via Tisenhult-gruppen AB.

## Charlotte Hansson

Director since 2020.

**Born:** 1962.

**Education:** M.Sc. in biochemistry from the University of Copenhagen, Market & Economics, IHM (Institute for Higher Market Education).

**Other board assignments:** Chairman of Link Top Holding A/S and vChain AB. Director of DistIT AB, Green Cargo AB, Probi AB and Stena Trade & Industry AB.

**Work experience:** President & CEO of MTD Morgontidig Distribution i Sverige AB and CEO of Jetpak Sweden. Senior positions at Jetpak, ASG/Danzas, Carl Zeiss and Beckman Coulter.

**Dependency conditions:** Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.

**Shares owned:** 2,645 Class B shares.

## Henrik Hedelius

Director since 2015.

**Born:** 1966.

**Education:** M.Sc. Econ.

**Other board assignments:** Director of Addtech AB, Swedish Tonic AB, Service and Care, The Cloud Factory and others.

**Work experience:** Senior positions at United Bankers LTD, ABN Amro, Kaupthing Bank, Storebrand Asset Management, Remium Nordic AB and Swedbank.

**Dependency conditions:** Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.

**Shares owned:** 12,790 Class B shares.

**Note:** Information on the Board of Directors' holdings of shares pertains to circumstances as of 31 March 2024.

## Malin Nordesjö

Director since 2017.

**Born:** 1976.

**Education:** M.Sc. Econ.

**Other board assignments:** Director of Addtech AB and a number of companies in Tisenhult-gruppen

**Work experience:** President & CEO of Tisenhult-gruppen AB. Senior positions at Tisenhult-gruppen and Tritech Technology.

**Dependency conditions:** Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.

**Shares owned:** 36,300 Class B shares as well as 497,192 Class A shares and 2,160,000 Class B shares via Tisenhult-gruppen.

## Niklas Stenberg

Director since 2021.

**Born:** 1974.

**Education:** Law degree

**Other board assignments**: Director of Addtech AB.

**Work experience:** President & CEO of Addtech AB. Senior positions at Addtech and Bergman & Beving. Previously a lawyer.

**Dependency conditions:** Independent in relation to the Company and senior manage ment. Independent in relation to the Company's major shareholders.

**Shares owned:** –

## Jörgen Bengtsson

Director since 2023.Employee representative.

**Born:** 1962.

PDM
Luna Group

**Shares owned:** –

## Mikael Lindblom

Director since 2022.
Employee representative.

**Born:** 1964.

Business Process Developer
Bergman & Beving Safety AB

**Shares owned:** –

## Auditors Deloitte AB

**Andreas Frountzos**
Authorised Public Accountant.

Andreas Frountzos has been Bergman & Beving AB's Auditor in Charge since the 2023 Annual General Meeting.

# Group management

**Mats Gullbrandsson**

Division Head Core Solutions.
Employee of the Group since 2021.

**Born:** 1966.

**Education:** M.Sc. Econ.

**Work experience:** Alfred Berg Corporate Finance. Partner CapMan Buy-out. CEO of Gallerix AB. Head of Investment Seafire AB.

**Shares owned:** 7,500 Class B shares (own holding).

**Call options:** 71,900.

**Martin Lundberg**

Head of Acquisitions/General Counsel.
Employee of the Group since 2008.

**Born:** 1979.

**Education:** Law degree, courses in economics.

**Work experience:** Västmanland District Court, MAQS law firm, other senior positions at Bergman & Beving.

**Shares owned:** 18,000 Class B shares (own holding).

**Call options:** 31,900.

**Peter Schön**

Chief Financial Officer.
Employee of the Group since 2017.

**Born:** 1969.

**Education:** M.Sc. Econ.

**Other significant board assignments:** Director of Axkid AB.

**Work experience:** Senior positions at Netonnet Group, ProfilGruppen, Brio and Alstom.

**Shares owned:** 42,550 Class B shares (own holding).

**Call options:** 89,900.

**Oscar Fredell**

Division Head Industrial Equipment.
Employee of the Group since 2017.

**Born:** 1978.

**Education:** M.Sc. Eng.

**Work experience:** CEO of Luna Group, senior positions at Solar Group and Volvo Cars.

**Shares owned:** 51,100 Class B shares (own holding).

**Call options:** 89,900.

**Fredrik Valentin**

Division Head Safety Technology.
Employee of the Group since 2016.

**Born:** 1974.

**Education:** M.Sc. Eng.

**Work experience:** CEO of Skydda and Stena Recycling Poland and senior positions at Accenture Strategy.

**Shares owned:** 35,900 Class B shares (own holding).

**Call options:** 36,900.

**Magnus Söderlind**

President & CEO.
Employee of the Group since 2021.

**Born:** 1966.

**Education:** M.Sc. Eng. and M.Sc. Econ.

**Work experience:** Executive Vice President of Lagercrantz Group AB and Protect Data AB. CEO of Silicon Graphics AB and Siemens Business Services AB. Management Consultant at McKinsey & Company. Senior positions in the Unilever Group.

**Shares owned:** 314,549 Class B shares (own holding).

**Call options:** 135,500.

**Note:** Information on Group management's holdings of shares and call options above pertains to circumstances as of 7 June 2024.

# Multi-year review

| EARNINGS INFORMATION, MSEK | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|---|
| Revenue | 4,723 | 4,749 | 4,575 | 4,311 | 4,060 |
| Other operating income | 39 | 44 | 11 | 15 | 27 |
| **Total operating income** | **4,762** | **4,793** | **4,586** | **4,326** | **4,087** |
| Operating expenses | –4,390 | –4,454 | –4,288 | –4,079 | –3,898 |
| of which, depreciation/amortisation and impairment losses | –284 | –232 | –205 | –179 | –164 |
| Operating profit | 372 | 339 | 298 | 247 | 189 |
| Financial income and expenses | –111 | –68 | –39 | –35 | –34 |
| Profit after financial items | 261 | 271 | 259 | 212 | 155 |
| Taxes | –60 | –57 | –57 | –46 | –39 |
| **Net profit** | **201** | **214** | **202** | **166** | **116** |
| Of which, attributable to: | | | | | |
| Parent Company shareholders | 191 | 207 | 200 | 164 | 116 |
| Non-controlling interests | 10 | 7 | 2 | 2 | 0 |

| BALANCE INFORMATION, MSEK | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|---|
| Intangible non-current assets | 2,799 | 2,419 | 2,135 | 2,034 | 1,955 |
| Tangible non-current assets | 157 | 140 | 126 | 102 | 102 |
| Right-of-use assets | 442 | 441 | 359 | 390 | 455 |
| Financial non-current assets | 63 | 39 | 71 | 96 | 92 |
| Inventories | 1,189 | 1,360 | 1,233 | 1,129 | 1,077 |
| Current receivables | 1,116 | 1,130 | 1,189 | 1,051 | 986 |
| Cash and cash equivalents | 296 | 220 | 182 | 139 | 90 |
| **Total assets** | **6,062** | **5,749** | **5,295** | **4,941** | **4,757** |
| Equity attributable to Parent Company shareholders | 2,108 | 2,181 | 1,915 | 1,701 | 1,631 |
| Non-controlling interests | 105 | 59 | 17 | 14 | 12 |
| **Total equity** | **2,213** | **2,240** | **1,932** | **1,715** | **1,643** |
| Interest-bearing liabilities | 2,353 | 2,237 | 2,045 | 1,925 | 1,940 |
| Non-interest-bearing liabilities and provisions | 1,496 | 1,272 | 1,318 | 1,301 | 1,174 |
| **Total equity and liabilities** | **6,062** | **5,749** | **5,295** | **4,941** | **4,757** |

| CASH FLOW INFORMATION, MSEK | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|---|
| Cash flow from operating activities | 663 | 333 | 225 | 383 | 222 |
| Cash flow from investing activities | –368 | –281 | –188 | –177 | –328 |
| Cash flow from financing activities | –223 | –25 | 1 | –147 | 107 |
| **Cash flow for the year** | **72** | **27** | **38** | **59** | **1** |

| KEY FINANCIAL RATIOS | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|---|
| EBITDA | 656 | 571 | 503 | 426 | 353 |
| EBITA | 438 | 382 | 331 | 271 | 208 |
| EBITA margin, % | 9.3 | 8.0 | 7.2 | 6.3 | 5.1 |
| Operating margin, % | 7.9 | 7.1 | 6.5 | 5.7 | 4.7 |
| Profit margin, % | 5.5 | 5.7 | 5.7 | 4.9 | 3.8 |
| Return on working capital (P/WC), % | 26 | 21 | 22 | 20 | 16 |
| Return on capital employed, % | 9 | 8 | 8 | 7 | 6 |
| Return on equity, % | 9 | 10 | 11 | 10 | 7 |
| Operational net loan liability | –1,057 | –1,090 | –889 | –697 | –695 |
| Operational net debt/equity ratio | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 |
| Operational net loan liability/EBITDA excl. IFRS 16, multiple | 2.1 | 2.5 | 2.3 | 2.2 | 3.0 |
| Equity/assets ratio, % | 37 | 39 | 36 | 35 | 35 |
| No. of employees at the end of the period | 1,340 | 1,348 | 1,227 | 1,129 | 1,083 |
| Average no. of employees | 1,335 | 1,283 | 1,195 | 1,079 | 1,085 |
| **Per-share data** | | | | | |
| Earnings, SEK | 7.15 | 7.80 | 7.55 | 6.15 | 4.30 |
| Earnings after dilution, SEK | 7.15 | 7.80 | 7.50 | 6.15 | 4.30 |
| Cash flow from operating activities, SEK | 24.85 | 12.55 | 8.50 | 14.40 | 8.25 |
| Equity, SEK | 83.00 | 84.35 | 72.85 | 64.40 | 61.10 |
| Share price at 31 March, SEK | 209.50 | 128.40 | 141.40 | 121.40 | 50.30 |
| Dividend, SEK | 3.80[1] | 3.60 | 3.40 | 3.00 | 1.50 |
| **Other share-related data** | | | | | |
| Share price/equity, % | 252 | 152 | 194 | 189 | 82 |
| Share price/equity after dilution, % | 254 | 152 | 195 | 189 | 82 |
| P/E ratio, multiple | 29 | 16 | 19 | 19 | 12 |
| P/E ratio after dilution, multiple | 29 | 16 | 19 | 19 | 12 |
| Dividend yield, % | 1.8 | 2.8 | 2.4 | 2.5 | 3.0 |

1) As proposed by the Board of Directors.

# Definitions

### Return on equity [1, 2]
Net profit for the rolling 12-month period divided by average 12-month equity.
*Return on equity measures, from an ownership perspective, the return generated by the owners' invested capital.*

### Return on working capital (P/WC)[1]
EBITA (P) for the rolling 12-month period as a percentage of average 12 months' working capital (WC), defined as inventories plus accounts receivable less accounts payable.
*P/WC is used to analyse profitability and is a measure that encourages high EBITA and low working capital requirements. Bergman & Beving's profitability target is for each unit in the Group to achieve profitability of at least 45 percent. Refer to the reconciliation table on page 113.*

### Return on capital employed [1]
Profit after financial items plus financial expenses for the rolling 12-month period divided by the average balance-sheet total less non-interest-bearing liabilities.
*Return on capital employed shows the Group's profitability in relation to externally financed capital and equity.*

### Share price/equity [1, 2]
The share price relative to equity per share at the end of the financial year.

### Dividend yield [1]
Dividend per share relative to share price at 31 March.

### EBITA [1]
Operating profit for the period before impairment of goodwill and amortisation and impairment of other intangible assets in connection with corporate acquisitions and equivalent transactions.
*EBITA is used to analyse profitability generated from operating activities.*
*Refer to the reconciliation table on page 113.*

### EBITA margin [1]
EBITA for the period as a percentage of revenue.
*The EBITA margin is used to show the profitability ratio of operating activities.*

### EBITDA [1]
Operating profit for the period before depreciation/amortisation and impairment losses.
*EBITDA is used to analyse profitability generated from operating activities.*
*Refer to the reconciliation table on page 113.*

### Equity per share [1, 2]
Equity divided by the weighted number of shares at the end of the period.
*Equity per share measures the amount of equity attributable to each share and is presented to facilitate the analyses and decisions of investors.*

### Change in revenue for comparable units [1]
Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Acquisitions/divestments refer to the acquisition or divestment of units during the corresponding period.
*Used to analyse the underlying sales growth driven by changes in volume, range and prices for similar products and services between different periods.*
*Refer to the reconciliation table on page 113.*

### Cash flow per share [1]
Cash flow for the rolling 12-month period from operating activities divided by the weighted number of shares.
*The measure is used to enable investors to easily analyse the size of the surplus from operating activities that is generated per share.*

### Operational net loan liability [1]
Interest-bearing liabilities excluding lease liabilities and provisions for pensions less cash and cash equivalents.
*Operational net loan liability is used to follow the debt trend and to analyse the Group's total debt excluding lease liabilities and provisions for pensions.*
*Refer to the reconciliation table on page 113.*

### Operational net debt/equity ratio [1, 2]
Operational net loan liability divided by equity.
*Operational net debt/equity ratio measures, from an ownership perspective, the relationship between operational net loan liability and the owners' invested capital. Refer to the reconciliation table on page 113.*

### P/E ratio [1]
The share price at 31 March divided by earnings per share.

### Profit after financial items [1]
Profit before taxes for the period.
*Used to analyse operational profitability including financial activities.*

### Earnings per share
Net profit attributable to the Parent Company shareholders divided by the weighted number of shares.

### Operating profit [1]
Operating income less operating expenses.
*The measure is used to describe the Group's earnings before interest and taxes.*

### Operating margin [1]
Operating profit for the period as a percentage of revenue.
*The measure is used to state the percentage of revenue remaining to cover interest and tax as well as to generate profit after the company's costs have been paid.*

### Equity/assets ratio [1, 2]
Equity as a percentage of the balance-sheet total.
*The equity/assets ratio is used to analyse financial risk and shows the proportion of assets that are financed through equity.*

### Profit margin [1]
Net profit after financial items as a percentage of revenue.
*Profit margin is used to assess the Group's profit generation before tax and shows the proportion of revenue that the Group may retain in profit before taxes.*

### Weighted number of shares
Average number of shares outstanding before or after dilution. Shares held by the company are not included in the number of shares outstanding. Dilution effects arise due to call options that can be settled using shares in share-based incentive programmes. The call options have a dilution effect when the average share price during the period is higher than the redemption price of the call options.

1) The performance measure is an alternative performance measure in accordance with ESMA's guidelines
2) Minority shares are included in equity when this performance measure is calculated

# Reconciliation tables, alternative performance measures

Bergman & Beving uses certain financial performance measures in its analysis of the operations and their performance that are not calculated in accordance with IFRS. The Company believes that these performance measures provide valuable information for investors, since they enable a more accurate assessment of current trends when combined with other key financial ratios calculated in accordance with IFRS. Since listed companies do not always calculate these performance measures ratios in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name.

## Change in revenue

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Acquisitions/divestments refer to the acquisition or divestment of units during the corresponding period.

| Percentage change | 2023/2024 | 2022/2023 |
|---|---|---|
| Comparable units in local currency | –10 | –4 |
| Currency effects | 1 | 2 |
| Acquisitions/divestments | 8 | 6 |
| **Total – change** | **–1** | **4** |

## EBITA

| MSEK | 2023/2024 | 2022/2023 |
|---|---|---|
| Operating profit | 372 | 382 |
| Depreciation and amortisation in connection with acquisitions | 66 | 43 |
| **EBITA** | **438** | **425** |

## EBITDA

| MSEK | 2023/2024 | 2022/2023 |
|---|---|---|
| Operating profit | 372 | 339 |
| Depreciation, amortisation and impairment losses | 284 | 232 |
| **EBITDA** | **656** | **571** |
| Depreciation of right-of-use assets | –155 | –135 |
| **EBITDA excl. IFRS 16** | **501** | **436** |

## Return on working capital (P/WC)

| MSEK | 2023/2024 | 2022/2023 |
|---|---|---|
| **EBITA (P)** | **438** | **382** |
| **Average working capital (WC)** | | |
| Inventories | 1,275 | 1,389 |
| Accounts receivable | 892 | 924 |
| Accounts payable | –453 | –516 |
| **Total – average WC** | **1,714** | **1,797** |
| **P/WC, percent** | **26** | **21** |

## Operational net loan liability and operational net debt/equity ratio

| MSEK | 2023/2024 | 2022/2023 |
|---|---|---|
| Financial net liabilities | 2,353 | 2,237 |
| Pensions | –558 | –490 |
| Lease liabilities | –442 | –437 |
| Cash and cash equivalents | –296 | –220 |
| **Operational net loan liability** | **1,057** | **1,090** |
| Equity | 2,213 | 2,240 |
| **Operational net debt/equity ratio** | **0.5** | **0.5** |

**Bergman & Beving 2023/2024**
**Production:** Bergman & Beving AB in partnership with Proud Power Agency.


TENGTOOLS


DYNAPAC

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