BEIJER ALMA

2022

ANNUAL REPORT
SUSTAINABILITY REPORT

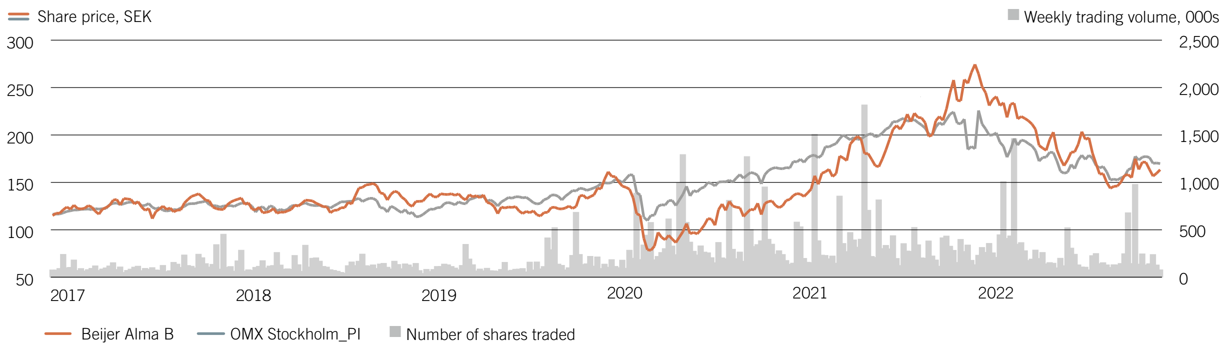
22 Beijer Alma

CONTENTS

Beijer Alma is an international, listed industrial group. Its subsidiaries work with industrial customers in various sectors, including engineering, automotive, infrastructure and energy. Beijer Alma commands strong international positions in industrial and chassis springs. The Group's operations also have strong market positions in selected niches in the Nordic region.

- **Lesjöfors** – an international manufacturer of springs, wire and flat strip components.
- **Beijer Tech** – value-generating manufacturing, industrial trading, and niche technologies in the Nordic region.

SHARE PERFORMANCE 2017–2022



REVENUE AND EARNINGS PER OPERATING SECTOR/SEGMENT

MSEK	Q1	Q2	Q3	Q4	Total
Net revenue					
Lesjöfors	1,020.8	1,010.1	1,045.2	997.2	**4,073.3**
Beijer Tech	439.2	450.8	435.9	464.3	**1,790.2**
Habia Cable	244.4	289.3	242.9	–	**776.6**
Parent Company and intra-Group	–	–	0.6	–	**0.6**
Total	1,704.4	1,750.2	1,724.6	1,461.5	**6,640.7**
Operating profit					
Lesjöfors	191.0	156.0	154.4	139.4	**640.8**
Beijer Tech	52.9	42.4	52.0	38.7	**186.0**
Habia Cable	33.9	43.7	28.6	–	**106.1**
Items affecting comparability	–25.0	–	–	–	**–25.0**
Parent company and intra-group, incl. capital gain	–6.6	–7.8	–6.1	343.9	**323.4**
Consolidated operating profit	246.2	234.3	228.9	522.0	**1,231.7**
Net financial items	–8.9	–2.4	–15.0	–47.7	**–74.0**
Profit/loss after net financial items	238.0	231.6	213.8	474.3	**1,157.7**

DISCONTINUED OPERATIONS

In this annual report, Habia Cable is recognized as a discontinued operation in accordance with IFRS 5. Other operations constitute "continuing operations". Comments and figures for 2021 and 2022 pertain to continuing operations, unless otherwise stated. For more information, refer to "Accounting policies" on page 47 and Note 30 on page 68.

"2022 marked another acquisition-intensive year. Five new companies were added to the Group."

HENRIK PERBECK, PRESIDENT AND CEO BEIJER ALMA

704

PROFIT AFTER NET FINANCIAL ITEMS
Beijer Alma's profit after net financial items increased to MSEK 704 (681).

13.2%

OPERATING MARGIN
Beijer Alma's operating margin decreased to 13.2 percent (15.5).

+28%

NET REVENUE
Beijer Alma's net revenue rose 28 percent to MSEK 5,866 (4,580).

CONTINUED ACQUISITIONS

2022 marked another acquisition-intensive year. Five new companies were added to the Group. The largest by far was the acquisition of the US spring company John Evans' Sons. Through this transaction, Lesjöfors significantly increased its market share in the US and its revenue in the area more than doubled. Through the acquisition of Telform, Lesjöfors also expanded into a new geographic market – Türkiye. Telform also expanded the capacity for low-cost production.

John Evans' Sons manufactures custom mechanical assembly springs.

NEW GROWTH AREAS

Beijer Tech continued to grow in new growth areas. Early in the year, the company acquired Swedish Microwave, which specializes in component manufacturing for satellite reception. The Swedish company Mountpac was also acquired. The company specializes in advanced sheet-metal operations and the development of complex end products. Norska Norspray conducted a minor complementary acquisition.

HABIA CABLE DIVESTED

In the autumn, Habia Cable was divested to the German cable company HEW-KABEL Holding GmbH. The transaction ensured long-term value creation for shareholders through a strengthened strategic focus in Beijer Alma. At the same time, it created the right conditions for growth for Habia Cable, which was part of the Group since 1985.

BEIJER ALMA TURNS 40

In 2023, Beijer Alma will celebrate its 40th anniversary. In 1983, a number of entrepreneurs in the Uppland region joined together to form what was then a regional investment company. Since then, Beijer Alma has grown into an international business with strong positions in many areas. Read more about the milestones in the Group's history on our website: beijeralma.se/en/about-beijer-alma/history/.

–41%

CO2 INTENSITY DECLINED
The Group's carbon footprint declined compared with 2018. Energy-saving measures and the transition to renewable energy are yielding results.

617

ACQUIRED REVENUE
In 2022, five companies were acquired with total revenue of MSEK 617.

3.75

INCREASED DIVIDEND
The Board's proposal to the Annual General Meeting is an increased dividend of SEK 3.75 (3.50) per share.

"2022 was probably the most eventful year in the Group's history. Most of what happened was positive and advanced our position, but was nevertheless multidimensional. We carried out value-adding acquisitions, completed a major divestment and made quick, important decisions to adapt to challenges changes in our operating environment," says President and CEO Henrik Perbeck.

Acquisitive growth in an eventful year

How would you summarize 2022?
The Group's development was mainly positive. Its profitable growth continued and was primarily driven by acquisitions. We also grew organically as a result of price increases. From a regional perspective, the Nordic market was the strongest. This is where Beijer Tech operates, and it is also an important market for Lesjöfors. Demand in other European markets was more volatile. We were mainly impacted by the Russian market, which we chose to exit. We welcomed several new, attractive companies to the Group during the year – Swedish Microwave, Mountpac, Telform and of course John Evans' Sons. The latter, which was our largest acquisition to date, doubled our presence in the US, gave us a leading position in a new product niche and will allow us to grow in the attractive medical technology segment. The acquisitions all contributed positive performances from the start.

Overall, I'm proud that we're entering 2023 as a "new" Group. We have made major acquisitions in Lesjöfors, new operations have been added to Beijer Tech and Habia Cable has been divested. At the same time, the world is facing significant challenges. Russia's war against Ukraine is an incredible human tragedy, one that has also impacted us as a company.

Why was Habia Cable was divested?
A strategic review of our ownership of Habia began in the spring. This was done to determine the best way to create value, both for Beijer Alma and for Habia Cable. The review resulted in a divestment that enabled us to strengthen our strategic focus and financial position. The aim is to prioritize growth and new opportunities in Lesjöfors and Beijer Tech, particularly in terms of acquisitions. At the same time, Habia Cable has gained an industrial owner that can develop a major European cable group.

"We are entering 2023 as a 'new' Group. We have made major acquisitions in Lesjöfors, new operations have been added to Beijer Tech and Habia Cable has been divested."

How would you describe Lesjöfors's performance?
Lesjöfors has a strong business model, with profitable spring companies in Europe, Asia and North America that operate close to customers and have a diversified customer base. Certain regions have faced a challenging external environment. I'm thinking primarily of Russia, which was an important market in Chassis Springs. Due to the war in Ukraine, we suspended our sales and now have no operations left in Russia. The situation with Covid-19 in China and volatile demand in Central Europe were also challenging. At the same time, demand remained favorable in the Nordic region and the increasingly important North American market.

Major new acquisitions were carried out. What does this mean for Lesjöfors?
First and foremost, Lesjöfors is a much larger group than it was just a few years ago. This means that there is a greater focus on collaboration between companies as well as more opportunities, for example by selling the entire product portfolio in all markets. Both Alcomex and John Evans' Sons are market leaders in attractive niches – door springs and springs for the medical device industry, respectively – and complement Lesjöfors geographically. The company's smaller acquisitions are also generating added value. The US company Plymouth Springs had a strong first year in the Group, and the Turkish company Telform offers an interesting new European production platform to build on.

How did Beijer Tech perform?
Beijer Tech had a very strong year – a record-breaking year! The operations now comprise an impressive 16 operating companies. These companies generally have favorable demand and have been good at managing price increases and challenges in their supply chains. The company's improved profitability is attributable to both new acquisitions and to con-

tinued organic growth. The new companies – which performed well in 2022 – have higher value add since they work with product development and production.

Describe the acquisitions carried out during the year and Beijer Tech's strategy.
Swedish Microwave and Mountpac joined the Group at the start of the year and are exciting companies in different niches. Swedish Microwave has a world-leading position in advanced components used in satellite communication. Together with the company's management, we see good opportunities to continue its global journey of growth. Mountpac is an innovative and flexible contract manufacturer in the Gnosjö region. The company also has a growth-oriented management team, whose main aim is to continue to grow organically in this dynamic industrial region.

Beijer Tech's strategy is to acquire, own and develop industrial companies in trade and production. Acquisitions may include supplementary acquisitions in existing operations and acquisitions of related operations. But beyond that – and this is very exciting – we also enter new niches if the company and its management have the right profile.

What is the focus of Beijer Alma's sustainability agenda?
We have made clear progress in terms of the objectives we established just over three years ago. These objectives are based in part on the UN Global Compact and focus on CO2 emissions, resource consumption and waste. So far, our efforts to reduce our emissions have focused on Scope 1 and 2, meaning the areas where we can have the greatest impact. While we are continuing with this work, we are also raising our sights now and looking at the entire value chain and Scope 3 emissions. As a result, we are now on a journey that will make sustainability a clearer part of the value that we create for our customers. This means that we need to include the climate impact of the entire value chain, which in our case mainly includes emissions from raw materials and transportation. To support our climate efforts, we are now also preparing to implement science-based targets with the long-term aim of meeting the requirements of the Paris Agreement. In addition to our climate impact, we are also focusing on other sustainability aspects in relation to our business partners, including assessments of social, business ethics and environmental aspects.

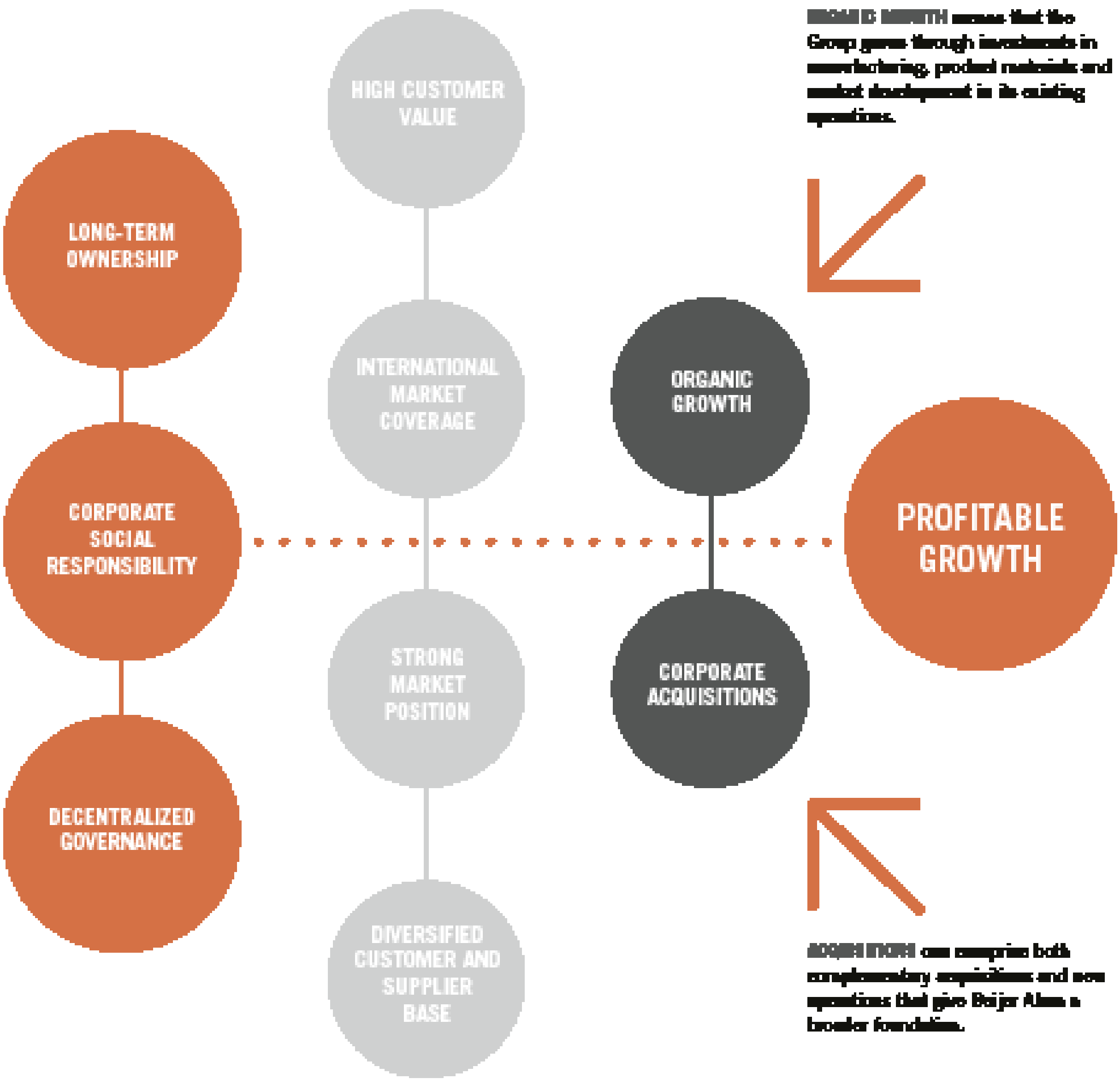
"After three turbulent years with a pandemic, recovery and a war in Europe, we have learned to react quickly to changes in the markets where we operate."

The macro environment is difficult to assess – how are you preparing for 2023 and beyond?
Yes, it certainly is. After three turbulent years with a pandemic, recovery and a war in Europe, we have learned to react quickly to changes in the markets where we operate. And it's not uncommon that this differs from the macro analyses you see in the media. Conditions can also vary considerably between different companies, markets or customers. Given the decentralized nature of the Group, local management has to be quick at adapting costs, prices and inventory levels. We were successful in this regard in 2022, and I want to thank our employees for this and for their other outstanding contributions. I expect that these types of adjustments will remain important in 2023. At the same time, we are continuing to invest in growth where possible, not least through carefully selected acquisitions.

Henrik Perbeck
President and CEO, Beijer Alma

Both of Beijer Alma's Group companies specialize in component manufacturing, value-added sales, manufacturing and niche technologies. The development of all operations is based on long-term ownership, corporate responsibility and decentralized governance. Profitable growth is achieved by combining organic development and acquisitions.

Acquisitions and organic development fuel profitable growth



THE FOUNDATION OF BEIJER ALMA: LONG-TERM OWNERSHIP, RESPONSIBILITY AND DECENTRALIZATION

Three prerequisites form the foundation for Beijer Alma's operations.

- **Long-term ownership.** The goal is to create successful groups of companies with strong, sound structures that can be gradually expanded and generate significant growth and profitability over time.
- **Corporate responsibility.** Achieving profitable growth requires a responsible approach to business. Accordingly, the Group conducts sustainability work designed to limit its impact on the environment, offer its employees a safe and stimulating work environment, and be characterized by sound business ethics and values.
- **Decentralized governance.** Group companies are developed based on the conviction that it is best that decisions be made locally. This is where people have the best understanding since the matters in question are often local in nature. Decentralized responsibility and clear mandates close to the customer create a greater sense of drive and entrepreneurship.

In order to grow profitably, the Group companies focus on four strategic areas.

- **High customer value.** Many products and services are adapted to meet specific customer needs, add extra value or provide the customer with more content that they are willing to pay for. This increases customer value and drives profitability.
- **International market coverage.** Broad sales and international coverage strengthen expansion and growth with customized niche products.
- **Strong market positions.** Quality products, customization and service create strong market positions. This enables the Group companies to compete on the basis of added value rather than price.
- **Broad customer and supplier bases.** This breadth provides room for action, reduces risk and limits the Group's dependency on individual markets, industries, customers and suppliers.

Read more about Beijer Alma's growth efforts on pages 6–7.

Acquisitive growth

Five criteria help guide Beijer Alma when conducting acquisitions:

FOCUS
Business-to-business operations, primarily within manufacturing and assembly but also trading companies or companies that deliver solutions and services.

GROWTH ENABLERS
Products and services with high customer value that customers are willing to pay for. Market coverage that is preferably international – or has the potential to become so – and a diversified customer base that enables growth and reduces risks.

MARKET SEGMENT
Segments that have clear growth opportunities and create conditions for long-term profitable development.

SIZE
The Group conducts both complementary acquisitions and acquisitions in new market segments or product areas. The focus is on companies with revenue of between MSEK 50 and 500.

FINANCIAL HISTORY
Well-run companies that have demonstrated growth and profitability over time.

18

HIGHER ACQUISITION RATE
A total of 18 acquisitions have been made since 2019: 12 in Beijer Tech and six in Lesjöfors. These operations have provided the Group with access to 11 new product areas, five new industrial niches and four new geographic markets.

ACQUISITIONS 2019–2022

2019	Uudenmaan Murskaus, Encitech, Lundgrens Norge, De Spiraal & Tribelt, KTT Tekniikka
2020	Metrol Springs, PA Ventiler, INU
2021	Noxon, Novosystems, Källström, Alcomex, Plymouth Spring
2022	Swedish Microwave, Mountpac, John Evans' Sons, Norserv, Telform

NUMBER OF ACQUISITIONS 2010–2022

35

ACQUIRED ANNUAL REVENUE AT TIME OF ACQUISITION, MSEK

3,335

SHARE OF ACQUIRED REVENUE BY GEOGRAPHIC MARKET

Nordic region 41%
Other Europe 39%
North America 18%
Asia 2%

TÜRKIYE – A NEW MARKET FOR LESJÖFORS

With the acquisition of Telform, Lesjöfors expanded to yet another European spring market – Türkiye.

Telform manufactures industrial springs for both the domestic market and international customers in more than 30 countries. Its products are used in multiple industries such as white goods, construction, automotive and electronics.

The transaction broadened Lesjöfors's production platform and expanded the capacity for low-cost production, thereby enabling production optimization in line with the overall strategy.

140

Telform has approximately 140 employees. The company's spring operations generate annual revenue of approximately MEUR 11 with favorable profitability.

Telform manufactures pipe clamps that are used for attaching pipes, cables and hoses, for example in the construction industry.

"The acquisition of John Evans' Sons is the largest in Beijer Alma's history – in the billion kronor range. In terms of value, the operations are thus on a par with Habia Cable, which was divested during the year."

HENRIK PERBECK, PRESIDENT AND CEO OF BEIJER ALMA

JOHN EVANS – THE RIGHT ACQUISITION IN MANY WAYS

The purchase of John Evans' Sons in 2022 marked a record-breaking acquisition for Lesjöfors. Lesjöfors is now significantly increasing its market share in the US and has more than doubled its revenue in the region.

"This acquisition was the right strategic move in many ways," concludes Beijer Alma's CEO Henrik Perbeck. "Firstly, it gave Lesjöfors access to a new product segment in the spring market. But John Evans' Sons is also contributing to our geographic expansion and to our further growth in medical technology in Europe as well."

STRONG POSITION IN MEDICAL TECHNOLOGY

John Evans' Sons is a leading spring company in the US. In addition to springs for the medical device industry – where it holds a strong market position – the company has a broad product portfolio for the manufacturing, construction, aviation and transportation industries. John Evans' Sons has created further opportunities for coordinated purchasing, cross-selling, joint development projects, and resource and knowledge sharing with Lesjöfors's other subsidiaries.

The spiral torsion springs manufactured by John Evans' Sons are used in electrical motors.

BEIJER TECH – A FOCUS ON NICHE TECHNOLOGIES

Beijer Tech is continuing to focus on new growth areas. During the year, the company acquired Swedish Microwave and Mountpac.

SWEDISH MICROWAVE – WORLD LEADER IN ANTENNA TECHNOLOGY

Swedish Microwave (SMW) develops and manufactures low-noise block downconverters (LNBs). LNBs are a key component in the antenna technology that receives information from satellites, where the LNBs convert radio signals in different frequencies. SMW's main competitive advantage is its high-quality technology, which enables radio signals to be converted with minimal losses and improved signal strength.

Its products are used in satellite stations, aboard vessels and for TV transmission.

"With Beijer Tech, we have gained a stronger ownership structure. This has added greater weight to our offering and to our dialogue with our customers, which are often major global companies. It's helping to accelerate our growth," says SMW's President Dennis Danielsson. "It's also making it easier to make investments, for example in new, advanced testing equipment and machinery."

MOUNTPAC – SHEET-METAL OPERATIONS AND COMPLEMENTARY SERVICE

Mountpac specializes in sheet-metal operations and complementary services ranging from product development to logistics. The end result is a complete solution, where complex end products are developed for customers – a solution that includes design support, manufacturing, assembly and distribution.

"Our most important competitive advantage is our flexibility, where our ability quickly adapt to customer needs is crucial. Another strength is our presence in the Gnosjö region, an area with a long history of entrepreneurship and an established network of suppliers. This enables components to be manufactured in various materials and with different properties," says President Samuel Wärnelöv.

ATTRACTIVE DECENTRALIZATION

Beijer Alma's decentralized governance is an asset in acquisitions. The Group often acquires companies that are managed by their owners, where the key individuals are used to working independently. They appreciate joining a group where initiative-taking is encouraged and decisions are made with local support. This makes Beijer Alma more attractive to the seller.

In many acquired companies, the previous owners have also chosen to continue working for the company. This is a further indication that the Group's decentralized culture offers a positive and stimulating work environment. The quality of decisions also improves when they are made by people close to the operations. Better decisions help the organization as a whole to develop more efficiently and more responsively.

The share

- A total of 25 percent of the outstanding shares in the Group were traded during the year. An average of 52,500 shares were traded every day.
- At year-end 2022, Beijer Alma had a market capitalization of MSEK 9,847.
- Earnings per share totaled SEK 15.92 (9.43).
- At year-end 2022, Beijer Alma had 15,546 shareholders.
- The closing price at year-end was SEK 163.40 (274.50).
- The highest price was SEK 284.50, which was quoted on January 4, 2022.
- The lowest price was SEK 136.40, which was quoted on September 28, 2022.
- Beijer Alma's share price declined 41 percent in 2022.
- Stockholm's all-share index declined 25 percent.

PER-SHARE DATA	2022	2021	2020	2019	2018
Earnings per share after tax, SEK [1]	**15.92**	9.43	6.58	7.15	7.78
Shareholders' equity per share, SEK [1]	**59.80**	47.42	41.78	40.04	37.04
Dividend per share, SEK	**3.75**	3.50	3.00	2.50	5.1
Dividend ratio excl. capital gain Habia Cable, %	**37**	37	46	35	66
Dividend ratio, %	**24**	37	46	35	66
Dividend yield, %	**2.3**	1.3	2.3	1.6	3.9
Share price at year-end, SEK	**163.40**	274.50	131.00	156.60	129.98
Highest share price, SEK	**284.50**	277.00	162.20	156.60	152.48
Lowest share price, SEK	**136.40**	129.80	72.20	113.00	115.00
P/E ratio at year-end	**10.3**	29.1	19.9	21.9	16.7
Cash flow per share after capital expenditures	**13.52**	–8.06	6.26	1.70	3.80
Closing number of shares	**60,262,200**	60,262,200	60,262,200	60,262,200	60,262,200
Average number of shares	**60,262,200**	60,262,200	60,262,200	60,262,200	60,262,200

[1] Attributable to Parent Company shareholders

HOLDING	No. of shareholders	No. of shares	No. of Class A shares	No. of Class B shares	Holding, %	Votes, %
1–500	12,686	1,196,732	302	1,196,430	2.0	1.0
501–5,000	2,449	3,840,919	200	3,840,719	6.4	3.2
5,001–10,000	187	1,349,994	0	1,349,994	2.2	1.1
10,001–20,000	96	1,410,842	100	1,410,742	2.4	1.2
20,001–50,000	56	1,791,490	52,866	1,738,624	3.0	1.9
50,001–100,000	25	1,747,382	0	1,747,382	2.7	1.4
100,001–	47	47,329,863	6,473,332	40,856,531	78.6	88.7
Anonymous ownership	N/A	1,594,978	0	1,594,978	2.8	1.4
Total	**15,546**	**60,262,200**	**6,526,800**	**53,735,400**	**100.0**	**100.0**

As of December 31, 2022. Source: Monitor from Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

LARGEST SHAREHOLDERS	No. of shares	No. of Class A shares	No. of Class B shares	Holding, %	Votes, %
Anders Wall Foundation	7,683,757	400	7,683,357	12.8	6.5
Anders Wall with family and companies	7,532,823	5,390,600	2,142,223	12.5	47.1
Lannebo Fonder	5,174,441	0	5,174,441	8.6	4.4
Verdipapir fond Odin Sverige	3,100,000	0	3,100,000	5.1	2.6
Handelsbanken Fonder	2,639,090	0	2,639,090	4.4	2.2
Nordea Fonder	2,077,926	0	2,077,926	3.5	1.8
C World Wide Asset Management	1,877,568	0	1,877,568	3.1	1.6
Cliens Fonder	1,872,073	0	1,872,073	3.1	1.6
Fourth National Swedish Pension Insurance Fund	1,475,756	0	1,475,756	2.5	1.2
Vanguard	1,471,905	0	1,471,905	2.4	1.2
Livförsäkringsbolaget Skandia	954,058	0	954,058	1.6	0.8
Göran W Huldtgren with family and companies	952,522	613,266	339,256	1.6	5.4
Swedbank Robur Fonder	790,000	0	790,000	1.3	0.7
Grandeur Peak Global Advisors, LLC	742,836	0	742,836	1.2	0.6
Skandia Fonder	704,022	0	704,022	1.2	0.6
Other	21,213,423	522,534	20,690,889	35.2	21.8
Total	**60,262,200**	**6,526,800**	**53,735,400**	**100.0**	**100.0**

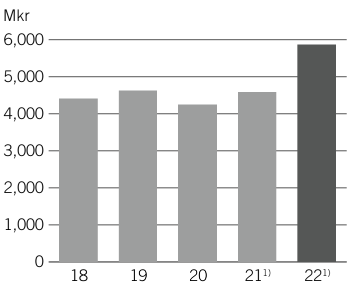
As of December 31, 2022. Source: Monitor from Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

Ten-year summary

MSEK	2022 [1]	2021 [1]	2020	2019	2018	2017	2016	2015	2014	2013
Net revenue	**5,865.8**	4,579.9	4,249.8	4,621.7	4,408.8	3,971.5	3,527.5	3,521.9	3,298.2	3,066.5
Operating profit	**772.9**	711.7	544.8	582.6	622.8	528.4	455.2	477.3	427.5	396.3
Operating profit before items affecting comparability	**797.9**	757.0	544.8	582.6	622.8	512.3	455.2	477.3	427.5	396.3
Net financial items	**–69.1**	–30.9	–29.6	–25.2	–13.6	–11.0	–8.2	–10.4	–3.9	–11.6
Profit after net financial items	**703.8**	680.9	515.2	557.4	609.2	517.4	447.0	466.9	423.6	384.7
Tax	**–164.1**	–153.9	–118.3	–126.6	–140.4	–129.1	–119.4	–113.2	–104.3	–95.7
Net profit [2]	**539.7**	527.0	396.6	430.8	468.8	388.3	327.6	353.7	319.3	289.0
Fixed assets	**4,753.8**	3,437.0	2,388.8	2,261.6	1,676.8	1,551.5	1,504.8	1,314.2	1,347.0	1,192.5
Current assets	**3,401.8**	2,907.1	2,295.6	2,293.3	2,051.9	1,883.8	1,646.4	1,555.6	1,396.7	1,355.5
Shareholders' equity [2]	**3,604.0**	2,857.8	2,517.9	2,413.2	2,231.8	1,991.1	1,901.5	1,835.3	1,744.8	1,610.9
Non-current liabilities and provisions	**1,726.8**	1,545.8	918.5	785.8	270.4	219.7	309.0	262.3	313.9	299.2
Current liabilities	**2,789.6**	1,944.3	1,261.8	1,351.8	1,222.3	1,220.6	936.9	768.5	681.3	634.3
Total assets	**8,155.5**	6,344.1	4,684.4	4,554.9	3,728.7	3,435.3	3,151.2	2,869.8	2,743.7	2,548.0
Cash flow	**254.8**	–150.7	174.5	169.0	229.3	186.5	173.6	251.8	146.0	200.0
Depreciation/amortization	**274.3**	210.1	239.7	230.7	138.5	130.5	117.3	110.6	98.7	86.7
Net investments excluding corporate acquisitions	**177.6**	175.9	124.4	203.0	205.2	125.9	203.6	135.8	140.0	126.3
Capital employed	**6,226.5**	4,168.3	3,706.6	3,599.1	2,962.7	2,727.8	2,488.2	2,281.5	2,125.8	1,957.0
Net debt	**1,833.3**	1,323.7	572.6	720.9	439.6	408.7	313.1	194.1	189.8	92.3
Performance measures, %										
Gross margin	**30.1**	33.1	30.4	29.8	31.2	31.8	32.5	32.8	32.4	32.4
Operating margin	**13.2**	15.5	12.8	12.6	14.1	13.3	12.9	13.7	13.0	12.9
Operating margin before items affecting comparability	**13.6**	16.5	12.8	12.6	14.1	12.9	12.9	13.7	13.0	12.9
Profit margin	**12.0**	14.9	12.1	12.1	13.8	13.0	12.7	13.3	12.8	12.5
Equity ratio	**44**	45	53	53	60	58	60	64	64	63
Net debt/equity ratio	**45**	46	23	30	20	20	16	11	11	6
Return on shareholders' equity	**17.0**	21.7	16.5	19.2	22.5	20.7	18.7	20.3	19.7	19.2
Return on capital employed	**21.1**	18.6	14.9	17.7	22.0	20.8	19.1	21.7	21.3	21.1
Interest-coverage ratio, multiple	**12.4**	23.5	17.9	22.1	39.9	42.5	48.8	41.8	41.3	28.9
Average number of employees	**3,307**	2,866	2,585	2,658	2,610	2,546	2,340	2,262	2,124	2,110
Earnings per share after tax	**15.92**	9.43	6.58	7.15	7.78	6.45	5.79	6.05	5.48	4.80
Dividend per share, SEK	**3.75**	3.50	3.00	2.50	5.10	4.75	4.75	4.75	4.25	4.00

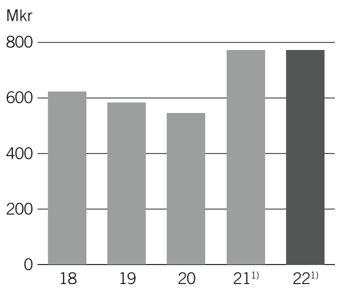
[1] Excluding discontinued operations.
[2] Attributable to Parent Company shareholders. Refer to Note 38 on page 72 for definitions. Definitions and calculations are also available on beijeralma.se under Investor Relations.

NET REVENUE



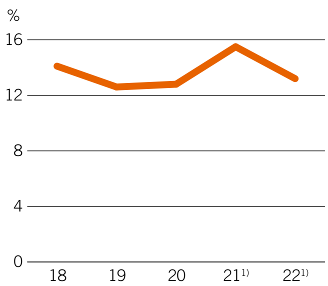
[1] Excluding discontinued operations

OPERATING PROFIT



[1] Excluding discontinued operations

OPERATING MARGIN



[1] Excluding discontinued operations

Lesjöfors is a full-range supplier of standard and customized industrial springs as well as wire and flat strip components. The company also manufactures replacement springs for the aftermarket for cars and light trucks. Lesjöfors holds a leading position in the Nordic region and is one of the largest companies in its industry in Europe and the US.

Lesjöfors

INTERVIEW WITH OLA TENGROTH, PRESIDENT OF LESJÖFORS

Despite geopolitical turmoil, Lesjöfors remained robust and delivered positive results. This is how Ola Tengroth, President of Lesjöfors, summarizes 2022. He also tells us that the company's latest acquisitions, including those in the US, delivered a strong performance during the year.

Summarize 2022 – what stands out?
Aside from some geopolitical disruptions, it has been a good year on the whole. We are benefiting from Lesjöfors's overall robust position. Although we were forced to discontinue our operations in Russia, the Group performed well and, on the whole, reached the targets we set for the year. Overall, Industry delivered the strongest performance, while Chassis Springs had a weaker season. Another positive is that new acquisitions such as Alcomex, Plymouth Spring and John Evans' Sons performed well.

Are there any particular initiatives you would like to highlight?
In terms of overall initiatives, we are continuing to invest in our sales platform, which will enable us to broaden our cross-selling and ensure that we sell the entire Lesjöfors portfolio in all regions. We are beginning to generate a return on these investments, including in the heavy springs area. Going forward, I expect this return to increase. Another initiative is something we call "An Updated Lesjöfors," which covers the areas of digitalization, sustainability and strategic HR. We are now implementing several sub-projects, including a new e-commerce platform. The objective is to be one step ahead of our competitors in all three areas.

You completed a major new acquisition in the US with John Evans' Sons – how has this strengthened Lesjöfors?
Size and profitability are connected. In the areas where we hold strong positions – geographically or through product segments – we

"Size and profitability are connected. In the areas where we hold strong positions, we also have healthy earnings."

also have healthy earnings. It is therefore important to be one of the three largest players, and acquisitions help us to ensure this. In the US, for example, the latest acquisitions have made Lesjöfors one of the ten largest spring manufacturers. The objective is to continue to grow through acquisitions in this and other markets and to expand the platform.

You also acquired Telform in Türkiye, which is a new market – why?
Türkiye is home to competitive companies that have good infrastructure and are able to offer high-quality and precise deliveries. The trend is also moving toward less dependency on manufacturing in China. As a result, it is of interest to find low-cost production closer to Europe. Türkiye is also a large and significant market in and of itself.

What sustainability issues are in focus?
We are making our sustainability efforts tangible with an aggressive plan that will run until 2030. The plan will focus on Scope 3 emissions and covers our supplier base. This is because most of our emissions are connected to steel and other purchased materials. At the same time, we are setting more specific emission targets, and we intend to join the Science Based Targets initiative, which signals a stronger commitment to reducing emissions.

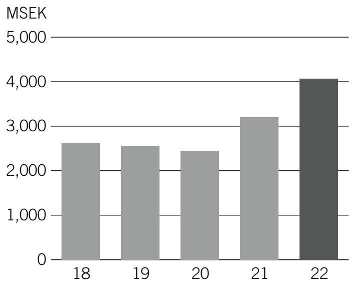
> **“We are benefiting from Lesjöfors’s overall robust position.”**

The business environment is difficult to assess – how are you planning for 2023?
It’s relatively likely that the trend in 2023 will be more negative. However, we have not seen any evidence of this in our order books. As such, we are currently planning for a more normal year, but we are also maintaining a higher level of preparedness in case the situation worsens. For example, we can quickly activate a savings program should conditions change.

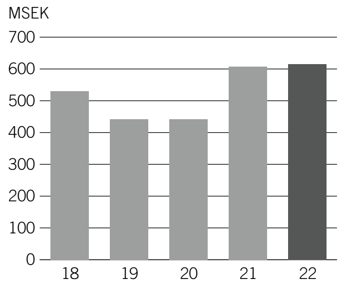
PERFORMANCE MEASURES

MSEK	**2022**	2021	2020	2019	2018
Net revenue	**4,073.3**	3,197.8	2,448.7	2,563.5	2,624.9
Net revenue, Chassis Springs business area	**814.6**	892.7	608.8	640.5	761.0
Net revenue, Industry business area	**3,258.7**	2,305.3	1,839.9	1,923.0	1,863.9
Cost of goods sold	**–2,789.9**	–2,080.3	–1,654.6	–1,746.7	–1,740.9
Gross profit	**1,285.4**	1,117.5	794.1	816.8	884.0
Selling expenses	**–290.6**	–209.3	–169.5	–185.3	–178.4
Administrative expenses	**–355.4**	–255.5	–183.5	–190.2	–175.0
Items affecting comparability	**–25.0**	–45.3	–	–	–
Operating profit	**615.7**	607.2	441.2	441.3	530.6
Operating margin, %	**15.1**	19.0	18.0	17.2	20.2
Net financial items	**–58.0**	–13.1	–12.2	–13.0	–7.1
Profit after net financial items	**557.8**	594.1	429.0	428.8	523.5
Of which, depreciation and amortization	**207.4**	155.9	148.2	142.8	98.5
Capital expenditures excl. corporate acquisitions	**151.5**	133.3	91.0	153.9	158.9
Return on capital employed, %	**16**	22	19	20	32
Average number of employees	**2269**	1,918	1,696	1,742	1,733

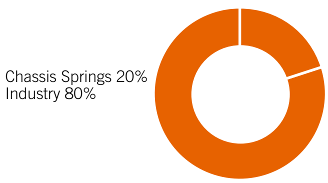
NET REVENUE



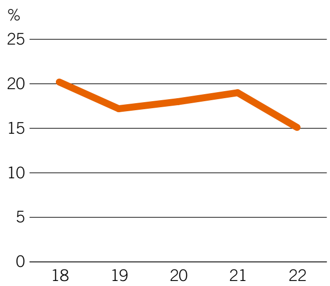
OPERATING PROFIT



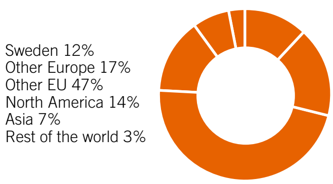
SHARE OF NET REVENUE



OPERATING MARGIN



SALES PER MARKET



MAIN AREAS – SUSTAINABILITY WORK

- Ensure that sustainability issues are integrated into the daily operations and contribute to efficiency enhancements.
- Improved energy efficiency.
- Work on anti-corruption and social commitment.
- Minimize emissions of greenhouse gases.
- Reduce the amount of waste disposed of in landfills.
- Meet customer requirements concerning sustainable development.
- Offer a safe and stimulating work environment.

CHASSIS SPRINGS BUSINESS AREA

Development, manufacturing and sales of replacement springs for the aftermarket for cars and light trucks. The range includes chassis springs, sport spring kits, leaf springs and gas springs, primarily for European and Asian cars.

COMPETITIVE ADVANTAGES

Comprehensive range and a high delivery precision. Lesjöfors is also a full-service supplier that manages the entire value chain in replacement springs – design, manufacturing, stocking and distribution.

CUSTOMERS/MARKET

Products are sold in the free aftermarket via spare part wholesalers and distributors. Lesjöfors is the largest player in Europe within chassis springs. Its main markets are the UK, Germany, Sweden and other European countries. 95 percent of sales are conducted outside Sweden.

PERFORMANCE IN 2022

- Weaker performance compared with the preceding year, when demand was very strong. Inventory reductions by wholesale customers also contributed to this performance.
- The discontinuation of operations in Russia had a negative impact on earnings.
- Market share remained unchanged in a total market where volumes declined for all players.
- Net revenue amounted to MSEK 815 (893).

INDUSTRY BUSINESS AREA

Development and manufacturing of industrial springs as well as wire and flat strip components, offering the customer high-tech, customized solutions. Lesjöfors also sells standard products. Manufacturing in 17 countries. Sales offices in another four countries.

COMPETITIVE ADVANTAGES

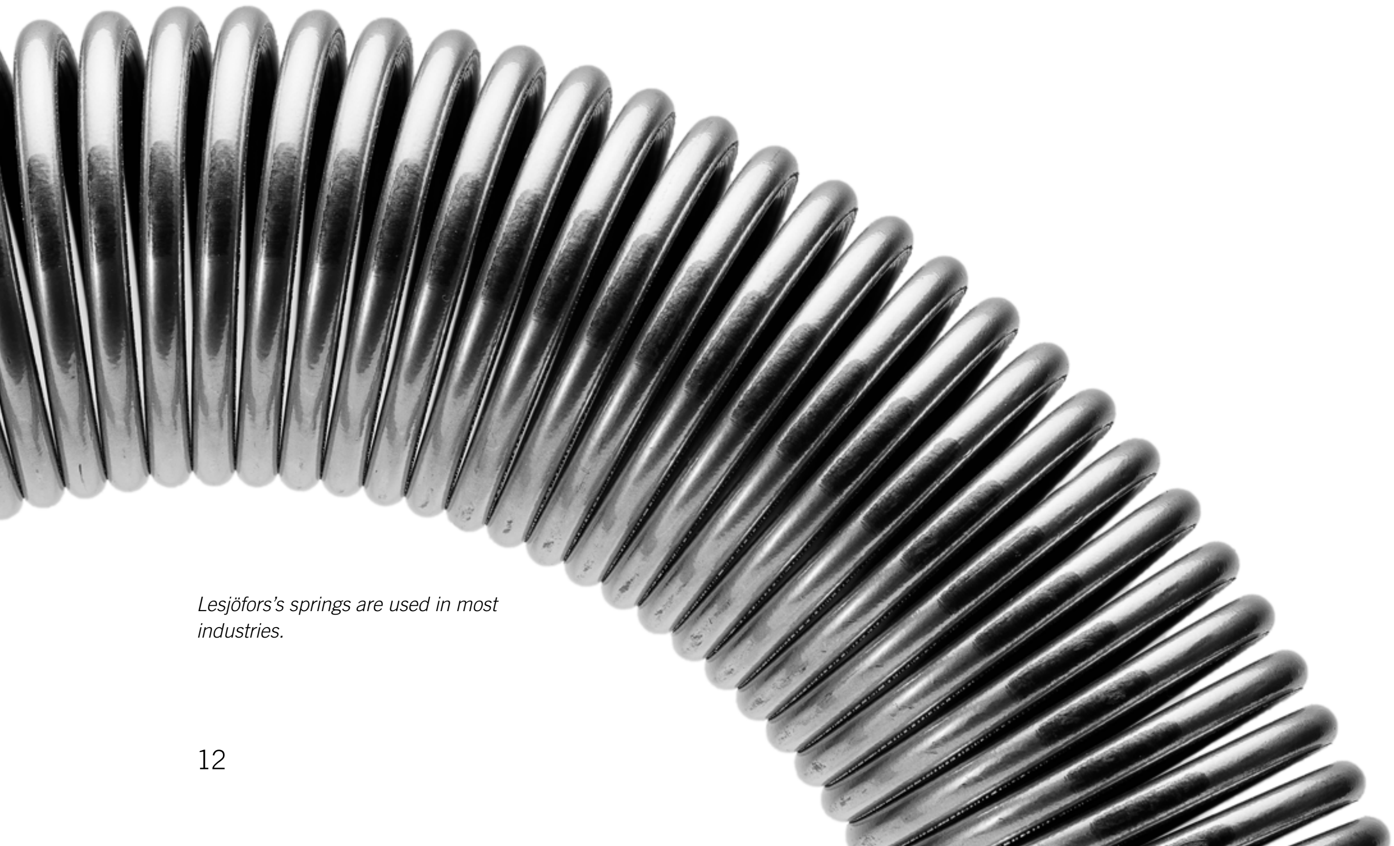
High level of technical expertise in spring design and an ability to solve problems for customers' operations. Decentralized manufacturing operations near customers. Global delivery capacity. Complete, proprietary range of standard products.

CUSTOMERS/MARKET

Customers in most industrial sectors. Its main markets are Scandinavia as well as Germany, the UK, China and North America. 80 percent of sales are conducted outside Sweden.

PERFORMANCE IN 2022

- Healthy demand in most segments. Strong growth in medical technology including in Asia and Europe. Continued investments in power springs in Europe.
- Positive trend in the Nordic market, where investments have been made in manufacturing capacity for heavy springs.
- Acquisition of US company John Evans' Sons and Turkish company Telform.
- Net revenue amounted to MSEK 3,259 (2,305).



Lesjöfors's springs are used in most industries.

MAJOR INVESTMENT IN THE UK

Lesjöfors is consolidating the strength of its heavy spring operations in the UK. The European Springs units in Cornwall have become Lesjöfors Heavy Springs UK. The objective is to grow faster in heavy industrial and vehicle springs, where customers include companies in the automotive, railway, agriculture, offshore, mining, construction and energy sectors. In 2022, an additional MSEK 20 was invested in new machinery.

KEY PLAYER IN THE US MARKET

The US market is becoming increasingly important. One of the newest companies is Plymouth Spring – a high-tech manufacturer of springs, stampings and wire form parts. This makes the company an important part of Lesjöfors's platform in the US market. The largest customer segment is the electricity industry, with customers across the globe.

"We are happy to have a major global group behind us that is at the forefront in the area of springs and that sees growth opportunities in the US market. We can now offer a broader product range to our customers and support the companies in the Group with our capacity and knowledge," says David Devoe, President of Plymouth Spring.

INVESTING FOR GROWTH

The Swedish company Lesjöfors Springs has invested in a new, large-scale wire-coiling machine. The investment is part of the growth plan for heavy springs.

"As a market leader in heavy springs, we strive to lead the development of the very latest technology. This latest investment not only makes it possible for us to expand our product range, but also creates a new flexibility when it comes to material quality, which provides the customer with more options," says Jan Carlson, President of Lesjöfors Springs.

The wire-coiling machine weighs 40 tons and is ten meters long. The machine can cold coil spring wire up to 22mm in diameter in addition to coiling lower-strength material up to 30mm in diameter, which is then followed by treatment.

DIGITAL SUPPLIER ASSESSMENTS

The assessment of Lesjöfors's suppliers, business partners and customers has been further developed. A digital system support has been introduced. The assessments are focused on important environmental, social and ethical aspects as well as price, quality and reliability. This provides a broad overview of the value chain through everything from risk analyses and deviation management to an in-depth supplier dialog.

+27%

LESJÖFORS'S NET REVENUE INCREASED 27 PERCENT IN 2022

Net revenue increased 27 percent, with the largest increase attributable to acquisitions such as Alcomex och John Evans' Sons.

500

ACQUIRED GROWTH

The 2022 acquisitions of John Evans' Sons and Telform provided Lesjöfors with approximately MSEK 500 in net revenue.

200%

INCREASED SALES IN NORTH AMERICA

The acquisition of John Evans' Sons doubled Lesjöfors's sales in the North American market.

MUTUALLY BENEFICIAL APPROACH

Alcomex became part of Lesjöfors in 2021. Since then, the collaboration has developed and provided mutual benefits.

"We have seen gains through cross selling each other's springs and pressings, such as expanding Alcomex's standard stock spring range to include new standard stock springs from Lesjöfors. We have also sold Lesjöfors's power springs to Alcomex's customers," says Conrad Hietink, Managing Director of Alcomex. At the same time, Lesjöfors has supported Alcomex in selling its door springs to new customers in Scandinavia.

"Another advantage has been combining Alcomex's wire purchasing volumes with Lesjöfors's overall aftermarket automotive purchasing volumes, thereby achieving better purchasing prices for Alcomex. And finally, R&D and technical knowledge have been shared, which will allow new technical innovations to be realized," says Jelle van Vliet, Managing Director of Alcomex.

Beijer Tech is an industrial group in value-added manufacturing, industrial trade, machinery development and automation as well as other selected niche technologies. The company's broad product and service range strengthens its customers' competitiveness and is divided into two business areas: Fluid Technology and Industrial Products.

Beijer Tech

INTERVIEW WITH STAFFAN JOHANSSON, PRESIDENT OF BEIJER TECH

Thanks to high demand in all of its operations, Beijer Tech delivered strong earnings in 2022. During the year, Swedish Microwave and Mountpac were acquired, broadening the industrial group into new technological areas.

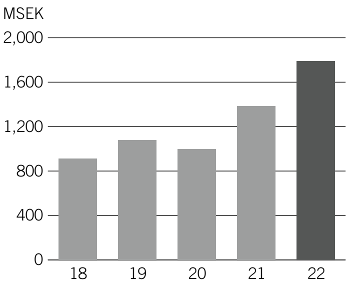
Summarize 2022
Beijer Tech had an excellent year. Sales and earnings are increasing in all of our operations. The fact that the entire group improved makes it extra gratifying. Demand was strong, indicating that we have not been directly impacted by the weaker economy noted during the year. We have benefited from Beijer Tech's broad customer base, which also makes us resilient in tougher times.

You are carrying out new acquisitions in niche technologies – what is your objective?
We have a clear plan when it comes to new acquisitions. We have kept to this plan in 2022. I believe our consistency is one of the reasons that our recent acquisitions have been so successful. We look for companies that have owners with the right attitude and a business structure that suits us, for example, in the form of a diversified customer and supplier base. We also have a number of other criteria that new niche companies must meet, including criteria for earnings and market position. I believe that we now have to stick to our strategy and continue along the same path.

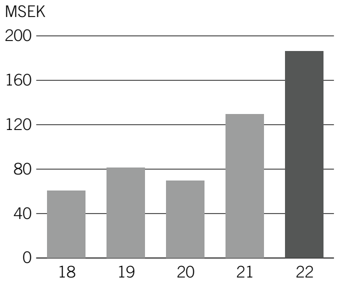
How do you create growth in existing operations?
We achieve this by prioritizing customer needs. An example of this is how we acted during the pandemic. We saw opportunities to maintain healthy inventory levels in order to ensure we have in-demand products in stock. This strategy has bene-

"Beijer Tech had an excellent year. Sales and earnings are increasing in all of our operations. And the fact that the entire group improved makes it extra gratifying."

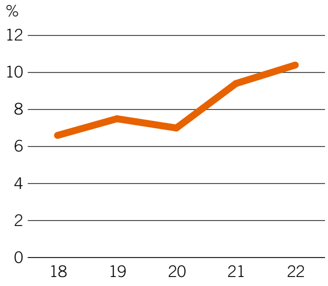
NET REVENUE



OPERATING PROFIT



OPERATING MARGIN



PERFORMANCE MEASURES

MSEK	**2022**	2021	2020	2019	2018
Net revenue	**1,790.2**	1,382.2	997.1	1,080.1	913.1
Net revenue, Fluid Technology business area	**654.6**	555.0	434.2	481.5	415
Net revenue, Industrial Products business area	**1,135.5**	827.2	562.9	598.6	498.1
Cost of goods sold	**–1,059.8**	–949.2	–720.6	–778.5	–660.8
Gross profit	**758.0**	403.0	276.5	301.6	252.3
Selling expenses	**–167.4**	–166.1	–123.2	–129.3	–117.3
Administrative expenses	**–113.4**	–107.5 [1]	–83.6	–90.9	–74.5
Operating profit	**186.0**	129.4	69.7	81.4	60.5
Operating margin, %	**10.4**	9.4	7.0	7.5	6.6
Net financial items	**–13.3**	–8.7	–8.2	–4.8	–0.3
Profit after net financial items	**172.6**	120.7	61.5	76.6	60.2
Of which, depreciation and amortization	**66.8**	52.6	48.9	40.1	6.8
Capital expenditures excl. corporate acquisitions	**26.1**	18.9	21.9	48.2	7.7
Return on capital employed, %	**20**	19	13	19	20
Average number of employees	**495**	411	367	313	229

[1] Includes other income of MSEK 16.1.

MAIN AREAS – SUSTAINABILITY WORK

- Increase energy efficiency, for example, through energy audits and solar panel installations in owned properties.
- Optimize the logistics flow through improved packaging, goods transport and fewer business trips, which combined will reduce the company's climate impact.
- Work environment improvements – reduce noise, improve lighting and ergonomics.
- Offer products/solutions that reduce the customer's environmental impact.
- Continue work with anti-corruption.

"We have become essentially entirely digital when it comes to internal meetings. Travel has therefore decreased significantly, saving time and money as well as benefiting the environment."

fited our companies at a time when there has been an unusually high number of disruptions in the global logistical chains. When these chains function more normally again, the need for an inventory build-up will decline. Another success factor has been the active pricing model that has created value in Beijer Tech and contributed to stronger sales and profitability.

Are there any initiatives you would like to highlight?
One of our initiatives is that we changed to a different business system in Lundgrens, which is our single largest business. One direct result of this is that we are now becoming more digital. This also provides us with more efficient inventory flows since the stock balance is updated in real time several times a day. This means that customers always know what we have in stock when they place their orders. Ultimately, this improves Lundgrens' delivery reliability.

What sustainability issues are in focus?
We are working to minimize our energy and transportation costs. For transportation, this involves improving the efficiency of internal logistics in Beijer Tech's various operations. We have also become essentially entirely digital when it comes to internal meetings. Travel has therefore decreased significantly, saving time and money as well as benefiting the environment. I also feel that this has made us more efficient as an organization.

The business environment is difficult to assess – how are you planning for 2023?
We are trying to act on what we see and know rather than planning too much in advance. We have proved that we are capable of acting quickly and are continuing to pursue this strategy. Nor has Beijer Tech incurred any new, major costs despite the upswing we have noted, and the company is well positioned if the trend worsens. As mentioned, we also benefit from being so diversified in terms of our customers.

FLUID TECHNOLOGY BUSINESS AREA

Wholesale and manufacturing focused on hoses, couplings, valves and industrial rubber. The dominant business is Lundgrens, which has warehouses, manufacturing and sales operations throughout Sweden and in Norway. PA Ventiler is focused on valves for the pulp and paper industry. Svebab manufactures fire hoses. Noxon works with water purification and Källström Engineering develops machines for the battery industry.

COMPETITIVE ADVANTAGES

A comprehensive product range, high level of competence and broad range of customized and proprietary components, primarily gaskets and plastic parts. Specially adapted technology for the processing industry. Leading manufacturer of high-quality fire hoses.

CUSTOMERS/MARKET

Sweden is the largest market. Customers include manufacturers (OEMs), retailers, authorities/emergency services, and manufacturing, operations and maintenance companies. In Sweden, Lundgrens is the market leader in industrial hoses, while Svebab is the leader in fire hoses.

PERFORMANCE IN 2022

- Positive sales performance in all operations, including Lundgrens Norge, which posted record-high revenue.
- Increased sales in Svebab, which manufactures high-quality fire hoses.
- Continued strong cost focus, which contributed to improved profitability.
- Installation of a new business system in Lundgrens, which enhances inventory flows and improves delivery precision.
- Net revenue amounted to MSEK 655 (555).

The primary function of disk check valves is to prevent reverse flow. These valves are used, for example, in the paper industry, district heating plats, chemical plants and wastewater treatment facilities.

INDUSTRIAL PRODUCTS BUSINESS AREA

Proprietary manufacturing, sales of equipment, consumables, machinery development, operations in automation and other niche technologies. The business segments are Karlebo (foundries), Beijers (foundries and grinding technology), Tebeco (blasting and grinding), PMU (industrial service), Norspray, Preben Z (surface treatment), KTT Tekniikka (transmission), Encitech (electronic components), Uudenmaan Murskaus (spare and wear parts), INU Group (building automation systems), Swedish Microwave (satellite technology) and Mountpac (manufacturing/processing).

COMPETITIVE ADVANTAGES

Customized manufacturing and value-added sales, where expertise about products and services strengthens customers' competitiveness and overall finances. Development and manufacturing of niche technologies and building automation services that optimize indoor climates and reduce environmental impact.

CUSTOMERS/MARKET

Industrial companies in everything from surface treatment to foundries, steelworks and smelters as well as engineering companies and companies in offshore and satellite communication. Operations are conducted in Sweden, Norway, Denmark and Finland.

PERFORMANCE IN 2022

- Positive sales trend in most operations and customer segments.
- Acquisition of Swedish Microwave and Mountpac, both of which delivered a favorable performance during the year.
- Increased growth in the Norwegian market for oil and gas, where Norspray increased its sales and also completed minor complementary acquisitions.
- Continued strong cost focus, which contributed to improved profitability.
- Net revenue amounted to MSEK 1,136 (827).

EXPANSION OF KÄLLSTRÖM

Källström Engineering Systems is broadening its operations to include customers in the chemical industry. The company designs and manufacturers filling machines, with customers primarily comprising companies in the battery industry. The machines are used to fill the batteries with sulphuric acid and are used across the globe. More opportunities for partnerships with chemical companies are presenting themselves, and Källström's experience of automation technology and knowledge of sulphuric acid and other corrosive fluids are strong competitive advantages. At the same time, the trend in the battery industry is moving toward larger filling machines that must be able to handle more batteries in an increasingly complex production flow.

OUTSOURCED MANUFACTURING

Swedish Mountpac was acquired at the start of 2022. Mountpac's focus on sheet-metal operations and complementary services means that it often plays a central role in its customers' efforts to develop a final product. Projects often use components in various materials from different suppliers, with Mountpac coordinating and assembling the end product. In many cases, the company also acts as a production unit for customers that do not conduct their own manufacturing. This type of collaboration frees up time and resources that the customer can instead use for their own core operations.

REDUCED ELECTRICITY CONSUMPTION

Swedish Microwave (SMW) is reducing the environmental impact of its products by reducing the power consumption of the low-noise block downconverters (LNBs) that the company manufacturers. LNBs are used to receive and convert satellite signals. Today, customers around the globe are using 100,000 LNBs, each of which consumes approximately 5 watts per day, 365 days a year. SMW's technical reconstructions have the potential to help reduce this consumption by 10 percent. All in all, this will reduce customers' electricity consumption by 438,000 kWh per year, corresponding to the consumption of 15 to 20 normal-sized single-family homes.

NORWEGIAN TUNNEL PROJECT

Lundgrens Norge performed well in 2022, delivering injection equipment to a major tunnel construction project in the Oslo region. The tunnel is a total of 78 km long. The injection equipment plays a central role since it ensures that the tunnel boring work can continue.

+30%

BEIJER TECH'S NET REVENUE ROSE 30 PERCENT

Net revenue rose 30 percent in 2022, of which organic growth accounted for 15 percent, acquisitions for 13 percent and currency effects for 2 percent.

186

RECORD-BREAKING PROFIT

Operating profit for the year totaled MSEK 186, a new record for Beijer Tech.

>10%

IMPROVED OPERATING MARGIN

Beijer Tech achieved a double-digit operating margin for the first time, posting a margin of 10.4 percent.

MORE EFFICIENT BLASTING

Tebeco offers large-scale blasting machines. In the spring, the company delivered a machine that can blast steel structures measuring up to eight meters long and one meter high. The customer specializes in lacquering, in which blasting is part of the pre-treatment process. Tebeco is a complete supplier in this area. Each year, about 10,000 tons of blasting material are delivered to industrial companies across Sweden.

BETTER WORK ENVIRONMENT

Beijer Oy, which also specializes in blasting, installed a new, automatic machine for a foundry customer during the year. This has contributed to a better work environment, but also to increased efficiency since cleaning times have been reduced thanks to the new machine. Beijer Oy delivered both the machine and installation support.

Beijer Alma's Sustainability Report

Sustainability work is an important basis for Beijer Alma's operations and focuses on the areas where we can deliver value to customers and other stakeholders. We see that the climate and climate-related issues are high on the sustainability agendas of our customers. When it comes to the development of components and services, which is carried out in close dialog with customers, we see that the lifecycle perspective is becoming more prominent and supporting the transition to a lower climate impact. Beijer Alma's sustainability work is focused on four areas – sound business ethics and social commitment, more efficient use of resources, reduced climate impact, and a safe and stimulating work environment. This work was further developed in 2022. The Group is also preparing to implement science-based climate targets in order to reduce greenhouse gas (GHG) emissions throughout the value chain in line with the Paris Agreement.

SUSTAINABILITY OBJECTIVES 2019–2023

Beijer Alma has set objectives on a five-year timescale. In 2022, the Group began implementing science-based climate targets in accordance with the Paris Agreement. Assessments of the climate impact throughout the value chain have been developed and will continue to be reported for 2023. Sustainability reporting has been expanded to include the companies acquired in 2021. The divestment of Habia Cable has resulted in an adjustment for the year.

1. SOUND BUSINESS ETHICS WITH SOCIAL COMMITMENT PERFORMANCE MEASURES	Objective	Outcome vs base year	2022	2021	Base year (2018)
Participation in the Group's ethics training	Continuously increase	Increase	1,030	954	N/A

2. MORE EFFICIENT USE OF RESOURCES PERFORMANCE MEASURES	Objective	Outcome vs base year	2022	2021	Base year (2018)
Purchased energy in the operations in relation to revenue (MWh/MSEK).	–10% by 2023	–25%	11.7	12.8	15.6
Recovery of waste as energy or materials (%)	–95% by 2023	<95%	87%	87%	90%
Reduce waste in relation to revenue (tons/MSEK)	Continuously reduce	–13%	1.04	1.06	1.19

3. REDUCED CLIMATE IMPACT PERFORMANCE MEASURES	Objective	Outcome vs base year	2022	2021	Base year (2018)
CO_2 from energy in the operations in relation to revenue (tons of CO_2/MSEK)	–25% by 2023	–42%	2.27	2.44	3.89
Scope 1 & 2 CO_2 emissions (tons of CO_2)	Continuously reduce	–17%	14,300	12,300	17,100
Scope 1 CO_2 emissions (tons of CO_2)	Continuously reduce	14%	4,400	3,000	3,800
Scope 2 CO_2 emissions (tons of CO_2)	Continuously reduce	–25%	9,900	9,300	13,300
Scope 3 CO_2 emissions – raw materials (estimated) – (tons CO_2)	Continuously reduce	N/A	150,000	120,000	N/A

4. SAFE AND STIMULATING WORK ENVIRONMENT PERFORMANCE MEASURES	Objective	Outcome vs base year	2022	2021	Base year (2018)
Accident frequency rate per 200,000 hours worked	A vision of zero tolerance	Reduction	1.5	2.7	4.0
Share of women in local management groups (%)	Improve gender distribution at all levels	Increase	26%	23%	24%
Share of women employees (%)	Improve gender distribution at all levels	Stable	30%	27%	31%

ABOUT THE GROUP'S SUSTAINABILITY EFFORTS

The strategy, objectives and follow-up of sustainability efforts are handled by Beijer Alma's management and the presidents and sustainability managers of Lesjöfors and Beijer Tech. As of 2022, this work is being coordinated by a Chief Sustainability Officer, who is responsible for the Group's strategic sustainability work and supports and coordinates local initiatives. Sustainability data is collected from the units once per year. The results are reported to the Board Of Directors and management as well as to external stakeholders through the sustainability report.

Anna Haesert, Coordinating Chief Sustainability Officer in the Beijer Alma Group.

A more sustainable Beijer Alma

STAKEHOLDERS

Beijer Alma's operations impact people, society and the environment. All stakeholders have opinions and expectations when it comes to how our operations are conducted. Our success depends on our ability to create value that meets the needs of our stakeholders while also taking financial, environmental and social consequences into consideration. This is achieved through stakeholder and materiality analyses. Beijer Alma's materiality analysis follows the GRI requirements as well as the requirements expected to be updated in the new EU Corporate Sustainability Reporting Directive (CSRD) concerning the application of a double materiality analysis, and dialogues carried out with key stakeholders.

BUSINESS MODEL

The development of the Group companies is based on long-term ownership and decentralized governance, with profitable growth achieved through a combination of organic growth and acquisitions. Since our operations affect their environment and social conditions, active sustainability work is carried out. The aim of this work is to limit our environmental impact, lower costs, reduce risks and contribute to the realization of new business opportunities.

This work focuses on efficient energy and resource consumption, lower emissions, reduced and circular waste management, and a high level of business ethics. Beijer Alma demands honesty and honorability not only from its own employees but also from its customers, suppliers and other external stakeholders. At the same time, the Group shall have a positive impact on social conditions by respecting human rights, offering employees safe and stimulating workplaces, and supporting and collaborating with various organizations, schools and associations.

GROUP-WIDE OBJECTIVES

Beijer Alma has established long-term sustainability objectives in four areas. These objectives are based on the Group's materiality analysis, which showed which areas are the most important to work on. The Group-wide objectives are also connected to detailed objectives and action plans prepared by the local operations, for example within the framework of ISO 14001. The materiality analysis and stakeholder analysis serve as a combined agenda for the Group's sustainability efforts.

BROAD-BASED MANAGEMENT

Sustainability issues affect planning and decision-making at multiple levels in the Group, including the strategy review performed by the Board of Directors every autumn, at monthly meetings with subsidiaries and in their weekly reports. In addition, sustainability issues are addressed in everything from acquisitions and business plans to investment decisions and product development.

STAKEHOLDER ANALYSIS

Stakeholder group	Demands and expectations	Value creation	Communication channels
Customers	Certified environmental management systems, requirements for chemical substances, sustainable products and services, conflict minerals, transportation with a lower environmental impact, codes of conduct and requirements that legislation must be fulfilled.	Customer commitment to sustainable development is gradually increasing. We focus on delivering high-quality products and services that contribute to our customers' productivity and success. During 2022, customer follow-ups were conducted at 25 (19) units through either surveys or visits. Minor shortcomings were noted, but the outcome was mainly positive and will be used to further advance our sustainability efforts. Our aim is for all major units to be certified in accordance with ISO9001, ISO 14001 and IATEF 16949.	Code of Conduct, on-site visits, surveys and dialogues during procurement. Annual report/sustainability report, CDP reporting, CoP (Global Compact) and social media.
Employees	Health, safety, salaries, benefits, social conditions, job satisfaction and development opportunities, new employees through acquisitions.	Employee performance reviews, professional development, preventive healthcare and preventive work environment measures. During 2022, Beijer Alma paid MSEK 1,181 (1,418) in salary and other personnel costs. The Group's work related to health, safety and professional development is presented on pages 26 and 27.	Employee surveys, development talks, local sustainability reports, Code of Conduct.
Investors	Minimize risks, create new business opportunities and engage in credible, forward-thinking sustainability work. Financial returns.	The integration of sustainable development into strategies and day-to-day operations reduces risks and creates business opportunities. Beijer Alma regularly communicates with its owners and investors. The share price declined 40 percent in 2022. The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 3.75 per share (3.50).	Website, Annual General Meeting, interim reports, annual report/sustainability report, CDP reporting and CoP (Global Compact).
Authorities	Beijer Alma is subject to extensive environmental and work environment legislation. The introduction of new or amended legislation impacts the various operations.	Regulatory compliance is reported to various authorities and by way of internal and external inspections and audits. No significant violations of environmental or work environment legislation occurred in 2022.	Reports, internal and external audits.
Social commitment	Involvement in society at both the local and national levels.	We aim to be an upstanding member of society that complies with laws and regulations and contributes to sustainable development. We strive to create a sense of trust and interest in Beijer Alma. Support for non-profit organization strengthens their operations. Collaborations with schools and universities attract future employees.	Website, study visits, annual report/sustainability report.
Suppliers	Clear, consistent demands with respect to sustainable development and follow-up of these demands. Stricter requirements when it comes to identifying risks in the supply chain.	Trustworthy relationships, where Group companies provide information about Beijer Alma's Code of Conduct and expect their suppliers to share this approach. Suppliers' sustainability agendas are evaluated. In 2022, 325 (360) surveys and 55 (17) audits were performed. These suppliers all demonstrated an acceptable level of compliance with the Group's requirements. During the year, Beijer Alma paid MSEK 3,044 (2,286) to its suppliers of input materials.	Code of Conduct, annual report/sustainability report.

CONTRIBUTION TO THE UN SDGS

Beijer Alma's focus areas for sustainability are implemented in daily operations with the support of guidelines, training material and tools for follow-up. Targets and performance measures are used to measures results in relation to Beijer Alma's objectives within these areas. The Group's progress contributes to the UN Sustainable Development Goals (SDGs).

SUPPORTED BY THE GLOBAL COMPACT

Beijer Alma has been a signatory of the Global Compact, a UN initiative to promote and implement corporate social responsibility (CSR), since 2015 and adheres to these fundamental principles by:

- Applying sound business principles and high ethical standards, for example by preventing corruption.
- Creating a safe, positive and stimulating work environment.
- Using natural resources as efficiently as possible and minimizing environmental impact and climate change.
- Approaching its operations from a life cycle perspective – raw materials, suppliers, products, services and customers.
- Becoming involved in the communities where Beijer Alma operates – through both Group projects and local initiatives by cooperating with schools and supporting associations.

THE CODE OF CONDUCT APPLIES TO EVERYONE

The Code of Conduct serves as a guide for all of the Group's employees and partners. By applying the Code:

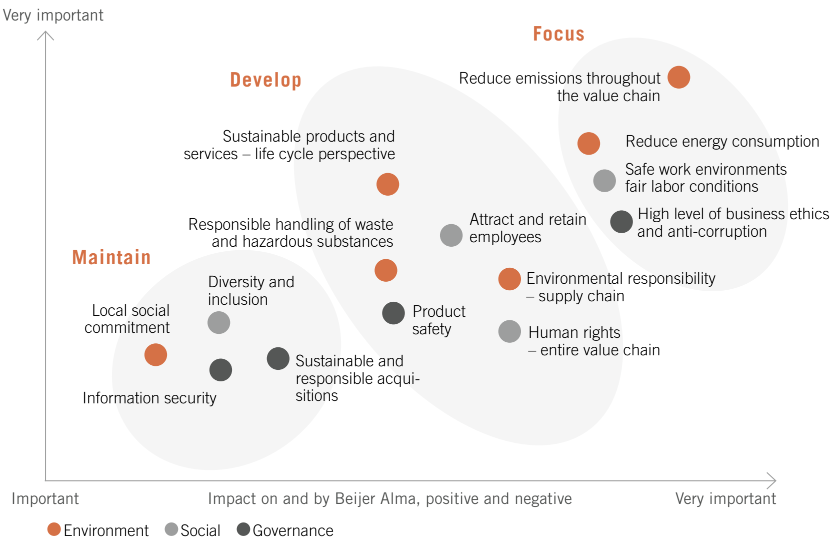
- We comply with legislation, the UN Global Compact, the UN Convention on the Rights of the Child and other agreements and guidelines.
- We take the financial expectations of our stakeholders into consideration and create customer and shareholder value.
- We ensure that CSR is integrated into the Group and practiced in relation to employees, customers, suppliers, owners and other stakeholders.
- We contribute to sustainable development, including health and social welfare. Through the Code, we place demands on our employees and partners when it comes to acting honestly. Bribes are prohibited. Gifts and benefits may not exceed the amounts prescribed by local practices and legislation. We comply with competition legislation and apply sound marketing principles.

THE WHISTLEBLOWER SYSTEM

The whistleblower system allows our employees to report any suspected improprieties without a risk of harassment or reprisal. All reports are handled by an external recipient, who ensures that appropriate action is taken.

SYSTEMATIC WORK

Certified environmental management systems are a component of the sustainable development strategy, where ISO 14001 provides a systematic approach to environmental work and enables continuous improvements. The objective is for all of the Group's production units and other major units to be certified. A total of 29 (28) units are currently certified. Two additional companies plan to implement the environmental management system over the next six to 18 months. Audits are part of our efforts to improve the environmental management system. Beijer Alma employs 74 (63) internal environmental auditors, who conducted 73 (49) environmental audits in 2022. The Group's facilities were audited by external certification auditors on 36 (28) occasions.



MATERIALITY ANALYSIS

The materiality analysis is based on a survey of the value chains of the operations and subsidiaries, a double materiality analysis and dialogues with key stakeholders. This resulted in an analysis that shows the most important areas to address and explains the structure of the sustainability report. The materiality analysis and stakeholder analysis serve as a combined agenda for the Group's sustainability efforts.

OBJECTIVE 1

Sound business ethics with social commitment

Beijer Alma has zero tolerance for any type of corruption or anti-competitive practices. To ensure a high level of ethics, employees are regularly trained in the Code of Conduct. We are engaged and assume social responsibility in the communities where the Group operates. We do this by supporting selected organizations and associations as well as collaborating with schools, universities and industry networks.

RESPONSIBILITY THROUGHOUT THE VALUE CHAIN

We value collaboration with our business partners such as suppliers, subcontractors, agents and distributors. We expect them to follow the social, business ethics and environmental principles outlined in our Code of Conduct and the international guidelines supported by Beijer Alma.

RESPONSIBLE PURCHASING

To increase the transparency of the contact we have with our business partners, the contents of the Code of Conduct are broken down into practical principles for these partners in a separate document. These principles are based on the UN Global Compact and the International Labour Organization's (ILO) declaration on Fundamental Principles and Rights at Work. In 2022, the implementation of a digital support system for risk-based supplier assessments commenced. This work prioritizes suppliers based on purchasing value, but also markets where the risk of being exposed to corruption and human rights violations could be higher.

EMPLOYEE TRAINING

Beijer Alma places attaches importance to providing information and training to our employees. Employee knowledge of sanctions was strengthened during the year through the development of a policy and training in the subsidiaries. As part of the annual review, the Code of Conduct was further developed. A broader responsibility throughout the value chain is now emphasized. The whistleblower service was also updated.

Area	Objective	Outcome	Comments
BUSINESS ETHICS The Group's anti-corruption initiatives are built on information provision and training, sanction systems, and guidelines on gift amounts and business entertainment. Corruption is also prevented through management systems, internal dialogues and financial monitoring.	**0** Beijer Alma has zero tolerance for any type of corruption or anti-competitive practices.	**1,030** 1,030 (954) employees participated in the Group's ethics training. Management in the major business units perform an annual self-assessment based on the UN Global Compact. Guidelines have not been violated, nor have any sanctions been imposed.	This ethics training, which was launched in 2019, is based on our Code of Conduct. Supplementary training in sanctions was also carried out during the year.
SOCIAL COMMITMENT At the Group level, social commitment encompasses support for vulnerable people and for training teachers in natural science subjects through the organization Teach for Sweden. Several units have local partnerships with schools, universities and research institutes, in addition to supporting sports clubs, cultural programs and local organizations.	The Group and its units are to assume social responsibility in the communities where they operate through financial support to selected enterprises as well as partnerships with schools and industrial networks, all measures to encourage mutual development.	**50%** About 50 (40) percent of the units provided financial support to associations or local organizations during the year.	Collaborations with schools, universities and partners have returned to pre-pandemic levels. Our acquired companies are also contributing to a broader commitment.

CIRCULAR PALLETS

Alcomex uses pallets for storage and transportation. Secondhand pallets are used whenever possible. The pallets are used until they are no longer suitable for secure transportation. The pallets are then donated to a local Dutch charity organization that has arranged a popular "construction project" for children. With the help of professional carpenters, the children are building their own cabins from timber from the pallets. The project will conclude with an exciting sleepover in the cabins, which will then be disassembled. The timber will then be delivered to an energy plant where it will be transformed into biomass.

SUSTAINABILITY TRAINING

In Singapore, the John While Group has conducted a sustainability training course with related workshops for all employees. The course provided a deeper understanding of what sustainability is about, both at work and in people's private lives.





AUTOMATION REDUCING OUR CARBON FOOTPRINT

In Germany, Lesjöfors has invested in a fully automated packaging process. The investment is increasing efficiency, but was also the result of a need to reduce our carbon footprint. Modern robots and automation are increasing energy efficiency and thereby reducing the production facility's energy consumption. With higher precision, fewer faulty products are also being produced. The new packaging line is able to manage five times as many products as the previous line and is able to package 10,000 springs every day. The optimized workflow has resulted in shorter lead times and faster deliveries.

SOLAR ELECTRICITY

Green electricity is the model for the Beijer Tech company Källström Engineering Systems. When the company recently expanded its premises, it also took the opportunity to install solar panels. Solar panels have been installed on a 400-square-meter space on the roof of the facility. About 55,000 kWh of solar electricity will be produced each year via these panels. As a result, Källström will reduce its electricity consumption substantially and, at certain times, will be able to sell part of the surplus.

OBJECTIVE 2

More efficient use of resources

The Group-wide energy objective is based on reducing energy consumption by 10 percent by 2023 compared with 2018. Efficiency enhancements and independently produced fossil-free energy contribute to this objective. The performance measure used is energy consumption/ net revenue (MWh/MSEK). By 2023, at least 95 percent of all waste is to be recycled as materials or energy. Compared with the level in 2018, the relative amount of waste (tons of waste/MSEK in net revenue) should decrease by 2023.

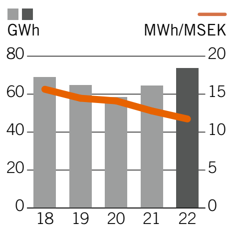
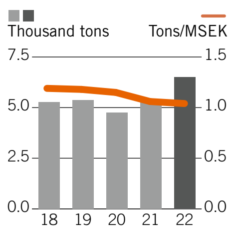
OPERATIONS AND SERVICES

The focus on energy consumption was strengthened during the year in a changing business environment. Several operations conducted energy audits that will provide support for future action plans and continual follow-up. Work to optimize and reduce energy consumption continued, for example through more efficient control of ventilation, a change to LED lighting, the insulation of furnaces and an upgrade to more modern and efficient machinery.

Individual energy meters were implemented for machines in one facility. This has made it easier to monitor the facility's energy consumption and take measures to reduce it. Many of the Group's operations are also working closely with customers to offer energy-efficient solutions through optimized design and the choice of materials. Other operations offer services that enable connected properties where control and automation are used to optimize energy and water consumption.

FOCUS ON CIRCULAR CONTRIBUTIONS

Reducing the amount of waste is important to reduce the total environmental impact of operations and to increase circularity. The majority of waste comprises metal waste that is reused or recycled. Beijer Alma works continually on developing efficient solutions together with waste suppliers. One of Lesjöfors's factories is focusing on new solutions for grinding dust, which needs to be processed for handling further along in the circular chain. Dialogues with raw material suppliers intensified during the year with an aim to map out the share of reused material purchased.

Area	Objective	Outcome	Comments
ENERGY CONSUMPTION Energy consumption comprises direct energy consumed at the Group's facilities, including natural propane and biogas, as well as indirect energy purchased for the operations, primarily electricity, district heating and energy from the Group's own solar panels. Indirect energy represents the majority of consumption.	**–10%** By 2023, energy consumption is to be reduced by 10 percent compared with 2018. The performance measure is energy consumption/net revenue (MWh/MSEK).		Energy consumption increased in 2022 since the Group's manufacturing capacity increased as a result of the acquired companies being included in the reporting and due to expanded reporting by the sales companies. The increase pertained to direct energy consumption. Indirect energy consumption decreased as a result of energy-saving measures. The relative performance measure declined due to improved energy consumption and an increase in the Group's revenue.
WASTE MANAGEMENT Waste consists primarily of various types of metals as well as plastic, wood and other materials. Most of this waste is recycled as materials or energy. Less than 10 percent of the total volume consists of hazardous waste, which is handled by approved waste management companies.	**95%** By 2023, at least 95 percent of waste is to be recycled. The relative amount of waste is to decrease. The performance measure is amount of waste/revenue (tons/MSEK).		The amount of waste increased compared with 2021 since the Group's manufacturing capacity increased as a result of the acquired companies being included in the reporting. The percentage of waste recycled was comparable with previous years. Metals – which make up a significant portion of this waste – are currently recovered in optimized systems that have limited improvement potential but are being further developed.

Beijer Alma's water consumption totaled 46,819 m3 (37,226) and primarily comprised municipal water. Water is used for cooling, production processes, cleaning and sanitary purposes.

COMPONENTS FOR ELECTRIC MOTORBIKES

Springs and other mechanical components from Lesjöfors are part of a series of products that are driving the climate transition forward. The components supply mechanical energy based on an often customized construction and design. One example of this is an electric motorbike from the Swedish manufacturer Cake. The company wants to inspire people to choose zero emissions, which makes the electric motorbike perfect for commuting.

OBJECTIVE 3

Reduced climate impact

13 BEKÄMPA KLIMATFÖRÄNDRINGARNA

The objective is for CO_2e emissions from the Group's energy consumption to be reduced by 25 percent by 2023 compared with 2018. This is a relative objective. The performance measure used for emission intensity is tons of CO_2/MSEK in net revenue. The objective is also to reduce the Group's absolute emissions. Beijer Alma is also to reduce the share of fossil-dependent transportation and travel by establishing more comprehensive guidelines in the Group companies, allowing them to purchase fewer fossil-dependent transportation services, vehicles and journeys. We are preparing to implement science-based climate targets in order to reduce GHG emissions throughout the value chain in line with the Paris Agreement.

FOCUS ON THE ENTIRE VALUE CHAIN

We continued work on mapping our CO_2 emissions during the year. This was done by increasing awareness of Beijer Alma's climate impact along the entire value chain we are part of. Scope 3 emissions are associated with the use of raw materials, mainly metals in component manufacturing, the use of which has been deemed to have a material impact on Scope 3 emissions.

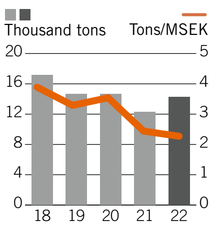
The results for the year show that the use of raw materials gave rise to approximately 150,000 tons (120,000) of GHG emissions, an expected increase due to the inclusion of acquired companies. Discussions are ongoing with strategic partners to secure access to raw materials with a lower carbon footprint. We also began preparing system support for the collection of energy and climate data from suppliers. This demonstrates the importance of partnerships, with various players working together to achieve a better climate.

INCREASED CLIMATE AMBITIONS

We are now preparing for the implementation of science-based climate targets to reduce our GHG emissions throughout the value chain in line with the Paris Agreement. We are working to enhance our product development process, which takes place in close collaboration with customers, in order to clarify our lifecycle perspective and our climate footprint. In 2022, we conducted an initial review of physical climate risks connected to the geographic location of our operations.

RAW MATERIALS AND CHEMICALS

During the year, approximately 34,400 tons (31,100) of metal, 1,165 tons (1,170) of plastic and 149 tons (136) of solvents and other chemicals were used. Three substances were replaced with alternatives with a lower environmental impact. Improvements in painting processes resulted in greater efficiency and reduced the amount of paint used. 16 units use metals that are classified as conflict minerals. Procedures are in place to ensure, with reasonable certainty, that raw materials do not originate from areas with ongoing armed conflicts.

Area	Objective	Outcome	Comments
CO_2 EMISSIONS CO_2 emissions from direct and indirect energy consumption are calculated according to Scope 1 and Scope 2 of the Greenhouse Gas (GHG) Protocol.	**–25%** The objective is for CO_2 emissions from energy consumption to be reduced by 25 percent by 2023 compared with 2018. The performance measure is CO_2 emissions/revenue (CO_2/MSEK).		Absolute CO_2 emissions have continued to decrease for comparable reported companies. This improvement was partly attributable to a larger share of renewable energy through solar panels and the transition to bio-based fuel. In 2022, the share of reporting units increased as a result of the inclusion of the companies acquired in 2021, resulting in higher emissions. The relative performance measure improved during the year. The downward trend from the base year of 2018 shows the results of measures over time.

LOCAL PLANS FOR REDUCED EMISSIONS

Alcomex is now intensifying its ownership over its sustainability work. Every plant manager has been given responsibility for drawing up a local plan that will reduce CO_2 emissions at their respective facilities. Measurements of CO_2 emissions also go hand in hand with investments plans. Follow-ups are carried out each quarter to ensure that the factories' emission reduction meet the objective of reducing our carbon footprint by 5 percent each year – a target that is also in line with the Paris Agreement.

FOSSIL-FREE VEHICLE FLEET

A more electric and less fossil fuel in the company's vehicle fleet. This is the core of the new, joint vehicle policy that Beijer Tech developed in 2022. During the year, 33 fossil-fuel cars were phased out and replaced by 23 electric cars and ten hybrid cars. The policy contributes to reducing the environmental impact in the company's value chain. To facilitate the transition to electric vehicles, employees are also offered a financial subsidy for installing car chargers at their homes. Several of Beijer Tech's facilities are equipped with charging stations that can be used by employees, suppliers and customers.

OBJECTIVE 4

Safe and stimulating work environment

The Group has a vision of zero tolerance when it comes to workplace accidents and aims to reduce the accident frequency rate by 2023. As part of this work, risks will continually be identified and managed. Beijer Alma encourages diversity, is against all forms of discrimination and is to actively work to improve the gender distribution at every level within the operations.

EMPLOYEES AND THE COMPANY'S SUCCESS

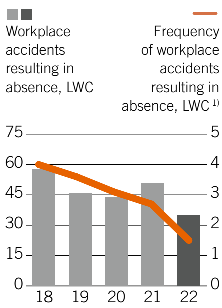
Beijer Alma encourages a sense of curiosity and enables employees to develop their knowledge through constant feedback and coaching. Our ambition is also to learn from one another in our daily work. We create opportunities for adapted and integrated learning that promotes professional development and contributes to professional and personal success. Our subsidiary Lesjöfors introduced a new method for performance and development talks in 2022. Beijer Alma had an average of 3,307 employees (2,866) in 23 countries (21). The proportion of female employees was 30 percent (28). The proportion of women on the company's Board was 33 percent (33). A total of 65 (60) women were members of a management group. Employee surveys were carried out at 31 units (26). Some 1,367 employees (1,238) participated in development talks.

EMPLOYEE AND MANAGER TRAINING

The training systems at Beijer Alma's subsidiaries vary due to our decentralized model. We encourage increased accessibility to digital or teacher-led training and programs that are relevant to the business or to a specific subject, function or role. We have started taking a more systematic approach to talent management to ensure we are able to meet our future competence requirements. Approximately 28,997 (20,350) hours of training for managers as well as administration, marketing and production employees were completed in 2022. In the areas of health and the environment, an average of 2.4 training hours (2.8) per employee were completed.

GEOGRAPHIC DISTRIBUTION OF EMPLOYEES

Sweden 28%
Germany 11%
China 9%
UK 8%
Netherlands 7%
Latvia 6%
Poland 5%
Slovakia 4%
Finland 3%
Denmark 2 %
Others 17 %

Area	Objective	Outcome	Comments
WORK ENVIRONMENT The Group's operations are to be conducted so that environmental and work environment legislation is followed with an ample margin. Every local unit is to take a preventive and systematic approach in order to create a healthy and safe work environment for its employees.	**0** Beijer Alma has a vision of zero tolerance when it comes to workplace accidents and the accident frequency rate is to be reduced by 2023. We strive for a balanced safety pyramid.		Workplace accidents resulting in absences decreased compared with the preceding year. The frequency of accidents resulting in absences continued to decline. The number of lost work days due to workplace accidents also decreased in 2022.

[1] Per 200,000 hours worked.

IN-HOUSE APPRENTICESHIP TRAINING

Lesjöfors is developing its own apprenticeship course to ensure access to expertise. European Springs & Pressings in the UK has started a comprehensive program for five new apprentices.

"Apprentices and new workers are in increasingly high demand as the manufacturing industry in the UK has been facing the largest skills shortage in over 30 years. We are also seeing a drop in the number of young people who are interested in the manufacturing sector. As such, a strategic, continuous recruitment process is essential, and we are always actively searching for exciting new engineering talent," says Stuart McSheehy, Managing Director of European Springs & Pressings.

An apprenticeship is a great way to get a foot on the ladder in the engineering industry, while also getting paid.

MATS FOR SAFE WORKPLACES

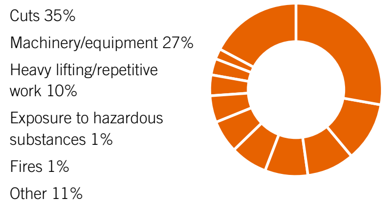
Lundgrens Sverige sells products for safe and secure workplaces. One example of this is electric insulating mats. These are used for work when there is a risk of electric shocks and a company is looking to ensure its employees are insulated from the surface. Electric insulating mats are used in switchgears and other exposed locations near energized equipment.

A SAFE WORKPLACE FOR OUR EMPLOYEES

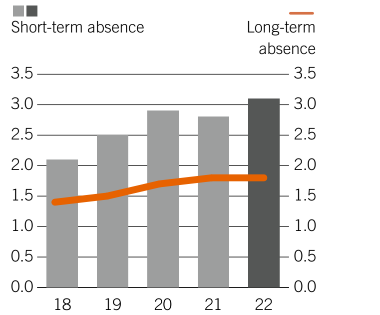
At Beijer Alma, we aim to ensure that our employees and others impacted by our operations work in a way that contributes to their safety and well-being. We encourage transparent reporting and promote increased risk-consciousness and safe behavior that prevents occupational injuries. We strive for a balanced safety pyramid. This means more reports of risk observations than near misses, more near misses than minor injuries and more or just as many minor injuries as notable injuries. To ensure this, everyone at work is involved in eliminating risky situations and reducing work-related health and safety risks. At the same time, we encourage immediate reporting of near misses, incidents and risk observations.

The rate of short and long-term sickness absence amounted to 3.1 percent (2.8) and 1.8 percent (1.8), respectively. There were 35 (48) workplace accidents resulting in more than one day of absence (lost work cases, LWC). The number of lost work days (LWD) due to accidents amounted to 402 (717). During the year, 318 near misses (300) were reported. 87 percent of the companies performed workplace health and safety inspections, including noise and dust measurements, general health checks, risk analyses and reviews of chemical use in their operations. No irregularities, near misses or whistleblower incidents pertaining to human rights were identified in the preparation of this report.

CAUSES OF WORKPLACE ACCIDENTS



SICKNESS ABSENCE, SHORT/LONG-TERM



ESG REVIEW – RISKS AND OPPORTUNITIES

During the year, a review was conducted in the area of ESG (environmental, social and governance), covering issues or areas that can lead to operational risks or opportunities. Beijer Alma works proactively to manage risks and transform them into opportunities that add value to the operations.

Risk description	Management	Opportunities
RESOURCE USE AND CLIMATE Climate change may result in damage to plants, impact our access to raw materials or the conditions among suppliers and give rise to changes in customer behavior. The transition to a low-carbon economy could impact access to natural reserves and raw materials as well as access to renewable energy, which could lead to price increases and price volatility. This could also have a domino effect, where players in the value chain are forced to make changes to the supply chain.	The Group uses risk analyses to monitor developments and take action. Because many products are developed in close collaboration with customers, the local units can more easily adapt to new customer behaviors and patterns in demand. To work effectively, Beijer Alma has a number of performance measures that are connected to resource and energy consumption and contribute to reducing the Group's CO_2 emissions.	→ Changes that occur can create business opportunities, for example through the development of new products and services that allow the Group companies to work in new areas and/or according to new business models. Climate-risk analyses provide opportunities to work in a preventive manner.
BUSINESS ETHICS AND HUMAN RIGHTS There is a risk that a lack of business ethics and human rights violations could harm Beijer Alma's reputation and business operations. Risks could also arise if partners do not comply with international guidelines concerning the environment, social responsibility/ethics and governance.	Beijer Alma complies with the UN Guiding Principles on Business and Human Rights. We prevent corruption, anti-competitive practices and human rights violations through information, training, internal regulations (the Code of Conduct) and follow-up, including audits and employee surveys. As part of the Group's risk management, it has a whistleblower system.	→ Sound business ethics and social commitment support successful communities and contribute to more stable market conditions. Maintaining sound business ethics has a positive impact on Beijer Alma's brand and relationships with investors and other stakeholders.
THE SUPPLY CHAIN Supply chain risks may arise, including violations of human rights or labor rights, shortcomings in environmental work or issues related to business ethics. There is also a risk associated with raw materials that have a large carbon footprint and certain minerals, since trading in conflict minerals could be used to finance violence and attacks.	Beijer Alma's Business Partner Code of Conduct is based on international guidelines concerning the environment and social responsibility/ethics. The Group's business partners are expected to comply with these guidelines. The subsidiaries have processes in place for selecting business partners based on factors such as quality, delivery, price and reliability as well as environmental and social responsibility. In terms of conflict minerals, units that work with these raw materials have their own procedures in place.	→ Beijer Alma is to be perceived as a serious, responsible partner that strengthens its competitiveness through its strong business relationships. Focusing on climate change creates business opportunities with suppliers that offer raw materials with a low carbon footprint.
COMPLIANCE Beijer Alma is impacted by the development of laws and frameworks concerning ESG, such as the European Green Deal and the Action Plan on Sustainable Finance, which introduces the EU Taxonomy, the Circular Economy Action Plan, the Sustainable Finance Disclosure Regulation (SFDR), the CSRD and the Green Bond Standard. Changes may impact the Group's operations and lead to increased costs.	The Group has fundamental procedures that may change as laws, rules and frameworks develop. The collection of sustainability data is carried out digitally, facilitating analysis and reporting. The development of environmental legislation is followed up on and changes are implemented.	→ Expanded reporting could be a challenge, but is expected to pave the way for increased standardization that will create advantages and make sustainability efforts more seamless.
SAFE AND STIMULATING WORK ENVIRONMENT Workplace accidents and injuries can have a significant impact on employees' lives and health. Recent developments have also shown that pandemics could lead to disruptions in business operations and afflict employees. In addition to safety and security, workplaces are to be associated with opportunities for personal development.	Work environment committees, internal audits and incident reporting are important preventive measures when it comes to creating safe workplaces. Accident and absence statistics are monitored and linked to measures. Work environment issues and employee requests for personal development are identified in surveys and development talks.	→ Beijer Alma's brand as an employer creates opportunities and encourages motivated, talented employees and managers to join the Group and contribute to business targets being met or surpassed.

MEDICAL TECHNOLOGY – IMPORTANT SOCIETAL FUNCTION

Medical technology is important for society and a market that is growing at a rapid pace. Lesjöfors is a qualified supplier of components to this industry and meets the most stringent requirements in terms of hygiene and quality. Lesjöfors manufactures technical springs, bent parts and stamped parts from wire or strip material for disposable medical products, medical equipment and hygiene-related products. Production facilities can be found around the globe. John Evans' Sons is an important player in North America. In Europe, both Lesjöfors in Slovakia and European Springs & Pressings in the UK are active in this area. Singapore-based John While Solutions offers medical solutions for the Asian market.

WATER REUSE

Water reuse is a growing area for Noxon. The company specializes in technology and services for dewatering – a process where particles and liquids are separated from each other through a decanter centrifuge. The technology is used, for example, in municipal wastewater treatment plants, which is one of the largest customer areas. Today's increasing interest in water reuse is connected to new, more stringent environmental requirements designed to make water use more sustainable and circular.

ENERGY MEASUREMENTS FOR EVERY MACHINE

Lesjöfors's Herrljunga factory in Sweden has installed sensors and can now monitor energy consumption for every machine. With better knowledge about energy consumption, it will become easier to adopt focused measures to optimize and reduce this consumption.

EU TAXONOMY – HOW IT AFFECTS BEIJER ALMA

The EU Taxonomy is a classification system that helps to define environmentally sustainable economic activities. The system is intended to support the transition to an economy that is in line with the EU environmental objectives.

- Beijer Alma manufactures components and conducts industrial trading that contribute to the climate transition, and the Group's climate performance is deemed to be competitive. A Group-wide team has conducted an analysis to determine which activities are included in the taxonomy and are eligible in accordance with the regulation. Turnover, OPEX and CAPEX have also been determined for these activities.
- The manufacturing of components and industrial trading are not currently taxonomy-eligible economic activities. The area of operation that is currently taxonomy-eligible is building automation, where the Group offers efficient energy solutions. In addition, many of the subsidiaries' components are used in customer applications that contribute to increased sustainability and/or a reduction in environmental impact, such as renewable energy solutions and electric vehicles. This shows that Beijer Alma is well positioned in the value chain for sustainable business.
- In 2022, a supplementary review was conducted to ensure that there is no risk of causing significant harm to the other environmental objectives and that processes are in place that comply with the minimum safeguards. Material environmental aspects have been identified within the framework of the systematic environmental management system, and the impact on the other environmental objectives has been assessed. Certified environmental management systems are a component of Beijer Alma's sustainable development strategy and provide the conditions to prevent significant harm to the other environmental objectives. An assessment of minimum safeguards has been conducted and evaluated. Beijer Alma's work related to corporate responsibility is described in the Code of Conduct, which provides guidelines regarding anti-corruption and anti-competitive practices. The Code also describes how we take responsibility for the impact that our operations and products have on both society and the environment. The guidelines are based on the UN Global Compact and other international agreements and guidelines in line with the minimum safeguards. Read more about our approach to good business ethics on pages 21–22.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES THAT ARE ASSOCIATED WITH ECONOMIC ACTIVITIES THAT ARE TAXONOMY-ALIGNED

				Criteria for substantial contribution						Criteria for doing no significant harm (DNSH)						MS				
Economic activities (1)	Code/codes (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activities) (20)	Category (transitional activities) (21)
		MSEK	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transitional
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																				
A.1. Environmentally sustainable (taxonomy-aligned) economic activities																				
Building automation, efficient energy solutions.	7.5	194.5	2.8	100						Yes	Yes	Yes	Yes	Yes	Yes	Yes	2.8		E	
Turnover from environmentally sustainable (taxonomy-aligned) economic activities (A.1)																				
A.2. Taxonomy-eligible economic activities that are not environmentally sustainable (not taxonomy-aligned)	–	–	–																	
Total (A.1+A.2)		**194.5**	**2.8**														**2.8**			

B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES			
Turnover in taxonomy-non-eligible economic activities (B)		5,672	97.2
Total (A+B)		**5,866**	**100**

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES THAT ARE ASSOCIATED WITH ECONOMIC ACTIVITIES THAT ARE TAXONOMY-ALIGNED

				Criteria for substantial contribution						Criteria for doing no significant harm (DNSH)						MS				
Economic activities (1)	Code/codes (2)	Absolute CAPEX (3)	Proportion of CAPEX (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CAPEX, year N (18)	Taxonomy-aligned proportion of CAPEX, year N-1 (19)	Category (enabling activities) (20)	Category (transitional activities) (21)
		MSEK	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transi-tional
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																				
A.1. Environmentally sustainable (taxonomy-aligned) economic activities																				
Building automation, efficient energy solutions.	7.5	0	0	100						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0		E	
Turnover from environmentally sustainable (taxonomy-aligned) economic activities (A.1)		0	0																	
A.2. Taxonomy-eligible economic activities that are not environmentally sustainable (not taxonomy-aligned)	–	–	–																	
Total (A.1+A.2)		**0**	**0**														**0**			

B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES			
Turnover in taxonomy-non-eligible economic activities (B)		177.7	0
Total (A+B)		**177.7**	**0**

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES THAT ARE ASSOCIATED WITH ECONOMIC ACTIVITIES THAT ARE TAXONOMY-ALIGNED

				Criteria for substantial contribution						Criteria for doing no significant harm (DNSH)						MS				
Economic activities (1)	Code/codes (2)	Absolute OPEX (3)	Proportion of OPEX (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OPEX, year N (18)	Taxonomy-aligned proportion of OPEX year N-1 (19)	Category (enabling activities) (20)	Category (transitional activities) (21)
		MSEK	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transi-tional
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																				
A.1. Environmentally sustainable (taxonomy-aligned) economic activities																				
Building automation, efficient energy solutions.	7.5	89.3	3.7	100						Yes	Yes	Yes	Yes	Yes	Yes	Yes	3.7		E	
Turnover from environmentally sustainable (taxonomy-aligned) economic activities (A.1)																				
A.2. Taxonomy-eligible economic activities that are not environmentally sustainable (not taxonomy-aligned)	–	–	–																	
Total (A.1+A.2)		**89.3**	**3.7**														**3.7**			

B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES			
Turnover in taxonomy-non-eligible economic activities (B)		2,331	96.3
Total (A+B)		**2,420**	**100**

About the Sustainability Report

STATUTORY SUSTAINABILITY REPORT

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Beijer Alma has chosen to prepare its statutory Sustainability Report separately from the Annual Report. The Sustainability Report is presented on pages 18–32. The Annual Report and Sustainability Report were submitted to the auditor at the same time. Unless otherwise specified, the information pertains to the entire Beijer Alma Group, including subsidiaries.

SYSTEMATIC ENVIRONMENTAL WORK

The Group's operations are associated with a number of important environmental aspects, such as Lesjöfors's use of metals and energy. Other key issues include GHG emissions and waste. Within Beijer Tech, significant environmental aspects mainly pertain to products, packaging and transportation. The ISO 14001 environmental management system is a valuable tool used to systematically reduce the Group's environmental impact.

LEGISLATION

Beijer Alma is subject to extensive environmental and work environment legislation New or amended requirements also impact the Group's operations. Approximately 50 percent of the units hold specific environmental permits for their operations. Five of these units are located in Sweden. Compliance with legislation is monitored through reports to various authorities, by way of inspections and through internal and external environmental audits. During 2022, 16 units were inspected by supervisory authorities. In all cases, these inspections resulted in no negative remarks or only minor corrective measures. No violations of environmental or work environment legislation were reported. In addition to environmental permits, many of the units are subject to other environmental legislation, including legislation pertaining to hazardous substances (REACH, RoHS, etc.), producer liability for packaging or rules for waste management. The EU Energy Efficiency Directive affects all of Beijer Alma's units within the EU, requiring them to carry out energy audits and submit reports to authorities.

REPORTING PRINCIPLES

The Sustainability Report addresses aspects pertaining to the environment, work environment, social issues, anti-corruption and human rights. The report is intended to meet the relevant legal requirements, provide clear information on the company's sustainability activities and how they are connected to the company's business operations. The report is also intended to explain the Group's work related to the UN Global Compact in accordance with CoP requirements. The information is also used in the climate impact reporting in accordance with the Carbon Disclosure Project (CDP). The GRI guidelines provide a basis for the reporting and choice of indicators. Most units that were part of Beijer Alma in 2022 are included in the report. Data was provided by a total of 42 (35) manufacturing units in Sweden, Denmark, Finland, Latvia, Poland, Slovakia, Germany, the Netherlands, the UK, the US, Thailand, Singapore, China and India. Some 20 additional units, including sales companies, contributed data for the report on anti-corruption. The calculation of relative performance measures for resource consumption and climate impact does not include net revenue from acquired units, which have not yet begun reporting sustainability data.

DATA QUALITY ASSURANCE

Each unit has contributed quantitative and qualitative information. The head of each unit is responsible for assuring the quality of the information. The data for the year has been compared and verified against the information from the preceding year. Emissions of carbon dioxide, sulphur dioxide and nitrogen oxide from direct energy consumption have been calculated using conversion factors based on the energy content and quality of the fuel used. CO_2 emissions from indirect energy consumption – mainly electricity – are calculated based on emission factors from Carbon Footprint (www.carbonfootprint.com) for the countries in which Beijer Alma conducts operations. This measurement model is used in cases where energy suppliers present specific information regarding the energy mix.

GHG PROTOCOL

The Group's GHG emissions from direct and indirect energy consumption are calculated according to Scope 1, Scope 2 and Scope 3 of the GHG Protocol. This is the most common international method for measuring greenhouse gases.

GLOBAL COMPACT

As a member of the Global Compact, Beijer Alma agrees to adhere to ten principles in the areas of human rights, labor conditions, the environment and anti-corruption. The CoP explains how the Group's work relates to the principles. The CoP is available on the Group's website.

Read more about Beijer Alma's sustainability initiatives and the Global Compact at beijeralma.se.

Board signatures

Uppsala, March 9, 2023

Beijer Alma AB

Board of Directors

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Beijer Alma AB, corporate identity number 556229-7480

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the sustainability report for the year 2022 on pages 18-33 and that it is prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE EXAMINATION

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is 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 opinion.

OPINION

A statutory sustainability report has been prepared.

Uppsala March 9, 2023

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Corporate Governance Report

GROUP CONTROL

Beijer Alma AB is a Swedish public limited liability company listed on Nasdaq Stockholm (Stockholm Stock Exchange). Its corporate governance is based on Swedish legislation, rules and regulations, including the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's rules for issuers, the Swedish Corporate Governance Code (the "Code"), the company's Articles of Association and other relevant rules, guidelines and internal governance documents.

Beijer Alma is a listed company whose business concept is to create value by owning and managing subsidiaries with a focus on component manufacturing and industrial trading. The organization is decentralized.

SHAREHOLDERS AND THE SHARE

Beijer Alma's shares have been traded on Nasdaq Stockholm since 1987. The number of shareholders at year-end 2022 amounted to 15,546. Anders Wall, along with his family and companies, has a shareholding corresponding to 47.1 percent of the total number of votes in the company and the Anders Wall Foundation has a shareholding corresponding to 6.5 percent of the votes. There are no other shareholders whose votes exceed 10 percent of the total number of votes.

The company has issued two classes of shares: Class A shares and Class B shares. Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. In accordance with a share conversion clause in the Articles of Association, Class A shareholders are entitled to convert their Class A shares to Class B shares. In the event of such a conversion, the total number of votes decreases. The Class A share carries an obligation to offer shares to existing shareholders. The Class B share is listed on the Mid Cap list of Nasdaq Stockholm. All shares carry the same right to the company's assets and profit, and entitle the holder to the same dividend. The total number of shares at year-end was 60,262,200, of which 6,526,800 were Class A shares and 53,735,400 were Class B shares. More information about Beijer Alma's share and shareholders including a table of shareholders as of December 31, 2022 is available on page 8 of the Annual Report and on Beijer Alma's website.

Beijer Alma's dividend policy is to distribute a minimum of one-third of its net earnings, always taking into consideration the Group's long-term financing needs and liquidity.

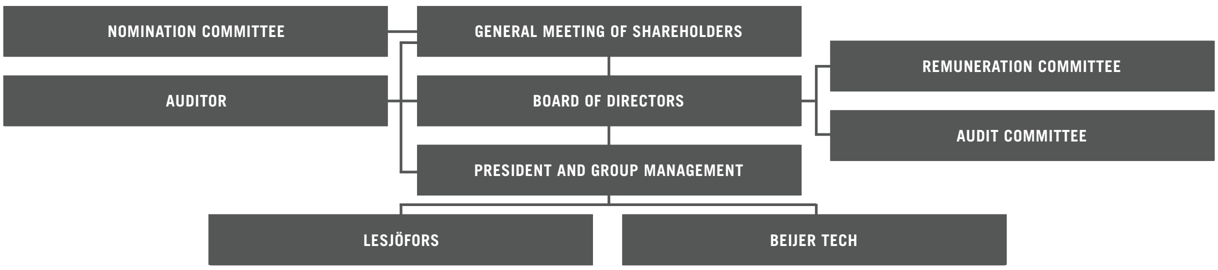
GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting is the company's highest decision-making body, in which all shareholders are invited to participate and exercise the influence that their respective shareholding represents. At the Annual General Meeting, the shareholders make decisions on matters pertaining to the company, such as adoption of the balance sheet and income statement, election of the Board of Directors and the Nomination Committee, appropriation of profits and the discharge of the President and Board from personal liability as well as fees to directors and auditors, and principles for remuneration and terms of employment for the CEO and other senior executives. Shareholders have the opportunity to have matters addressed at the Annual General Meeting if a written proposal is submitted to the Chairman of the Board well ahead of the publication date of the notice of the Meeting. The Annual General Meeting is held not more than six months after the end of the financial year. All shareholders who are registered in the shareholder register and provide timely notification of their intention to attend the Meeting are entitled to participate in the Annual General Meeting and vote in accordance with their total shareholdings. The notice and agenda for the Meeting is to be published not more than six weeks and not less than four weeks prior to the Meeting. Shareholders who are unable to attend the Meeting may be represented by an authorized proxy. Each shareholder or proxy may be accompanied at the Meeting by a maximum of two advisors. The 2023 Annual General Meeting will be held on March 30. For more information about the 2023 Annual General Meeting, see Beijer Alma's website.

2022 ANNUAL GENERAL MEETING

The 2022 Annual General Meeting was held on March 30 by way of advance voting (postal voting) with the support of temporary exception legislation due to the COVID-19 pandemic. Shareholders who participated in advance voting represented over 81 percent of all votes in the company. The minutes from the Annual General Meeting are available on Beijer Alma's website. Details about previous Annual General Meetings are also available on the website. The following resolutions were passed at the 2022 Annual General Meeting:

- To pay a dividend of SEK 3.50 per share.
- That Johnny Alvarsson, Carina Andersson, Hans Landin, Caroline af Ugglas, Oskar Hellström and Johan Wall be re-elected as directors.
- To re-elect Johan Wall as Chairman of the Board.
- To pay each director a fee of SEK 350,000. To pay the Chairman of the Board a fee of SEK 1,000,000. To pay the Chairman of the Audit Committee a fee of SEK 125,000, and to pay each member of the Audit Committee a fee of SEK 75,000. To pay the Chairman of the Remuneration Committee a fee of SEK 50,000, and to pay each member of the Remuneration Committee a fee of SEK 25,000.
- Principles for remuneration and employment terms for senior executives.
- To re-elect the auditing firm KPMG for a period of one year.
- Election of the Nomination Committee. The election of Anders G Carlberg, representing the principal owner, as Chairman of the Nomination Committee.
- To authorize the Board to make decisions concerning issues of Class B shares or convertible debentures. The number of Class B shares may be increased by a maximum of 10 percent through such an issue.



NOMINATION COMMITTEE

The Nomination Committee is responsible, at the request of the shareholders, for preparing motions regarding the Board of Directors, Chairman of the Board, Chairman of the Annual General Meeting and auditors as well as directors' and auditors' fees for resolution by the Annual General Meeting. The Nomination Committee is to comprise representatives from each of the four largest shareholders in terms of votes as well as the Chairman of the Board. The following individuals were appointed to the Nomination Committee ahead of the 2023 Annual General Meeting: Anders G. Carlberg, representing the principal owner; Chairman of the Board Johan Wall; and representatives of the next three largest shareholders: Hans Christian Bratterud (Odin Fonder), Hjalmar Ek (Lannebo Fonder) and Malin Björkmo (Handelsbanken Fonder). Anders G. Carlberg was appointed Chairman of the Nomination Committee. In the event of a change in ownership or if one of the aforementioned individuals resigns from his or her position, the Nomination Committee may replace the committee member.

In order to develop and improve the work of the Board, an annual assessment is performed. Each director responds to a survey containing questions regarding the work of the Board and how it can be further developed. The Nomination Committee has been informed about the results of this survey and about the company's operations and other relevant circumstances to enable the Nomination Committee to propose a well-functioning Board of Directors. The Nomination Committee's motions are to be announced far enough in advance to be presented in the notice of the 2023 Annual General Meeting. The Nomination Committee held five meetings during the year. The Nomination Committee has applied Rule 4.1 of the Swedish Corporate Governance Code as its diversity policy in the preparation of its motion concerning directors, meaning that the Board of Directors is to have an appropriate composition taking into consideration the company's operations, stage of development and other circumstances, and be characterized by versatility and breadth concerning the elected directors' expertise, experience and background, and that an even gender balance is to be sought after. The Nomination Committee has also focused on gradually adding younger directors to the Board.

BOARD OF DIRECTORS

The Board of Directors is appointed by the shareholders to administer the company's affairs in the best interests of the company and the shareholders. The Board of Directors bears the ultimate responsibility for the organization and administration of the company as well as the control of the Group's financial reporting, the management of funds and the company's other financial conditions. The Board ensures that there are effective reporting, monitoring and control systems in place and that the disclosure of information is correct and transparent. The Board is responsible for the Group's long-term development and overall strategy, controls and evaluates the ongoing operations and carries out the other tasks stipulated in the Swedish Companies Act. The Board also makes decisions regarding acquisitions, disposals and major investments. The Board approves the annual report and interim reports, and proposes dividends and guidelines for remuneration to senior management for resolution by the Annual General Meeting.

According to the Articles of Association, the Board is to comprise not fewer than five and not more than ten regular directors and not more than two deputy directors elected by the Annual General Meeting. The Board currently comprises six regular members. Salaried employees in the Group may also participate in Board meetings to present certain matters. Trainee lawyer Annika Nyberg Ekenberg of Vinge law firm serves as Board secretary.

The composition of the Board is presented in the text and table below. All directors are independent in relation to the company. Johan Wall is dependent on shareholders controlling more than 10 percent of the votes and capital in the company. All other directors are independent in relation to the company's major shareholders.

Johan Wall, born 1964 Chairman since 2017. Deputy Director: 1997–2000. Director: 2000–2016.
Holding: 14,100. Also has an influence via participating interest in a family company that is a principal owner of Beijer Alma. Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University. Chairman of: Beijer Holding AB, Domarbo Skog AB and Svenskt Tenn AB. Director of: Sweco AB, Skirner AB, the Kjell & Märta Beijer Foundation, the Anders Wall Foundation and others. Earlier positions: CEO of Beijerinvest AB, Bisnode AB, Enea AB, Framfab AB and Netsolutions AB. Board committees: Chairman of the Remuneration Committee. Member of the Audit Committee. Dependent in relation to the company's major shareholders. Independent in relation to the company.

Johnny Alvarsson, born 1950. Director since: 2017.
Holding: 5,800. Education: Master of Engineering from the Institute of Technology at Linköping University, management training at CEDEP in France. Chairman of: VBG AB and FM Mattson Mora Group. Director of: Rotundagruppen, Conveniunt AB, Instalco AB and Sdiptech AB. Earlier positions: Management positions at LM Ericsson, CEO of Zetterbergs Industri AB/Zeteco AB, CEO of Elektronikgruppen AB and CEO of Indutrade AB. Board committees: Member of the Remuneration Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

Carina Andersson, born 1964. Director since: 2011.
Holding: 4,000. Education: Master of Mining Engineering from the Royal Institute of Technology in Stockholm. Chairman of: Returpack AB and Carbomax AB. Director of: Swedish Stirling AB, Systemair AB and Detection Technology AB. Earlier positions: General Manager and Head of Powder Technology at Sandvik Materials Technology AB, CEO of Ramnäs Bruk AB and CEO of Scana Ramnäs AB. Board committees: Member of the Audit Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

Oskar Hellström, born 1979. Director since: 2020.
Holding: 5,000. Education: Master of Engineering from the Institute of Technology at Linköping University and Bachelor of Economics from Stockholm University. CFO and Deputy CEO of Gränges AB. Earlier positions: CFO of Sapa Heat Transfer, various management positions in the Sapa Group, and consultant at Booz Allen Hamilton. Board committees: Chairman of Audit Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

Board of Directors	Elected in	Independent in relation to major shareholders	Independent in relation to the company	Remuneration Committee	Audit Committee	Participation in Board meetings	Holding of Class A shares	Holding of Class B shares
Johan Wall, Chairman	1997		X	X	X	11 (11)	100	14,000
Johnny Alvarsson, Director	2017	X	X	X		11 (11)	–	5,800
Carina Andersson, Director	2011	X	X		X	11 (11)	–	4,000
Oskar Hellström, Director	2020	X	X		X	11 (11)	–	5,000
Hans Landin, Director	2019	X	X			11 (11)	–	6,160
Caroline af Ugglas, Director	2015	X	X	X		11 (11)	–	4,000

Board of Directors

BOARD OF DIRECTORS

Johnny Alvarsson, born 1950.
Director since: 2017
Holding: 5,800 Class B shares
Chairman of: VBG AB, FM Mattson Mora Group.
Director of: Rotundagruppen, Conveniunt AB, Instalco AB and Sdiptech AB.

Carina Andersson, born 1964
Director since: 2011
Holding: 4,000 Class B shares
Chairman of: Returpack AB and Carbomax AB.
Director of: Swedish Stirling AB, Systemair AB and Detection Technology AB.

Oskar Hellström, born 1979
Director since: 2020
Holding: 5,000 Class B shares
CFO and Deputy CEO of Gränges AB.

Hans Landin, born 1972
Director since: 2019
Holding: 6,160 Class B shares

Caroline af Ugglas, born 1958
Director since: 2015
Holding: 4,000 Class B shares
Director of: ACQ Bure AB, Bilia AB, Lifco AB, Spiltan investment AB and Trapets AB.

Johan Wall, born 1964
Chairman since: 2017
Deputy Director: 1997–2000
Director: 2000–2016
Holding: 14,000 Class B shares, 100 Class A shares
Chairman of: Beijer Holding AB, Domarbo Skog AB and Svenskt Tenn AB.
Director of: Sweco AB, Skirner AB, the Kjell & Märta Beijer Foundation, the Anders Wall Foundation and others.

HONORARY CHAIRMAN

Anders Wall
Chairman of the Board
1993–2016

Hans Landin, born 1972. Director since: 2019.
Holding: 6,160. Education: Master of Engineering from Chalmers University of Technology. Earlier positions: Group Vice President of The Timken Company. Various management positions at The Timken Company since 2000. Independent in relation to the company's major shareholders. Independent in relation to the company.

Caroline af Ugglas, born 1958. Director since: 2015.
Holding: 4,000. Education: Economics degree from Stockholm University. Director of: ACQ Bure AB, Bilia AB, Lifco AB, Spiltan investment AB and Trapets AB. Earlier positions: Head of Equities and Corporate Governance at Livförsäkringsaktiebolaget Skandia and Deputy General Director of the Confederation of Swedish Enterprise. Board committees: Member of the Remuneration Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

In 2022, the Board held 11 meetings during which minutes were taken.

The attendance of the members of the Board at these meetings is presented in the table on page 35. The following areas are assessed during Board meetings: sales and profitability trend, objectives and strategies for the operations, acquisitions and other key investments as well the development of sustainability work. Two of the meetings were held at the offices of a subsidiary, where local management presented their operations.

Beijer Alma's auditor reported his findings from the audit of the Group's accounts and internal control procedures at one Board meeting.

The Board of Directors has adopted a work plan that governs the following:

- A minimum of six Board meetings per year in addition to the statutory meeting and when they are to be held.
- The date and content of notices of Board meetings.
- The items that are normally to be included in the agenda for each Board meeting.
- Minute-taking at Board meetings.
- Delegation of decisions to the President.
- The President's authority to sign interim reports.

The Board's work plan is reviewed annually and updated when necessary. The terms of reference issued to the President clarify the division of duties between the Board and the President as well as the responsibilities and authorities of the President. The Board receives monthly information regarding the performance of the Group and the individual companies in the form of a monthly report containing key events and trends concerning order bookings, invoicing, margins, earnings, cash flow, financial position and the number of employees.

BOARD COMMITTEES

While the responsibilities of the Board of Directors cannot be delegated, the Board may appoint committees from within ranks to address certain issues in order to simplify and streamline the work of the Board. Accordingly, as in the previous year, the Board has established a Remuneration Committee and an Audit Committee. Members and the Chairman are appointed at the statutory meeting held directly after the Annual General Meeting. The work of each committee is governed by its work plan and instructions.

REMUNERATION COMMITTEE

The Board has appointed a Remuneration Committee comprising Johnny Alvarsson, Caroline af Ugglas and Johan Wall, with Johan Wall serving as Chairman. The Remuneration Committee prepares motions regarding the President's salary and other employment terms, such as pension, severance pay and variable salary. The Committee also prepares principles for remuneration to Group management and approves motions by the President regarding remuneration to Group management within the framework of the guidelines adopted by the Annual General Meeting. The Committee is also to assist the Board by preparing a remuneration report for approval by the Annual General Meeting. The Committee held three meetings during 2022, which were attended by all members. Note 2 includes the remuneration report to the CEO and Group management.

AUDIT COMMITTEE

The Audit Committee supervises the Group's financial reporting and internal control. The tasks of the Committee include preparing for the Board's work to quality assure the financial reporting by reviewing the interim reports, annual report and consolidated financial statements. The Committee also reviews legal and tax-related issues that may have a material impact on the financial reports. The Audit Committee also reviews the impartiality of the appointed auditors and decides which services, in addition to the audit, are to be procured from the auditors. Where appropriate, the Committee handles the procurement of audit services on behalf of the Nomination Committee. Finally, the Audit Committee evaluates the quality of the internal control of financial reporting.

The Audit Committee comprises Oskar Hellström (Chairman), Carina Andersson and Johan Wall. The Group's CFO reports to the Committee. The Committee held a total of five meetings in 2022, which were attended by all members. The Chief Auditor participated in four of these meetings.

PRESIDENT AND GROUP MANAGEMENT

Beijer Alma's Group management comprises the CEO, the presidents of the subsidiaries Lesjöfors and Beijer Tech, and the Group's CFO.

The company's President and CEO in 2022 was Henrik Perbeck (born 1972), who assumed the role in 2018. He holds a Master's degree in engineering and a Bachelor of Arts in economics. Henrik Perbeck was previously the President and CEO of Viacon Group.

For more information about members of Group management, see page 38. Note 2 includes information about remuneration of senior executives.

CODE OF CONDUCT

The values and approach that apply within Beijer Alma have been compiled in a Code of Conduct based on internationally accepted conventions, such as the UN Global Compact and ISO 26000 Social Responsibility. The company's Code of Conduct focuses on people, the environment and ethics. For each of these areas, the Code describes the approach and values that apply at Beijer Alma. Material presenting and explaining Beijer Alma's Code of Conduct has been distributed to all employees globally and is also available electronically in several languages. The material also refers to the Group's whistleblower system for reporting improprieties and other breaches of the Code of Conduct.

Additional information about the Group's CR efforts is available on the website and on pages 18–33.

OPERATIONAL CONTROL

The CEO is responsible for the ongoing administration of the company in accordance with the instructions and guidelines of the Board. Along with the other members of Group management, the CEO ensures that the operational control of the Group is of high quality and efficient and that the operations are conducted in accordance with the instructions and guidelines of the Board.

Beijer Alma has a decentralized organization. This is a strategic and deliberate decision based on the fact that the Group's businesses are often local in nature and a conviction that it is best that decisions be made locally, by the people with the best understanding of the issue in question. The actual business operations are conducted in the subsidiaries Lesjöfors and Beijer Tech. The legal structure corresponds with the operational structure, which means that there are no decision-making forums that are discharged from the legal responsibility incumbent upon the legal units. The operations in Lesjöfors and Beijer Tech are organized into business areas. The total number of legal entities in Beijer Alma is approximately 110. The Group's business organization is based on decentralized responsibility and authority, combined with a fast and efficient reporting and control system.

Senior management Beijer Alma

Henrik Perbeck,
born 1972
President and CEO
Beijer Alma AB
Master of Engineering
Employee since: 2018
Holding with family:
24,500 Class B shares

Johan Dufvenmark,
born 1973
Chief Financial Officer
Beijer Alma AB
Master of Business
Administration
Employee since: 2022
Holding with family:
2,500 Class B shares

Ola Tengroth,
born 1963
President and CEO Lesjöfors AB
Master of Business
Administration/Mechanical
Engineer
Employee since: 2019
Holding with family:
6,950 Class B shares

Staffan Johansson,
born 1976
President and CEO
Beijer Tech AB
Master of Engineering
Employee since: 2019
Holding with family:
11,542 Class B shares

Anna Haesert,
born 1977
Coordinating Chief
Sustainability Officer at
Beijer Alma, member of
Lesjöfors's Group management
Master of Engineering
Employee since: 2021
Holding with family: 0

The subsidiaries' boards of directors include individuals from Group management. As in the Parent Company, the work of the subsidiaries' boards of directors and the division of duties between the boards and the presidents of the subsidiaries are governed by work plans and terms of reference. The subsidiaries are also governed by a number of policies and instructions that regulate their operations, including the Code of Conduct, which is a key policy. Beijer Alma AB manages two separate subsidiary groups, in which daily operational decisions are made. Financial reporting in the Group is therefore very important from a corporate governance perspective. A large part of the communication and discussions in the Group are based on internal financial reporting.

The presidents of the subsidiaries are responsible for their income statements and balance sheets. Monthly financial statements are prepared for each profit center. These financial statements are analyzed at different levels in the Group and consolidated at the subsidiary and Group levels. Reports are presented to Group management for each profit center, business area and subsidiary. This reporting is carried out in the system used for the external consolidated financial statements. Monthly financial statements are presented and discussed at monthly meetings with Group management and the subsidiary management groups. Board decisions and other decisions are also followed up at these meetings.

In a decentralized organization, it is important that reporting and monitoring systems are transparent and reliable. In each subsidiary, considerable focus is given to improving and streamlining the company's processes. The business systems are developed to make it easier to measure the profitability of individual businesses, customers, industries and geographic markets. The Group measures the efficiency of the various components of its production, administration and sales operations, and compares these with estimates as well as earlier results and targets. The information gathered in this manner is used for internal benchmarking.

INTERNAL CONTROL

The Board of Directors' internal control responsibilities are governed by the Swedish Companies Act and the Swedish Corporate Governance Code. The Code also contains requirements for external disclosure of information, which stipulate the manner in which the Group's internal control of financial reporting is to be organized.

At Beijer Alma, internal control generally refers to a process designed to ensure, with reasonable certainty, that the company's goals are met and lead to efficient and appropriate operations, reliable reporting, and compliance with rules and legislation. Internal control is also intended to obtain reasonable assurance that the Group's external financial reporting is reliable and correct, and that it has been prepared in accordance with generally accepted accounting principles, applicable laws and regulations, and other rules for listed companies.

The Board of Directors has overall responsibility for the Group's internal control of financial reporting. The Audit Committee assists the Board with material accounting issues. The Committee is also responsible for ensuring compliance with the policies for financial reporting and internal control, and that the required contact is maintained with the company's auditor.

Responsibility for the daily operational work involved in internal control of financial reporting is delegated to the CEO, who together with the Group's CFO and the subsidiary management groups guarantees and develops the Group's internal control.

The basis of the internal control of financial reporting is the overall control environment. A well-functioning decentralized organization in which areas of responsibility and authority are clearly defined, conveyed and documented is a key component of the control environment. Other key components of the control environment are management's work methods, policies, procedures and instructions. Beijer Alma's operations are exposed to external and internal risks. An important part of the internal control process involves identifying, quantifying and managing material risks that could impact the Group's financial reporting. This risk analysis results in activities designed to ensure that the Group's financial reporting fulfills the basic requirements.

Control activities are incorporated into in the Group's reporting procedures and follow the structures of the reporting process and accounting organization. The employees at every profit center are responsible for accurate reporting and financial statements.

The financial statements are analyzed at the profit center, business area, subsidiary and Group levels. Deviations from estimates and expected results are analyzed, as are deviations from historical data and forecasts. The operational follow-up that takes place at the Group level, for example, through the monthly meetings, is a key component of Beijer Alma's internal control.

Reviews are performed to ensure that adequate internal controls are conducted at all levels. The Board is responsible for these reviews. Taking into consideration the size, organization and financial reporting structure of the Group, the Board deems that no special internal audit function is required at present.

EXTERNAL AUDIT

At the 2022 Annual General Meeting, KPMG was elected as the company's auditing firm until the 2023 Annual General Meeting. Authorized Public Accountant Helena Arvidsson Älgne was appointed as Chief Auditor.

The external auditor's task is to independently review the accounts to ensure that they provide, in all material aspects, an accurate, fair and comprehensive view of Beijer Alma's position and earnings. The auditor is also tasked with reviewing the company's administration by the Board and the CEO.

KPMG is the auditing firm for most of the Group companies. The Group's auditor reviews the six-month interim report and reports his observations to the Audit Committee at the meeting held to discuss the six-month interim report and at the meeting to discuss the annual accounts, where the auditor also reports at the Board meeting. Auditors' fees are paid in accordance with approved invoices. Note 5 includes information about auditors' fees. The external audit is conducted in accordance with the International Standards of Auditing (ISA).

Board of Directors' Report

The Board of Directors and the President of Beijer Alma AB (publ), Corporate Registration Number 556229–7480, hereby submit the company's Board of Directors' Report and Annual Accounts for the 2022 financial year. The company is a limited company and its shares are listed on Nasdaq Stockholm, and it is domiciled in Uppsala, Sweden.

OPERATING AREAS AND ORGANIZATION

Beijer Alma is an international, listed industrial group. Its business concept is to acquire, own and develop companies with strong growth potential. The companies in the Group specialize in component manufacturing and industrial trading. The Group is active in about 60 markets and its customers include companies in such sectors as engineering, automotive, infrastructure, telecom, energy and construction.
Since Habia Cable was divested during the year, the Group includes two subsidiary groups:

- Lesjöfors is a full-range supplier of standard and customized industrial springs as well as wire and flat strip components. The company is a leading player in the Nordic region and one of the largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Europe, Asia and North America. Its operations are conducted in two business areas: Industry and Chassis Springs.
- Beijer Tech specializes in industrial trading and manufacturing in Nordic niche industries. The company sells consumables, components and machinery to Nordic industrial companies, and represents several of the world's leading brands. The company's operations are conducted in two business areas: Industrial Products and Fluid Technology.

Beijer Alma's organization is decentralized.

REVENUE AND EARNINGS

All comments and figures below exclude the discontinued operation Habia Cable unless otherwise stated.

GROUP

2022 was impacted by the war in Ukraine, cost increases and continued strained supply chains. Due to the war in Ukraine, Beijer Alma's subsidiary Lesjöfors pulled out of the Russia market and reported lower sales as a result. The war also had an impact on other markets, particularly in Ukraine. Demand in the Nordic region was healthy during the year, which was in part reflected in strong earnings in Beijer Tech. The impact of strained supply chains subsided during the year, but cost increases related to raw materials and energy were clearly noted. To compensate for these cost increases, a number of price increases were implemented during the year.

Order bookings increased 20 percent to MSEK 5,682 (4,750). The increase comprised –2 percent organic growth, 16 percent growth from acquisitions and 6 percent positive currency effects.

Net revenue rose 28 percent year-on-year to MSEK 5,866 (4,580). The increase comprised 4 percent organic growth, 18 percent growth from acquisitions and 6 percent currency effects. The share of foreign sales including Habia Cable declined to 74 percent (76) partly as a result of lower sales to the Russian market. The share of sales outside Sweden was 88 percent (86) in Lesjöfors and 43 percent (42) in Beijer Tech.

Operating profit totaled MSEK 773 (712), with an operating margin of 13.2 percent (15.5). Operating profit before items affecting comparability amounted to MSEK 798 (757). The operating margin before items affecting comparability was 13.6 percent (16.5). An item affecting comparability of MSEK –25 arose in the first half of the year related to a provision for the discontinuation of Lesjöfors in Russia.

ACQUISITIONS

In 2022, five acquisitions were completed. The Beijer Tech Group acquired the Swedish companies Mountpac AB and Swedish Microwave AB and the Norwegian company Norserv AS. Lesjöfors acquired the US company John Evans' Sons Inc. and the Turkish company Telform Clamp and Springs Co. The acquired companies are presented in Note 35, including acquisition analyses. Beijer Tech also entered into an agreement to acquire Botek AB in 2022, and Lesjöfors entered into an agreement to acquire Amatec Technische Veren B.V. in 2023. These two acquisitions were completed in January 2023.

SUBSIDIARIES

Lesjöfors is a full-range supplier of standard and customized industrial springs as well as wire and flat strip components. In 2022, order bookings increased 21 percent to MSEK 4,022 (3,317). The increase comprised –5 percent organic growth, +19 percent growth from acquisitions and +7 percent currency effects. Net revenue rose 27 percent to MSEK 4,073 (3,198). The increase comprised –1 percent organic growth, +21 percent growth from acquisitions and +6 percent currency effects. Operating profit increased to MSEK 616 (607). The operating margin was 15.1 percent (19.0). Operating profit includes an item affecting comparability of MSEK –25 attributable to discontinued operations in Russia. Operating profit before items affecting comparability amounted to MSEK 641, corresponding to a margin of 15.7 percent (20.4). Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. Net revenue rose 41 percent in Industry and declined 9 percent in Chassis Springs. The decline in Chassis Springs was mainly related to the discontinuation of sales to the Russian market.

Beijer Tech conducts industrial trading and manufacturing operations in two business areas: Industrial Products and Fluid Technology. Order bookings amounted to MSEK 1,660 (1,433), up 16 percent. The increase comprised 4 percent organic growth, 10 percent growth from acquisitions and 2 percent currency effects. Net revenue rose 30 percent to MSEK 1,790 (1,382). The increase comprised 15 percent organic growth, 13 percent growth from acquisitions and 2 percent currency effects. Operating profit totaled MSEK 186 (129).

The operating margin was 10.4 percent (9.4). Revenue increased 37 percent in the Industrial Products business area and 18 percent in Fluid Technology. Acquisitions carried out during the year had a positive impact on earnings.

DISCONTINUED OPERATIONS

Habia Cable is a manufacturer of custom-designed cables, and the company was divested to HEW-Kabel Holding GmbH on October 14, 2022. Net revenue in 2022 amounted to MSEK 777 (809), and the company had operating profit of MSEK 106 (63).

The divestment of Habia Cable AB resulted in a capital gain of MSEK 352 and a change in investing activities of MSEK 663.

PARENT COMPANY

Beijer Alma AB is a holding company that does not conduct external invoicing, but instead owns and manages shares and participations in subsidiaries and is responsible for certain Group-wide functions. Profit before tax totaled MSEK 582 (346). Profit before tax included Group contributions from subsidiaries totaling MSEK 29 (100), net, and a capital gain from the divestment of Habia Cable of MSEK 352.

CAPITAL EXPENDITURES

Investments in fixed assets, excluding acquisitions in 2022, amounted to MSEK 178 (152), compared with depreciation/amortization totaling MSEK 274 (209). Lesjöfors invested MSEK 152 (133) and Beijer Tech MSEK 26 (19).

PRODUCT DEVELOPMENT

Costs for product development primarily pertain to specific customer orders and are therefore charged to the respective order and recognized as cost of goods sold. Costs for product development that could not be attributed to specific customer orders are included in the Group's administrative expenses.

CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow after capital expenditures amounted to MSEK –306 (–486). Cash flow includes acquisitions of MSEK 1,285 (1,046) and liquidity from the divestment of Habia Cable of MSEK 663. Excluding acquisitions, cash flow amounted to MSEK 979 (560).

Net debt (interest-bearing liabilities excluding lease liabilities, less cash and cash equivalents) totaled MSEK 1,833 (1,324) at year-end.

The net debt/equity ratio (net debt in relation to shareholders' equity) was 45 percent (46). Available liquidity (cash and cash equivalents plus approved but unutilized committed credit facilities) totaled MSEK 1,757 (1,380). The equity ratio was 44 percent (45).

RETURN ON CAPITAL EMPLOYED

The return on capital employed was 21.1 percent (18.6). Excluding capital gains and Habia Cable, the return on average capital employed was 14.1 percent. The return on average shareholders' equity was 17.0 percent (21.7).

EMPLOYEES

The average number of employees including discontinued operations was 3,307 (2,866), corresponding to an increase of 441. Beijer Tech and Lesjöfors's acquisitions of companies increased the number of employees by 254, net, and the divestment of Habia Cable resulted in a reduction of 536 employees. Lesjöfors conducts a portion of its manufacturing in China, Thailand, Singapore, Latvia, Slovakia, India, Poland, Türkiye and Mexico, where salary costs are generally lower. The number of employees in Sweden was 921 (838). In Sweden, an additional 179 employees were added through acquisitions.

Note 2 presents the number of employees in various countries as well as salaries and remuneration, and the principles adopted by the Annual General Meeting regarding salaries and remuneration to senior executives. Beijer Alma's remuneration to senior executives includes the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. The company has no share or share price-based incentive programs. The Board proposes that the 2023 Annual General Meeting approve an increase in the potential pension provision for the CEO from 30 percent to 35 percent. In all other respects, it is proposed that the guidelines for senior executives remain unchanged.

OWNERSHIP CONDITIONS

Beijer Alma has approximately 15,546 shareholders (16,284). The largest shareholder is Anders Wall, along with his family and companies, who owns 12.5 percent of the capital and 47.1 percent of the votes. Other major shareholders in terms of capital are the Anders Wall Foundation with 12.8 percent, Lannebo Fonder with 8.6 percent and Verdipapir fond Odin Sverige with 5.1 percent.

CORPORATE RESPONSIBILITY

The Group's strategic and day-to-day operations are based on Beijer Alma's Code of Conduct. The Code builds on the basic principles of the UN Global Compact, which Beijer Alma joined in 2015. Accordingly, the company has agreed to adhere to ten fundamental principles in the areas of human rights, labor conditions, the environment and anti-corruption. The Group's sustainability objectives are also connected to nine of the 17 UN Sustainable Development Goals, which act as guidelines for the Group.

Just over 40 percent of the Group's units hold specific environmental permits for their operations.

STATUTORY SUSTAINABILITY REPORT

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Beijer Alma has chosen to prepare its statutory Sustainability Report separately from the Annual Report. The Sustainability Report is presented on pages 18–33. The Annual Report and Sustainability Report were submitted to the auditor at the same time. Unless otherwise specified, the information pertains the Beijer Alma Group, including subsidiaries, but excluding discontinued operations.

RISKS AND UNCERTAINTIES

Risks are a part of all business operations. Beijer Alma's earnings, financial position and future performance are impacted by both internal factors that the company can influence and external factors which the company has a limited possibility to influence and where the Group instead focuses on managing the consequences of these factors.

The Group's risks include business and financial risks. Business risks may include economic trends, structural changes in the market, or significant customer dependence on specific companies, industries or geographic markets. Unpredictable risks such as Russia's invasion of Ukraine and the COVID-19 pandemic have a considerable impact on the business world and create uncertainty, which can have a negative impact on Beijer Alma. Financial risks primarily pertain to foreign currency risks, the management of which is described in Note 26.

To manage the various business risks, strategic work is carried out to broaden the customer base in terms of industry, customer and geography. Beijer Alma is deemed to have a favorable risk spread across customers, suppliers, industries and geographic markets. Follow-up of operational risks takes place at monthly meetings and Board meetings, where risks or deviations are identified and actions are taken.

As the world becomes more digitized, the risk of cybersecurity incidents and unplanned operational disruptions also increases, which could have a significant impact on the operations. In 2021, Habia Cable was hit with a data breach, which primarily impacted the second quarter. The breach led to an analysis and adaptation of the IT security of the Parent Company and all of the subsidiaries based on the current threat assessment.

PROPOSED APPROPRIATION OF PROFITS

MSEK	
Retained earnings	86.7
Share premium reserve	279.0
Net profit for the year	578.8
Total	**944.5**
To be appropriated as follows:	
Ordinary dividend to shareholders of SEK 3.75 per share	226.0
To be carried forward	**718.5**

BOARD OF DIRECTORS' STATEMENT CONCERNING THE PROPOSED DIVIDEND

After the proposed dividend, the Parent Company's equity ratio will amount to 48 percent and the Group's equity ratio to 43 percent. These equity ratios are adequate given that the company and the Group continue to conduct profitable operations. The liquidity of the Group and the company is expected to remain adequate.

In the opinion of the Board of Directors, the proposed dividend will not prevent the Parent Company or the other subsidiaries from fulfilling their obligations or from completing the necessary capital expenditures. Accordingly, the proposed dividend can be justified in accordance with the provisions in Chapter 17, Section 3, Paragraphs 2–3 of the Swedish Companies Act (the "prudence rule").

Consolidated income statement

Amounts in MSEK	Note	**2022**	2021
Net revenue	3, 4	**5,865.8**	4,579.9
Cost of goods sold	9	**–4,102.1**	–3,059.5
Gross profit		**1,763.7**	1,520.4
Selling expenses	9	**–458.0**	–375.5
Administrative expenses	5, 9	**–509.3**	–404.2
Other operating income	6	**1.1**	16.1
Profit from participations in associated companies	8, 17	**0.4**	0.2
Items affecting comparability	7	**–25.0**	–45.3
Operating profit	9	**772.9**	711.7
Interest income		**25.3**	1.1
Interest expenses		**–94.4**	–31.9
Profit after net financial items		**703.8**	680.9
Income tax	12	**–164.1**	–153.9
Net profit		**539.7**	527.0
Discontinued operations			
Profit from discontinued operations, Habia Cable, net after tax	30	**433.2**	46.7
Net profit for the period		**972.9**	573.7
Of which, attributable to			
Parent Company shareholders		**959.4**	568.2
Non-controlling interests		**13.5**	5.5
Total net profit for the period		**972.9**	573.7

Consolidated statement of comprehensive income

Other comprehensive income pertains in its entirety to items that may be reclassified to profit or loss.	Note	**2022**	2021
Net earnings per share before and after dilution, SEK	13	**15.92**	9.43
Dividend per share, SEK		**3.75**	3.50
Other comprehensive income			
Items that may be reclassified to profit or loss			
Cash-flow hedges		**–2.6**	–13.4
Translation differences		**115.2**	90.4
Translation differences related to discontinued operations transferred to net profit for the period		**–72.5**	–
Total other comprehensive income after tax		**40.1**	77.0
Total comprehensive income		**1,013.0**	650.7
Of which, attributable to			
Parent Company shareholders		**999.5**	645.2
Non-controlling interests		**13.5**	5.5
Total comprehensive income		**1,013.0**	650.7

Consolidated balance sheet

Amounts in MSEK	Note	2022	2021
ASSETS			
Fixed assets			
Goodwill	14	**2,182.9**	1,417.8
Other intangible assets	15	**1,012.6**	435.6
Land and land improvements	16	**106.8**	118.7
Buildings	16	**544.9**	504.5
Plant and machinery	16	**506.3**	533.6
Equipment, tools, fixtures and fittings	16	**95.7**	97.1
Right-of-use assets	10	**201.4**	236.6
Other long-term receivables		**9.0**	9.1
Participations in associated companies	17	**29.6**	25.8
Deferred tax assets	24	**64.6**	58.2
Total fixed assets		**4,753.8**	3,437.0
Current assets			
Inventories	19	**1,610.1**	1,360.9
Accounts receivable	20	**837.6**	895.8
Tax assets		**73.4**	46.6
Other receivables	21	**65.1**	54.1
Prepaid expenses and accrued income	22	**61.2**	69.2
Cash and cash equivalents [1]		**754.3**	480.5
Total current assets		**3,401.7**	2,907.1
Total assets		**8,155.5**	6,344.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	23		
Share capital		**125.5**	125.5
Other contributed capital		**444.4**	444.4
Reserves		**165.9**	125.8
Retained earnings, including net profit for the year		**2,868.2**	2,162.1
Shareholders' equity attributable to Parent Company shareholders		**3,604.0**	2,857.8
Non-controlling interests		**35.1**	–3.8
Total shareholders' equity		**3,639.1**	2,854.0
Non-current liabilities			
Other non-current liabilities	27	**557.5**	175.3
Deferred tax	24	**231.1**	203.4
Pension obligations	25	**5.9**	3.0
Liabilities to credit institutions	26	**797.8**	999.1
Non-current lease liabilities	10	**134.5**	165.0
Total non-current liabilities		**1,726.8**	1,545.8
Current liabilities			
Committed credit facilities	26	**270.5**	405.3
Accounts payable		**329.6**	426.2
Accrued expenses and deferred income	28	**411.1**	447.1
Liabilities to credit institutions	26	**1,519.2**	399.8
Other current liabilities	29	**114.0**	130.2
Tax liability		**69.8**	57.2
Current lease liabilities	10	**75.4**	78.5
Total current liabilities		**2,789.6**	1,944.3
Total shareholders' equity and liabilities		**8,155.5**	6,344.1

[1] Cash and cash equivalents include cash and bank balances

Consolidated change in shareholders' equity

Amounts in MSEK	Share capital	Other contributed capital	Reserves	Retained earnings, incl. net profit for the year	Total	Non-controlling interests	**Total shareholder's equity**
Dec 31, 2020	**125.5**	**444.4**	**48.8**	**1,899.2**	**2,517.9**	**–13.8**	**2,504.1**
Net profit for the year				568.2	568.2	5.5	**573.7**
Other comprehensive income			77.0		77.0		**77.0**
Dividend paid				–180.8	–180.8		**–180.8**
Liabilities for the acquisition of minority shares				–124.5	–124.5		**–124.5**
Non-controlling interests (translation difference)						4.5	**4.5**
Dec 31, 2021	**125.5**	**444.4**	**125.8**	**2,162.1**	**2,857.8**	**–3.8**	**2,854.0**
Net profit for the year				959.4	959.4	13.5	**972.9**
Other comprehensive income			40.1		40.1		**40.1**
Dividend paid				–210.9	–210.9		**–210.9**
Liabilities for the acquisition of minority shares				–42.4	–42.4		**–42.4**
Non-controlling interests (translation difference)						25.4	**25.4**
Dec 31, 2022	**125.5**	**444.4**	**165.9**	**2,868.2**	**3,604.0**	**35.1**	**3,639.1**

Consolidated cash-flow statement

Amounts in MSEK	Note	**2022**	2021
Operating activities			
Operating profit		**772.9**	711.7
Operating profit for discontinued operations		**458.1**	63.1
Income tax paid		**–187.4**	–175.7
Interest paid		**–87.2**	–31.6
Interest received		**26.4**	0.0
Items not affecting cash flow	34	**–24.5**	275.5
		958.3	843.0
Cash flow from operating activities before change in working capital and capital expenditures			
Change in inventories		**–419.5**	–237.8
Change in receivables		**–24.2**	–188.5
Change in current liabilities		**–29.7**	312.3
Cash flow from operating activities		**484.9**	729.0
Investing activities			
Investments in tangible assets		**–160.8**	–188.9
Investments in intangible assets		**–7.6**	38.5
Change in other financial assets		**–0.3**	–18.6
Divestment of Habia Cable		**662.6**	–
Acquisitions of companies less cash and cash equivalents	35	**–1,284.6**	–1,046.0
Cash flow from investing activities		**–790.7**	–1,215.0
Cash flow after capital expenditures		**–305.8**	–486.0
Financing activities	26		
Loans raised		**2,545.1**	826.3
Repayment		**–1,773.6**	–310.2
Dividend paid		**–210.9**	–180.8
Cash flow from financing activities		**560.6**	335.3
Change in cash and cash equivalents		**254.8**	–150.7
Exchange-rate fluctuations in cash and cash equivalents		**19.0**	15.1
Cash and cash equivalents at beginning of year		**480.5**	616.1
Cash and cash equivalents at end of year		**754.3**	480.5
Unutilized committed credit facilities		**1,002.7**	899.4
Available liquidity		**1,757.0**	1,379.9

Parent Company income statement

Amounts in MSEK	Note	2022	2021
Administrative expenses	5	**–46.1**	–41.7
Other operating income	6	**17.2**	18.2
Operating loss		**–28.9**	–23.5
Profit from participations in Group companies	11	**579.9**	280.0
Interest income		**30.5**	0.2
Interest expenses		**–29.0**	–3.5
Profit after net financial items		**552.5**	253.2
Appropriations			
Group contributions received		**29.0**	100.1
Group contributions paid		**–**	–7.2
Income tax	12	**–2.7**	–12.5
Net profit attributable to Parent Company shareholders		**578.8**	333.6

Parent Company balance sheet

Amounts in MSEK	Note	2022	2021
ASSETS			
Fixed assets			
Equipment, tools, fixtures and fittings	16	**0.1**	0.2
Participations in Group companies	18	**514.7**	610.6
Deferred tax assets		**7.2**	9.9
Total fixed assets		**522.1**	620.7
Current assets			
Receivables from Group companies		**1,368.5**	410.3
Other receivables		**18.2**	5.2
Prepaid expenses and accrued income		**1.1**	2.2
Cash and cash equivalents		**412.9**	0.1
Total current assets		**1,800.7**	417.8
Total assets		**2,322.8**	1,038.5
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**125.5**	125.5
Statutory reserve		**165.4**	165.4
Total restricted equity		**290.9**	290.9
Share premium reserve		**279.0**	279.0
Retained earnings		**86.7**	–36.9
Net profit for the year		**578.8**	333.6
Total non-restricted equity		**944.6**	575.7
Total shareholders' equity		**1,235.4**	866.6
Current liabilities			
Liabilities to credit institutions	26	**1,050.9**	139.2
Liabilities to Group companies		**1.3**	8.7
Accounts payable		**3.2**	2.9
Tax liabilities		**0.6**	0.1
Accrued expenses and deferred income	28	**30.6**	20.4
Other current liabilities	29	**0.7**	0.6
Total current liabilities		**1,087.3**	172.0
Total shareholders' equity and liabilities		**2,322.8**	1,038.5

Parent Company change in shareholders' equity

Amounts in MSEK Parent Company	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Net profit for the year	**Total shareholder's equity**
Dec 31, 2020	**125.5**	**165.4**	**279.0**	**174.4**	**–30.5**	**713.8**
Reclassification of net profit for the preceding year				–30.5	30.5	**0.0**
Dividend paid				–180.8		**–180.8**
Net profit for the year					333.6	**333.6**
Dec 31, 2021	**125.5**	**165.4**	**279.0**	**–36.9**	**333.6**	**866.6**
Reclassification of net profit for the preceding year				333.6	–333.6	**0.0**
Dividend paid				–210.9		**–210.9**
Net profit for the year					578.8	**578.8**
Dec 31, 2022	**125.5**	**165.4**	**279.0**	**86.7**	**578.8**	**1,235.4**

The proposed dividend amounts to SEK 3.75 per share, equivalent to a total of MSEK 226. See Note 33.

Parent Company cash-flow statement

Amounts in MSEK	Note	**2022**	2021
Operating activities			
Operating loss		**–28.9**	–23.5
Discontinued operations		**579.9**	–
Income tax paid		**–16.2**	–14.3
Interest paid		**–29.0**	–3.6
Interest received		**30.5**	0.2
Items not affecting cash flow		**–580.1**	0.0
Cash flow from operating activities before change in working capital and capital expenditures		**–43.8**	–41.2
Change in receivables		**1.2**	269.8
Change in current liabilities		**–27.0**	–2.4
Divestment of Habia Cable		**675.5**	–
Cash flow from operating activities		**605.9**	226.2
Financing activities	26		
Loans raised		**1,976.6**	–
Repayment		**–1,057.0**	–45.4
Dividend paid		**–210.9**	–180.8
Financial Group transactions		**–902.1**	–
Cash flow from financing activities		**–193.4**	–226.2
Change in cash and cash equivalents		**412.5**	0.0
Exchange-rate fluctuations in cash and cash equivalents		**0.3**	–
Cash and cash equivalents at beginning of year		**0.1**	0.1
Cash and cash equivalents at end of year		**412.9**	0.1
Unutilized committed credit facilities		**659.1**	460.8
Available liquidity		**1,072.0**	460.9

Note 1 Summary of key accounting policies

General information

Beijer Alma AB, Corporate Registration Number 556229–7480, is a listed limited liability company registered in Sweden. The company's registered office is located in Uppsala, Sweden, at the address Dragarbrunnsgatan 45, Box 1747, SE-751 47 Uppsala, Sweden. The company's share is listed on the Nasdaq Stockholm Mid Cap list. Beijer Alma AB is an international industrial group focused on component production and industrial trading. The Group includes two subsidiaries: Lesjöfors, one of Europe's largest spring manufactures, and Beijer Tech, which holds strong positions in industrial trading in the Nordic region.

The consolidated financial statements encompass the period from January 1 to December 31, 2022 (comparative period January 1 to December 31, 2021) and the Annual Report was approved by the Board of Directors on March 9, 2023. The balance sheet and income statement will be presented to Annual General Meeting for adoption on March 30, 2023.

The key accounting policies applied in the preparation of these consolidated financial statements are stated below. Unless otherwise specified, these policies were applied for all of the years presented.

All amounts in MSEK unless otherwise stated.

Basis for the preparation of the report

Beijer Alma's consolidated financial statements were prepared in accordance with the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups as well as the International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The consolidated financial statements were prepared according to the cost method, except in the case of certain financial assets and liabilities (including derivative instruments) measured at fair value.

The Parent Company follows the Group's accounting policies, with the exception of the mandatory rules stipulated in the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Parent Company's accounting policies are presented under "Parent Company accounting policies".

Changes in accounting policies

No new IFRS or IFRIC interpretations have had a material impact on the Group's earnings or financial position during the 2022 financial year. No new IFRS or interpretations have been applied in advance.

Nor have there been any changes to the accounting policies that will have a material impact on the Group's earnings or financial position during the financial year commencing January 1, 2023.

In connection with Beijer Alma entering into an agreement to divest Habia Cable, the criteria were met for the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Discontinued operations are major lines of business that have been disposed of or comprise a disposal group held for sale. Profit after tax from discontinued operations is recognized separately in profit or loss. In the consolidated income statement, Habia Cable is recognized separately under "Discontinued operations" and earlier periods have been restated in accordance with the same policies. In accordance with IFRS, balance sheets for prior years have not been restated. More detailed financial statements for discontinued operations are presented in Note 30.

In accordance with IAS 29, Türkiye has been classified as a hyperinflationary country since June 30, 2022 and Beijer Alma's operations in Türkiye have therefore been reported in the consolidated financial statement after a revaluation for hyperinflation. The non-monetary items in the balance sheet have been revalued through the application of a general price index. The index that Beijer Alma has used for revaluation of the financial reports is the consumer price index, with a base period of January 2022. The items in the financial statements that have been revalued are based on recognition at historical cost. The revaluation of non-monetary balance sheet items and profit items at the subsidiary level are part of the monetary net gain or loss recognized in profit or loss as part of financial income and expenses. The impact of these revaluations had a marginal effect on the Group.

Key estimates and assumptions for accounting purposes

Preparation of the accounts in accordance with IFRS requires the use of a number of key estimates for accounting purposes. Management is also required to make certain assumptions when applying the Group's accounting policies. The following are areas involving a high rate of assessment, complex areas or areas in which assumptions and estimates are of material importance:

Assumptions regarding impairment testing of goodwill

The Group tests goodwill for impairment annually, or when there is an indication of a decline in value, in accordance with the accounting policies described in the section concerning intangible assets. Assumptions and estimates relating to expected cash flows and discount rates in the form of weighted average capital costs are described in Note 14. Forecasts concerning future cash flows are based on the best possible estimates of future income and operating expenses. The impairment tests performed did not indicate a need for impairment of goodwill. According to management's assessment, the outcome of this sensitivity analysis, which is presented in Note 14, did not warrant the recognition of an impairment loss.

Accounts receivable

Accounts receivable are amounts attributable to customers pertaining to goods sold or services performed as part of the Group's operating activities. Accounts receivable generally fall due for payment within 30 days. For certain customers, accounts receivable may fall due for payment after 30 days, but never after more than one year, and all accounts receivable have therefore been classified as current assets. Accounts receivable are initially recognized at their transaction price. However, accounts receivable with a material financing component are measured at fair value. The Group holds accounts receivable for the purpose of collecting contractual cash flows and thus measures them on subsequent recognition dates at amortized cost applying the effective interest method. The fair value of current receivables corresponds to their carrying amount since the discount effect is not considered material. Information concerning the impairment of accounts receivable and the Group's credit exposure, foreign currency risk and interest-rate risk is presented in Notes 20 and 26. The general prevailing market trend has resulted in an increased focus on customer credit ratings and monitoring of accounts receivable. Accounts receivable are recognized in the amount in which they are expected to be received, after a deduction for loss allowances for expected credit losses.

Inventories

Inventories are measured at the lower of cost and net selling price on the balance-sheet date. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective measurement is applied for homogeneous groups of goods.

Cash flow

The cash-flow statement was prepared in accordance with the indirect method. Recognized cash flow only includes transactions involving payments and disbursements. Cash and cash equivalents include cash and bank balances and short-term financial investments with a term of less than three months.

Consolidated financial statements

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. Intra-Group transactions, balance sheet items and unrealized gains or losses on transactions between Group companies are eliminated. Intra-Group losses may be an indication of impairment that needs to be recognized in the consolidated financial statements. Where applicable, the accounting policies for subsidiaries have been amended to ensure that the Group's policies are applied in a consistent manner. The acquisition method is applied to the recognition of the Group's business combinations. Non-controlling interests in the profit and shareholders' equity of subsidiaries are recognized separately in the consolidated income statement, statement of changes in shareholders' equity and balance sheet.

Changes in participating interests in a subsidiary without changes in control

Sales to owners without a controlling influence that do not result in a loss of control are recognized as transactions in shareholders' equity, meaning transactions with owners in their capacity as owners. A change in participating interest is recognized as an adjustment of the carrying amounts of the controlling and non-controlling interests so that they reflect the changes in their relative holdings in the subsidiary. For acquisitions from owners without a controlling influence, the difference between the fair value of the purchase consideration paid and the share of the carrying amount of the subsidiary's net assets actually acquired is recognized in shareholders' equity.

Divestment of Habia Cable

Since Habia Cable was divested on October 14, 2022, the company is recognized separately in the consolidated income statement under "Discontinued operations" and earlier periods have been restated in accordance with the same policies. In accordance with IFRS, balance sheets for prior years have not been restated. More details are presented in Note 30.

Business combinations

The Group's business combinations are recognized in accordance with the acquisition method. The purchase consideration for an acquired subsidiary comprises the acquisition-date fair value of the transferred assets, assumed liabilities that the Group incurs to former owners, shares that were issued by the Group, and assets or liabilities as a result of an agreement on contingent consideration. Each contingent consideration to be transferred by the Group is measured at fair value on the acquisition date. Subsequent changes in the fair value of a contingent consideration classified as an asset or liability are recognized in profit or loss. In the event that the acquisition does not encompass 100 percent of the subsidiary, a non-controlling interest arises. There are two alternatives when recognizing non-controlling interests: recognize the non-controlling interest's share of proportional net assets or recognize the non-controlling interest at fair value, which means that the non-controlling interest has a share of goodwill. The choice between the two alternatives for recognizing non-controlling interests is made on a case by case basis for each acquisition.

Acquisition-related costs are expensed as incurred.

In the case of business combinations for which the transferred consideration, any non-controlling interests and the fair value of previously owned shares (in the case of step acquisitions) exceeds the fair value of the acquired assets and assumed liabilities recognized separately, the difference is recognized as goodwill. When the difference is negative, referred to as a low-cost acquisition, this is recognized directly in net profit for the year.

If the business combination is completed in several steps without giving rise to a controlling influence, the previously held equity interests in the acquiree are remeasured at fair value on the acquisition date. Any gain or loss arising as a result of the revaluation is recognized in profit or loss.

Translation of foreign currencies

Functional currency and reporting currency

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each company conducts its primary operations (functional currency). In the consolidated financial statements, SEK is used, which is the Parent Company's functional currency and reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates applicable on the transaction date or the date on which the items are remeasured. Exchange gains and losses that arise in conjunction with the payment of such transactions and in the translation of monetary assets and liabilities in foreign currency at the closing day rate are recognized in profit or loss. An exception is made for transactions that comprise hedges and that meet the conditions for hedge accounting of cash flows, for which gains/losses are recognized in other comprehensive income.

Balance sheets and income statements for the subsidiaries in the Group that have a different functional currency than the reporting currency are translated at the closing day rate and the average rate for the year, respectively. Translation differences are recognized in other comprehensive income. Goodwill and fair-value adjustments that arise during the acquisition of a foreign operation are treated as assets and liabilities in the operation in question and are translated at the closing day rate.

On the divestment of foreign operations, the translation difference was reclassified from other comprehensive income and recognized in profit or loss. The capital gains are recognized as consolidated items affecting comparability.

Significant foreign exchange rates	Year-end rate		Average rate	
	Dec 31, 2022	Dec 31, 2021	**2022**	2021
USDSEK	**10.44**	9.03	**10.16**	8.60
EURSEK	**11.13**	10.26	**10.67**	10.15
GBPSEK	**12.58**	12.18	**12.48**	11.83

Reporting of associated companies

Associated companies are defined as companies that are not subsidiaries, but over which the Parent Company has a significant but not controlling influence, which generally involves shareholdings of 20 to 50 percent. Participations in associated companies are recognized in the consolidated financial statements in accordance with the equity method and are initially measured at cost.

The Group's share in the post-acquisition earnings of an associated company is recognized in profit or loss and its share of changes in other comprehensive income after the acquisition is recognized in other comprehensive income. Accumulated post-acquisition changes are recognized as changes in the carrying amount of the holding. When the Group's share of the losses of an associated company amounts to, or exceeds, the Group's holding in the associated company, the Group does not recognize further losses unless the Group has undertaken commitments or has made payments on behalf of the associate.

Unrealized internal gains are eliminated against the share of gains accruing to the Group. Unrealized losses are also eliminated unless the transaction comprises an indication of impairment for the asset transferred. Profit shares in associated companies are recognized on separate lines in the consolidated income statement and the consolidated balance sheet. Profit shares in associated companies are recognized after tax. The accounting policies for associated companies have been adjusted if necessary to ensure that they correspond to the Group's accounting policies.

At the end of each reporting period, the Group assesses whether or not there is objective evidence that indicates an impairment requirement for its investments in associated companies. If such evidence exists, the Group calculates the impairment amount as the difference between the recoverable amount and carrying amount of the associated company, and recognizes this amount in profit or loss under "Profit from participations in associated companies."

Segment reporting

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the earnings of the operating segments. In the Group, the President and CEO is responsible for making strategic decisions. The President and CEO monitors the operations based on product, meaning the business areas in the subgroups, which comprise the Group's operating segments. Beijer Alma meets the requirements of IFRS 8 Operating Segments for aggregation of operating segments and has decided, in accordance with IFRS 8, to merge the two operating segments in each subgroup, where applicable, meaning that the subgroups become reporting segments. This aggregation corrsponds to the Group's organizational and financial montioring. Beijer Alma's reporting segments are Lesjöfors and Beijer Tech. Refer to Note 4. Habia Cable was a reporting segment until it was divested.

Revenue recognition

The Group manufactures and sells products for industrial trading in the form of springs, wire and flat strip components, machinery and technical solutions. Sales are recognized as revenue when control of the goods is transferred to the customer. This normally takes place when the goods leave the Group's warehouse, but may occur at a later date due, for example, to freight terms in the individual cases. From that date, the customer has full right to dispose of the goods and there are no unfulfilled obligations on the part of Beijer Alma.

There are operations in the subsidiaries, primarily Beijer Tech, that have a project-oriented business model in which invoicing is carried out in accordance with a contract and not always in conjunction with delivery of the good or service. These operations also use settlement methods for their accounting, governed by the customer contract.

Insofar as the Group's performance differs from the invoiced amount, a contract asset is recognized (if the invoiced amount is less than the performance executed) or a contract liability is recognized (if the invoiced amount is higher than the performance executed). Contract assets are presented in Note 22 and contract liabilities in Note 28. Note 29 also presents additional contract liabilities comprising advance payments from customers.

The costs for obtaining and completing a customer contract are recognized as intangible assets and amortized over the contract period.

Certain areas of the operations apply volume discounts based on accumulated sales during the year. Revenue from sales is recognized based on the price in the contract with a deduction for calculated volume discounts and a liability (included in accrued expenses) is recognized in a corresponding amount. Past data is used to estimate the expected value of the discount and revenue is recognized only to the extent that it is highly probable that it will not result in a significant revenue reversal.

No financing component is deemed to exist since the credit period is normally 30 days and in no case exceeds one year. A receivable is recognized when the goods have been delivered since it is at that point that payment becomes unconditional. The Group's obligation to repair or replace defective products in accordance with normal guarantee rules is recognized in accrued expenses

Interest income and interest expenses

Interest income and interest expenses are recognized distributed over the maturity period using the effective interest method.

Government grants

Government grants and reductions in social security contributions have been recognized as a reduction in expenses in the income statement. A government grant is not recognized in profit until it is reasonably certain that the entity will fulfill the terms that apply for the grant and that the grant will be received.

Tax

Deferred tax is calculated according to the balance-sheet method for all temporary differences arising between the carrying amount and tax value of assets and liabilities. However, deferred tax liabilities are not recognized if they arise as a result of the initial recognition of goodwill. Nor is deferred tax recognized if it arises as a result of a transaction that is the initial recognition of an asset or liability that is not a business combination and that, on the transaction date, impacts neither recognized nor tax earnings. Deferred income tax is calculated by applying the tax rates (and laws) that have been decided or announced on the balance-sheet date and that are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.

Loss carryforwards that can be utilized against probable future gains are capitalized as deferred tax assets. This applies to accumulated tax loss carryforwards on the acquisition date and to losses that arise thereafter.

Deferred tax assets and liabilities are offset when there is a legal right of offset for the current tax assets and liabilities and when the deferred tax assets and liabilities are attributable to taxes levied by one and the same tax authority and refer either to the same taxable entity or different taxable entities where the intention is to regulate balances through net payments.

Tax expenses for the year comprise current tax and deferred tax. The current tax expense is calculated on the basis of the tax rules that have been decided or essentially decided on the balance-sheet date in the countries in which the Parent Company and its subsidiaries operate and generate taxable revenue. Management regularly evaluates the claims made in tax declarations for situations where the applicable tax rules are open to interpretation.

Current and deferred tax are recognized in profit or loss, except when the tax pertains to items recognized in other comprehensive income or directly in shareholders' equity. In such cases, the tax is also recognized in other comprehensive income or shareholders' equity.

If the actual outcome differs from the amount initially recognized, such differences will impact the provisions for current tax and deferred tax, as well as net profit for the year. Deferred tax is calculated on temporary differences arising from participations in subsidiaries and associated companies, except when the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Goodwill

Goodwill is defined as the amount by which the consolidated cost of the shares in acquired subsidiaries and the fair value of any non-controlling interests exceed the fair value of the company's net assets as indicated in the acquisition analysis on the acquisition date. Goodwill is not amortized and instead impairment testing is undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill from the acquisition of associated companies is included in the value of the holdings in the associated companies and is tested for impairment as a part of the value of the total holding. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level with each business area in Lesjöfors and Beijer Tech deemed to comprise cash-generating units. The carrying amount of the cash-generating unit to which the goodwill is attributable is compared to the recoverable amount, which is the higher of value in use and the fair value less selling expenses. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Goodwill is allocated on the acquisition date to cash-flow generating units that are expected to profit from the business combination that generated the goodwill item. For a description of the methods and assumptions used for impairment testing, refer to Note 14.

Other intangible assets

Other intangible assets primarily comprise customer relationships, trademarks and licenses that have been acquired through business combinations and are measured at fair value on the acquisition date. The customer relationships, trademarks and licenses have a definable useful life and are recognized at cost less accumulated amortization. Costs for obtaining or completing a contract with customers are also included in other intangible assets. Beijer Alma applies the following estimated useful lives:

Customer relations	5–25 years
Trademarks	5–25 years
Other	1–5 years

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount. Amortization is applied straight-line to distribute the cost over the estimated useful life of the asset.

Research and product development

When costs are incurred for product development, such costs are immediately expensed. According to a strict definition, essentially no research is conducted within the Group. New technology is rarely developed. What makes the Group unique is its knowledge about existing technologies and materials, and how these can be applied in different contexts and be adapted to customer needs. Since development work in the Beijer Alma Group is conducted on a continuous basis and is an integrated part of the daily operations, such expenses are difficult to define. Since clear boundaries cannot be determined and since the Group's development costs do not constitute a significant amount, no development costs are capitalized.

Tangible assets

Tangible assets, including office and industrial buildings, are recognized at cost after deductions for accumulated depreciation. Land is recognized at cost without depreciation. The cost includes expenses directly related to the acquisition of the asset. Additional expenditures are added to the carrying amount of the asset or are recognized as a separate asset, depending on which approach is deemed most appropriate, provided that it is probable that the future financial benefits associated with the asset will accrue to the Group and the cost of the asset can be measured in a reliable manner. The carrying amount of the reimbursed portion is derecognized from the balance sheet. Expenses for repair and maintenance are recognized as expenses. In profit or loss, operating profit is charged with straight-line depreciation based on the difference between the costs of the assets and any residual value they may have over their estimated useful lives. Beijer Alma applies the following estimated useful lives:

Office buildings used in operations	25–40 years
Industrial buildings used in operations	20–40 years
Plant and machinery	2–10 years
Equipment, tools, fixtures and fittings	2–10 years

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount. Capital gains and losses are determined by comparing the selling price and the carrying amount. Capital gains and losses are recognized in profit or loss.

Accounting policies for leases

The Group's leases primarily refer to premises and cars. The terms and conditions are negotiated separately for each lease and vary significantly. The leases do not contain any specific terms and conditions or restrictions that mean the leases would be terminated if the conditions were not met. However, the leased assets may not be used as collateral for loans.

These leases are recognized as right-of-use assets and a corresponding liability on the day on which the leased asset is available for use by the Group. Each lease payment is divided between depreciation of the liability and financial expense. The financial expense is distributed over the lease term so that each accounting period is charged with an amount that corresponds to a fixed interest rate for the liability recognized during each period.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the assets and the term of the lease. Leases are normally depreciated for fixed periods of three to ten years but an extension or termination option may also exist, as described below.

Assets and liabilities arising from leases are initially recognized at present value. Lease liabilities are included in the present value of the following lease payments:

- Fixed payments, and
- Variable lease payments that depend on an index.

The lease liability for the Group's premises with indexed rent is calculated based on the rent in effect at the end of each reporting period. On that date, the liability is adjusted, with a corresponding adjustment to the carrying amount of the right-of-use asset. In a corresponding manner, the value of the liability and the asset is adjusted in conjunction with a reassessment of the lease term. This takes place when the final date of termination during the previously assessed lease term for the lease for the premises has passed or when significant events take place or significant changes in circumstances take place that are within the Group's control and that impact the current assessment of the lease term. Lease payments are discounted by the incremental borrowing rate. Right-of-use assets are measured at cost and include:

- The initial amount of the lease liability, and
- Payments made on or before the date on which the leased asset is made available to the lessee.

Payments for short-term leases and low-value leases are expensed straight-line in profit or loss. Short-term leases have a term of 12 months or less. Low-value leases include IT equipment and office machinery.

Options to extend or terminate leases are included in the majority of the Group's property leases. The terms and conditions are used to maximize the flexibility of managing leases. Options to extend or terminate leases are included in the asset and liability when it is reasonably certain that these will be exercised.

Impairment of non-financial assets

Goodwill with an indefinite useful life is not amortized and is instead tested annually for impairment or when there is an indication of a decline in value.

For depreciated or amortized assets, an assessment of the carrying amount of the assets is conducted whenever there is an indication that the carrying amount exceeds the recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. To assess impairment requirements, assets are grouped by cash-generating units, which comprises the two business areas found in each subgroup. Refer also to the sections on intangible assets and segment reporting. For assets other than goodwill, for which an impairment loss was previously recognized, impairment testing is carried out on each balance-sheet date to determine whether they should be reversed.

Inventories

Inventories comprise finished goods, semi-manufactured goods and raw materials. Inventories are valued, using the first-in, first-out method, at the lower of cost and net selling price on the balance-sheet date. Proprietary finished goods and semi-manufactured goods are valued at manufacturing cost, including raw materials, direct labor, other direct overheads and production-related overheads based on production volumes. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective measurement is applied for homogeneous groups of goods. Borrowing costs are not included in the valuation of inventories. A deduction is made for intra-Group gains arising when deliveries are made between the Group's companies. A requisite deduction for obsolescence has been made.

Financial instruments

The Group classifies its assets in the following categories:

- Financial assets measured at fair value in profit or loss (derivative instruments not included in hedge accounting), and
- Financial assets recognized at amortized cost.

Classification depends on the Group's business model for managing financial assets and the contractual terms for the assets' cash flows.

Financial liabilities are classified as either measured at amortized cost or measured at fair value through profit or loss. The Group's liabilities for purchase considerations attributable to business combinations and derivatives are measured at fair value through profit or loss. Other financial liabilities are recognized at amortized cost.

The Group reclassifies debt instruments only if the Group's business model for the instruments changes.

Recognition and derecognition from the balance sheet

Purchases and sales of financial assets are recognized on the trade date, meaning the date on which the Group undertakes to purchase or sell the asset. Financial assets are derecognized from the balance sheet when the right to collect cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and rewards connected with the right of ownership.

Measurement

On the acquisition date, the Group measures a financial asset at fair value plus, in cases where the asset is not measured at fair value through profit or loss, transaction costs directly attributable to the purchase. Transaction costs attributable to financial assets measured at fair value through profit or loss are expensed in profit or loss.

Investments and other financial assets

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the type of cash flow to which the asset gives rise. The Group classifies its debt instruments in the following measurement categories:

- Amortized cost: Assets held for the purpose of collecting contractual cash flows, where the cash flows exclusively comprise capital amounts and interest, are recognized at amortized cost. Gains or losses on debt instruments that are recognized at amortized cost and are not included in a hedging relationship are recognized in profit or loss when the asset is derecognized from the balance sheet or impaired. Interest income from such financial assets is recognized as financial income through application of the effective interest method.
- Fair value through profit or loss: Derivative instruments that have a positive fair value and not included in hedge accounting are measured at fair value through profit or loss. Gains or losses are recognized net in profit or loss in the period in which the gain or loss arises.

Impairment
The Group assesses the expected credit losses for financial assets recognized at amortized cost based on forward-look information. A loss allowance is recognized in one of the following ways:
- Recognized for loss events expected to occur within 12 months.
- Recognized for loss events expected to occur during the full lifetime of the asset.

A loss allowance for the full lifetime of the asset is recognized if the credit risk for the financial asset on the reporting date has increased significantly since the initial recognition. Otherwise, a loss allowance within 12 months is recognized. For accounts receivable and contract assets, a loss allowance is always recognized for the asset's full lifetime. Refer to Note 20 for details about credit reserves for credit losses.

Derecognition of financial assets
Financial assets, or a portion of a financial asset, are derecognized from the balance sheet when the contractual rights to the asset's cash flows have expired.

Derecognition of financial liabilities
Financial liabilities are derecognized from the balance sheet when the obligations have been discharged, canceled or in another manner extinguished. The difference between the carrying amount of a financial liability (or a portion of a financial liability) that has been extinguished or transferred to another party and the consideration has been paid, including transferred assets that do not comprise cash or assumed liabilities, are recognized in the statement of comprehensive income.

Should the terms of a financial liability be renegotiated, and not be derecognized from the balance sheet, a gain or loss is recognized in the statement of comprehensive income. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted to the original effective interest rate.

Derivatives and hedging measures
Derivative instruments are held only for the purpose of hedging risks and not for speculative purposes. In cases where the derivative instrument does not meet the criteria for hedge accounting, the derivative instrument is measured at fair value through profit or loss. These derivative instruments are classified as current assets or current liabilities if they are expected to be settled within 12 months after the end of the reporting period.

When a hedging transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's objectives with regard to risk management and the risk strategy for the hedge. The Group also documents its assessments, both initially and on an ongoing basis, of whether the derivative instruments used in hedging transactions are effective in mitigating changes in fair value or cash flows attributable to the hedged items.

Amounts that have accumulated in reserves in shareholders' equity are reclassified to profit or loss in the period in which the hedged item impacts earnings. If the hedged object leads to the recognition of a non-financial asset (such as inventories), the gains and losses previously recognized in shareholders' equity are transferred from shareholders' equity and included in the cost of the asset. In the case of inventories, these amounts recognized as assets will later be recognized in profit or loss under "Cost of goods sold".

When a hedging instrument matures, is sold or the hedge no longer fulfills the criteria for hedge accounting, hedge accounting is discontinued. The amount accumulated with respect to the hedge under shareholders' equity remains until such time as the forecast transaction occurs and is transferred, in the case of a non-financial asset, to the cost of the non-financial asset. When a forecast transaction is no longer expected to occur, the amount accumulated in reserves in shareholders' equity that relates to the hedge is immediately transferred to profit or loss.

Cash-flow hedging
The effective portion of changes in the fair value of a derivative instrument that is identified as cash-flow hedging and meets the conditions for hedge accounting is recognized in other comprehensive income. Accumulated amounts in reserves of shareholders' equity are reclassified to profit or loss in the period in which the hedged item impacts earnings (for example, when the hedged forecast sale occurs). Beijer Alma utilizes derivative instruments to cover risks associated with exchange-rate fluctuations. Beijer Alma applies hedging for commercial exposure in the form of highly probable forecast transactions (cash-flow exposure) within the framework of the financial policy adopted by the Board of Directors. The gain or loss attributable to the ineffective portion is recognized immediately in profit or loss.

Accounts receivable
Accounts receivable are initially measured at fair value and thereafter at amortized cost using the effective interest method, less the loss allowance.

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances. Cash and cash equivalents are initially measured at fair value and thereafter at amortized cost.

Share capital
Ordinary shares are classified as shareholders' equity. Transaction costs that are directly attributable to issues of new shares are recognized in shareholders' equity, in a net amount after tax, as a deduction from the proceeds of the issue.

Accounts payable
Accounts payable are obligations to pay for goods and services acquired in the course of the operating activities. Accounts payable are classified as current liabilities if they fall due within one year or earlier. Otherwise they are recognized as non-current liabilities. Accounts payable are initially measured at fair value and thereafter at amortized cost using the effective interest method.

Borrowing
Borrowing is initially measured at fair value in a net amount after transaction costs. Borrowing is thereafter recognized at amortized cost and any difference between the amount received and the amount repaid is recognized in profit or loss distributed over the borrowing period using the effective interest method.

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

Bank overdrafts are recognized as borrowings among current liabilities in the balance sheet.

Provisions
Provisions are recognized in the balance sheet under current and non-current liabilities when the Group has a legal or informal obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are valued at the present value of the amount expected to be required to settle the obligation. The Group uses a pre-tax discount rate that reflects a current market estimate of the time-dependent value of the funds and the risks associated with the provision. Any increase in the provision attributable to the passage of time is recognized as an interest expense.

Call options
Financial liabilities that arise in conjunction with acquisitions regarding issued call options on equity instruments in partly owned subsidiaries that provide shareholders with the right to sell the remaining share are included in this category. Recognition initially takes place at fair value less transaction costs. Remeasurements of issued call options on equity instruments in partly owned subsidiaries are recognized in shareholders' equity since final settlements are recognized as a transaction with a minority owner.

Employee benefits
The Group utilizes defined-contribution and defined-benefit pension plans. The pension plans are financed through payments made by each Group company and the employees. The defined-benefit pension plans are ITP plans that are insured with Alecta. These plans are recognized as defined-contribution plans since Alecta is unable to provide the necessary information. Refer also to Note 2.

A defined-contribution plan is a pension plan according to which the Group pays fixed fees to a separate legal entity. The Group has no legal or information obligations to pay additional contributions in the event that this legal entity lacks the necessary assets to pay all employee benefits associated with the employee's service during the current period or earlier periods. A defined-benefit plan is a pension plan that is not a defined-contribution plan. Defined-benefit plans are unique in that they state an amount for the pension benefit to be received by an employee after retirement, normally based on one or several factors, such as age, period of service and salary. In the event that a pension commitment is covered through the holding of endowment insurances, this asset is considered a plan asset, meaning that the asset and liability offset one another.

The Group's payments relating to pension plans are recognized as an expense during the period in which the employees performed the services to which the payment pertains.

Dividend
Dividends are recognized as liabilities after they are approved by the Annual General Meeting.

PARENT COMPANY ACCOUNTING POLICIES
The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all EU-approved IFRS and statements, insofar as this is possible within the framework of the Swedish Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and amendments to IFRS. The differences between the Group and Parent Company accounting policies are described below.

Participations in Group companies and associated companies
Shares and participations in subsidiaries and associated companies are recognized at cost after deducting any impairment losses. Cost includes acquisition-related costs and any additional purchase considerations. Dividends received are recognized as financial income. Dividends that exceed the subsidiary's comprehensive income for the period or that cause the carrying amount of the holding's net assets in the consolidated financial statements to fall below the carrying amount of the participations are an indication of the need for impairment.

In the event of an indication that shares and participations in subsidiaries or associated companies have declined in value, a calculation is made of the recoverable amount. If this amount is lower than the carrying amount, an impairment is performed. Impairment losses are recognized in the items "Profit from participations in Group companies" or "Profit from participations in associated companies."

Dividends
Dividend income is recognized when the right to receive payment is deemed secure. Anticipated dividends from subsidiaries are recognized in cases where the Parent Company has the exclusive right to decide on the size of the dividend and the Parent Company has decided on the size of the dividend prior to the Parent Company publishing its financial statements. In the event that anticipated dividends are not paid, the anticipated dividend is reversed in the same account in which it was originally recognized.

Financial instruments
IFRS 9 is not applied in the Parent Company and financial instruments are measured at cost. In subsequent period, financial assets acquired for the purpose of being held for a short period of time will be recognized at the lower of cost or market value. However, the Parent Company must apply the impairment rules in IFRS 9 and on each balance-sheet date, the Parent Company assesses whether there is any indication of an impairment requirement in any of the financial assets. An impairment loss is recognized when the decline in value is deemed to be permanent. Impairment losses on interest-bearing financial assets are recognized at amortized cost calculated as the difference between the carrying amount and present value of the asset, based on management's best estimate of the future cash flows discounted by the asset's original effective interest rate. The impairment amount for other financial assets is set as the difference between the carrying amount and the higher of fair value less selling expenses and the present value of future cash flows (which is based on management's best estimate). The loss allowance for financial assets is based on assumptions concerning default and expected loss levels. The Parent Company conducts its own assessments when establishing assumptions and selecting the inputs for the calculation of impairment. These are based on forward-looking calculations of known, historical market conditions at the end of each reporting period. The allowance for expected losses on other financial assets recognized at amortized cost amounts to SEK 0 at both the beginning and the end of the year.

Accounting policies for leased assets
The Parent Company has decided not to apply IFRS 16 Leases and instead has applied RFR 2 IFRS 16 Leases items 2–12. As a lessee, lease payments are recognized as an expense on a straight-line bases over the lease term, and right-of-use assets and lease liabilities are therefore not recognized in the balance sheet.

Group contributions and shareholders' contributions for legal entities
Group contributions are recognized in the Parent Company as an appropriation.

Note 2 Employees

Average number of employees, including discontinued operations	Total 2022	of whom, women	of whom, men	Total 2021	of whom, women	of whom, men
PARENT COMPANY						
Sweden	**5**	**1**	**4**	5	2	3
Total	**5**	**1**	**4**	5	2	3
SUBSIDIARIES						
Sweden	**916**	**199**	**717**	833	174	659
Outside Sweden						
Denmark	**60**	**13**	**47**	67	14	53
Finland	**88**	**6**	**82**	80	6	74
France	**10**	**4**	**6**	6	1	5
India	**39**	**2**	**37**	17	1	16
China	**308**	**126**	**182**	313	138	175
Latvia	**183**	**109**	**74**	194	120	74
Mexico	**24**	**6**	**18**	24	5	19
Netherlands	**226**	**41**	**185**	173	26	147
Norway	**29**	**3**	**26**	27	3	24
Poland	**164**	**45**	**119**	133	39	94
Romania	**3**	**–**	**3**	1	–	1
Russia	**16**	**6**	**10**	16	6	10
Singapore	**36**	**11**	**25**	38	11	27
Slovakia	**131**	**52**	**79**	155	69	86
Spain	**2**	**0**	**2**	0	0	0
UK	**252**	**53**	**199**	246	49	197
South Korea	**4**	**2**	**2**	4	2	2
Thailand	**48**	**20**	**28**	52	19	33
Czech Republic	**91**	**31**	**60**	30	9	21
Türkiye	**128**	**0**	**128**	0	0	0
Germany	**379**	**96**	**283**	417	115	302
US	**165**	**27**	**138**	35	5	30
Total outside Sweden	**2,386**	**682**	**1,704**	2,028	638	1,390
Total	**3,307**	**882**	**2,425**	2,866	814	2,052

Gender distribution senior executives	2022 Women	2022 Men	2021 Women	2021 Men
PARENT COMPANY				
Board of Directors	**2**	**4**	2	4
Group management	**–**	**2**	1	1
GROUP				
Group management	**–**	**4**	1	4
Other senior executives	**7**	**53**	8	57

Employee benefits	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Salaries and remuneration	**954.2**	1,108.7	**17.4**	13.7
Social security contributions	**226.6**	309.2	**5.3**	6.5
of which, pension costs	**57.8**	88.9	**2.3**	1.0
Total	**1,180.8**	1,417.9	**22.7**	20.2

Employee benefits concerning discontinued operations are not included for 2022 in the table above. Employee benefits in discontinued operations were MSEK 257 in 2021.

Defined-benefit pension plans
For salaried employees in Sweden, defined-benefit pension commitments for retirement and family pension under the ITP 2 plan are secured through an insurance policy with Alecta. According to statement UFR 10 Classification of ITP plans financed by insurance in Alecta, issued by the Swedish Financial Reporting Board, this is a multi-employer defined-benefit pension plan. When the necessary information is not available, it is recognized as a defined-contribution plan. The premium for the defined-benefit retirement and family pension plan is calculated on an individual basis, taking into consideration such factors as salary, previously accrued pension and expected remaining period of service. Fees for ITP 2 insurance amounted to MSEK 11 in 2021 and remained unchanged in 2022.

The collective consolidation level is defined as the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which do not correspond with IAS 19. The collective consolidation level is normally permitted to vary between 125 and 155 percent. Should Alecta's collective consolidation level be below 125 percent or above 155 percent, measures are to be taken to create the necessary conditions to ensure the consolidation level returns to the normal interval. In the event of a low consolidation level, one such measure may be to raise the contracted price for taking out new insurance or extending existing benefits. In the event of a high consolidation level, it may be necessary to implement premium reductions. At year-end 2022, the preliminary collective consolidation level was 172 percent (December 31, 2021: 172 percent).

Terms of employment and remuneration to senior executives

Principles

Fees are paid to the Chairman of the Board and the directors in accordance with the resolution adopted by the Annual General Meeting. These fees are paid retroactively on an annual basis. These fees are paid retroactively on an annual basis. Fees to the Audit Committee and Remuneration Committee are determined by the Annual General Meeting and paid annually in arrears. The Annual General Meeting also passes resolutions regarding remuneration and terms of employment for members of senior management. No fees are paid to Group employees for work as directors of subsidiaries.

Remuneration of senior management comprises fixed salary, variable salary, pension costs and other benefits (mainly company car benefits). Members of senior management include the President, the presidents of the two subsidiaries and the Group's CFO. Basic salary is to be proportional to the individual's responsibilities and authority. Variable salary is maximized at 80 percent of basic salary. Variable salary is based on actual performance in relation to individually established goals. The Board will propose unchanged guidelines for senior executives to the 2022 Annual General Meeting.

Salaries and remuneration to Board members and senior executives in the Parent Company 2022	Salary and other remuneration	Variable remuneration	Social security contributions	Pension costs	Other remuneration/ benefits	**Total**
Johan Wall	1.1		0.3			**1.4**
Carina Andersson	0.4		0.1			**0.5**
Johnny Alvarsson	0.4		0.0			**0.4**
Hans Landin	0.4		0.1			**0.5**
Oskar Hellström	0.5		0.1			**0.6**
Caroline af Ugglas	0.4		0.1			**0.5**
President	4.5	3.2	2.5	1.2	0.2	**11.6**
Other Group management [1]	2.3	0.6	1.0	0.5	0.2	**4.7**
Total	**10.0**	**3.8**	**4.4**	**1.8**	**0.4**	**20.2**

Salaries and remuneration to Board members and senior executives in the Parent Company 2021	Salary and other remuneration	Variable remuneration	Social security contributions	Pension costs	Other remuneration/ benefits	**Total**
Johan Wall	1.1		0.3			**1.4**
Carina Andersson	0.4		0.1			**0.5**
Johnny Alvarsson	0.4		0.0			**0.4**
Hans Landin	0.3		0.1			**0.4**
Oskar Hellström	0.5		0.1			**0.6**
Caroline af Ugglas	0.4		0.0			**0.4**
President	4.2	2.7	2.5	1.1	0.1	**10.5**
Other Group management	1.9	0.9	1.0	0.5	0.1	**4.4**
Total	**9.1**	**3.6**	**4.3**	**1.5**	**0.2**	**18.6**

Salaries and remuneration to senior executives in Group management 2022	Salary and other remuneration	Variable remuneration	Social security contributions	Pension costs	Other remuneration/ benefits	**Total**
President	4.5	3.2	2.5	1.2	0.2	**11.6**
Other Group management [1] [2]	10.4	4.4	6.1	3.1	0.5	**24.6**
Total	**14.9**	**7.6**	**8.6**	**4.3**	**0.8**	**36.2**

Salaries and remuneration to senior executives in Group management 2021	Salary and other remuneration	Variable remuneration	Social security contributions	Pension costs	Other remuneration/ benefits	**Total**
President	4.2	2.7	3.5	1.1	0.1	**10.5**
Other Group management [1] [2]	9.9	5.2	5.7	3.4	0.4	**24.7**
Total	**14.1**	**7.9**	**12.7**	**4.5**	**0.5**	**35.2**

[1] This also includes Erika Ståhl, who was CFO until May 31, 2022.
[2] This also includes the President of Habia Cable until October 14, 2022.

Comments on the table

Members of the Group's senior management have only defined-contribution pension plans. Pension costs refer to the costs charged against net profit for the year.

Remuneration to other senior executives in the Group	**2022**	2021
Salaries and remuneration	**67.0**	69.4
Social security contributions	**16.1**	23.4
Of which, pension costs	**6.1**	9.8
Total	**83.1**	92.8

Remuneration to other senior executives in the Group concerning discontinued operations is not included in the table above for 2022.

TERMS OF EMPLOYMENT

President

Henrik Perbeck, President from March 2018. The period of notice is six months if employment is terminated by the company. 12 months' severance pay is to be paid, but is to be offset against remuneration from other employers. In the event that employment is terminated by the employee, the period of notice is six months. The retirement age is 65. Pension premiums are paid by the company in an amount of 27 percent of fixed salary.

Other members of Group management

If employment is terminated by the company, the period of notice varies between six and 12 months. In the event that employment is terminated by the employee, the period of notice is six months. Severance pay is paid for up to six months, but is offset against remuneration from other employers. The retirement age is 65. Pension premiums, which are paid by the company, are equivalent to 25 to 30 percent of basic salary, excluding company car benefits.

Note 3 Net revenue

Within Lesjöfors, products are manufactured and sold, while Beijer Tech both purchases and sells products. Within Beijer Tech's operations, sales of service also occur. Revenue are recognized when control of the goods is passed to the customer. This normally occurs upon delivery from the warehouse, but may occur later in certain cases depending on delivery terms. At this point in time, the customer has the right to dispose of the products and Beijer Alma has satisfied its obligations. Habia Cable sold major projects to customers in the offshore sector, which are recognized as profit over time as the performance obligations are satisfied. The costs for obtaining and completing such projects are capitalized and recognized as intangible assets, so that they can be reclassified as operating expenses in line with the corresponding revenue being recognized. At year-end 2022, the companies had remaining performance obligations amounting to MSEK 12.6 (3.6). Of net revenue, which amounted to MSEK 5,866 (4,580) excluding discontinued operations, the majority comprised sales at a point in time, while MSEK 44 (120) comprise sales where delivery of the goods or service took place over time. Sales over time are attributable to Beijer Tech. The customer credit period for the Group's sales is normally 30 days and in no case exceeds one year. Accordingly, no financing component is deemed to exist. Accounts receivable are recognized on the delivery date since the receivable becomes unconditional on this date.

In certain parts of the operations, customers have discounts based on annual volumes. These discounts are calculated at the end of the period and reduce the Group's revenue. At year-end, the Group had MSEK 79 (112) in customer discounts recognized as liabilities. These are recognized under "Accrued expenses and deferred income" in Note 28.

The Group's recognized contract assets and contract liabilities are presented in Notes 22, 28 and 29.

Net revenue per business area	2022	2021
LESJÖFORS		
Industry	**3,258.7**	2,305.3
Chassis Springs	**814.6**	892.7
Total Lesjöfors	**4,073.3**	3,197.8
HABIA CABLE		
Total Habia Cable	**776.6**	808.6
BEIJER TECH		
Fluid Technology	**654.6**	555.0
Industrial Products	**1,135.5**	827.2
Total Beijer Tech	**1,790.2**	1,382.2
Group	**6,640.6**	5,388.5

Note 4 Segment reporting

After the divestment of Habia Cable, the Group is divided into two separate subgroups. Each subgroup is headed by a president, who is a member of Beijer Alma's Group management. In two of the subgroups, there are two business areas that make up operating segments: Chassis Springs and Industrial Springs within Lesjöfors; and Fluid Technology and Industrial Products within Beijer Tech. The two operating segments within each subgroup meet the criteria of IFRS 8 with respect to aggregation and have therefore been combined into a single operating segment within each subgroup, which thus comprise the reported segments. Habia Cable was not divided into business areas, which is why it was considered a single segment.

The financial information addressed by the President and used to make strategic decisions is based on the following division of segments.

"Other" refers to the Parent Company, which is a holding company that does not conduct external invoicing, as well as a number of small subsidiaries with minor operations. Operating profit is the income measure monitored by Group management.

Any inter-segment sales take place on commercial terms. No individual customer accounts for more than 5 percent of the Group's revenue.

2022	Lesjöfors	Beijer Tech	Other (Parent Company, etc.)	Eliminations	**Total**	Habia Cable
Segment revenue	4,073.3	1,790.2	19.5	–17.2	**5,865.8**	776.6
Inter-segment sales	–	–	–	–	**–**	–
Revenue from external customers	**4,073.3**	**1,790.2**	**19.5**	**–17.2**	**5,865.8**	**776.6**
Operating profit/loss	615.7	186.0	–28.5	–0.2	**772.9**	106.1
Financial income	15.0	8.0	30.5	–28.2	**25.3**	1.8
Financial expenses	–72.9	–21.3	–29.0	28.8	**–94.4**	–6.0
Profit/loss after net financial items	**557.8**	**172.6**	**–26.9**	**0.4**	**703.8**	**101.9**
Appropriations	–29.0	–	29.0		**0.0**	
Tax	–126.0	–35.0	–4.2	0.9	**–164.2**	–20.7
Minority interest	–4.1	–9.6	–	–	**–13.7**	–
Net profit/loss	**398.7**	**128.0**	**–2.1**	**1.3**	**525.8**	**81.2**
Divestment of discontinued operations	–	–	579.9	–227.6	**352.3**	–
Total net profit/loss for the period	**398.7**	**128.0**	**577.8**	**–226.3**	**878.1**	**81.2**
Operating profit includes:						
Depreciation/amortization	207.4	66.8	0.2	–	**274.3**	28.0
of which, impairment	–	–	–	–	–	–
Share of profit/loss in associated companies	0.4	–	–	–	**0.4**	–
Assets	5,837.3	1,366.1	2,323.8	–1,371.8	**8,155.5**	–
Liabilities [1]	3,600.9	1,193.2	1,093.2	–1,370.7	**4,516.6**	–
Of which, interest-bearing [1]	2,288.7	619.3	1,050.9	–1,371.3	**2,587.6**	–
Cash funds (included in assets)	321.3	20.1	412.9	–	**754.3**	–
Net debt [2]	1,967.4	599.2	638.0	–	**1,833.3**	–
Investments in tangible assets	151.5	26.1	–	–	**177.6**	33.6
Sales outside Sweden, %	87.6	43.1	–	–	**74.0**	–

[1] Including intra-Group liabilities
[2] Net debt is presented excluding IFRS 16.

2021	Lesjöfors	Beijer Tech	Other (Parent Company, etc.)	Eliminations	**Total**	Habia Cable
Segment revenue	3,197.8	1,382.2	18.2	–18.3	**4,579.9**	808.6
Inter-segment sales	–	–	–	–	**–**	–
Revenue from external customers	**3,197.8**	**1,382.2**	**18.2**	**–18.3**	**4,579.9**	**808.6**
Operating profit/loss	607.2	129.4	–25.0	0.1	**711.6**	63.1
Financial income	0.9	0.1	0.2	–0.2	**1.1**	0.4
Financial expenses	–14.0	–8.8	–3.4	–5.8	**–32.0**	–6.8
Profit/loss after net financial items	**594.1**	**120.7**	**–28.2**	**–5.9**	**680.9**	**56.7**
Appropriations	–100.0	–	372.8	–272.9	**–0.1**	7.2
Tax	–114.5	–25.5	–12.4	–1.4	**–153.8**	–17.2
Minority interest	–2.4	–3.2	–	–	**–5.5**	–
Net profit/loss	**377.3**	**92.1**	**332.2**	**–280.2**	**521.4**	**46.7**
Divestment of discontinued operations	–	–	–	–	**–**	–
Total net profit for the period	**–**	**–**	**–**	**–**	**–**	**–**
Operating profit includes:						
Depreciation/amortization	155.9	52.6	1.7	–	**210.2**	36.3
of which, impairment	–	–	–	–	**–**	–
Share of profit/loss in associated companies	0.2	–	–	–	**0.2**	–
Assets	4,205.5	1,215.0	1,040.2	–877.1	**5,583.6**	760.5
Liabilities [1]	2,181.9	933.7	173.6	–135.7	**3,153.5**	336.6
Of which, interest-bearing [1]	1,121.7	414.1	139.2	–2.9	**1,672.1**	132.2
Cash funds (included in assets)	369.0	36.0	0.1	–	**405.1**	75.5
Net debt [2]	752.7	378.1	139.1	–2.9	**1,267.0**	56.7
Investments in tangible assets	133.3	18.9	–	–	**152.2**	23.7
Sales outside Sweden, %	86.1	42.3	–	–	**76.3**	95.5

[1] Including intra-Group liabilities
[2] Net debt is presented excluding IFRS 16.

Sales from Beijer Alma's subsidiaries to customers worldwide are distributed by the country in which the customer is located as follows. The table excludes discontinued operations

Sales per country	**2022**	2021
Sweden	**1,525**	1,279
Germany	**562**	623
UK	**433**	474
China	**185**	350
Norway	**294**	255
Finland	**300**	289
Denmark	**205**	211
Poland	**225**	215
Netherlands	**432**	259
France	**57**	93
Russia	**60**	114
Belgium	**65**	113
Czech Republic	**115**	114
Hungary	**62**	62
Romania	**27**	49
Slovakia	**52**	44
US & Canada	**625**	213
India	**25**	39
Other Asia	**104**	160
Other Europe	**175**	140
Other EU	**226**	186
Rest of the world	**112**	107
Total	**5,866**	5,389

Fixed assets per country	**2022**	2021
Sweden	**1,122**	1,034
Denmark	**88**	80
Finland	**124**	120
India	**8**	5
China	**27**	74
Latvia	**107**	101
Netherlands	**966**	932
Slovakia	**69**	70
UK	**312**	321
Germany	**228**	283
US	**1,351**	223
Czech Republic	**29**	25
Poland	**25**	29
Norway	**47**	38
Other Asia	**41**	29
Other Europe	**105**	4
Other EU	**0**	2
Total	**4,650**	3,370

Note 5 Auditors' fees

Auditors' fees are included in administrative expenses as follows.

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
KPMG				
Audit assignment	**6.4**	4.8	**1.8**	0.7
Auditing activities in addition to audit assignment	**0.2**	0.1	**0.1**	0.1
Tax consultancy	**0.1**	0.1	**–**	–
Other services	**0.5**	0.3	**0.4**	0.1
Other auditors				
Audit assignment	**4.8**	4.9	**–**	–
Auditing activities in addition to audit assignment	**0.6**	0.1	**–**	–
Tax consultancy	**0.7**	0.9	**–**	–
Other services	**3.6**	0.9	**0.1**	–
Total	**16.9**	12.1	**2.4**	0.9

Audit costs for discontinued operations are not included in the table above for 2022.

Audit assignment refers to the examination of the annual accounts and accounting records as well as the administration of the Board of Directors and the President, other tasks incumbent on the company's auditors as well as advice occasioned by observations made in the course of such examination or the performance of such other tasks. Tax consultancy includes advisory services concerning income tax, including matters pertaining to internal pricing. Other services mainly pertain to reviewing interim reports and the divestment of Habia Cable.

Note 6 Other operating income and operating expenses

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Remeasurement of additional purchase considerations	**–**	16.1	–	–
Other	**1.1**	–	0.0	–
Management fee	**–**	–	**17.2**	18.2
Total	**1.1**	16.1	**17.2**	18.2

Note 7 Items affecting comparability

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Provision for the discontinuation of Lesjöfors's Russian operations	**–25.0**	–	**–**	–
Net loss, divestment of operations in Germany	–	–45.3	–	–
Total	**–25.0**	–45.3	**–**	–

Note 8 Profit from participations in associated companies

	Group 2022	Group 2021
Share of profit from:		
Hanil Precision Co Ltd	**0.4**	0.2
Total	**0.4**	0.2

Note 9 Operating profit

Operating profit has been charged with depreciation and amortization as follows:

	Group 2022	2021
Plant and machinery	**104.3**	87.8
Equipment, tools, fixtures and fittings	**30.2**	22.8
Buildings	**54.3**	20.2
Land improvements	**0.2**	0.3
Right-of-use assets	**65.5**	63.2
Other intangible assets	**19.9**	15.8
Total	**274.3**	210.1

Depreciation and amortization are distributed per line in profit or loss as follows: cost of goods sold MSEK 183 (185), selling expenses MSEK 25 (13), administrative expenses MSEK 22 (12) and other MSEK 45 (0). Depreciation and amortization for discontinued operations totaled MSEK 28 (36).

Costs distributed by type of cost	Group 2022	2021
Material costs	**2,681.1**	1,919.0
Costs for employee benefits (Note 2)	**1,180.8**	1,160.4
Depreciation/amortization	**274.3**	210.1
Other costs	**957.1**	579.0
Total	**5,093.3**	3,868.5

Costs distributed by type of cost for discontinued operations amounted to MSEK 672 (745).

Note 10 Leases

Information regarding the Group's right-of-use assets and lease liabilities is presented in the table below.

Right-of-use assets	**2022**	2021
Properties	**164.9**	201.0
Motor vehicles	**27.8**	28.1
Other leased assets	**8.8**	7.5
Total	**201.4**	236.6

Depreciation per type of right-of-use asset	**2022**	2021
Properties	**59.2**	55.1
Motor vehicles	**15.8**	15.7
Other leased assets	**2.9**	2.7
Total	**78.0**	73.5

Due date of future payments included in lease liability on December 31, 2022	**2022**	2021
Paid in 2023	**41.6**	76.5
Paid in 2024–2025	**51.8**	98.8
Paid in 2026–2027	**20.2**	46.7
Paid in 2028 or later	**10.9**	18.1
Total	**124.4**	240.1

Net financial items include interest for lease obligations amounting to MSEK 8.7 (8.5).

Payments of leases are charged to cash flow in an amount of MSEK 86 (80) and are included as part of the repayment and interest expenses.

Lease payments for low-value and short-term leases totaled MSEK 3.1 (3.4).

Lease liabilities	**2022**	2021
Non-current lease liabilities	**134.5**	165.0
Current lease liabilities	**75.4**	78.5
Total	**209.9**	243.5

Additional right-of-use asset in 2022 amounted to MSEK 53. This amount includes the cost of newly acquired right-of-use assets during the year and additional amounts for retesting of lease liabilities due to changes in payments as a result of changes to the lease term.

Note 11 Income from participations in Group companies

	Parent Company 2022	2021
Beijer Tech AB	–	50.0
Habia Cable AB	**579.9**	130.0
Lesjöfors AB	–	100.0
Total	**579.9**	280.0

Amounts for 2021 pertain to anticipated dividends. Amounts for 2022 pertain to the capital gain on the divestment of Habia Cable.

Note 12 Income tax

	Group 2022	2021	Parent Company 2022	2021
Current tax for the period	**–165.2**	–156.2	**–2.7**	–13.8
Deferred tax pertaining to:				
– untaxed reserves	**0.7**	1.2	–	2.0
– provisions	**0.2**	2.1	–	–
– other	**0.5**	0.3	–	–
Current tax attributable to earlier years	**–0.4**	–1.2	–	–0.6
Total	**–164.1**	–153.9	**–2.7**	–12.4

Difference between tax expense and 20.6 percent tax	**2022**	2021	**2022**	2021
Profit before tax	**703.8**	680.9	**581.5**	346.0
20.6% of this amount	**–145.0**	–140.3	**–119.8**	–71.3
Tax for the period	**–164.1**	–153.9	**–2.7**	–12.4
Difference	**–19.2**	–13.6	**117.1**	58.9

Specification of difference	**2022**	2021	**2022**	2021
Effect of:				
foreign tax rates	**–8.2**	–4.2	–	–
non-deductible costs	**–9.6**	–9.5	**–0.5**	0.6
non-taxable income	**1.2**	6.9	**117.6**	58.1
deficit in foreign subsidiaries	**–3.8**	–	–	–
deferred tax not previously recognized	**1.6**	–	–	–
changed tax rate	**1.6**	–2.8	–	–
other	**–1.9**	–4.0	–	0.2
Total	**–19.2**	–13.6	**117.1**	58.9

The Group's weighted average tax rate was 22.9 percent (22.8), excluding the capital gain on the divestment of Habia Cable.
Cash-flow hedges after tax are recognized in other comprehensive income. A tax asset of MSEK 1.5 (3.6) was recognized in 2022 in other comprehensive income. There are no other tax effects in other comprehensive income.

Note 13 Earnings per share

	Group 2022	2021
Net profit attributable to Parent Company shareholders	**959.4**	568.2
Average number of shares	**60,262,200**	60,262,200
Earnings per share, SEK	**15.92**	9.43

Since there are no outstanding programs regarding convertibles or options, the number of shares before and after dilution is the same.

Note 14 Goodwill

	2022	Group 2021
Opening cost	1,529.9	1,012.2
Less discontinued operations	–60.4	–
Acquisitions [1]	782.1	523.3
Sales/disposals	–	–16.7
Reclassification	–	–
Translation differences	41.2	11.1
Closing accumulated cost	2,292.8	1,529.9
Opening impairment	112.1	112.1
Less discontinued operations	–2.5	–
Impairment for the year	–	–
Translation differences	0.3	–
Closing accumulated impairment	109.9	112.1
Carrying amount	2,182.9	1,417.8

[1] **Specification of acquisitions**	2022	Group 2021
John Evans' Sons	543.6	–
Telform	89.4	–
Swedish Microwave	124.4	–
Mountpac	21.8	–
Mountpac Fastigheter	0.5	–
Norspray	2.3	–
Novosystems	–	41.8
Noxon	–	37.0
Alcomex	–	368.4
Källström Engineering Systems	–	35.5
Plymouth Spring Inc.	–	40.6
Total	782.1	523.3

The Group's total recognized goodwill is allocated to the operating sectors, which as of 2018 comprise the following cash-generating units:	2022	2021
Lesjöfors Chassis Springs	29.0	29.0
Lesjöfors Industry	1,396.9	729.7
Habia Cable	–	57.9
Beijer Tech Fluid Technology	337.8	337.8
Beijer Tech Industrial Products	419.1	263.4
Parent Company	–	–
Total	2,182.9	1,417.8

Impairment tests for goodwill

The value of goodwill is tested annually using impairment tests or when there are indications of a decline in value. Testing is carried out for each individual cash-generating unit: in Lesjöfors these are the Chassis Springs and Industrial Springs business areas and in Beijer Tech these are the Fluid Technology and Industrial Products business areas. For Habia Cable, impairment testing has instead been carried for the entire company.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on cash flow projections. Established forecasts were used for the first forecast year of 2023, and available strategy plans were used as far as possible for the coming four years. Where such strategy plans were not available, estimated values based on a growth rate of 1–2 percent were used. Key assumptions on which the calculations are based:

- Forecast gross margins and operating margins
- Growth rate for the periods after the budget period
- Selected discount rate after tax

Forecast gross margins and operating margins have been established by management based on historical outcomes, and measures and plans in the approved forecasts. For the period after the forecast period, a growth rate of 2 percent has been used. Impairment testing does not include the effects of IFRS 16, which are therefore not included when calculating the discount rate. The discount rate comprises the following components: a risk-free interest rate, the market risk premium and a company-specific risk premium. The discount rates after tax used in the 2022 impairment testing were 8.5 percent (7.8) for Fluid Technology and Industrial Products in Beijer Tech and 8.5 percent (8.1) for Chassis Springs and Industrial Springs in Lesjöfors.

The 2022 impairment tests did not indicate an impairment requirement. Additional sensitivity analyses were carried out. These did not result in an impairment requirement for any of the cash-generating units.

Note 15 Other intangible assets

2022	Customer relations	Other	Group Total
Opening cost	364.8	152.5	**517.3**
Less discontinued operations	–	–26.1	**–26.1**
Purchases	–	7.4	**7.4**
Sales and disposals	–	–0.3	**–0.3**
Through acquisitions of subsidiaries	477.1	116.7	**593.8**
Reclassification	–	–11.1	**–11.1**
Translation differences	29.2	6.5	**35.8**
Closing accumulated cost	871.2	245.8	**1,117.0**
Opening amortization	15.2	63.0	**78.3**
Less discontinued operations	–	–16.8	**–16.8**
Sales and disposals	–	–0.3	**–0.3**
Reclassification	–	–11.9	**–11.9**
Depreciation for the year	36.4	11.6	**48.0**
Translation differences	0.8	0.9	**1.7**
Closing accumulated amortization	52.4	46.6	**99.0**
Opening impairment	–	3.4	**3.4**
Less discontinued operations	–	–	**–**
Impairment for the year	–	1.5	**1.5**
Translation differences	–	0.4	**0.4**
Closing accumulated impairment	–	5.3	**5.3**
Closing residual value according to plan	818.7	193.9	**1,012.6**

The assets comprise acquired customer relationships, trademarks and software licenses as well as capitalized costs for securing and fulfilling agreements.

2021	Customer relations	Other	Group Total
Opening cost	39.9	79.1	**119.0**
Purchases	–	4.7	**4.7**
Sales and disposals	–	–2.6	**–2.6**
Through acquisitions of subsidiaries	324.8	63.3	**388.1**
Reclassification	–	5.2	**5.2**
Translation differences	0.1	2.8	**2.9**
Closing accumulated cost	364.8	152.5	**517.3**
Opening amortization	5.0	52.9	**57.9**
Sales and disposals	–	–2.3	**–2.3**
Reclassification	–	3.7	**3.7**
Amortization for the year	10.8	8.3	**19.1**
Translation differences	–0.5	0.4	**–0.1**
Closing accumulated amortization	15.2	63.0	**78.3**
Opening impairment	–	1.0	**1.0**
Reclassification	–	1.5	**1.5**
Impairment for the year	–	0.8	**0.8**
Translation differences	–	0.1	**0.1**
Closing accumulated impairment	–	3.4	**3.4**
Closing residual value according to plan	349.6	86.0	**435.6**

Note 16 Tangible assets

2022	Land	Buildings	Machinery	Equipment	Group Total
Opening cost	123.9	815.4	1,943.2	313.8	**3,196.3**
Less discontinued operations	–30.5	–148.4	–252.6	–54.0	**–485.6**
Purchases	0.7	59.1	75.0	26.3	**161.0**
Sales and disposals	0.9	–0.3	–35.1	–25.7	**–60.2**
Through acquisitions of subsidiaries	8.3	27.5	41.7	2.1	**79.6**
Reclassification	–	–11.9	12.2	–0.2	**0.1**
Translation differences	5.8	38.4	87.7	15.0	**146.8**
Closing accumulated cost	**109.1**	**779.8**	**1,871.9**	**277.2**	**3,038.0**
Opening depreciation	5.2	310.9	1,402.4	214	**1,933.2**
Less discontinued operations	–3.1	–113.5	–165.7	–40.1	–323.0
Sales and disposals	–	–0.1	–35.1	–22.3	**–57.4**
Through acquisitions of subsidiaries	–	–	–	–	–
Reclassification	–	7.0	–1.8	–4.7	**0.5**
Depreciation for the year	0.2	23.5	101.7	22.8	**148.1**
Translation differences	–	7.6	68.6	10.1	**86.4**
Closing accumulated depreciation	**2.3**	**235.5**	**1,370.2**	**179.9**	**1,787.8**
Opening impairment	0.1	–	7.2	2.6	**9.9**
Less discontinued operations	–	–	–	–2.6	**–2.6**
Reclassification	–	–	–	0.2	**0.2**
Impairment for the year	–	–	–	1.6	**1.6**
Translation differences	–	–	–	–	**–**
Closing impairment	**0.1**	**–**	**7.2**	**1.8**	**9.0**
Carrying amount	**106.8**	**544.9**	**506.3**	**95.7**	**1,253.7**

2021	Land	Buildings	Machinery	Equipment	Group Total
Opening cost	120.6	753.7	1,867.1	307.1	**3,048.4**
Purchases	7.6	53.7	98.8	28.4	**188.5**
Sales and disposals	–7.9	–17.8	–89.6	–30.3	**–145.6**
Through acquisitions of subsidiaries	1.5	30.1	32.2	8.4	**72.2**
Reclassification	–1.1	–23.4	–32.9	–12.2	**–69.6**
Translation differences	3.2	19.1	67.6	12.4	**102.4**
Closing accumulated cost	**123.9**	**815.4**	**1,943.2**	**313.8**	**3,196.3**
Opening depreciation	7.3	291.7	1,361.2	221.4	**1,881.6**
Sales and disposals	–2.0	–3.4	–71.4	–24.7	**–96.9**
Through acquisitions of subsidiaries	–	1.2	4.5	1.5	**2.6**
Reclassification	–1.1	–6.6	–42.2	–15.2	**–64.4**
Depreciation for the year	1.2	23.5	104.4	22.7	**151.7**
Translation differences	–0.2	4.5	45.9	8.3	**58.6**
Closing accumulated depreciation	**5.2**	**310.9**	**1,402.4**	**214.0**	**1,933.2**
Opening impairment	0.1	–	6.7	1.9	**8.6**
Reclassification	–	–	–0.2	–0.3	**–0.5**
Impairment for the year	–	–	0.5	1.1	**1.6**
Translation differences	–	–	0.1	–	**0.1**
Closing impairment	**0.1**	**–**	**7.2**	**2.6**	**9.9**
Carrying amount	**118.7**	**504.5**	**533.6**	**97.1**	**1,253.9**

Equipment, MSEK	Parent Company 2022	2021
Opening cost	**1.9**	1.8
Sales and disposals	**0.0**	0.0
Translation differences	**–**	–
Closing accumulated cost	**1.8**	1.9
Opening depreciation	**1.7**	1.7
Sales and disposals	**–**	–
Depreciation for the year	**0.0**	0.0
Closing accumulated depreciation	**1.7**	1.7
Carrying amount	**0.1**	0.2

Note 17 Participations in associated companies

	Share of equity, %	Registered office	Carrying amount **2022**	**Group** Carrying amount 2021
Hanil Precision Co Ltd	20.0	Busan, South Korea	**29.5**	25.8
Total			**29.5**	25.8

Hanil Precision Co Ltd is a South Korean gas-spring manufacturer with revenue of approximately MSEK 263 (246) and an operating margin of 7 percent (8). During the year, Lesjöfors purchased gas springs from Hanil for MSEK 18 (22). These purchases were conducted on market terms.

Group share as of Dec 31, 2022, MSEK	Assets	Liabilities	Income	Net profit
Hanil Precision Co Ltd	44.0	14.0	52.6	3.6

	2022	**Group** 2021
Opening value	**25.8**	26.1
Share in profit after tax	**0.4**	0.2
Purchases	**–**	–
Translation difference	**3.8**	0.8
Impairment	**–0.5**	–1.3
Carrying amount	**29.5**	25.8

Note 18 Participations in Group companies

2022	Corp. Reg. No.	Number	Registered office	Carrying amount	**Parent Company** Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad, Sweden	178.6	2,223.8
Beijer Tech AB	556650-8320	50,000	Tyresö, Sweden	333.3	147.1
Beijer Alma Leasing AB	556500-0535	10,000	Uppsala, Sweden	1.0	1.3
Beijer Alma Ventures AB	556230-9608	145,000	Uppsala, Sweden	1.8	2.1
Total				**514.7**	

AIHUK AB was merged into Beijer Alma AB in 2022.

2021	Corp. Reg. No.	Number	Registered office	Carrying amount	**Parent Company** Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad, Sweden	178.6	2,023.6 [1]
Habia Cable AB	556050-3426	500,000	Upplands Väsby, Sweden	95.6	423.9 [2]
Beijer Tech AB	556650-8320	50,000	Tyresö, Sweden	333.3	281.3 [3]
AIHUK AB	556218-4126	9,000	Uppsala, Sweden	0.3	1.2
Beijer Alma Leasing AB	556500-0535	10,000	Uppsala, Sweden	1.0	1.2
Beijer Alma Ventures AB	556230-9608	145,000	Uppsala, Sweden	1.8	2.1
Total				**610.6**	

[1] Before anticipated dividend to the Parent Company in the amount of MSEK 100.
[2] Before anticipated dividend to the Parent Company in the amount of MSEK 130.
[3] Before anticipated dividend to the Parent Company in the amount of MSEK 50.

All companies are wholly owned.
Lesjöfors is a spring producer, Habia Cable manufactures custom-designed cables, Beijer Tech conducts industrial trading and production in niche industries.
Beijer Alma Leasing AB conducts lease operations primarily of company cars.
These companies comprise independent segments. Other companies are dormant.

	2022	**Parent Company** 2021
Opening cost	**610.6**	526.4
Closing cost	**610.6**	**526.4**
Opening write-ups	**86.6**	86.6
Sales	**–182.6**	–
Write-ups for the year	**–**	–
Closing write-ups	**–95.9**	86.6
Opening impairment	**–**	2.4
Impairment for the year	**–**	–
Closing impairment	–	2.4
Carrying amount	**514.7**	610.6

All companies are wholly owned unless otherwise specified.
For Lesjöfors Gas Springs LV, the minority shareholding is not entitled to a portion of profit under the agreement. For other companies with minority shareholders, the minority shareholding is entitled to a portion of profit.

Subsidiary holdings of participations in Group companies	Corp. Reg. No.	Percentage stake	Registered office
AB Spiralspecialisten	556058-9151	100	Tyresö, Sweden
Alcomex Beheer B.V.	11020967	88	Opmeer, Netherlands
Alcomex Springs Pvt. Ltd	U28939PN2007	88	Pune, India
A/S Preben Z Jensen	44551128	100	Hedehusene, Denmark
Beijer Industri AB	556031-1549	100	Malmö, Sweden
Beijer OY	10900757	100	Helsinki, Finland
BeijerInu AB	559260-5892	75	Tyresö, Sweden
Encitech Connectors AB	556187-1004	100	Halmstad, Sweden
European Springs & Pressings Ltd	GB 853997954	100	Beckenham, UK
John Evans' Sons Inc	88-1012146	100	Lansdale, Pennsylvania, US
John While Group (s) Pte. Ltd	19900585N	100	Kallang Sector, Singapore
John While Springs (Thailand) Co. Ltd	205548026931	100	Chonburi, Thailand
John While Springs (Shanghai) Co. Ltd	913101157529073000	100	Shanghai City, China
Källströms Engineering AB	556820-7145	85.6	Eslöv, Sweden
Lesjöfors AS	968703439	100	Oslo, Norway
Lesjöfors A/S	26376521	100	Copenhagen, Denmark
Lesjöfors Automotive AB	556335-0882	100	Växjö, Sweden
Lesjöfors Banddetaljer AB	556204-0773	100	Värnamo, Sweden
Lesjöfors B.V.	83226591	88	Opmeer, Netherlands
Lesjöfors China Ltd	91320411770525524U	100	Changzhou, China
Lesjöfors Deutschland GmbH	DE289871861	100	Velbert, Germany
Ernst W. Velleuer GmbH & Co KG	121546923	100	Velbert, Germany
KTT Tekniikka OY	2468058-1	100	Kotka, Finland
Lesjöfors Fjädrar AB	556063-5244	100	Filipstad, Sweden
Lesjöfors Gas Springs LV	42103045346	63	Liepaja, Slovakia
Lesjöfors Industrial Springs & Pressings GmbH	DE815378385	100	Hagen, Germany
Lesjöfors Industrifjädrar AB	556593-7967	100	Herrljunga, Sweden
Lesjöfors Springs (UK) Ltd	2483860	100	Elland, UK
Lesjöfors Springs America Inc	47-2245852	100	Scranton, US
Lesjöfors Springs and Pressings AB	556997-0675	100	Stockholm, Sweden
Lesjöfors Springs GmbH	DE812397971	100	Hagen, Germany
Lesjöfors Springs Ltd	3141628	100	Elland, UK
Lesjöfors Springs LV	42103030622	100	Liepaja, Slovakia
Lesjöfors Springs Oy	9039816-2	100	Turku, Finland
Lesjöfors Springs LLC	1105009002010	100	Moscow, Russia
Lesjöfors Springs Slovakia s.r.o	17772672	100	Myjava, Slovakia
Lesjöfors Stock Spring AB	559366-1498	100	Stockholm, Sweden
Lesjöfors Stockholms Fjäder AB	556062-9890	100	Stockholm, Sweden
Lundgrens Sverige AB	556063-3504	100	Gothenburg, Sweden
Lundgrens Norge AS	926502204	100	Oslo, Norway
Lesjöfors Heavy Springs UK Ltd	01299095	100	Penryn, Cornwall, UK
Metrol Springs Ltd	01877760	100	Northampton, UK
Mountpac AB	556588-1025	85	Hillerstorp, Sweden
Nitro Springs Manufacturing Ltd	04336753	100	Northampton, UK
Norspray AS	976698118	100	Stavanger, Norway
Noxon AB	556828-0670	100	Fjärås, Sweden
Oy Lesjöfors AB	356,422	100	Åminnefors, Finland
Plymouth Spring Company Inc	87-2414987	100	Bristol, Connecticut, US
Spibelt Beheer B.V.	62783467	100	Haaksbergen, Netherlands
Spiralspecialisten Fastighets AB	556483-6244	100	Tyresö, Sweden
Stece Fjädrar AB	556753-6114	100	Mönsterås, Sweden
Stumpp+Schüle s.r.o.	36739812	100	Nové Zámky, Slovakia
Stumpp+Schüle GmbH	220825	100	Beuren, Germany
Svenska Brandslangsfabriken AB	556199-1745	100	Skene, Sweden
Swedish Microwave AB	556461-7420	80	Motala, Sweden
Telform Kelepçe ve Yay San. Tic. A.Ş.	15239	100	Gebze, Kocaeli, Türkiye
Tribelt B.V.	59363118	100	Haaksbergen, Netherlands

Note 19 Inventories

		Group
	2022	2021
Raw materials	**747.8**	527.7
Products in progress	**123.5**	107.6
Finished goods	**738.8**	725.6
Total	**1,610.1**	1,360.9

The expenditure for inventories was expensed under the item "Cost of goods sold" and amounted to MSEK 3,044 (2,286), of which discontinued operations accounted for MSEK 363 (367).

Note 20 Accounts receivable

	Group 2022	2021
Total outstanding accounts receivable	**852.1**	907.0
Provisions for doubtful receivables	**–14.5**	–11.2
Carrying amount	**837.6**	895.8

	Group 2022	2021
Past due amounts	**166.2**	120.8
Of which, past due by less than 30 days	**124.9**	89.0
Of which, past due by 30–90 days	**26.2**	22.7
Of which, past due by more than 90 days	**15.2**	9.1
Provisions for doubtful receivables	**14.5**	11.2

The Group uses credit insurance selectively, primarily in Asia. Of the accounts receivable more than 30 past due, MSEK 4 is covered by credit insurance.

Provisions for doubtful receivables	**2022**	2021
Opening balance	**9.5**	13.4
Provisions for the year	**5.3**	3.6
Reversal of earlier provisions	**–0.9**	–6.0
Write-offs of receivables	**0.6**	0.2
Closing balance	**14.5**	11.2

Specification of provisions for the year	**2022**	2021
Reserve for receivables not past due	**5.5**	7.0
Reserve for receivables less than 30 days past due	**1.5**	0.9
Reserve for receivables 31–90 days past due	**1.1**	1.0
Reserve for receivables more than 90 days past due	**6.4**	2.3
Total	**14.5**	11.2

The Group applies the modified retrospective approach for the calculation of expected credit losses on accounts receivable and contract assets. This approach entails that expected losses throughout the term of the receivable are used as the basis when a loss allowance is recognized. To calculate expected credit losses, receivables are grouped based on their credit characteristics and number of days past due. The impairment requirement for accounts receivable is then determined based on historical experiences of bad debt losses from similar receivables. Credit losses are valued as the present value of all cash flow deficits (meaning the difference between cash flows according to the agreement and the cash flow that the Group expects to receive). Historically, the Group has had a low level of bad debt losses. The risk spread across companies, industries and geographic markets is favorable. No individual customer has a significant impairment requirement.

The maximum exposure to credit risk for accounts receivable comprises the carrying amount of MSEK 838 (896). The fair value corresponds with the carrying amount.

Note 21 Other receivables

	Group 2022	2021	Parent Company 2022	2021
Value-added tax	**17.5**	16.8	**–**	0.5
Deposit to landlord	**3.5**	8.3	**–**	–
Credit received [1]	**0.0**	7.2	**–**	–
Derivative instruments	**0.0**	1.9	**–**	–
Advance payments to suppliers	**20.4**	12.2	**–**	–
Other	**23.7**	7.7	**–**	–
Total	**65.1**	54.1	**–**	0.5

[1] Refers to credit facilities not due for payment related to receivables from contracts with customers.

Note 22 Prepaid expenses and accrued income

	Group 2022	2021	Parent Company 2022	2021
Lease payments and rent	**11.3**	8.4	**0.7**	0.4
Accrued interest income	**0.1**	–	**–**	–
Prepaid expenses	**29.9**	37.8	**0.1**	1.9
Contract assets	**12.6**	3.6	**–**	–
Accrued insurance revenue	**–**	8.7	**0.2**	–
Other accrued expenses	**7.2**	10.7	**–**	–
Total	**61.2**	69.2	**1.1**	2.2

Contract assets comprise MSEK 11.1 (2.1) pertaining to percentage of completion and accrued commission of MSEK 1.5 (1.5).

Note 23 Shareholders' equity

	Translation reserve	Hedging reserve	Group Total
Dec 31, 2020	**38.8**	**10.0**	**48.8**
Change in value of hedging reserve	–	–17.0	**–17.0**
Tax thereon	–	3.6	**3.6**
2021 translation difference	90.4	–	**90.4**
Dec 31, 2021	**129.2**	**–3.4**	**125.8**
Change in value of hedging reserve	–	–3.4	**–3.4**
Tax thereon	–	0.7	**0.7**
2022 translation difference	42.8	–	**42.8**
Dec 31, 2022	**172.0**	**–6.1**	**165.9**

The company's shares are Class A and Class B shares and are issued as follows:

	Shares		Votes
Class A shares	6,526,800	at 10 votes	65,268,000
Class B shares	53,735,400	at 1 vote	53,735,400
Total	60,262,200		119,003,400

The quotient value is SEK 2.08 per share. All shares are paid in full.

Share capital trend

Year		Increase in share capital, SEK 000s	Total share capital, SEK 000s	Increase in no. of shares	Total no. of shares
1993	Opening balance	–	53,660	–	2,146,400
1993	Non-cash issue in connection with acquisition of G & L Beijer Import & Export AB i Stockholm	6,923	60,583	276,900	2,423,300
1993	New issue	30,291	90,874	1,211,650	3,634,950
1994	Non-cash issue in connection with acquisition of AB Stafsjö Bruk	5,000	95,874	200,000	3,834,950
1996	Conversion of subordinated debenture loan	47	95,921	1,875	3,836,825
1997	Conversion of subordinated debenture loan	2,815	98,736	112,625	3,949,450
1998	Conversion of subordinated debenture loan	1,825	100,561	73,000	4,022,450
2000	Conversion of subordinated debenture loan	30	100,591	1,200	4,023,650
2001	Non-cash issue in connection with acquisition of Elimag AB	11,750	112,341	470,000	4,493,650
2001	2:1 split	–	112,341	4,493,650	8,987,300
2001	Conversion of subordinated debenture loan	388	112,729	31,000	9,018,300
2002	Conversion of subordinated debenture loan	62	112,791	5,000	9,023,300
2004	Conversion of subordinated debenture loan	1,505	114,296	120,400	9,143,700
2006	3:1 split	–	114,296	18,287,400	27,431,100
2010	Non-cash issue in connection with acquisition of Beijer Tech AB	11,250	125,546	2,700,000	30,131,100
2018	2:1 split	–	125,546	30,131,100	60,262,200

The 2022 Annual General Meeting authorized the Board to make decisions concerning issues of Class B shares or convertible debentures. The number of Class B shares may be increased by a maximum of 10 percent through such an issue. This authorization is valid until the next Annual General Meeting.

Note 24 Deferred tax

Deferred tax assets	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Temporary differences pertaining to:				
– endowment insurance	**7.2**	9.9	**7.2**	9.9
– loss carryforwards	**9.6**	–	**–**	–
– forward agreements	**1.5**	1.3	**–**	–
– surplus values	**33.1**	30.3	**–**	–
– other	**13.1**	16.7	**–**	–
Total	**64.6**	58.2	**7.2**	9.9

Deferred tax liabilities	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Temporary differences pertaining to:				
– forward agreements	**0.7**	0.4	**–**	–
– untaxed reserves	**48.4**	50.2	**–**	–
– amortization of consolidated surplus values	**140.4**	117.2	**–**	–
– other	**41.7**	35.6	**–**	–
Total	**231.1**	203.4	**–**	–

Note 25 Pension obligations

	2022	Group 2021
Opening value	**3.0**	2.7
Decreased provision	**0.0**	–0.1
Increased provision	**2.9**	0.4
Closing value	**5.9**	3.0

Note 26 Financial instruments

FINANCIAL RISK MANAGEMENT

The Beijer Alma Group's operations are exposed to various financial risks. The Board of Directors establishes instructions, guidelines and policies for the management of these risks in the Group. The aim of risk management is to control and measure risks in order to minimize unacceptable risks and thereby avoid negative earnings effects and other negative impacts. Regular monitoring is carried out at the local and central level and findings are reported to Group management, the Audit Committee and the Board of Directors.

The financial risks for the Parent Company mainly relate to changes in interest rates and liquidity.

MARKET RISK

Currency risk

Transaction exposure

Lesjöfors conducts 12 percent (14) of its sales within Sweden. This means that a large portion of the Group's income is in foreign currencies. Other companies within Lesjöfors also conduct sales in currencies other than their domestic currency. To a certain extent, the currency risk that arises is managed by purchasing input materials and machinery in currencies other than their domestic currency, mainly EUR. However, an imbalance remains and the Group is thus exposed to currency risk.

For Beijer Tech, the situation is the opposite. Sweden accounts for 57 percent (58) of sales and the remaining 43 percent (42) mainly takes place in the other Nordic countries. Its suppliers are often foreign. As a trading company, Beijer Tech has a smaller proportion of personnel costs than the Group's manufacturing companies. Combined, this means that Beijer Tech's expenses exceed its income in foreign currencies, primarily EUR. The company has currency clauses in many of its major customer agreements, which eliminate portions of Beijer Tech's currency exposure.

Despite various areas of the Group having reverse currency exposures, the Group as a whole is exposed to currency risks. Changes in exchange rates impact the Group's earnings, other comprehensive income, balance sheet, and cash flow.

Net exposure in currencies translated to MSEK (net exposure is defined as income less expenses)

2022	USD	EUR	DKK	NOK	GBP	JPY	PLN	CHF	**Total**
Lesjöfors	24.0	100.0	5.0	12.0	–32.0	–1.0	–	–	**108.0**
Beijer Tech	–13.8	–166.9	32.5	114.1	–13.3	–0.1	–5.9	9.6	**6.2**
Total	**10.2**	**–16.9**	**37.5**	**126.1**	**–45.3**	**–1.1**	**–5.9**	**9.6**	**114.2**

2021	USD	EUR	DKK	NOK	GBP	JPY	PLN	CHF	**Total**
Lesjöfors	35.0	152.0	8.0	9.0	–17.0	–	–	–	**187.0**
Habia Cable	19.0	62.3	–	6.3	44.9	–	–20.9	–	**111.6**
Beijer Tech	–21.1	–63.3	30.3	57.5	24.9	–0.1	–3.5	3.4	**28.0**
Total	**32.9**	**150.9**	**38.3**	**72.8**	**52.8**	**–0.1**	**–24.4**	**3.4**	**326.6**

The objective of currency risk management is to minimize the short-term negative effects on the Group's earnings and financial position that arise due to exchange-rate fluctuations against the Group's reporting currency (SEK). Between 50 and 100 percent of the forecast net flow for the next six months, meaning the difference between income and expenses in a single currency, is hedged. For months seven to 12, between 35 and 100 percent is hedged. In addition, the companies may, in consultation with the CFO, hedge parts of the flow up to 18 months. The main hedging instrument used is forward agreements. Forward agreements are signed centrally in Lesjöfors or in the Parent Company. Forecast currency flows were not hedged in Beijer Tech in 2022. However, individual transactions may be hedged in certain cases.

The following table shows the Group's forward agreements on the balance-sheet date, translated to MSEK. All of the agreements fall due in 2023. The average exchange rate for the foreign exchange contracts was 10.66.

	Dec 31, 2022	Group Dec 31, 2021
USD/SEK	–	25.3
EUR/SEK	**173.8**	203.7
GBP/SEK	–	97.8
Total	**173.8**	326.8

Recognition of derivatives, etc.	**2022**	2021
Nominal amount of derivatives	**173.8**	326.8
Carrying amount of forward agreements	**–7.5**	–4.2
Balance sheet item where value is recognized		
Other liabilities	**7.5**	6.1
Other receivables	**–**	1.9
Ineffective hedging instruments	**–**	–
Hedging result recognized in other comprehensive income	**–2.6**	–13.4
Hedging ineffectiveness recognized in other comprehensive income	**–**	–

The hedged ratio is 1:1. The hedging reserve is recognized in Note 23.

According to Beijer Alma's assessment, all derivative instruments meet the requirements for hedge accounting. As of December 31, 2022, the Group had no other derivatives used for hedging purposes. There are no derivatives for which a hedging relationship has existed but since ceased and for which hedge accounting is thus no longer applied. No hedges are deemed ineffective for 2022 or 2021. Accordingly, changes in the fair value of the derivative instruments are recognized in other comprehensive income. At year-end, the market value of the forward agreements was MSEK –7.5 (–4.2), which, after deduction for deferred tax, decreased the Group's shareholders' equity. Consolidated comprehensive income was impacted in an amount of MSEK –2.6 (–13.4) due to foreign exchange contracts.

Fair value is based on observable market information from Nordea and SEB on the balance-sheet date and these instruments are thus included in Level 2 of the "fair value hierarchy" in accordance with IFRS 7. The arbitrage premium is not separated. The Group also has financial liabilities measured at fair value, which comprise acquisition-related additional purchase considerations. These are measured partly based on non-observable data (Level 3). Refer to pages 66 and 67. Beijer Alma has no hedging of net investments in foreign operations.

Sensitivity analysis

Earnings

The Group has a substantial currency exposure in EUR, NOK and DKK. A 1-percent change in the net exposure to SEK would have had an impact of approximately MSEK 2 (3) on profit before tax.

Shareholders' equity

Beijer Alma's income statement and balance sheet are presented in SEK, while several subsidiaries report in other currencies. This means that the Group's earnings and shareholders' equity are exposed when the financial statements are consolidated and foreign currencies are translated to SEK. This exposure primarily affects the Group's shareholders' equity and is designated as a translation exposure. This type of exposure is not hedged. The largest translation exposure is related to balance sheets maintained in EUR. A 1-percent change in the EUR in relation to the SEK would have had an impact of MSEK 5 (3) on shareholders' equity in the Group. Beijer Alma recognizes changes in the value of forward agreements in other comprehensive income. The nominal amount of the forward agreements at year-end totaled MSEK 174 (327). 100 percent (82) of the agreement values are in EUR.

Interest-rate risk

Changes in interest levels do not impact Beijer Alma's expenses and are reflected in net financial items and earnings. Cash flow from operating activities can also be impacted by changes in interest levels. The Group is also indirectly affected by the impact of interest-rate levels on the economy as a whole. In terms of risk, Beijer Alma's assessment is that fixed interest on a short-term basis is consistent with the industrial operations conducted by the Group. Accordingly, the period of fixed interest on loans is usually less than 12 months. Outstanding loans and committed credit facilities are listed below.

	Group		Parent Company	
	2022	2021	**2022**	2021
Non-current liabilities				
Liabilities to credit institutions	**797.8**	999.1	**–**	–
Current liabilities				
Liabilities to credit institutions	**1,519.2**	399.8	**1,050.9**	–
Committed credit facilities	**270.5**	405.3	**–**	139.2
Total interest-bearing liabilities	**2,587.6**	1,804.2	**1,050.9**	139.2

All amounts are deemed to correspond to fair value. Interest-bearing liabilities in the table do not include lease liabilities. Lease liabilities are not included in the Group's definition of net debt. Lease liabilities totaled MSEK 210 (244).

Liabilities to credit institutions comprise approximately 60 credits in various currencies and with different terms and conditions. The majority of interest-bearing liabilities are in SEK. The Group's interest-bearing liabilities correspond to MSEK 884 in EUR, MSEK 951 in USD and MSEK 86 in GBP. Other than this, the Group has no interest-bearing liabilities in any single currency corresponding to more than MSEK 10.

The average interest rate based on interest rates at year end was approximately 4.2 percent. Derivative instruments may be used to change the duration and currency exposure in the loan portfolio. No such derivatives existed at the end of the year. For loan hedging, refer to Note 31. Fair value is deemed to correspond to the carrying amount since the interest rates are not fixed for long periods and are in line with market rates for all loans.

Sensitivity analysis

Net debt at year-end totaled MSEK 1,833 (1,324). Net debt varies over the year. A 1-percentage-point change in the interest rate would have had an impact of about MSEK 18 (9) on profit before tax based on net debt as of December 31, 2022.

CREDIT RISK

Credit risk refers to cases in which companies do not receive payment for their receivables, for example, from customers or banks. The size of each customer's credit is assessed on an individual basis. A credit rating is performed for all new customers and a credit limit is set. This is intended to ensure that the credit limits reflect the customer's capacity to pay. In terms of sales, the Group's risk spread across geographic regions, industries and companies is favorable. Historically, the level of bad debt losses has been low. For an assessment of the risk of loss in accounts receivable, refer to Note 20.

Other assets recognized at amortized cost include other receivables. The loss allowance for financial assets is based on assumptions concerning the risk of default and expected loss levels. The Group conducts its own assessments when establishing assumptions and selecting the inputs for forward-looking calculations at the end of each reporting period. The allowance for expected losses on other financial assets recognized at amortized cost amounts to SEK 0 at both the beginning and the end of the year. The reserve for credit risks in accounts receivable is presented in Note 20.

LIQUIDITY RISK AND REFINANCING RISK

Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 754 (481), the majority is invested with Nordea and Handelsbanken.

Beijer Alma has loans that fall due at different points in time. A portion of its liabilities are one-year committed credit facilities. Refinancing risk refers to the risk of Beijer Alma being unable to fulfill its obligations due to difficulties in extending past due loans and in raising new loans. Beijer Alma manages liquidity risk and refinancing risk through good planning of closing cash flow and defaults as well as with a liquidity reserve.

For information concerning lease liabilities, refer to Note 10.

During the first half of 2022, Beijer Alma expanded its revolving credit facility from MSEK 300 to MSEK 1,300. The revolving credit facility falls due in mid-2023.

Maturity analysis of liabilities, including interest to be paid for each period.

Group	Less than 1 year	1–3 years	4–5 years	More than 5 years	**Total**
Dec 31, 2022					
Borrowing	1,765.6	397.0	118.5	435.9	**2,716.9**
Liabilities for leases	36.4	131.0	35.2	13.1	**215.7**
Accounts payable	329.6	–	–	–	**329.6**
Acquisition-related liabilities	16.4	222.4	429.4	17.4	**685.5**
Total	2,147.9	750.4	583.1	466.4	**3,727.9**

Group	Less than 1 year	1–3 years	4–5 years	More than 5 years	**Total**
Dec 31, 2021					
Borrowing	805.0	482.5	185.7	331.0	**1,804.2**
Liabilities for leases	78.5	98.8	46.7	18.1	**242.5**
Accounts payable	426.2	–	–	–	**426.2**
Acquisition-related liabilities	9.0	–	166.2	–	**175.2**
Total	1,318.7	581.3	398.6	349.1	**2,647.7**

Acquisition-related liabilities include additional purchase considerations amounting to MSEK 331 (0), a future unconditional consideration of MSEK 0 (9) and an expensed purchase consideration of MSEK 215 (166) for planned acquisitions of minority shares in 2025. Both of these items are measured partly based on unobservable market data. There are no contingent considerations as of December 31, 2021. Of the foreign exchange contracts at year-end totaling MSEK 174 (327), all had a maturity period of less than one year.

CAPITAL RISK

The Group's goal in terms of its capital structure is to guarantee its ability to continue expanding its operations to ensure that a return is generated for the shareholders, while keeping the costs of capital at a reasonable level.

The capital structure can be changed by increasing or decreasing dividends, issuing new shares and selling assets.

Capital risk is measured as the net debt/equity ratio, meaning interest-bearing liabilities, excluding lease liabilities, less cash and cash equivalents in relation to shareholders' equity. The aim is to enable freedom of action by maintaining a low debt/equity ratio. The net debt/equity ratio at recent year-ends is presented below:

Group	**2022**	2021
Interest-bearing liabilities	**2,587.6**	1,804.2
Cash and cash equivalents	**–754.3**	–480.5
Net debt	**1,833.3**	1,323.7
Shareholders' equity	**3,639.1**	2,854.0
Net debt/equity ratio, %	**50.4**	46.4

Financial instruments by category in the Group

The accounting policies for financial instruments were applied as follows:

Dec 31, 2022	Financial assets measured at amortized cost	Derivatives used for hedging purposes	Total
Assets in the balance sheet			
Other long-term receivables	9.0	–	**9.0**
Accounts receivable and other receivables	837.6	–	**837.6**
Derivative instruments (included in the item other receivables)	–	–	**–**
Cash and cash equivalents	754.3	–	**754.3**
Total	**1,600.9**	**–**	**1,600.9**

Dec 31, 2022	Derivatives used for hedging purposes	Liabilities measured at amortized cost	Liabilities measured at fair value	Total
Liabilities in the balance sheet				
Liabilities to credit institutions	–	2,317.1	–	**2,317.1**
Committed credit facilities	–	270.5	–	**270.5**
Derivative instruments (included in the item other current liabilities)	7.5	–	–	**7.5**
Accounts payable	–	329.6	–	**329.6**
Future purchase consideration	–	331.1	–	**331.1**
Contingent consideration	–	–	214.8	**214.8**
Total	**7.5**	**3,248.3**	**214.8**	**3,470.6**

Dec 31, 2021	Financial assets measured at amortized cost	Derivatives used for hedging purposes	Total
Assets in the balance sheet			
Other long-term receivables	9.1	–	**9.1**
Accounts receivable and other receivables	895.0	–	**895.0**
Derivative instruments (included in the item other receivables)	–	1.9	**1.9**
Cash and cash equivalents	480.5	–	**480.5**
Total	**1,384.6**	**1.9**	**1,386.5**

Dec 31, 2021	Derivatives used for hedging purposes	Liabilities measured at amortized cost	Liabilities measured at fair value	Total
Liabilities in the balance sheet				
Liabilities to credit institutions	–	1,398.9	–	**1,398.9**
Committed credit facilities	–	405.3	–	**405.3**
Derivative instruments (included in the item other current liabilities)	6.1	–	–	**6.1**
Accounts payable	–	426.2	–	**426.2**
Future purchase consideration [1]	–	–	175.2	**175.2**
Contingent consideration	–	–	–	**–**
Total	**6.1**	**2,230.4**	**175.2**	**2,411.7**

[1] MSEK 166 is measured at fair value through shareholders' equity and MSEK 9 through profit or loss.

Reconciliation of net debt, including leases	Cash and cash equivalents	Current interest-bearing liabilities,	Non-current interest-bearing liabilities	Leases	Total net debt
Dec 31, 2020	**616.1**	**574.4**	**614.4**	**201.5**	**–774.2**
Via acquisitions	94.2	109.7	75.0	58.4	**–148.9**
New leases	–	–	–	15.6	**–15.6**
Translation differences	11.8	2.7	30.7	3.1	**–24.7**
Cash flow during the year	–241.6	54.3	346.8	–28.2	**–614.5**
Not affecting cash flow/other	–	64.1	–67.8	–6.8	**10.5**
Dec 31, 2021	**480.5**	**805.1**	**999.1**	**243.5**	**–1,567.2**
Adjustment interest-bearing liabilities, non-current to current	–	–33.9	33.9	–	**0.0**
Discontinued operations	–12.9	–662.6	–88.5	–35.2	**–799.2**
Via acquisitions	14.5	1,299.1	–	8.8	**1,322.4**
New leases	–	–	–	41.7	**41.7**
Lease intereset	–	–	–	8.8	**8.8**
Translation differences	20.2	6.6	62.4	12.6	**101.8**
Cash flow during the year	–98.3	225.6	–59.5	–45.5	**22.3**
Not affecting cash flow/other	350.3	149.8	–149.5	–24.8	**325.8**
Dec 31, 2022	**754.3**	**1,789.7**	**797.8**	**209.9**	**–2,043.2**

Lease liabilities are not normally included in the Group's definition of net debt.

Analysis additional purchase considerations and expensed purchase considerations Group	
Opening carrying amount 2022	**92.3**
This year's acquisitions	379.7
Revaluation via the balance sheet	13.3
Interest expense	13.3
Reversed via the income statement	–
Paid purchase considerations	–3.1
Translation differences	17.0
Closing carrying amount 2022	**545.9**

Note 27 Other non-current liabilities

	Group 2022	2021
Other non-current liabilities	**320.9**	5.6
Other provisions	**3.4**	3.5
Liabilities for future acquisitions of minority shares	**233.2**	166.2
Total	**557.6**	175.3

Note 28 Accrued expenses and deferred income

	Group		Parent Company	
	2022	2021	**2022**	2021
Accrued personnel costs	**203.3**	219.3	**30.6**	20.3
Accrued interest	**5.5**	2.8	**–**	–
Restructuring reserve	**2.6**	3.9	**–**	–
Accrued bonuses to customers	**78.8**	112.3	**–**	–
Deferred income	**6.5**	11.7	**–**	–
Contract liabilities	**8.7**	8.1	**–**	–
Other [1]	**105.7**	89.0	**–**	0.1
Total	**411.1**	447.1	**30.6**	20.4

1) "Other" includes a provision of MSEK 21 for Lesjöfors's Russian operations.

Note 29 Other current liabilities

	Group		Parent Company	
	2022	2021	**2022**	2021
Personnel tax	**27.1**	30.1	**0.7**	0.4
Value-added tax	**47.8**	47.0	**–**	0.2
Advance payments from customers	**15.9**	17.5	**–**	–
Derivative instruments	**–**	6.1	**–**	–
Additional purchase consideration	**–**	–	**–**	–
Other	**23.2**	29.5	**–**	–
Total	**114.0**	130.2	**0.7**	0.6

Note 30 Earnings from discontinued operations

Habia Cable was divested on October 14, 2022 and is recognized as a discontinued operation in accordance with IFRS 5. The capital gain amounted to MSEK 352.0 in the Group and MSEK 579.9 in the Parent Company. On the divestment date, the net assets in Habia Cable amounted to MSEK 396, of which cash and cash equivalents accounted for MSEK 13. Along with the purchase consideration received of MSEK 700, the Group's cash and cash equivalents increased MSEK 663, including divestment costs.

Earnings from discontinued operations	**2022**	2021
Income	**776.6**	808.6
Cost of goods sold	**–540.5**	–573.7
Gross profit	**236.1**	234.9
Selling and administrative expenses	**–131.7**	–166.1
Operating profit	**106.1**	63.1
Capital gain on divestment of Habia Cable	**352.0**	–
Group contributions	**–**	7.2
Interest income and expenses	**–4.2**	–6.4
Profit after net financial items	**453.9**	63.9
Income tax	**–20.6**	–17.2
Net profit for the period	**433.2**	46.7
Earnings per share from discontinued operations, SEK	**7.19**	0.78

Net cash flow from discontinued operations	**2022**	2021
Cash flow from operating activities	**6.0**	48.2
Cash flow from investing activities	**629.0**	–23.7
Cash flow from financing activities	**–35.0**	–61.3
Net cash flow from discontinued operations	**600.0**	–36.8

Note 31 Pledged assets

	2022	Group 2021	2022	Parent Company 2021
Floating charges	**345.5**	596.8	**203.8**	304.9
Real estate mortgages	**206.2**	209.9	**–**	–
Shares	**284.1**	597.7	**13.4**	13.4
Machinery used in accordance with finance leases	**–**	37.9	**–**	–
Assets with retention of title	**11.6**	8.3	**–**	–
Total	**847.4**	1,450.6	**217.2**	318.3

Note 32 Contingent liabilities and commitments

The Group has contingent liabilities pertaining to guarantees and undertakings that arise during the normal course of business. No significant liabilities are expected to arise due to these contingent liabilities. During the normal course of business, the Group and the Parent Company entered into the following commitments/contingent liabilities: The Group has not identified any material commitments that are not recognized in the financial statements.
The difference in contingent liabilities between 2021 and 2022 is mainly attributable to discontinued operations.

	2022	Group 2021	2022	Parent Company 2021
Guarantees	**1.3**	32.2	**–**	–
Pension commitments	**–**	–	**–**	–
Relocation subsidy received	**1.5**	1.5	**–**	–
Total	**2.8**	33.7	**–**	–

Note 33 Proposed appropriation of profits

The Board of Directors and the President propose that the following profit be made available for distribution by the Annual General Meeting:

Retained earnings	86.7
Share premium reserve	279.0
Net profit for the year	578.8
Total	**944.5**
To be appropriated as follows:	
Ordinary dividend to shareholders of SEK 3.75 (3.50) per share	226.0
To be carried forward	**718.5**

Note 34 Items not affecting cash flow

	2022	Group 2021	2022	Parent Company 2021
Depreciation/amortization, incl. depreciation/amortization for discontinued operations	**302.1**	246.5	**0.2**	–
Net loss divestment of operations/provision for Russian operations	**25.0**	–	**–**	–
Capital gain/loss on divestment of Habia Cable	**–352.0**	45.3	**–**	–
Remeasurement of additional purchase considerations	**–**	–	**579.9**	–
Loss from associated companies	**–0.4**	–16.1	**–**	–
Other	**0.8**	–0.2	**–**	–
Total	**–24.5**	275.5	**580.1**	–

Note 35 Business combinations

Preliminary acquisition calculation	John Evans' Sons Inc	Other acquisitions
Purchase consideration	1319.9	601.2
Net assets measured at fair value	647.5	215.7
Non-controlling interests	–	12.6
Goodwill	672.3	398.2
Cash portion of purchase consideration	996.0	578.3
Purchase consideration to be paid within five years	323.8	22.9

Net assets measured at fair value		
Buildings and land	25.1	38.8
Machinery and equipment	26.5	56.7
Other intangible assets	580.8	98.8
Inventories	77.1	74.5
Receivables	52.6	67.8
Cash and cash equivalents	–	35.9
Deferred tax	–106.3	–35.9
Interest-bearing liabilities	–	–38.9
Non-interest-bearing liabilities	–8.2	–81.9
Total	**647.5**	**215.8**

Purchase consideration – cash outflow		
Cash flow to acquire the subsidiary, less acquired cash and cash equivalents		
Cash purchase consideration	996.9	578.3
Loan to the owner company	324.1	36.2
Less: Acquired cash and cash equivalents	–	–33.3
Net outflow of cash and cash equivalents – investing activities	**1,321.1**	**581.2**

2022

Swedish Microwave AB
On January 14, 2022, Beijer Tech acquired 80 percent of the shares in Swedish Microwave AB ("SMW"). The company's products are used in various sectors, including the maritime industry, for earth observation and among satellite and teleport operators. SMW has 24 employees in Motala, Sweden, and revenue of about MSEK 50.

Mountpac AB
On February 3, 2022, Beijer Tech acquired 85 percent of the shares in Mountpac AB and 100 percent of the shares in Mountpac Fastighets AB. Mountpac assists its customers with everything from individual customized stamping parts to complex products, often with full responsibility from construction to packing and distribution. The company has 16 employees in Hillerstorp, Sweden, and revenue of about MSEK 50.

Norserv AS
On June 1, 2022, Beijer Tech carried out a minor Norwegian acquisition, Norserv AS, for a purchase consideration of MSEK 6. Beijer Alma acquired all shares in the company.

John Evans' Sons Inc
On July 8, 2022, Beijer Alma's subsidiary Lesjöfors acquired the assets and operations of John Evans' Sons Inc., a US spring manufacturer, for a purchase consideration of approximately MUSD 90 on a cash and debt-free basis. Lesjöfors acquired 100 percent of the company. In addition to the initial purchase consideration, there is also a contingent consideration of up to MUSD 61.5 related to the company's performance. The contingent consideration is measured at fair value and amounted to MUSD 29.1 on the acquisition date and MUSD 29.5 at year-end.

Telform Clamp and Spring Co.
On October 6, 2022, Beijer Alma's subsidiary Lesjöfors acquired 100 percent of the shares in the Turkish spring manufacturer Telform Clamp and Spring Co. Telform conducts sales to more than 30 countries and multiple industries such as white goods, construction, automotive, electronics and others. The company has approximately 140 employees and generates annual revenue of about MEUR 11. An additional purchase consideration of MEUR 0.6 was expensed on the acquisition date. The additional purchase consideration is measured at fair value through profit or loss and was relatively unchanged at year-end compared with the acquisition date.

Botek AB
Beijer Tech's acquisition of all of the shares in Botek Systems AB was completed on January 4, 2023. Botek develops, manufactures and supplies vehicle-mounted scales with systems for the waste management industry and has annual revenue of approximately MSEK 100.

Amatec B.V.
On January 10, 2023, Lesjöfors's subsidiary Alcomex acquired all of the shares in Amatec B.V., a Dutch spring distributor. Amatec has annual revenue of approximately MEUR 2.5.

2021

Plymouth Spring
On December 10, 2021, Lesjöfors acquired the assets and operations of the US-based Plymouth Spring Company, Inc. The company manufactures custom precision metal springs, stampings and wire form parts. The company has 55 employees and revenue of approximately MUSD 12.

Källström Engineering Systems AB
On September 15, 2021, Beijer Tech acquired 85.6 percent of the shares in Källström Engineering Systems AB. The company designs and produces equipment for filling, mixing, and handling of corrosive liquids, primarily for the international battery industry. The company has 11 employees and revenue of approximately MSEK 35.

Novosystems AB
On April 6, 2021, Beijer Tech's subsidiary BeijerInu AB (in which Beijer Tech holds 75 percent of the shares) acquired 100 percent of the shares in Novosystems AB, Novosystems Östergötland AB and Novosystems Småland AB. The companies are active in building automation systems and offer energy-efficient solutions for public and private customers in Sweden. The company group has 18 employees and revenue of approximately MSEK 50.

Noxon AB
On April 1, 2021, Beijer Tech acquired 100 percent of the shares in Noxon AB. The company provides decanter centrifuges, polymer machines, control systems and supplementary services related to wastewater treatment in several applications. The company has 38 employees and revenue of approximately MSEK 70.

Preliminary acquisition calculation	
Purchase consideration	341
Net assets measured at fair value	181.6
Non-controlling interests	13.8
Goodwill	155
Cash portion of purchase consideration	334.9
Purchase consideration to be paid within five years	28.5

Net assets measured at fair value	
Buildings and land	8.4
Machinery and equipment	19.1
Other intangible assets	60.0
Inventories	45.1
Receivables	50
Cash and cash equivalents	45.7
Deferred tax	4.3
Interest-bearing liabilities	–6.7
Non-interest-bearing liabilities	–44.5
Total	**181.6**

Purchase consideration – cash outflow

Cash flow to acquire the subsidiary, less acquired cash and cash equivalents	
Cash purchase consideration	334.9
Less: Acquired cash and cash equivalents	–45.7
Net outflow of cash and cash equivalents – investing activities	**289.2**

Alcomex

On July 28, 2021, Lesjöfors acquired 88 percent of the shares in the Alcomex group, a leading and growing European manufacturer of door and industrial springs. Alcomex is a Dutch manufacturer of door and industrial springs with a stable, diversified and international customer base across various industries, such as residential overhead doors, industrial sectional doors, construction, fine mechanics and aftermarket-suspension. The company has production facilities in the Netherlands, the Czech Republic, Poland and India. Alcomex has around 350 employees and generates revenue of approximately MEUR 45.

Preliminary acquisition calculation
Alcomex

Purchase consideration	428.6
Assets measured at fair value	788.8
Liabilities measured at fair value	–716.0
Total net assets measured at fair value	72.8
Goodwill	364.5
Non-controlling interests	8.7
Cash portion of purchase consideration	428.6
Expensed purchase consideration for planned future acquisitions of minority shares	88.6

Net assets measured at fair value

Buildings and land	23.1
Machinery and equipment	30.9
Other intangible assets	322.8
Inventories	118.6
Receivables	254.0
Cash and cash equivalents	39.4
Total assets	**788.8**
Interest-bearing liabilities	–550.0
Non-interest-bearing liabilities	–166.0
Total liabilities	**–716.0**
Total	**72.8**

Purchase consideration – cash outflow

Cash flow to acquire the subsidiary, less acquired cash and cash equivalents	
Cash purchase consideration	428.6
Loan to the owner company Lesjöfors B.V.	360.3
Less: Acquired cash and cash equivalents	–39.4
Net outflow of cash and cash equivalents – investing activities	**749.5**

The acquisition calculation is preliminary for up to one year after the acquisition date. Goodwill consists of technical expertise, inseparable customer relationships and synergy effects. Transaction costs for the acquisitions were charged to earnings in an amount of MSEK 14 in 2022.

The expensed purchase consideration of MSEK 216 pertains to the present value of the estimated purchase consideration at the time of the planned acquisition of the minority shareholders' shares in 2025. The amount is recognized directly in shareholders' equity, reducing shareholders' equity in the Group by a corresponding amount. There are no contingent considerations in the balance sheet. Total liabilities for acquisitions made in 2022 and earlier amount to MSEK 548 (9). If all acquisitions in 2022 had been carried out as of January 1, 2022, they would have had an effect of MSEK 632 on net revenue and MSEK 148 on operating profit.

On January 10, 2023, Lesjöfors acquired Amatec B.V. The acquisition amounts have yet to be distributed in the purchase price allocation.

Note 36 Transactions with related parties

The Parent Company invoiced its subsidiaries a management fee of MSEK 17.1 (18.2). Related parties generally includes the Board of Directors and Group management as well as their families and other companies that they control, including companies controlled by the Wall family. Other than salaries and directors' fees, there were no material transactions with related parties during the year. Refer to Note 17 for information about transactions with associated companies and Note 2 for information concerning employees.

Note 37 Events after the end of the financial year

On January 4, 2023, Beijer Tech acquired all of the shares in Botek Systems AB, which manufactures and supplies vehicle-mounted scales for the waste management industry and has annual revenue of approximately MSEK 100.

On January 10, 2023, Lesjöfors's subsidiary Alcomex acquired all of the shares in Amatec B.V., a Dutch spring distributor. Amatec has annual revenue of approximately MEUR 2.5. Refer to Note 35 for more information.

Note 38 Definitions

Beijer Alma presents certain financial performance measures that are not defined in accordance with IFRS. The company is of the opinion that these performance measures and indicators provide valuable supplementary information for stakeholders and management since they enable an assessment of the company's financial performance, financial position and trends in the operations.

In the calculation of performance measures where average capital values are calculated in relation to profit or loss measures, the average of the capital values is calculated on the opening balance of the respective period and all quarterly balances in the period, and the profit or loss measures are annualized.

Capital employed
Total assets less non-interest-bearing liabilities.

Debt/equity ratio
Total interest-bearing liabilities, excluding lease liabilities, in relation to shareholders' equity.

Dividend ratio
Dividend in relation to net profit attributable to Parent Company shareholders.

Dividend yield
Dividend per share in relation to the share price.

Earnings, profit
The terms earnings and profit refer to profit after net financial items unless otherwise stated.

Earnings per share
Net profit less tax, in relation to the number of shares outstanding.

Earnings per share after standard tax
Profit after net financial items less 20.6 percent tax, in relation to the number of shares outstanding.

Earnings per share after tax, after dilution
Net profit less tax, in relation to the number of shares outstanding adjusted for potential shares giving rise to a dilution effect.

Equity ratio
Shareholders' equity in relation to total assets.

Interest-coverage ratio
Profit after net financial items plus financial expenses, divided by financial expenses.

Invoicing, revenue, sales
Unless otherwise stated, the terms invoicing, revenue and sales refer to net revenue.

Net debt
Interest-bearing liabilities excluding lease liabilities, less cash and cash equivalents.

Net debt/equity ratio
Net debt in relation to shareholders' equity.

Operating margin
Operating profit in relation to net revenue.

Order bookings
Orders from customers for goods or services at fixed terms.

P/E ratio
Earnings per share divided by the share price.

Return on capital employed
Profit after net financial items plus interest expenses, in relation to average capital employed.

Return on shareholders' equity
Profit after net financial items less 20.6 percent tax, in relation to average shareholders' equity.

Shareholders' equity
Shareholders' equity attributable to Parent Company shareholders.

Additional information about alternative performance measures is available on Beijer Alma's website.

Board signatures

These consolidated financial statements were approved by the company's Board of Directors on February 14, 2023.

The balance sheet and income statement will be presented to the Annual General Meeting on March 30, 2023.

It is our opinion that the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and earnings. The annual report was prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and earnings.

The Board of Directors' Report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Uppsala, March 9, 2023

Beijer Alma AB (publ)

Johan Wall
Chairman of the Board

Johnny Alvarsson
Director

Carina Andersson
Director

Oskar Hellström
Director

Hans Landin
Director

Caroline af Ugglas
Director

Henrik Perbeck
President and CEO

Our Audit Report was submitted on March 9, 2023

KPMG AB

Helena Arvidsson Älgne

Auditor's Report

To the general meeting of the shareholders of Beijer Alma AB, corp. id 556229-7480

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Beijer Alma AB for the year 2022, except for the corporate governance statement on pages 34-39. The annual accounts and consolidated accounts of the company are included on pages 34–73 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 the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The 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 December 2022 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 34-39. 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 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.

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.

Valuation of Goodwill and other intangible assets

See disclosure 14 and 15 and accounting principles on pages 48–49 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

- As of 31 December 2022, the carrying value of goodwill and other acquired intangible assets in the Consolidated financial statement amounts to 3,196 MSEK, representing approximately 39 percent of total assets.
- Goodwill should be subject to impairment testing at least annually. Other intangible assets are tested when there is an indication of impairment.
- Impairment tests are complex and include significant levels of judgement by the Group management. The impairment test should be carried out in accordance with a certain technique where the Group management is required to make forecasts and assessments of both the internal and external conditions and plans. Examples of such assessments are future cash flow projections, which requires assumptions about future market conditions. Another important assumption is the discount rate to be used to appropriately assess the risk associated with the future cash flows.
- The abovementioned factors together represent significant judgements which are of importance to the accounting.

Response in the audit

- We have inspected the Group's impairment tests to ensure they have been carried out in accordance with IFRS. Furthermore, we have evaluated management's future cash flow forecasts and the underlying assumptions, which includes the longterm growth rate and the assumed discount rate, by obtaining and evaluating the Group's written documentation and plans. We have also made inquiries to the Group management and considered previous years' forecasts in relation to the actual outcome.
- An important part of our work has also been to evaluate how changes to the assumptions may impact the valuation. The evaluation has been carried out by obtaining and assessing the Group's sensitivity analysis. We have also reviewed the completeness of disclosures in the Annual Report and considered whether the disclosures accurately reflect the assumptions that Group management apply in their impairment test, and whether they are sufficiently comprehensive to make the assumptions understandable for the readers of the annual report.

Valuation and existence of inventory

See disclosure 19 and accounting principles on page 49 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

- The carrying amount of the Beijer Alma's inventories amounted to SEK 1,610 (1,361) million as of December 31, 2022 which represents 20% of total assets.
- The inventory consists of raw materials, products in progress and finished goods. The inventories are measured at the lower of cost and net selling price on the balance-sheet date.

- Valuation of inventory requires an estimation of the net realizable value, sales price and judgement of saleability in order to determine inventory obsolescence. The obsolescence models are adapted to the business in the three subsidiaries within the group.
- Changes in assumptions and judgements can have a significant effect on the financial statements which is why we have identified valuation of inventory as a key audit matter.

Response in the audit

- We obtained an understanding of and have evaluated managements process of inventory accounting including the process of identifying and estimating obsolescence. We have inspected the entities obsolescence models to evaluate whether they are in accordance with group accounting policy, consistently applied and whether they fairly represent the actual obsolescence.
- We have participated in inventory counts and evaluated the stock taking routines at multiple inventory locations.
- We have on a sample basis evaluated the reasonability of product calculations for work in progress and finished goods and tested the purchasing price applied in the inventory.
- We also verified the completeness of the disclosures provided in the annual report and assessed weather they are consistent with the principles applied and in all material aspects compliant with IFRS.

Divestment of Habia Cable

See disclosure 30 and accounting principles on page 47 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

- During the financial year, a decision was made to divest the business area Habia Cable AB. In connection with the completion of the divestment in October 2022, a capital gain has been recognised in discontinued operations amounting to SEK 352 million.
- The decision to divest Habia Cable has resulted in Habia Cable being presented as discontinued operations in the consolidated income statement separately from continuing operations with the corresponding presentation for the comparative period.
- Accounting for discontinued operations requires management to identify and separate the results of continuing and discontinued operations and management to ensure that the requirements of IFRS for accounting for discontinued operations are met.

Response in the audit

- We have assessed Beijer Alma's accounting for discontinued operations for compliance with IFRS.
- We have further assessed the financial effects from the discontinued operations and that they have been appropriately separated from continuing operations.
- We have reviewed management's calculation of the gain and reconciled this to the sales agreement.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains information other than the annual report and the consolidated financial statements and can be found at pages 1–33 and 78.

The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report, The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

RESPONSIBILITIES OF THE BOARD OF 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 intend 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 scepticism 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, measures that have been taken to eliminate the threats or related safeguards.

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

AUDITOR'S AUDIT OF THE ADMINISTRATION AND THE PROPOSED APPROPRIATIONS OF PROFIT OR LOSS

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 Beijer Alma AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the 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 scepticism 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 AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINION

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

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

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

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Beijer Alma AB 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 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

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

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

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

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the 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 34–39 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 RevR 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.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Beijer Alma AB by the general meeting of the shareholders on the 30 march 2022. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2020.

Stockholm March 9, 2023

KPMG

Helena Arvidsson Älgne
Authorized Public Accountant

Information on the Annual General Meeting

Beijer Alma's Annual General Meeting will be held on March 30, 2023 in Uppsala. Information regarding the resolutions passed at the Annual General Meeting will be published on March 30, 2023.

PARTICIPATION

Shareholders who wish to participate in the Meeting must be listed in Euroclear Sweden AB's (Euroclear) shareholder register based on the situation as of March 22, 2023.

Shareholders must also notify the company of their intention to participate in the Meeting:
Shareholders who wish to participate in the **Meeting** in person or through a proxy must register with the company by March 24, 2023 at the latest via https://anmalan.vpc.se/EuroclearProxy/, by telephone at +46 8 401 43 13 or by mail at Beijer Alma AB, "Årsstämma", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. Registration must include the shareholder's name, personal identity number/corporate registration number, address, telephone number and the number of advisors.

To be entitled to participate in the Annual General Meeting, shareholders whose holdings are registered in the name of a nominee must, in addition to registering their participation in the Meeting, also register the shares in their own name so that the shareholder is listed in the shareholder register on March 22, 2023. Such registration can be temporary (voting rights registration) and is to be carried out by the nominee in accordance with the nominee's procedures as far ahead of time as the nominee deems appropriate. Voting rights registrations completed by the nominee by March 24, 2023 will be entered into the shareholder register.

More information about the Annual General Meeting and instructions for advance voting are available in the notice of the Annual General Meeting and on the company's website, www.beijeralma.se.

DIVIDEND

The Board proposes that the Annual General Meeting approve a dividend of SEK 3.75 (3.50) per share.
The proposed record date for dividends is April 3, 2023. If the Annual General Meeting votes in accordance with this motion, dividends are expected to be paid out through Euroclear commencing April 6, 2023.

INFORMATION

The complete notice of the Annual General Meeting, including an agenda and proposals, can be found on the company's website, www.beijeralma.se, and can also be ordered by e-mail at info@beijeralma.se or by telephone at +46 18 15 71 60.

CALENDAR

2023	March 30	Annual General Meeting
	April 27	Interim report January 1–March 31
	July 21	Interim report April 1–June 30
	October 26	Interim report July 1–September 30
2024	February	Year-end report
	May 7	Annual General Meeting

REPORTS

Reports can be ordered from
Beijer Alma AB, Box 1747
SE-751 47 Uppsala, Sweden
Telephone +46 18 15 71 60
or via beijeralma.se

Year-end reports and interim reports are published on beijeralma.se.
Printed copies of the Annual Report will only be sent to shareholders who asked to receive a copy.

Current and up-to-date information is always available at www.beijeralma.se.

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BEIJER ALMA'S ANNUAL REPORT AND SUSTAINABILITY REPORT 2022

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