# 21

# ANNUAL REPORT
## SUSTAINABILITY REPORT

BEIJER • ALMA

# 21


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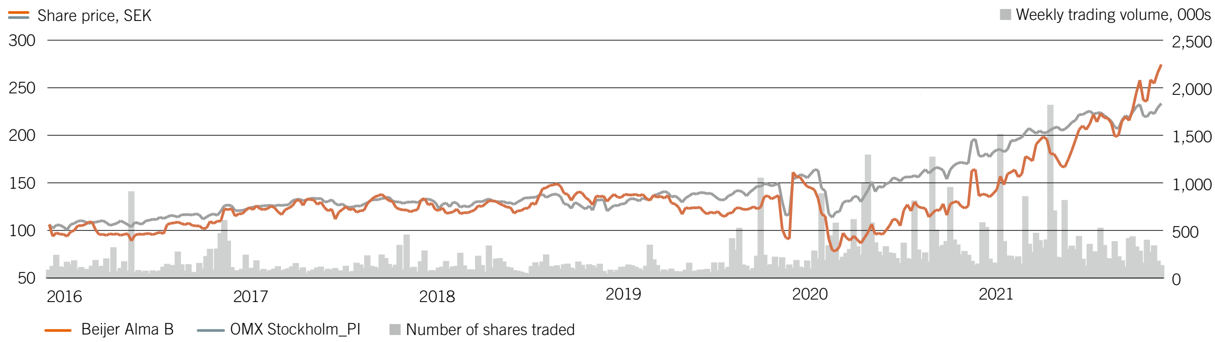
## Our investment strategy is based on profitable growth, and it was an active year for acquisitions with five complementary acquisitions completed.

**HENRIK PERBECK, CEO BEIJER ALMA**

### SHARE PERFORMANCE 2016–2021




### REVENUES AND EARNINGS PER OPERATING SECTOR/SEGMENT

| MSEK | Q1 | Q2 | Q3 | Q4 | Total |
|---|---|---|---|---|---|
| **Net revenues** | | | | | |
| Lesjöfors | 777.9 | 792.0 | 805.3 | 822.6 | **3,197.8** |
| Habia Cable | 203.6 | 192.6 | 198.5 | 213.9 | **808.6** |
| Beijer Tech | 301.0 | 351.8 | 330.7 | 398.7 | **1,382.2** |
| Parent Company and intra-Group | 0.1 | – | 0.2 | –0.4 | **–0.1** |
| **Total** | 1,282.6 | 1,336.4 | 1,334.7 | 1,434.8 | **5,388.5** |
| **Operating profit** | | | | | |
| Lesjöfors | 171.8 | 178.5 | 167.1 | 135.1 | **652.5** |
| Items affecting comparability | – | – | –45.3 | – | **–45.3** |
| Habia Cable | 25.6 | –0.3 | 22.8 | 15.0 | **63.1** |
| Beijer Tech | 22.8 | 23.9 | 34.4 | 48.3 | **129.4** |
| Parent Company and intra-Group | –5.7 | –5.6 | –4.5 | –9.1 | **–24.9** |
| **Consolidated operating profit** | 214.5 | 196.5 | 174.5 | 189.3 | **774.8** |
| Net financial items | –6.1 | –10.1 | –8.6 | –6.4 | **–31.2** |
| **Profit after net financial items** | 208.4 | 186.4 | 165.5 | 182.9 | **743.2** |

# Beijer Alma

Beijer Alma is an international, listed industrial group. The Group's businesses operate in various sectors, such as engineering, automotive, infrastructure, telecom, energy and defense. Beijer Alma commands strong international positions in industrial and chassis springs as well as cables for mobile telecom and nuclear power.

**Lesjöfors** – an international manufacturer of springs, wire and flat strip components.
**Habia Cable** – a leading European manufacturer of customized cables and cable harnesses.
**Beijer Tech** – industrial trading and manufacturing for customers in Nordic niche industries.

## RECORD ACQUISITION BY LESJÖFORS

Lesjöfors acquired the Dutch spring company Alcomex during the summer in its largest transaction ever. Alcomex manufactures door and industrial springs, thus providing Lesjöfors with access to a new product area as well as new geographic markets. The company has production facilities in the Netherlands, the Czech Republic, Poland and India. Lesjöfors also acquired Plymouth Spring Company in the US at the end of the year.

## BEIJER TECH'S NEW GROWTH AREAS

Beijer Tech completed three acquisitions during the year, enabling expansion into new growth areas. The building automation oerations were further expanded through the purchase of the Swedish company Novosystems. Another acquisition was Källström Engineering Systems, which manufactures filling and mixing equipment for the global battery industry. The third acquisition was Noxon, which specializes in water treatment. Its customers are sewage treatment plants and companies in industries such as fishing, chemicals and paper. In January 2022, Swedish Microwave was acquired. The company manufactures equipment used in satellite communication. In February 2022, the component manufacturer Mountpac was also acquired.

–90%

**REDUCED EMISSIONS**
In 2021, Lesjöfors replaced propane with biobutanol at one of its Swedish plants, reducing $CO_2$ emissions by up to 90 percent.

743

**PROFIT AFTER FINANCIAL ITEMS**
Beijer Alma's profit after net financial items increased to MSEK 743 (515).

+27%

**NET REVENUES**
Beijer Alma's net revenues increased 27 percent to MSEK 5,389 (4,250).

+14.4%

**OPERATING MARGIN**
Beijer Alma's operating margin increased to 14.4 percent (12.8).

2021 was a strong year for Beijer Alma. Despite global uncertainty, there was strong demand for our products and disruptions to supply chains were successfully managed. There was a sharp rise in order bookings, net revenues and operating profit. Several acquisitions also contributed to profitable growth.

# Strong and profitable growth

### A PANDEMIC YEAR THAT BECAME STRONG

2021 saw higher order bookings and net revenues as well as improved operating margins for many of the Group's companies, often at record-breaking levels. Industrial recovery was strong and demand was high despite the continued effects of the pandemic. Consequently, supply chains were strained, leading to higher raw material prices and freight costs as well as shortages of energy and materials.

Our companies managed the situation actively in order to ensure access to materials and implement necessary price increases. The financial impact on the Group was limited thanks to a combination of this hard work and our well-diversified customer base.

### ACQUISITIONS AND INVESTMENTS

Our investment strategy is based on profitable growth, and it was an active year for acquisitions. A total of five complementary acquisitions were completed and will strengthen our subsidiaries' operations. Together, these acquisitions will increase our revenues by more than MSEK 700 on an annual basis.

It is particularly worth noting that Lesjöfors made the largest acquisition in its history when it acquired the Dutch company Alcomex, a transaction that strengthens Lesjöfors's position as a leading manufacturer of industrial springs.

Beijer Tech continued to actively pursue acquisitions, creating value through three acquisitions in both existing and new niches. The pace of organic investment was also high, primarily through investments in machinery and capacity expansion.

Habia Cable is currently building a new cable harness factory in Poland, which will be put into operation in the second half of 2022.

### LESJÖFORS – A STRONGER BUSINESS

Demand i Lesjöfors's Industry and Chassis Springs business areas remained strong on a global level. Chassis Springs noted high demand from end customers across Europe after a cold winter. Thanks to well-balanced inventory levels and active sales efforts, our assessment is that Lesjöfors increased its market share.

Demand was high in Industry as well, primarily in the Nordic region. Production limitations experienced by some of our customers had a marginal impact, but the strength of Lesjöfors's well-diversified customer base became even more evident during the year. The pace of Lesjöfors's own business development remains high as well, focusing on finding more synergies, increasing automation and digitization, developing more sustainable solutions and, not least, growing through further acquisitions.

Alcomex adds additional geographic coverage and market leadership in the new door springs product area. Toward the end of the year, Lesjöfors also acquired Plymouth Spring Company in the US, a market where Lesjöfors intends to grow more.

### HABIA – PRODUCT DEVELOPMENT FOR THE FUTURE

Habia delivered on project contracts in the offshore, nuclear power and defense fields, especially at the beginning of 2021. Demand was strong among industrial and telecom customers throughout the year.

Habia experienced a data breach in the spring that resulted in a temporary loss of production. This had a limited impact for customers, and operations could be resumed quickly thanks to the extraordinary efforts of management and employees.

Habia has world-leading product development in several exciting niches that are of commercial interest as well as contributing to a more sustainable world. One example is cables for applications for the electric aviation of the future.

### BEIJER TECH – A PLATFORM FOR ACQUISITIONS

Beijer Tech exhibited strong and profitable growth – both organically and through new acquisitions. The company sells primarily to industrial companies in the Nordic region, where the share of proprietary and customized products is gradually increasing. Beijer Tech was also able to cope relatively well with disruptions to supply chains thanks to well-balanced inventory levels. Several rounds of price increases were implemented.

Beijer Tech is an important platform for acquisitions, both in areas close to our core operations and in entirely new niches. During the year,

the company acquired Novosystems which specializes in building automation, Noxon which offers wastewater treatment solutions and Källström Engineering Systems which specializes in equipment for the growing battery industry.

covered by the taxonomy. This shows that we are well positioned in the value chain for sustainable business. We are also following the ongoing transition to a circular and sustainable society and see the taxonomy as an enabler for structure and frameworks in the sustainability area.

*"We are entering 2022 with high ambitions, but we are also well aware of how quickly the world can change. Continuing to grow through both acquisitions and organic growth will be a top priority."*

## MORE FOCUS ON THE CLIMATE

Today, climate change is the most important sustainability issue for industrial companies, including Beijer Alma. Taking a forward-thinking approach to climate change is becoming an increasingly integral part of basic business know-how in order to create customer value and grow in relevant customer segments. At the same time, reporting of the climate impact through the entire value chain is evolving. One example is the EU Taxonomy. Initially this body of regulations aims at the most emission-intensive activities in business with the objective of categorizing whether and how the companies concerned are striving for a sustainable transition. With the exception of building automation, which includes energy-efficiency enhancements in properties, Beijer Alma's component manufacturing and industrial trading are not currently

Our sustainability work and objectives are based on the UN Global Compact, the UN Sustainable Development Goals (SDGs) and the direct environmental impact of our Group companies. We are making progress in this area: our carbon footprint is continuing to decrease thanks to thanks to improved energy efficiency, investments in solar panels and the use of biobutanol. We are part of a value chain where a shift toward a clearer focus on sustainability can also be seen among our suppliers and customers. This year, we are also reporting an estimate of the climate impact of the raw materials with the greatest impact, thereby laying the foundation for greater understanding of our products' climate impact, a process that will apply to the entire value chain in the future.

## A GROUP THAT IS GROWING

We are entering 2022 with high ambitions, but we are also well aware of how quickly the world can change. At the time of writing, major changes have occurred in world politics that are creating considerable short-term, and potentially long-term, uncertainty.

Continuing to grow through both acquisitions and organic growth will be a top priority. The year began with two acquisitions by Beijer Tech: Swedish Microwave and Mountpac, two well-run companies we are pleased to welcome to the Group. At the same time, we see clear challenges in the form component shortages, vulnerable logistics chains and rising inflation, which must all be managed and offset. The Group is well-equipped to take advantage of opportunities and to manage these challenges.

In financial terms, we have a strong balance sheet that enables us to make sound long-term decisions. Our business model – in which we offer high customer value to a well-diversified customer base – is robust. This is made possible by all of our employees, who make business decisions every day in order to improve our operations, support our customers and ensure that the Group is sustainable in the long term. I want to thank everyone for their outstanding efforts during a very successful 2021 and start of the new year.

*Henrik Perbeck*
*President and CEO, Beijer Alma*

Beijer Alma's Group companies specialize in component manufacturing, value-adding sales, manufacturing and niche technologies. The development of these operations is based on long-term ownership and decentralized governance, where profitable growth is achieved organically and through acquisitions.

# Potential for growth

Beijer Alma is an international, listed industrial group in which value creation is achieved by acquiring, owning and developing companies with strong growth potential. The Group's three operations specialize in component manufacturing, value-adding sales, manufacturing and niche technologies. The most important sectors in terms of sales are engineering, automotive, infrastructure, telecom, energy and defense. The Group's companies command strong international positions in industrial and chassis springs as well as cables for the mobile telecom and energy market.

## SUBSIDIARIES

**Lesjöfors** – a global manufacturer of springs, wire and flat strip components.
**Habia Cable** – a leading European manufacturer of customized cables and cable harnesses.
**Beijer Tech** – a group of companies specializing in value-adding sales, manufacturing and niche technologies such as automation in select markets in the Nordic region.

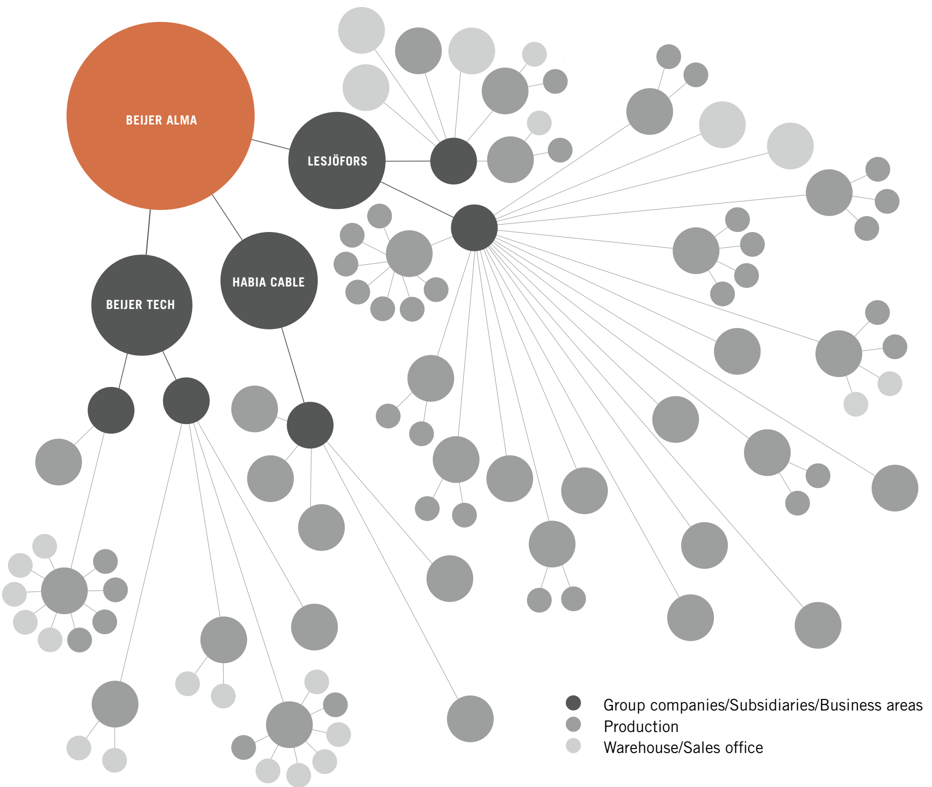
Read more about Beijer Alma's subsidiaries on pages 10–18.

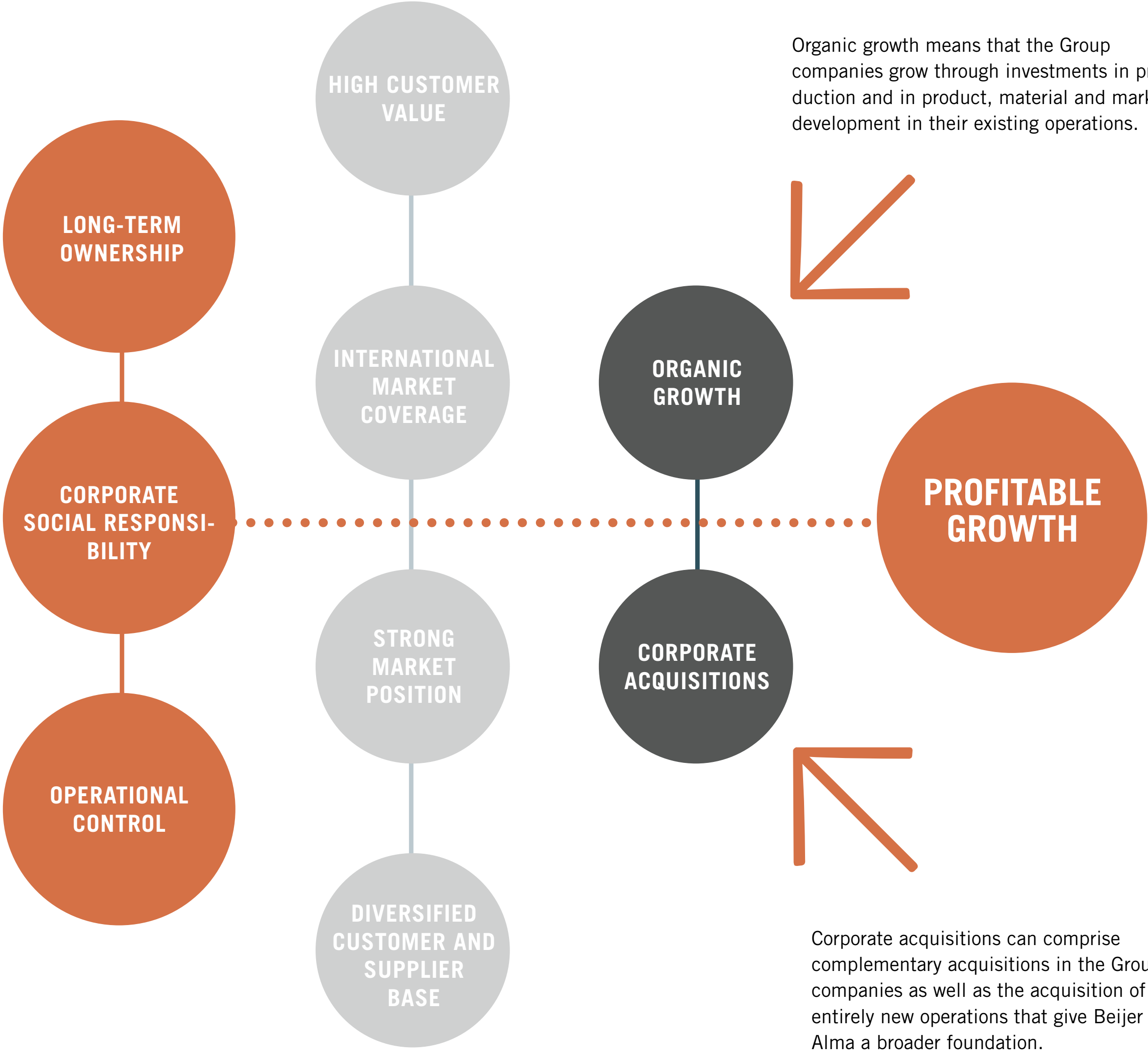
## SUSTAINABLE BUSINESS MODEL

The development of the Group companies is based on long-term ownership and decentralized governance, where growth is achieved organically and through acquisitions. All of the operations affect their environment and social conditions in various ways. Active sustainability work is therefore carried out with the aim of limiting the Group's environmental impact, reducing costs and lowering risks as well as providing new business opportunities.

This sustainability work focuses on efficient energy and resource consumption, lower emissions, reduced waste management and a high level of business ethics. Bribes are prohibited, and 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.

Read more about Beijer Alma's sustainability initiatives on pages 19–32.






Organic growth means that the Group companies grow through investments in production and in product, material and market development in their existing operations.

Corporate acquisitions can comprise complementary acquisitions in the Group companies as well as the acquisition of entirely new operations that give Beijer Alma a broader foundation.

## GROW PROFITABLY

Beijer Alma aims to grow profitably. To achieve profitable growth, we focus on four strategic areas:

**1. High customer value.**
Many products and services are adapted to meet specific customer needs, adding extra value or providing the customer more content, which they are willing to pay for. This increases customer value and profitability.

**2. International market coverage.**
Expanding and growing with customized niche products requires sales with broad international coverage.

**3. Strong market positions.**
Quality products, customization and service create strong market positions, enabling the Group companies to compete on the basis of added value rather than price.

**4. Broad customer and supplier bases.**
This breadth provides room for action, reduces risk and limits the Group's dependency on individual markets, industries or companies.

### GROWTH IN TWO WAYS

We grow in two ways – by acquiring new companies and through organic growth in existing Group companies. Acquisitions strengthen our positions in selected markets or within specific technology and product areas, but can also mean that entirely new portfolio companies are added to Beijer Alma. At the same time, the Group grows organically through continued investments in production and market development in existing companies.

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

# Acquisitions that drive growth and profitability

The following five criteria help guide Beijer Alma's Group companies when making new acquisitions:

**SIZE**
Complementary acquisitions and acquisitions are made in new market segments or product areas. The focus is on companies with revenues of between MSEK 50 and 500.

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

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

**MARKET SEGMENT**
Segments with a broad customer and supplier base as well as clear growth opportunities which create conditions for long-term profitable development.

**GROWTH ENABLERS**
Products and services with high customer value that customers are prepared to pay for. Market coverage that is international, or has the potential to become so.

13

**INCREASED ACQUISITION RATE**
A total of 13 acquisitions have been made since 2019, nine in Beijer Tech and four in Lesjöfors. These acquisitions have provided the Group with access to eight new product areas, three new industrial niches and two new geographic markets.

**ACQUISITIONS 2019–2021**

| | |
|---|---|
| 2019 | Uudenmaan Murskaus, Encitech, Lundgrens Norge, De Spiraal & Tribelt, KTT Tekniikka |
| 2020 | Metrol Springs, PA Ventiler, INU |
| 2021 | Noxon, Novosystems, Källström, Alcomex, Plymouth Spring |

**NUMBER OF ACQUISITIONS 2010–2021**

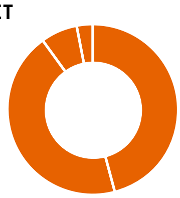
30

**ACQUIRED ANNUAL REVENUES AT TIME OF ACQUISITION, MSEK**

2,728

**SHARE OF ACQUIRED REVENUES BY GEOGRAPHIC MARKET**

Nordic region 46%
Other Europe 44%
North America 7%
Asia 3%



## A LARGER, STRONGER LESJÖFORS

Acquisitions in Lesjöfors are focused on industrial springs, which is a fragmented market with many small and medium-sized enterprises. Acquisitions allow Lesjöfors to access to new product areas or establish itself in new geographic markets. The company can also take advantage of value-adding synergies, such as:

- **Increased cross-selling** as new companies acquired by Lesjöfors have access to a wider range and existing Lesjöfors companies can expand their sales through added products from newly acquired companies.
- **Productivity improvements** meaning that newly acquired companies can take advantage of the collective spring production knowledge at Lesjöfors, which paves the way for more optimized manufacturing. Lesjöfors also has the capacity to invest in its facilities to increase productivity.

**US EXPANSION**
The acquisition of Plymouth Spring Company is another step in Lesjöfors's expansion in the US market. Plymouth manufactures custom precision metal springs, stampings and wire form parts. Its customer base is spread across sectors such as electrical, hardware, industrial, defense and automotive. Through this acquisition, Lesjöfors is establishing a US presence within industrial springs, and Plymouth will serve as a platform for future organic and acquisitive growth in the region.

# 200%

**CUSTOMER BASE DOUBLED**

In the last five years, Alcomex has more than doubled its customer base and revenues. Its customer base is international, and the company's products are used within various industries, such as construction, fine mechanics and aftermarket-suspension.

**LARGEST ACQUISITION TO DATE – NEW PRODUCT AREA**

The acquisition of the Dutch company Alcomex in summer 2021 is Lesjöfors's largest acquisition to date. Alcomex manufactures door and industrial springs, such as for residential overhead doors, industrial doors, construction and fine mechanics. The company has production facilities in the Netherlands, the Czech Republic, Poland and India. The acquisition gives Lesjöfors access to new geographic markets and the door springs product area. Alcomex's size and geographic reach provides Lesjöfors with a larger platform for its operations that enables growth potential through, for example, increased opportunities for cross-selling.

# 530

Alcomex has approximately 350 employees and generated revenues of MSEK 530 in 2021, of which MSEK 228 under the Group's ownership. The company's largest markets are the Netherlands, Poland, Germany and the Czech Republic.

## BEIJER TECH – GROWTH IN NEW AREAS

Beijer Tech acquires well-managed, profitable companies with a strong market position in a specific market niche. The companies' products and services add value, which customers are willing to pay for: high quality, highly technical content, high levels of customization or a high service level.

After acquisitions are completed, Beijer Tech often keeps the company's brands and works hard to maintain and develop the local culture that has been established by the previous owners. Acquisitions focus on two areas:

- **Complementary acquisitions** in fluid technology, industrial products or building automation that support Beijer Tech's further growth in new markets in existing product areas or in adjacent sectors.
- **New industrial niches** with attractive growth opportunities and conditions for long-term profitable development. For example, niches where global macrotrends or local conditions contribute to demand. The focus is on companies with a high value add, meaning manufacturing companies, or companies that process or make improvements in some other way.

**BUILDING AUTOMATION – A NEW NICHE**

One area where Beijer Tech is expanding is building automation. This refers to technology and services that optimize a property's indoor climate through, for example, environmentally friendly and energy-efficient heating, cooling and ventilation.

The INU Group and Novosystems, which focus primarily on building automation in commercial and specialized buildings, were acquired in 2020 and 2021, respectively. The companies work with public and private customers in Sweden and their operations are now coordinated in Beijer Tech. This has enabled the customer offering in this growing area to be expanded in terms of both geography and expertise.

**A STRONG PLAYER**

INU and Novosystems were merged in a joint organization during the year. This has enabled the customer offering to be further expanded in terms of both geography and expertise. The new, larger operation has created a strong player in building automation, with western and central Sweden as its main market. The customer offering in building automation includes services, products and system solutions.

# The share

- A total of 33.7 percent of the outstanding shares in the Group were traded during the year. An average of 71,509 shares were traded every day.
- At year-end 2021, Beijer Alma had a market capitalization of MSEK 16,542.
- Earnings per share totaled SEK 9.43 (6.58).
- At year-end 2021, Beijer Alma had 16,284 shareholders.
- The closing price at year-end was SEK 274.50 (131.00).
- The highest price was SEK 277.00, which was quoted on December 29, 2021.
- The lowest price was SEK 129.80, which was quoted on January 5, 2021.
- Beijer Alma's share price increased 109 percent in 2021.
- The Stockholm All Share Index increased 34 percent.

| PER-SHARE DATA | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Earnings per share after tax, SEK* | **9.43** | 6.58 | 7.15 | 7.78 | 6.45 |
| Shareholders' equity per share, SEK* | **47.42** | 41.78 | 40.04 | 37.04 | 33.04 |
| Dividend per share, SEK | **3.50** | 3.00 | 2.50 | 5.10 | 4.75 |
| Dividend ratio, % | **37** | 46 | 35 | 66 | 74 |
| Dividend yield, % | **1.3** | 2.3 | 1.6 | 3.9 | 3.6 |
| Share price at year-end, SEK | **274.50** | 131.00 | 156.60 | 129.98 | 131.00 |
| Highest share price, SEK | **277.00** | 162.20 | 156.60 | 152.48 | 141.00 |
| Lowest share price, SEK | **129.80** | 72.20 | 113.00 | 115.00 | 111.00 |
| P/E ratio at year-end | **29.1** | 19.9 | 21.9 | 16.7 | 20.3 |
| Cash flow per share after capital expenditures | **–8.06** | 6.26 | 1.70 | 3.80 | 4.48 |
| 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 |

| HOLDING | No. of shareholders | No. of shares | No. of Class A shares | No. of Class B shares | Holding, % | Votes, % |
|---|---|---|---|---|---|---|
| 1–500 | 13,186 | 1,272,262 | 302 | 1,271,960 | 2.1 | 1.1 |
| 501–5,000 | 2,627 | 4,105,512 | 200 | 4,105,312 | 6.8 | 3.4 |
| 5,001–10,000 | 202 | 1,472,449 | 100 | 1,472,349 | 2.4 | 1.2 |
| 10,001–20,000 | 105 | 1,541,570 | 24,066 | 1,517,504 | 2.6 | 1.5 |
| 20,001–50,000 | 68 | 2,139,572 | 28,800 | 2,110,772 | 3.6 | 2.0 |
| 50,001–100,000 | 30 | 2,068,792 | 349,846 | 1,718,946 | 3.4 | 4.4 |
| 100,000– | 66 | 47,662,043 | 6,123,486 | 41,538,557 | 79.1 | 86.4 |
| **Total** | **16,284** | **60,262,200** | **6,526,800** | **53,735,400** | **100.0** | **100.0** |

As of December 31, 2021. 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 | 8,238,940 | 400 | 8,238,540 | 13.7 | 6.9 |
| Anders Wall with family and companies | 6,983,640 | 5,390,600 | 1,593,040 | 11.6 | 46.6 |
| Lannebo Fonder | 4,160,623 | 0 | 4,160,623 | 6.9 | 3.5 |
| Handelsbanken Fonder | 3,213,176 | 0 | 3,213,176 | 5.3 | 2.7 |
| Odin Fonder | 3,100,000 | 0 | 3,100,000 | 5.1 | 2.6 |
| C WorldWide Asset Management | 2,407,568 | 0 | 2,407,568 | 4.0 | 2.0 |
| Nordea Fonder | 1,890,101 | 0 | 1,890,101 | 3.1 | 1.6 |
| Fourth National Swedish Pension Insurance Fund | 1,774,984 | 0 | 1,774,984 | 2.9 | 1.5 |
| Cliens Fonder | 1,268,300 | 0 | 1,268,300 | 2.1 | 1.1 |
| Swedbank Robur Fonder | 1,000,000 | 0 | 1,000,000 | 1.7 | 0.8 |
| Livförsäkringsbolaget Skandia | 882,614 | 0 | 882,614 | 1.5 | 0.7 |
| Göran W Huldtgren with family and companies | 876,286 | 555,666 | 320,620 | 1.5 | 4.9 |
| Grandeur Peak Global Advisors | 732,525 | 0 | 732,525 | 1.2 | 0.6 |
| Third National Swedish Pension Insurance Fund | 727,868 | 0 | 727,868 | 1.2 | 0.6 |
| Other shareholders | 23,005,575 | 580,134 | 22,425,441 | 38.2 | 23.9 |
| **Total** | **60,262,200** | **6,526,800** | **53,735,400** | **100.0** | **100.0** |

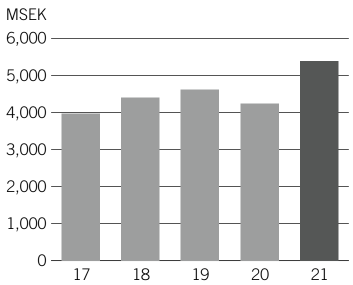
As of December 31, 2021. Source: Monitor from Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

# Ten-year summary

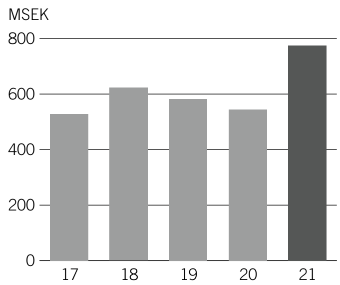
| MSEK | **2021** | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net revenues | **5,388.5** | 4,249.8 | 4,621.7 | 4,408.8 | 3,971.5 | 3,527.5 | 3,521.9 | 3,298.2 | 3,066.5 | 2,779.7 |
| Operating profit | **774.8** | 544.8 | 582.6 | 622.8 | 528.4 | 455.2 | 477.3 | 427.5 | 396.3 | 372.3 |
| Operating profit before items affecting comparability | **820.1** | 544.8 | 582.6 | 622.8 | 512.3 | 455.2 | 477.3 | 427.5 | 396.3 | 372.3 |
| Net financial items | **–31.6** | –29.6 | –25.2 | –13.6 | –11.0 | –8.2 | –10.4 | –3.9 | –11.6 | –10.5 |
| Profit after net financial items | **743.2** | 515.2 | 557.4 | 609.2 | 517.4 | 447.0 | 466.9 | 423.6 | 384.7 | 361.8 |
| Tax | **–169.5** | –118.3 | –126.6 | –140.4 | –129.1 | –119.4 | –113.2 | –104.3 | –95.7 | –93.3 |
| Net profit* | **568.2** | 396.6 | 430.8 | 468.8 | 388.3 | 327.6 | 353.7 | 319.3 | 289.0 | 286.5 |
| Fixed assets | **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 | 1,111.6 |
| Current assets | **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 | 1,283.1 |
| Shareholders' equity* | **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 | 1,519.5 |
| Non-current liabilities and provisions | **1,545.8** | 918.5 | 785.8 | 270.4 | 219.7 | 309.0 | 262.3 | 313.9 | 299.2 | 323.5 |
| Current liabilities | **1,944.3** | 1,261.8 | 1,351.8 | 1,222.3 | 1,220.6 | 936.9 | 768.5 | 681.3 | 634.3 | 549.1 |
| Total assets | **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 | 2,394.7 |
| Cash flow | **–150.7** | 174.5 | 169.0 | 229.3 | 186.5 | 173.6 | 251.8 | 146.0 | 200.0 | 130.1 |
| Depreciation/amortization | **246.5** | 239.7 | 230.7 | 138.5 | 130.5 | 117.3 | 110.6 | 98.7 | 86.7 | 78.7 |
| Net investments excluding corporate acquisitions | **175.9** | 124.4 | 203.0 | 205.2 | 125.9 | 203.6 | 135.8 | 140.0 | 126.3 | 70.5 |
| Capital employed | **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 | 1,815.8 |
| Net debt | **1,323.7** | 572.6 | 720.9 | 439.6 | 408.7 | 313.1 | 194.1 | 189.8 | 92.3 | 56.8 |
| **Performance measures, %** | | | | | | | | | | |
| Gross margin | **32.4** | 30.4 | 29.8 | 31.2 | 31.8 | 32.5 | 32.8 | 32.4 | 32.4 | 33.7 |
| Operating margin | **14.4** | 12.8 | 12.6 | 14.1 | 13.3 | 12.9 | 13.7 | 13.0 | 12.9 | 13.4 |
| Operating margin before items affecting comparability | **15.2** | 12.8 | 12.6 | 14.1 | 12,9 | 12.9 | 13.7 | 13.0 | 12.9 | 13.4 |
| Profit margin | **13.8** | 12.1 | 12.1 | 13.8 | 13.0 | 12.7 | 13.3 | 12.8 | 12.5 | 13.0 |
| Equity ratio | **45** | 53 | 53 | 60 | 58 | 60 | 64 | 64 | 63 | 64 |
| Net debt/equity ratio | **46** | 23 | 30 | 20 | 20 | 16 | 11 | 11 | 6 | 4 |
| Return on shareholders' equity | **21.7** | 16.5 | 19.2 | 22.5 | 20.7 | 18.7 | 20.3 | 19.7 | 19.2 | 17.8 |
| Return on capital employed | **18.6** | 14.9 | 17.7 | 22.0 | 20.8 | 19.1 | 21.7 | 21.3 | 21.1 | 21.2 |
| Interest-coverage ratio | **23.5** | 17.9 | 22.1 | 39.9 | 42.5 | 48.8 | 41.8 | 41.3 | 28.9 | 27.5 |
| Average number of employees | **2,866** | 2,585 | 2,658 | 2,610 | 2,546 | 2,340 | 2,262 | 2,124 | 2,110 | 1,831 |
| Earnings per share after tax | **9.43** | 6.58 | 7.15 | 7.78 | 6.45 | 5.79 | 6.05 | 5.48 | 4.80 | 4.46 |
| Dividend per share, SEK | **3.50** | 3.00 | 2.50 | 5.10 | 4.75 | 4.75 | 4.75 | 4.25 | 4.00 | 3.50 |

* 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.

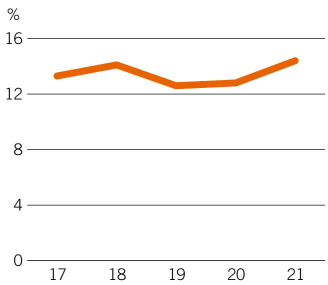
**NET REVENUES**




**OPERATING PROFIT**




**OPERATING MARGIN**



Lesjöfors is a full-range supplier of standard and customized industrial springs, wire and flat strip components. The company also manufactures replacement springs for the aftermarket for cars and light trucks. Lesjöfors is one of the largest players in its industry in Europe and has global manufacturing and delivery capacity.

# Lesjöfors

## CHASSIS SPRINGS

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. Its products contribute to improved safety and better driving properties.

### COMPETITIVE ADVANTAGES

The company's comprehensive range and high delivery precision are important strengths. Lesjöfors is also a full-service supplier that manages the entire value chain – 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, Russia, Sweden and other European countries. 95 percent of sales are conducted outside Sweden.

### PERFORMANCE IN 2021

- Net revenues reached an all-time high, due to pent-up demand in the market as well as a relatively severe winter which increased demand for chassis springs.
- Lesjöfors benefited from its high delivery precision, which enabled the company to gain market share during the year.
- Most of its major markets in Europe – the Nordic region, Germany and the UK – performed extremely well. The company's markets in Eastern Europe also grew, albeit from lower levels.
- Net revenues totaled MSEK 893 (609).

## INDUSTRY

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 springs. Manufacturing in 17 countries. An additional five countries with sales offices.

### 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 springs.

### CUSTOMERS/MARKET

The company's customers are found in most industrial sectors. Its main markets are Scandinavia, Germany, the UK, China and North America. 80 percent of sales are conducted outside Sweden.

### PERFORMANCE IN 2021

- Strong growth in most customer segments. There was a shift in demand during the year, with segments such as medical technology increasing while the automotive industry declined.
- Growing demand from companies operating data centers, where traffic volumes increased during the pandemic, driving investments and demand for components.
- Performance was strongest in Asia and Europe, while the US market was weaker.
- Net revenues amounted to MSEK 2,305 (1,840).

INTERVIEW WITH OLA TENGROTH, PRESIDENT, LESJÖFORS

Lesjöfors reached an all-time high in 2021 in terms of both earnings and revenues. Moreover, the Dutch company Alcomex was the largest acquisition in Beijer Alma's history.

**How would you summarize the year?**
We had a tremendous year. Lesjöfors's earnings reached an all-time high and its revenues were the highest to date. We were able to handle rising costs with subsequent price increases. In addition, we made the largest acquisition in Beijer Alma's history. As a result, I am extremely pleased with how the year went. One explanation for the company's strong performance is that we have a robust structure that is able to withstand market fluctuations, where quality and delivery reliability are at the top of the agenda. We also benefit from the fact that Lesjöfors is decentralized and that decisions are made close to our customers.

**What opportunities have been created by the Alcomex acquisition?**
Above all, a new niche of door springs has opened up to us, allowing us to expand our offering to include a new product segment. There are also sales synergies for Alcomex, which has begun selling Lesjöfors's standard range of industrial springs in its markets. The companies are also a good match in terms of geography: Alcomex is strong in markets where we have not had a presence in the past. Moreover, we see that there are synergies on the purchasing side, for example when it comes to raw materials.

*"Right now, rail projects, which are a green form of transportation, are receiving public attention. This opens up opportunities for Lesjöfors."*

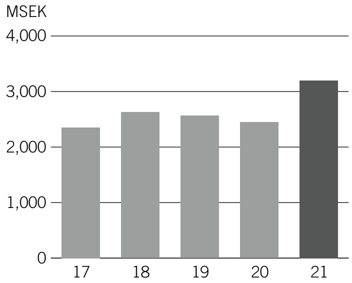
**You've invested more in certain customer and product segments – which ones?**
We've increased our investments in Medical and Rail/Heavy Springs by investing in technological development, manufacturing capacity and sales. Right now, rail projects, which are a green form of transportation, are receiving a great deal of public attention. This opens opportunities for our expertise and our products. Medical is an area that grew during the pandemic as demand for medical and hygiene products increased. The growth in this area is also leading us to new potential acquisitions.

**Sustainability issues are receiving more and more attention – how does this affect you?**
It does affect us, but the extent to which we are affected varies depending on the product segment and geographic market. Many of our companies are seeing demands and expectations from their customers, primarily concerning $CO_2$ emissions. This is a priority area where we are also making improvements, such as converting to biobutanol at one facility to reduce emissions. A Chief Sustainability Officer will also be joining our senior management team in 2022.

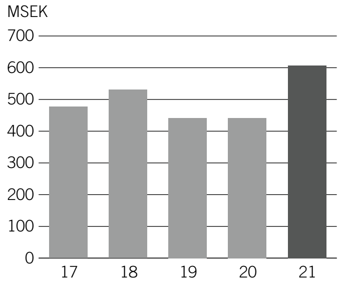
**What will your focus be for 2022?**
We are continuing the process of improving cooperation at Lesjöfors so that we can sell our entire range in all of our markets, so the development of our sales platform is important. Sustainability and digitization are other focus areas where we will be investing more. In addition, we are going to significantly accelerate the pace of acquisitions in 2022.

*"There are sales synergies for Alcomex, which has begun selling Lesjöfors's industrial springs in its markets."*

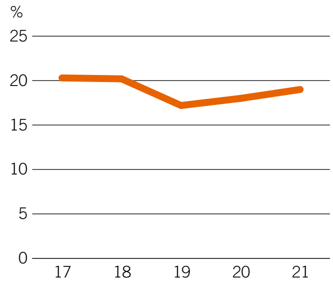
## NET REVENUES




## OPERATING PROFIT




## OPERATING MARGIN

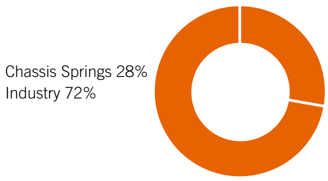



## PERFORMANCE MEASURES

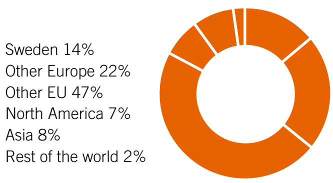
| MSEK | **2021** | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Net revenues | **3,197.8** | 2,448.7 | 2,563.5 | 2,624.9 | 2,351.2 |
| Invoicing, Chassis Springs business area | **892.7** | 608.8 | 640.5 | 761.0 | 675.0 |
| Invoicing, Industry business area | **2,305.3** | 1,839.9 | 1,923.0 | 1,863.9 | 1,676.2 |
| Cost of goods sold | **–2,080.3** | –1,654.6 | –1,746.7 | –1,740.9 | –1,537.5 |
| Gross profit | **1,117.5** | 794.1 | 816.8 | 884.0 | 813.7 |
| Selling expenses | **–209.3** | –169.5 | –185.3 | –178.4 | –162.0 |
| Administrative expenses | **–255.5** | –183.5* | –190.2 | –175.0 | –174.4 |
| Items affecting comparability | **–45.3** | – | – | – | – |
| Operating profit | **607.2** | 441.2 | 441.3 | 530.6 | 477.3 |
| Operating margin, % | **19.0** | 18.0 | 17.2 | 20.2 | 20.3 |
| Net financial items | **–13.1** | –12.2 | –13.0 | –7.1 | –5.2 |
| Profit after net financial items | **594.1** | 429.0 | 428.8 | 523.5 | 472.1 |
| Of which, depreciation and amortization | **155.9** | 148.2 | 142.8 | 98.5 | 92.1 |
| Capital expenditures excl. corporate acquisitions | **133.3** | 91.0 | 153.9 | 158.9 | 111.2 |
| Return on capital employed, % | **22** | 19 | 20 | 32 | 26 |
| Average number of employees | **1,918** | 1,696 | 1,742 | 1,733 | 1,703 |

*includes MSEK 13.2 in other income.

## SHARE OF NET REVENUES




## 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.

## AUTOMATED MANUFACTURING

UK company Metrol Springs has made major new investments in its gas spring manufacturing. Investments in automated machinery are increasing process efficiency in this part of its production, and the technology for loading and testing the company's gas springs has also been automated. In addition, Metrol has invested in a robot gas spring loader and equipment for laser marking spring products.

"With this new machinery, we can manufacture products much faster and at higher volumes in most cases, with much higher efficiency and quality as well," says Rob Lamb, CEO of Metrol Springs.

652

**RECORD-BREAKING EARNINGS**

The record-breaking earnings for the year amounted to MSEK 652 (operating profit before items affecting comparability).

4/5

**WORK CLIMATE/WORK ENVIRONMENT**

An employee survey at Swedish plants showed that just over four out of five employees feel they have a good work climate and a safe work environment.

600

**A LEADING PLAYER**

Lesjöfors is a leader in chassis springs, with approximately 600 customers.

## BIOBUTANOL REDUCES $CO_2$ EMISSIONS

At Lesjöfors Fjädrar's Swedish plant, $CO_2$ emissions are being reduced by 70 to 90 percent. The reason for this is that the propane gas that was previously used has now been replaced by biobutanol. Biobutanol is extracted from bio-based residual products or bio-based waste, such as slaughterhouse waste and used frying oil. The emissions reduction enabled by this green transition at Lesjöfors's plant corresponds to 1,600 to 2,000 tons of carbon dioxide per year.

## COMPLEX COMPONENTS FOR ELECTRIC CAR MAKERS

Knowledge transfer was the key in a major electric car transaction. The background is that German company Stumpp + Schüle previously signed an agreement with a sub-supplier to an electric car manufacturer. The component the agreement concerns is technically complex. Lesjöfors was later asked whether the same component could be delivered to the customer's Chinese operation. By transferring technology and expertise from Stumpp + Schüle, this component is now being manufactured by our colleagues at Lesjöfors China. The next step is to search for suitable locations for more manufacturing facilities for these components in other parts of the world.

## EMISSIONS DOWN BY 60 PERCENT

German company Velleuer has converted to green electricity, thereby reducing its $CO_2$ emissions by about 300 tons per year, corresponding to a reduction of over 60 percent. Velleuer also encourages its employees to choose green alternatives when they travel to and from work. Therefore, charging stations for cars and bicycles have been installed at the company's facility.

"When we make it easier to bike to work, we not only help to reduce air pollution, we also improve our employees' health," says Frank Jahn, CEO of Velleur.

## SPRINGS FOR SOLAR CARS

Solar energy is gaining importance in many areas – including powering vehicles. De Spiraal has supplied springs to the Dutch solar car project Solar Team Twente. The experimental car, called Red Horizon, was designed by students and can drive for up to 3,000 kilometers using solar energy. De Spiraal has sponsored the project, contributing its expertise in springs and free components such as leaf and compression springs. During the year, Red Horizon competed in the Solar Challenge Morocco race with a course that included the sun-drenched Sahara Desert.

Habia Cable is one of Europe's largest manufacturers of custom-designed cables for customers in the telecom, nuclear power, defense, offshore and other industries. Its products are often used in high-tech applications and are sold around the world.

# Habia Cable

### OPERATIONS

Development, manufacturing and sales of customized cables and cable harnesses. Habia's products are used in high-tech applications in harsh environments and are therefore manufactured in high-performance materials. Habia has cable plants in Sweden, Germany and China as well as Poland, which specializes in cable harnesses.

### COMPETITIVE ADVANTAGES

In-house expertise in material development, electrical properties and cable design. Technical sales staff in local markets and designers at the plants offer customization through complete technical solutions that solve customers' problems. Manufacturing is flexible and often to order. In the telecom field, low-cost manufacturing in China is a requirement to be competitive. Other competitive advantages are high quality and electronic performance, which increases the range of base stations.

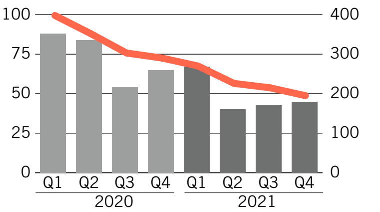
### CUSTOMERS/MARKET

One of Europe's largest manufacturers of custom-designed cables. Customers in the defense, nuclear power, offshore, mobile telecom and other industries. Sales in 50 countries. Its main markets are Asia, the Nordic region and the rest of Europe including countries such as Germany, France, the UK, the Netherlands and Belgium.

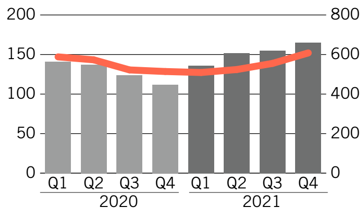
### PERFORMANCE IN 2021

- Significantly higher order bookings from customers in the industrial market across multiple segments and in both Europe and Asia.
- Strong growth in marine applications, including the lightweight cable segment where Habia gained market share through its DMFRO concept.
- Higher order bookings from defense markets in Asia and Europe, where large defense groups ramped up production after a decline in 2020.
- A clear turnaround in the telecom market. The most important driver was 5G expansion, primarily in China but also in Europe, the US and the rest of Asia.
- Net revenues totaled MSEK 809 (804).

**DEFENSE, NUCLEAR POWER AND OFFSHORE**




**TELECOM AND OTHER INDUSTRY**




Habia Cable primarily sells to customers in the telecom, nuclear power, defense, offshore and other industries. Sales to nuclear power, defense and offshore are usually strongly project-related.

Net revenues, MSEK
Rolling 12 months
Quarter

### MAIN AREAS – SUSTAINABILITY WORK

- More efficient energy consumption.
- Reduced VOC emissions.
- Reduced waste – increased recycling of plastics and metals.
- Further development of systems for registering near misses in the work environment.
- Continued work on anti-corruption, increased social commitment and partnerships with schools.

INTERVIEW WITH CARL MODIGH, PRESIDENT, HABIA CABLE

## 2021 was characterized by a strong recovery in demand that could be described as an overheating.

**How would you summarize the year?**
We've seen a dramatic turnaround. The year got off to a slow start, but then demand took off and developed into a state that could be described as overheated. The industrial market followed the upward economic trend. The defense market also grew, resulting in higher order bookings. Activity in the telecom market is high, driven by investments in 5G technology.

**You were hit with a data breach – how would you summarize the effects?**
The breach had a large impact in the short term, primarily in production and order flows, which affected invoicing. Thanks to the outstanding efforts of many people in the company, we were able to quickly restore our operations and find solutions to the problems that arose. Looking back, we can also say that we didn't lose any customers.

**Habia is investing in product development – which initiatives are the most interesting?**
Our ongoing development projects for the marine and defense markets, where we are launching new products. We've developed cables for data transfer in demanding environments, both copper cable and fiber optic cable for industrial equipment. The ZeroArc high-voltage cable has been launched as an independent brand, and we are continuing to refine the product for applications such as aviation, space and defense technology. The cable can be used in electric aviation development projects, where we're in a strong position.

*"We are continuing our ongoing development projects for the marine and defense markets, where we are launching new products."*

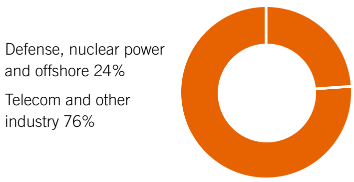
**Some companies have had problems with their supply chains – how have you been affected?**
The price of metals and other input goods rose sharply due to overheating in the market. Lead times and transportation times increased, and in some cases our suppliers experienced material shortages.

**What will your focus be for 2022?**
In the short term, it's important to meet the high demand we are experiencing and to manage issues related to pricing, lead times and material shortages. We will also focus on the defense market and the new projects on the horizon. Later in the year, our Polish operation will be moving into new premises, which will enable them to grow.

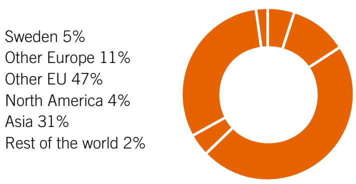
**PERFORMANCE MEASURES**

| MSEK | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Net revenues | **808.6** | 804.0 | 978.6 | 870.4 | 808.5 |
| Cost of goods sold | **–583.2** | –573.4 | –716.9 | –630.6 | –581.0 |
| Gross profit | **225.4** | 230.6 | 260.9 | 239.8 | 227.5 |
| Selling expenses | **–92.5** | –90.7 | –106.9 | –112.7 | –109.1 |
| Administrative expenses | **–69.8** | –86.2 | –73.9 | –69.8 | –76.2 |
| Operating profit | **63.1** | 53.7 | 80.1 | 57.3 | 42.2 |
| Operating margin, % | **7.8** | 6.7 | 8.2 | 6.6 | 5.2 |
| Net financial items | **–6.4** | –6.1 | –6.8 | –5.7 | –4.6 |
| Profit after net financial items | **56.7** | 47.6 | 73.3 | 51.6 | 37.6 |
| Of which, depreciation and amortization | **36.3** | 41.8 | 47.0 | 32.7 | 31.4 |
| Capital expenditures excl. corporate acquisitions | **23.7** | 11.5 | 18.9 | 38.1 | 11.8 |
| Return on capital employed, % | **12** | 11 | 14 | 11 | 9 |
| Average number of employees | **532** | 518 | 653 | 648 | 624 |

**SHARE OF NET REVENUES**




**SALES PER MARKET**



Beijer Tech comprises a group of companies specializing in value-added sales, manufacturing and niche technologies such as automation. With a focus on the areas of fluid technology and industrial products, its broad product and service range strengthens its customers' competitiveness.

# Beijer Tech

## FLUID TECHNOLOGY

Wholesale and manufacturing focused on hoses, couplings, valves and industrial rubber. Lundgrens is the dominant business, with warehouses, manufacturing and sales operations throughout Sweden. PA Ventiler specializes in valves for the pulp and paper industry. Svebab manufactures fire hoses, while Noxon specializes in water treatment and Källström Engineering specializes in battery technology.

### COMPETITIVE ADVANTAGES

Comprehensive product range with 35,000 items, high level of competence and a broad range of customized and proprietary components, primarily gaskets and plastic parts. Standard and specialized products for the processing industry. Leading position in manufacturing of high-quality fire hoses.

### CUSTOMERS/MARKET

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

### PERFORMANCE IN 2021

- Sharp increase in demand in several product and market segments.
- Acquisition of businesses active in new niche technologies – Källström Engineering Systems and Noxon.
- Continued high demand for medical technology components as a result of the spread of COVID-19.
- Increased growth in Lundgrens Norge.
- A strong focus on costs, which helped to improve profitability.
- Net revenues totaled MSEK 555 (434).

## INDUSTRY

Sales of equipment, consumables and machinery, proprietary manufacturing, and building automation operations. The company's business concepts include 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) and the INU Group (building automation systems).

### COMPETITIVE ADVANTAGES

Value-adding sales where technical expertise about products and services strengthens customers' overall finances, for example, by speeding up product flows and enabling efficiency enhancements or quality improvements. Manufacturing of customized building automation components and services that optimize indoor climates and reduce environmental impact.

### CUSTOMERS/MARKET

Industrial companies in surface treatment, foundries, steelworks and smelters and engineering companies as well as property companies, sewage treatment plants and companies in the offshore sector. Operations in Sweden, Norway, Denmark and Finland. Sweden is the largest market and accounts for 60 percent of sales.

### PERFORMANCE IN 2021

- High demand in all customer segments resulted in a return to pre-pandemic sales levels.
- Acquisition of Novosystems. During the year, the business was integrated with INU, strengthening the building automation offering in the Swedish market.
- Higher growth in Norspray, which landed major project contracts during the year.
- A strong focus on costs, which helped to improve profitability.
- Net revenues totaled MSEK 827 (563).

**INTERVIEW WITH STAFFAN JOHANSSON, PRESIDENT, BEIJER TECH**

Beijer Tech had a very strong year. Both revenues and profitability were the best to date. Overall, 2021 saw a clear return to pre-pandemic levels in all industries.

**How would your summarize the year?**
We had a great year. Both revenues and profitability are the best to date for Beijer Tech. 2021 saw a clear return to pre-pandemic levels in all industries. The Norwegian market was the last to recover, taking off at the end of the year. At the same time, we were able to keep costs down, which contributed to our strong profit growth. We also carried out several interesting acquisitions.

*"We acquire profitable companies that are not dependent on a single customer or supplier, with good management and growth potential."*

**You're making acquisitions, and in new areas – tell us more.**
We are looking for profitable companies that are not dependent on a single customer or supplier, with good management and attractive growth potential of course. It's not any more complicated than that. In order to grow Beijer Tech, we also make acquisitions in new industries with attractive niche technologies, such as building automation and water treatment. At the same time, we are happy to make complementary acquisitions that fit in well with our existing businesses, primarily in the Fluid Technology business area.

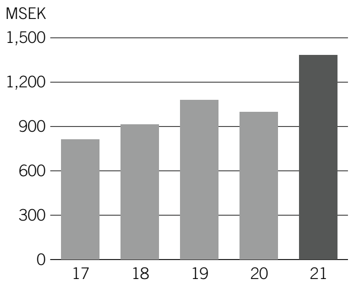
*"It's going to be very important to be close to our customers now that society is opening up – to safeguard our business and be very focused on customers' needs."*

**What makes Beijer Tech an attractive owner?**
Our subsidiaries are able to continue developing their entrepreneurship in a decentralized organization, where local management is encouraged to make their own decisions. Our basic philosophy is therefore not to change brands or integrate these companies into a Beijer Tech structure, but rather to find well-run companies that we expect to continue running their businesses in their own way. Moreover, we are a long-term owner that wants to retain and further develop the companies we have acquired.

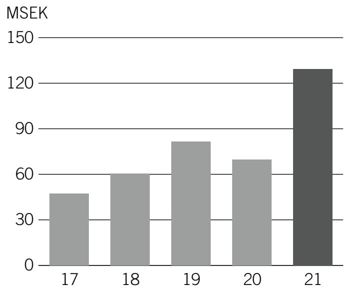
**Many companies have had problems with their purchasing/supply chains – how have you been affected?**
2021 was a turbulent year where we experienced numerous price hikes and even material shortages with some suppliers. We realized what was happening early on and took action to build up our inventories. We were more successful in doing this than many of our competitors, which helped us manage the situation and successfully meet demand. Our purchasing departments have had to work hard, but they coped well with these developments, which contributed to our success in 2021.

**What will your focus be for 2022?**
To keep doing what we've been doing, but even better. We grew by about 39 percent in 2021, and will continue to develop our existing business and make more acquisitions. It's going to be very important to be close to our customers now that society is opening up again, in other words to safeguard our business by visiting our customers and being very focused on their needs.

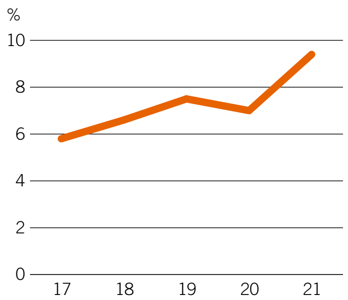
### NET REVENUES




### OPERATING PROFIT




### OPERATING MARGIN




### PERFORMANCE MEASURES

| MSEK | **2021** | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Net revenues | **1,382.2** | 997.1 | 1,080.1 | 913.1 | 811.5 |
| Invoicing, Industry business area | **555.0** | 434.2 | 481.5 | 415 | 359.2 |
| Invoicing, Industry business area | **827.2** | 562.9 | 598.6 | 498.1 | 452.3 |
| Cost of goods sold | **–949.2** | –720.6 | –778.5 | –660.8 | –588.4 |
| Gross profit | **403.0** | 276.5 | 301.6 | 252.3 | 223.1 |
| Selling expenses | **–166.1** | –123.2 | –129.3 | –117.3 | –105.0 |
| Administrative expenses | **–107.5*** | –83.6* | –90.9 | –74.5 | –70.9 |
| Operating profit | **129.4** | 69.7 | 81.4 | 60.5 | 47.2 |
| Operating margin, % | **9.4** | 7.0 | 7.5 | 6.6 | 5.8 |
| Net financial items | **–8.7** | –8.2 | –4.8 | –0.3 | –0.9 |
| Profit after net financial items | **120.7** | 61.5 | 76.6 | 60.2 | 46.3 |
| Of which, depreciation and amortization | **52.6** | 48.9 | 40.1 | 6.8 | 6.6 |
| Capital expenditures excl. corporate acquisitions | **18.9** | 21.9 | 48.2 | 7.7 | 2.3 |
| Return on capital employed, % | **19** | 13 | 19 | 20 | 18 |
| Average number of employees | **411** | 367 | 313 | 229 | 213 |

*includes MSEK 16.1 in other income (6).

### MAIN AREAS – SUSTAINABILITY WORK

- Increased energy efficiency, for example, through energy audits and preparations for solar panel installations in owned properties.
- Optimize the logistics flow through improved packaging, goods transport and business travel to reduce climate impact.
- Work environment improvements – reduce noise, improve lighting and ergonomics.
- Offer products/solutions that reduce the customer's environmental impact.
- Continued work on anti-corruption.

## GROWTH IN NEW NICHES

Beijer Tech continues to expand in new growth areas, including building automation where it has acquired another company, Novosystems. Källström Engineering Systems was also acquired during the year. The company manufactures filling and mixing equipment for the global battery industry and brings Beijer Tech into yet another new niche with higher value add.

## A FOCUS ON WATER TREATMENT

Water treatment is another exciting growth area for Beijer Tech. In 2021, the company acquired Noxon, which develops, manufactures and sells decanter centrifuges. This technology is used to separate particles from liquid and is sold to municipal wastewater treatment plants as well as other industries such as fishing, recycling, chemical and paper. Noxon's main markets are Sweden, Finland, Norway and Poland.

## DISTRICT HEATING REDUCES EMISSIONS

In 2022, Lundgrens will move to new premises, thereby reducing its $CO_2$ emissions. The Helsingborg operation is moving to a new property that is heated by district heating. This will reduce $CO_2$ emissions by 43 tons compared with the previous premises, which were heated using oil.

## EVI OPTIMIZES ENERGY NEEDS

INU has developed Energivision (EVI), a software that connects to properties' heating, ventilation and sanitary systems as well as outdoor temperature sensors. Thanks to the new software – which also takes weather forecasts into account – less heat is supplied during the night and less cooling during the daytime. This optimizes heating and cooling systems, enabling EVI to save up to 25 percent of total energy needs in older properties.

# Beijer Alma's Sustainability Report

**INTERVIEW WITH ANNA HAESERT, COORDINATING CHIEF SUSTAINABILITY OFFICER IN THE BEIJER ALMA GROUP**

## An overview of our sustainability work

**Climate change is driving global technology shifts in areas such as electrification. How does this affect you?**
This can be both a threat and an opportunity. Beijer Alma is well equipped to respond to these changes. Many of the components that the Group companies manufacture are customized to customers' unique needs. This means that we enter the development process early on, and can adapt technical solutions to changes in requirements and take advantage of opportunities that arise. We are also well diversified, with customers in different industries, which means that we don't have any significant exposure to individual sectors that might suffer negative impacts from these expected technology shifts. Our products are also included in products that are part of the transition.

**How do you address these sustainability issues?**
We look at the big picture and how we can contribute to a circular, sustainable society. We monitor technological developments in the world around us and value partnerships and collaboration. Sound business ethics and social commitment are important parts of our sustainability objectives. The guiding principle is our Code of Conduct, which applies to everyone in the Group regardless of where they are in the world. This is supplemented by tools in our local units. We are also engaged locally where we operate by supporting organizations that advocate local development.

**Sustainability regulations and reporting requirements are going to become more stringent in the next few years. Is this a challenge?**
We have solid fundamental procedures that we can build upon further as new laws, regulations and frameworks are developed. While expanded reporting is always a challenge, there are advantages because it will be standardized in the future. The collection of sustainability data has now been digitized, which has facilitated data management.

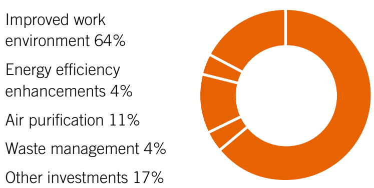
**ABOUT THE GROUP'S SUSTAINABILITY EFFORTS**
The strategy, objectives and follow-up of sustainability efforts are handled by Beijer Alma's management and a Group-wide team that includes the presidents and sustainability managers of Lesjöfors, Habia Cable and Beijer Tech. Beginning in 2022, this work will be coordinated by a Chief Sustainability Officer who will head up the Group's strategic sustainability work as well as supporting and coordinating the efforts made by the three Group companies. Sustainability data is collected from the units in the Group once per year. The results are reported to the Board Of Directors and management as well as to external stakeholders through the sustainability report.

## GLOBAL COMPACT

Beijer Alma is a signatory of the UN Global Compact and supports ten principles in the areas of human rights, labor conditions, the environment and anti-corruption.
A Communication on Progress (CoP) is prepared annually to show how the Group adheres to these principles.

The 2021 CoP is presented at beijeralma.se.

**INVESTMENTS IN THE ENVIRONMENT AND WORK ENVIRONMENT**





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# SUSTAINABILITY OBJECTIVES 2019–2023

## 1. SOUND BUSINESS ETHICS WITH SOCIAL COMMITMENT

Zero tolerance for corruption or anti-competitive practices. Involvement in the communities where we have operations.

| PERFORMANCE MEASURES | 2021 | 2020 | Base year (2018) | versus base year | Objective (2023) |
|---|---|---|---|---|---|
| Participation in the Group's ethics training | **954** | 793 | – | – | increase |

## 2. MORE EFFICIENT USE OF RESOURCES

Reduced energy consumption, more efficient recycling and lower amounts of waste.

| PERFORMANCE MEASURES | 2021 | 2020 | Base year (2018) | versus base year | Objective (2023) |
|---|---|---|---|---|---|
| Purchased energy in the operations in relation to revenues (MWh/MSEK). | **12.79** | 14.07 | 14.35 | –11% | –10% |
| Recovery of waste as energy or materials (%) | **87** | 88 | 90 | reduction | 95% |
| Reduce waste in relation to revenues (tons/MSEK) | **1.06** | 1.15 | 1.19 | –11% | reduce |

## 3. REDUCED CLIMATE IMPACT

Reduced $CO_2$ emissions from energy consumption, transportation and travel.

| PERFORMANCE MEASURES | 2021 | 2020 | Base year (2018) | versus base year | Objective (2023) |
|---|---|---|---|---|---|
| $CO_2$ from energy in the operations in relation to revenues (tons of $CO_2$/MSEK) | **2.41** | 3.07 | 3.56 | –32% | –25% |
| Reduce absolute emissions of $CO_2$ (tons) | **12,161** | 12,700 | 15,700 | –23% | reduce |

## 4. SAFE AND STIMULATING WORK ENVIRONMENT

A vision of zero tolerance when it comes to workplace accidents and a reduced accident frequency rate.
Combating discrimination and encouraging diversity in all forms.

| PERFORMANCE MEASURES | 2021 | 2020 | Base year (2018) | versus base year | Objective (2023) |
|---|---|---|---|---|---|
| Accident frequency rate per 200,000 hours worked | **2.6** | 3.1 | 4.0 | reduction | a vision of zero tolerance |

# EU TAXONOMY – HOW IT AFFECTS BEIJER ALMA

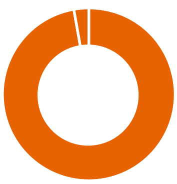
Beijer Alma manufactures components and conducts industrial trading that contribute to the climate transition, and the Group's climate performance is deemed to be competitive. During the year, a Group-wide team conducted an analysis to determine which business operations are listed in the taxonomy and are therefore eligible in accordance with the regulation. Revenues, OPEX and CAPEX have also been determined for these operations.

Approximately 3 percent of Beijer Alma's revenues are deemed to be eligible in accordance with the taxonomy. This share is linked to revenues in our building automation operations, where we offer efficient energy solutions. Although only a small share of the Group's operations are eligible in accordance with the taxonomy, 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 we are well positioned in the value chain for sustainable business. Examples of this are presented on pages 10–18 of the annual report and pages 24–29 of the sustainability report.

**REVENUES***

Non-eligible in accordance with the taxonomy 97.2%

Eligible in accordance with the taxonomy 2.8%



* Revenues from eligible products and services in relation to Beijer Alma's total revenues.

**OPEX***

Non-eligible in accordance with the taxonomy 94.1%

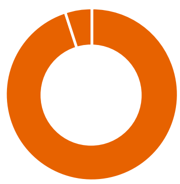
Eligible in accordance with the taxonomy 5.9%

* OPEX for eligible products and services in relation to Beijer Alma's total OPEX.

**CAPEX***

Non-eligible in accordance with the taxonomy 94.8%

Eligible in accordance with the taxonomy 5.2%



* CAPEX for eligible products and services in relation to Beijer Alma's total CAPEX (Cash flow, Note 4 and Note 35)

# A more sustainable Beijer Alma

## BEIJER ALMA'S STAKEHOLDERS

Beijer Alma's operations impact people, society and the environment. All of our 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. A new materiality analysis was performed in 2021. The analysis was based on GRI requirements, 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.

## 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.

## 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:

## 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 2021, customer follow-ups were conducted at 19 (17) 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, preventative healthcare and preventative work environment measures. During 2021, Beijer Alma paid MSEK 1,418 (1,190) in salary and other personnel costs. The Group's work related to health, safety and professional development is presented on pages 28 and 29. | 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. Beijer Alma's share price increased 109 percent in 2021. The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 3.50 (3.00) per share. | 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 Group's 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 2021. | 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. Creates 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 2021, 360 (276) surveys and 17 (27) audits were performed. These suppliers all demonstrated an acceptable level of compliance with the Group's requirements. During the year, Beijer Alma paid MSEK 2,286 (1,810) to its suppliers of input materials. | Code of Conduct, annual report/sustainability report. |

- 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

Beijer Alma's 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 international 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.

The Code places 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

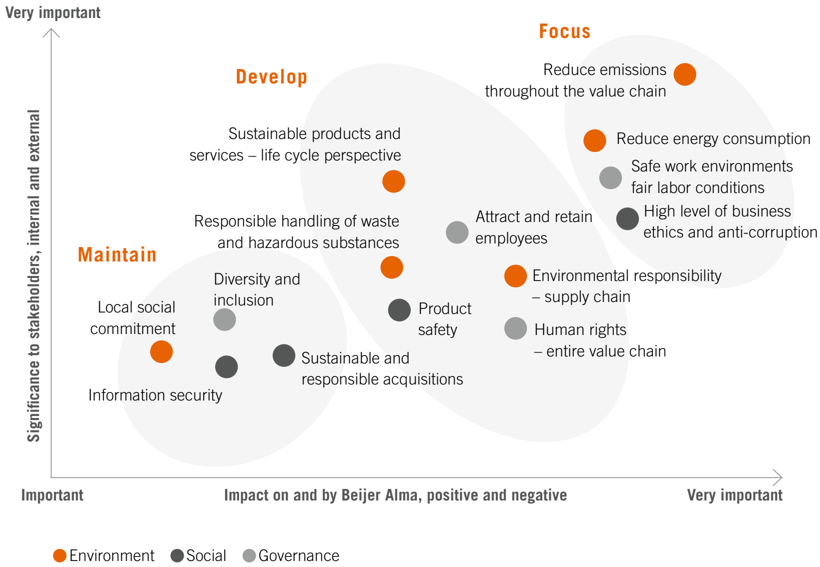
The whistleblower system allows our employees to report any suspected improprieties without a risk of harassment or reprisal. All reports are handled by an external recipient, who ensures that appropriate action is taken.

## 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 28 (27) units are currently certified. Three 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 63 (54) internal environmental auditors, who conducted 49 (37) environmental audits in 2021. The Group's facilities were audited by external certification auditors on 28 (26) occasions.

## MATERIALITY ANALYSIS

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




| GUIDANCE – STATUTORY SUSTAINABILITY INFORMATION | PAGE |
|---|---|
| Business model | 4 |
| Policies, frameworks, stakeholders and material topics | 19–20, 22–23, 31 |
| Environmental responsibility | 19–20, 22–23, 25–27 |
| Working conditions and CSR | 19–20, 22–23, 28–29 |
| Human rights | 19–20, 22–23, 28–29 |
| Prevention of corruption | 19–20, 22–24 |
| Risks and risk management | 24–29 |
| Diversity on the Board and management | 33, 36 |

## OBJECTIVE 1

# Sound business ethics with social commitment

### SUSTAINABLE DEVELOPMENT OBJECTIVE

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.

### OUR CONTRIBUTION TO THE SDGS

**SDG 16.5: Substantially reduce corruption and bribery in all their forms**

- Developing our own Code of Conduct connected to information and training initiatives for employees.
- Informing our business partners about our Code of Conduct.
- Customizing business ethics/anti-corruption training for key individuals.
- Conducting an annual ethics self-assessment based on the Global Compact.
- Maintaining a whistleblower system.
- Following up on internal management systems.
- Maintaining a sanctions system for violations.

**SDG 17: Partnerships for the goals**

- Having our own guidelines and sustainability objectives.
- Individual sustainability reports for local units as a part of follow-up work.
- Collaborating with and meeting requirements from stakeholders.
- Collaborating with universities, research institutes and industry organizations.
- Support for non-profit operations.
- Supporting people with social disadvantages.

### RISKS

**Business ethics and human rights**

**Risk:** A lack of business ethics and human rights violations – in the Group companies or among our suppliers – could harm Beijer Alma's reputation and business operations.

**Risk management:** 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. The Group's risk management approach also includes a whistleblower system.

**Handling of conflict minerals**

**Risk:** The trading of conflict minerals finances violence and attacks. Being associated with such trading could seriously damage the Group's reputation and business operations.

**Risk management:** 11 of the Group's units work with these types of raw materials. They have rules in place, are evaluated by customers and conduct review procedures to determine with reasonable certainty that minerals such as tin, tantalum and wolfram are not sourced from areas of armed conflict.

| Area | Objective | Outcome | Comments |
|---|---|---|---|
| **BUSINESS ETHICS**<br>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**<br>Beijer Alma has zero tolerance for any type of corruption or anti-competitive practices. | **954**<br>954 (793) 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. | Ethics training, which was launched in 2019, is based on the Group's Code of Conduct and discussions about ethical dilemmas that arise at work. An average of about 800 employees have undergone the training annually. |
| **SOCIAL COMMITMENT**<br>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. | **40%**<br>About 40 percent of the units provided financial support to associations or local organizations during the year. | The possibility to collaborate with schools, universities and other partners was limited compared with previous years due to pandemic-related restrictions. |

## OBJECTIVE 2

# More efficient use of resources

### SUSTAINABLE DEVELOPMENT OBJECTIVE

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 revenues (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 revenues) should decrease by 2023.


### OUR CONTRIBUTION TO THE SDGS

**Goal 7: Affordable and clean energy**

- Analyzing our energy consumption and increasing efficiency.
- Purchasing more green electricity and producing our own.
- Investing in new technology and optimizing manufacturing processes to reduce energy consumption.
- Installing energy-efficient LED lighting.
- Reusing energy in production.
- Making investments to reduce water consumption.
- Streamlining production flows to reduce energy consumption.

**SDG 9: Industry, innovation and infrastructure**

- Working closely with customers during product development.
- Investing in machinery/production lines with a lower environmental impact.
- Working systematically with ISO 14001.
- Internal and external environmental audits.
- Improving the outcomes of customer manufacturing processes.
- Collaborating on development projects with external stakeholders.

**SDG 12: Responsible consumption and production**

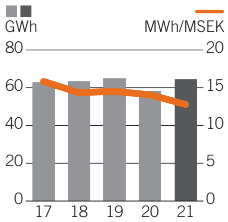
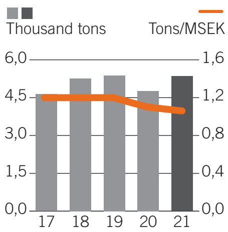
- Reducing scrapping in our production.
- Increasing sorting at source/recycling of waste.
- Offering products that reduce the customer's environmental impact.
- Helping customers to reduce their environmental impact.

### RISKS

**Energy costs**

**Risk:** Insufficient control of energy consumption and higher energy costs could have a negative impact on operations, for example in terms of the purchase of electricity, for which prices are expected to increase in the long term. Taxes and charges for fossil-based fuels are also expected to rise.

**Risk management:** The Group is monitoring developments, evaluating alternative energy sources and phasing out fossil fuels. It has also begun installing solar panels at several production facilities. A Group-wide long-term energy-efficiency objective has been established. Measures are being carried out at our various units to make our energy consumption more efficient and sustainable in the long term as well as to reduce our energy consumption in line with the sustainability objectives.

| Area | Objective | Outcome | Comments |
|---|---|---|---|
| **ENERGY CONSUMPTION**<br>Energy consumption comprises direct energy, including natural gas and propane, which is consumed at the Group's facilities as well as indirect energy, primarily electricity and district heating, which is purchased for the operation. Indirect energy represents the majority of consumption. | **–10%**<br>By 2023, energy consumption is to be reduced by 10 percent compared with 2018. The performance measure is energy consumption/net revenues (MWh/MSEK). |  | Energy consumption increased during 2021, after a decline in 2020 due to a reduction in manufacturing capacity during a pandemic year. Approximately 1.5 GWh in energy consumption has been added to the 2021 sustainability report through company cars. The relative performance measure declined due to an increase in the Group's revenues. |
| **WASTE MANAGEMENT**<br>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%**<br>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/reveneues (Tons/MSEK). |  | The amount of waste increased compared with 2020 when the Group's manufacturing capacity was lower, which also affected the amount of waste. 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 with limited improvement potential. |

## OBJECTIVE 3

# Reduced climate impact

### SUSTAINABLE DEVELOPMENT OBJECTIVE

The objective is for $CO_2e$ emissions from energy consumption to be reduced by 25 percent by 2023 compared with 2018. This is a relative objective and the performance measure used for emission intensity is tons of $CO_2$/MSEK in net revenues. 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.

### OUR CONTRIBUTION TO THE SDGS

**SDG 13: Climate action**

- Reducing emissions of climate gases.
- Producing our own green electricity.
- Implementing energy-efficiency enhancements.
- Reducing emissions from travel/transportation/company cars.
- Minimizing VOC emissions.

### SCOPE 3

In 2021, an analysis of the Group's Scope 3 $CO_2$ emissions commenced. These emissions are associated with the use of raw materials, mainly metals and plastic in component manufacturing, the use of which has been deemed to have a material impact on Scope 3 emissions. The analysis is in line with the objective to reduce Beijer Alma's climate impact.

The results for the year show that the use of raw materials gave rise to approximately 120,000 tons of $CO_2$ emissions. Scope 3 analyses will continue to be carried out in the coming years and be used to broaden the sustainability report and increase awareness of Beijer Alma's climate impact in the value chain we are part of.

We are following technological developments in the manufacturing industry, particularly in the Nordic region and Sweden, where it will be possible to produce metals with a low carbon footprint. At the same time, we know that digital system support needs to be developed to enable traceability in the value chain. This system support will be necessary if Beijer Alma is to show in the future that its input raw materials have a lower carbon footprint. This demonstrates the importance of partnerships and collaboration between various players to achieve a better climate.

### RISKS

**Climate change**

**Risk:** 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. Taxes, fees and emission limitations could also affect the Group.

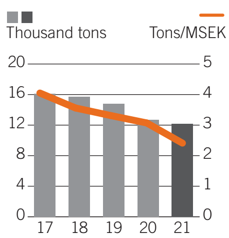
**Risk management:** The Group follows developments through its own risk analyses – and those conducted by government authorities in the countries affected – and takes action accordingly. Because many products are developed together with customers, the local units can better adapt to new customer behaviors/demand patterns.

**Outcome:** Two units are located in areas where extreme weather conditions may occur (China and Thailand). No climate-related damage or restrictions were noted. Nor were the operations affected by new or increased taxes, fees or emission limitations to any great extent.

**Changes in environmental legislation that increase costs**

**Risk:** Changes in environmental legislation can impact the operations and increase costs.

**Risk management:** We monitor developments in environmental legislation and implement changes, such as the energy audits required under the EU Energy Efficiency Directive. This work initially results in costs, but also paves the way for efficiency enhancements and savings.

| Area | Objective | Outcome | Comments |
| --- | --- | --- | --- |
| **$CO_2$ EMISSIONS**<br>$CO_2$ emissions from direct and indirect energy consumption are calculated according to Scope 1 and Scope 2 of the Greenhouse Gas (GHG) Protocol. | **–25%**<br>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 $CO_2$/revenues ($CO_2$/MSEK). |  | Absolute $CO_2$ emissions continued to decrease, despite the addition of new energy sources in the 2021 sustainability report. The relative performance measure also improved during the year. This improvement was partly attributable to a larger share of renewable energy through solar panels and the transition to bio-based fuel. |






**Outcome:** New or expanded environmental legislation had no material impact on the operations. The units hold the necessary permits for their operations. The requirements in the REACH chemical legislation, the RoHS product legislation, producer liability for packaging waste and other relevant legislation are met. New energy audits will be carried out from 2020 to 2023.

**Contaminated land and hazardous substances in buildings**
**Risk:** Contaminated land and hazardous substances in buildings can harm people and the environment, increase costs and damage Beijer Alma's reputation and business operations.

**Risk management:** Inventories are used to identify any occurrences of contamination and hazardous substances, including in connection with acquisitions. Remediation is undertaken as required.

**Outcome:** There are currently no known instances of asbestos used in buildings. PCB inventories were taken in Sweden. The land at one facility in Sweden is contaminated by metals and oil. Beijer Alma is not financially responsible for any investigations or environmental remediation. The matter is being administered and financed by the County Administrative Board. Another Swedish unit is included in the official government register of contaminated land, known as the MIFO Register, in the lowest risk category.

## RAW MATERIALS AND CHEMICALS

During the year, approximately 31,100 tons (28,000) of metal, 1,170 tons (860) of plastic and 136 tons (115) of solvents and other chemicals were used. Four chemical substances were replaced with alternatives with a lower environmental impact. 11 units use metals that are classified as conflict minerals. Procedures are in place to ensure that raw materials do not originate from areas with ongoing armed conflicts.

## OBJECTIVE 4

# Safe and stimulating work environment

### SUSTAINABLE DEVELOPMENT OBJECTIVE

The Group has a vision of zero tolerance when it comes to workplace accidents and aims to reduce the accident frequency rate by 2023. 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.


### OUR CONTRIBUTION TO THE SDGS

**Goal 4: Quality education**

- Supporting the Teach for Sweden organization.
- Collaborating with schools on internships.
- Engaging in technical collaborations with universities/colleges.
- Offering students internships and the opportunity to carry out degree projects.
- Cooperating with industrial research institutes.
- Offering employees training and development opportunities.

**SDG 5: Gender equality**

- Offering all employees the same development opportunities.
- Taking equality into consideration during recruitment.
- Striving for fair, competence-based pay.

**SDG 8: Decent work and economic growth**

- Minimizing near misses and accidents in the work environment.
- Investing in technology/aids that improve the work environment.
- Conducting workplace health and safety inspections.
- Offering employees training and development opportunities.
- Investing in existing operations to increase growth.
- Acquiring new companies that broaden our range and create growth.

### RISKS

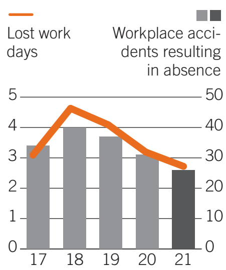
**Risk:** Workplace accidents and injuries can have a significant impact on employees' lives and health. In addition to safety, workplaces are to be associated with opportunities for personal development. Otherwise recruiting becomes difficult and, over the long term, the Group's competitive ability could be weakened.

**Risk management:** Work environment committees, internal audits and incident reporting are important preventative measures when it comes to creating safe workplaces. Accident and absence statistics are monitored and linked to tangible measures. Work environment issues and employee requests for personal development are identified in employee surveys and development talks.

**Outcome:** During the year, the rate of short and long-term sickness absence remained low. The accident frequency rate is presented below. No violations of the Code of Conduct related to equality, respect or diversity were reported.

### EMPLOYEES

Beijer Alma had an average of 2,866 (2,564) employees in 21 (16) countries. The proportion of female employees was 28 percent (31). The proportion of women on the company's Board of Directors was 33 (38) percent. Group management included one woman. The proportion of women among the management groups of the individual units was 23 percent (26). A total of 60 (60) women were members of a management group. Employee surveys were carried out at 26 (23) units. Some 1,238 employees (1,100) participated in development talks.

| Area | Objective | Outcome | Comments |
|---|---|---|---|
| **WORK ENVIRONMENT**<br>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**<br>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. |  | Workplace accidents resulting in absences decreased slightly compared with the preceding year.<br><br>The number of lost work days due to workplace accidents also decreased in 2021. |

## TRAINING

Approximately 20,350 (25,500) hours of training for managers and sales, production and marketing employees were completed in 2021. In the areas of health, environment and safety, an average of 2.8 (3.5) training hours per employee were completed.

## WORK ENVIRONMENT INITIATIVES

The rate of short and long-term sickness absence amounted to 2.8 percent (2.9) and 1.8 percent (1.7), respectively. There were 48 (51) 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 717 (716). During the year, 300 near misses (384) were reported. Just over 75 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.

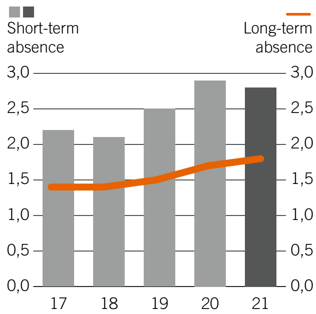
## GEOGRAPHIC DISTRIBUTION OF EMPLOYEES

Sweden 29%
Germany 15%
China 11%
UK 8%
Latvia 7%
Netherlands 6%
Slovakia 5%
Poland 5%
Finland 3%
Denmark 2%
Other 9%

## CAUSES OF WORKPLACE ACCIDENTS

Machinery/equipment 31%
Heavy lifting/repetitive work 21%
Cuts 17%
Falls 12%
Exposure to hazardous substances 2%
Energy/electricity/steam 2%
Other 15%

## SICKNESS ABSENCE, SHORT/LONG-TERM




# 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 page 4 (business model) and pages 19–31. 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. Examples include Lesjöfors and Habia Cable's use of materials (metals, plastics), chemicals (solvents), energy and water. Other key issues include emissions of greenhouse gases and solvents (VOCs) as well as the creation of 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 as well as new and amended requirements that impact the Group's operations. Approximately 55 percent of the units hold specific environmental permits for their operations. Five of these units are located in Sweden. 11 units plan to renew their environmental permits in the coming years. Compliance with legislation is monitored through reports to various authorities, by way of inspections and through internal and external environmental audits. During 2021, 12 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. The Group's units in several countries will be carrying out these audits until 2023.

## 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 2021 are included in the report. Data was provided by a total of 35 manufacturing units in Sweden, Denmark, Finland, Latvia, Poland, Slovakia, Germany, the Netherlands, the UK, the US, Thailand, Singapore and China. Some ten 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 revenues 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. Information about VOC emissions is primarily based on mass balance calculations.

## 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 at beijeralma.se.

# BOARD SIGNATURES

Uppsala, March 5, 2022

Beijer Alma AB

Board of Directors

# AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

*To the general meeting of shareholders in Beijer Alma AB (publ), corporate registration number 556229–7480*

## ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for the sustainability report for 2021 on pages 19–31 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

## AUDIT SCOPE

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

## OPINION

A statutory sustainability report has been prepared.

Uppsala, March 5, 2022

KPMG AB

Helena Arvidsson Älgne
*Authorized Public Accountant*

# Board of Directors



## BOARD OF DIRECTORS

**Johnny Alvarsson,** born 1950
Director since: 2017
Holding: 5,800
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
Director of: Swedish Stirling AB, Systemair AB, Gränges AB, BE Group AB and Detection Technology AB.

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

**Hans Landin,** born 1972
Director since: 2019
Holding: 2,660
Group Vice President of The Timken Company.

**Caroline af Ugglas,** born 1958
Director since: 2015
Holding: 4,000
Director of: AMF Pension and Lifco.

**Johan Wall,** born 1964
Chairman since: 2017
Deputy Director: 1997–2000
Director: 2000–2016
Holding: 14,100
Chairman of: Beijer Holding AB, Domarbo Skog AB and Svenskt Tenn AB.
Director of: Skirner AB, the Kjell & Märta Beijer Foundation, the Anders Wall Foundation, the Swedish Association of Listed Companies and others.

## HONORARY CHAIRMAN

**Anders Wall**
Chairman of the Board
1993–2016

# Senior executives

**Henrik Perbeck,** born 1972
President and CEO
Beijer Alma AB
Master of Engineering
Employee since: 2018
Holding with family: 20,000

**Erika Ståhl,** born 1970
Chief Financial Officer
Beijer Alma AB
Master of Business Administration
Employee since: 2020
Holding with family: 2,750

**Ola Tengroth,** born 1963
President and CEO
Lesjöfors AB
Master of Business Administration/ Mechanical Engineer
Employee since: 2019
Holding with family: 4,950

**Carl Modigh,** born 1972
President and CEO
Habia Cable AB
Master of Engineering and Executive MBA
Employee since: 2007
Holding with family: 3,500

**Staffan Johansson,** born 1976
President and CEO
Beijer Tech AB
Master of Engineering
Employee since: 2019
Holding with family: 7,802

# 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 largely decentralized.

### SHAREHOLDERS AND THE SHARE

Beijer Alma's shares have been traded on Nasdaq Stockholm since 1987. The number of shareholders at year-end 2021 amounted to 16,284. Anders Wall, along with his family and companies, has a shareholding corresponding to 46.6 percent of the total number of votes in the company and the Anders Wall Foundation has a shareholding corresponding to 6.9 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 31 December 2021 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.

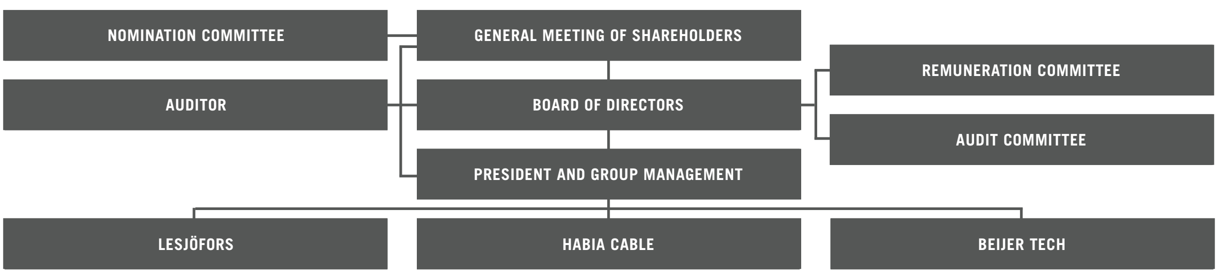
### GENERAL MEETING OF SHAREHOLDERS

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 2022 Annual General Meeting will be held on March 30. For more information about the 2022 Annual General Meeting, see Beijer Alma's website.

### 2021 ANNUAL GENERAL MEETING

The 2021 Annual General Meeting was held on March 23 by way of advance voting (postal voting) with the support of temporary exception legislation, entirely without the presence of shareholders, speeches or additional arrangements, due to the restrictions in place at the time in the wake of the COVID-19 pandemic. Shareholders who participated in advance voting represented over 80 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 2021 Annual General Meeting:

- To pay a dividend of SEK 3.00 per share.
- That Johnny Alvarsson, Carina Andersson, Hans Landin, Caroline af Ugglas, Oskar Hellström and Johan Wall be re-elected as directors.
- To elect Johan Wall as Chairman of the Board.
- To pay each director a fee of SEK 325,000. To pay the Chairman of the Board a fee of SEK 950,000. 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.
- Amendments to the Articles of Association, including the collection of proxies and postal voting as well as a changed number of directors.
- 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. This means that the company no longer deviates from rule 2.4 of the Swedish Corporate Governance Code.
- 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 2022 Annual General Meeting: Anders G. Carlberg, representing the principal owner; Chairman of the Board Johan Wall; and representatives of the next three largest shareholders: Jonathan Schönbäck (Odin Fonder), Mats Gustafsson (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 2022 Annual General Meeting. The Nomination Committee held seven 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. Attorney Niklas Berntorp 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: 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. Director of: Swedish Stirling AB, Systemair AB, Gränges AB, BE Group 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. Former director of Mälardalen University and Sintercast 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. Deputy CEO and CFO 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.

**Hans Landin**, born 1972. Director since: 2019.
Holding: 2,660. Education: Master of Engineering from Chalmers University of Technology. Group Vice President of The Timken Company. Earlier positions: 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: AMF Pension and Lifco. 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 2021, the Board held ten meetings during which minutes were taken.

The attendance of the members of the Board at these meetings is presented in the table on the next page. The following areas are assessed during Board meetings: sales and profitability trend, objec-

| 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 | 10 (10) | | 14,100 |
| Johnny Alvarsson, Director | 2017 | X | X | X | | 10 (10) | | 5,800 |
| Carina Andersson, Director | 2011 | X | X | | X | 10 (10) | | 4,000 |
| Oskar Hellström, Director | 2020 | X | X | | X | 10 (10) | | 5,000 |
| Hans Landin, Director | 2019 | X | X | | | 10 (10) | | 2,660 |
| Caroline af Ugglas, Director | 2015 | X | X | X | | 10 (10) | | 4,000 |

tives 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. The restrictions implemented due to the COVID-19 pandemic continued to limit travel, which prevented more meetings from being held at subsidiaries. The pandemic also affected the work of the Board during the first half of the year, since meetings became digital and their agendas were somewhat altered.

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 2021, 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 six meetings in 2021, which were attended by all members. The Chief Auditor participated in three of these meetings.

## PRESIDENT AND GROUP MANAGEMENT

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

The company's President and CEO in 2021 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 34. 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. This material also contains e-mail addresses for two members of Group management to whom employees may report improprieties and other breaches of the Code of Conduct under the Group's whistleblower system.

Additional information about the Group's CSR efforts is available on the website and on pages 19–29.

## 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, Habia Cable 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. Habia Cable's operations are not divided into business areas. The total number of companies in Beijer Alma is approximately 90. The Group's business organization is based on decentralized responsibility and authority, combined with fast and efficient reporting and control systems.

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 three 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. Each week, the subsidiaries report their order bookings, invoicing and order backlog for each profit center. 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. In 2021, a shared Financial Manual was introduced with the aim of further strengthening the governance of financial reporting. 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 2021 Annual General Meeting, KPMG was elected as the company's auditing firm until the 2022 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 2021 financial year.

## 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 defense.

The Group consists of three 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.
- Habia Cable is one of Europe's largest manufacturers of custom-designed cables for customers in the telecom, nuclear power, defense, offshore and other industries. Sales to nuclear power, defense and offshore are usually strongly project-related. The company conducts sales worldwide and has manufacturing operations in Sweden, Germany, China and Poland.
- 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.

## REVENUES AND EARNINGS

### GROUP

2021 was impacted by the ongoing global pandemic, although in different ways than in the first year of the pandemic. It was no longer a matter of periods when customers shut down their operations completely, but rather of finding new ways to work together with customers and suppliers. The number of trips, trade fairs and customer visits remained low, but demand was high. This favorable demand impacted the supply chains, which in many cases were strained, resulting in increased prices and, in certain cases, material shortages. Thanks to Beijer Alma's diversified customer and supplier base, the impact was limited.

Order bookings increased 34 percent to MSEK 5,670 (4,229). The increase comprised 28 percent organic growth and 8 percent growth from acquisitions offset by 2 percent negative currency effects. All subsidiaries reported an organic increase in order bookings.

Net revenues rose 27 percent year-on-year to MSEK 5,389 (4,250). The increase comprised 20 percent organic growth and 9 percent growth from acquisitions offset by 2 percent negative currency effects. The share of foreign sales changed slightly and amounted to 76 percent (77). The share of sales outside Sweden was 86 percent (85) in Lesjöfors, 95 percent (94) in Habia Cable and 42 percent (40) in Beijer Tech.

Operating profit totaled MSEK 775 (545), with an operating margin of 14.4 percent (12.8). Operating profit before items affecting comparability amounted MSEK 820 (545). The operating margin before items affecting comparability was 15.2 percent (12.8). Items affecting comparability of a negative MSEK 45 comprised the net effect of the divestment of a business in Germany. Earnings were also impacted by positive effects of MSEK 16 (19), mainly from the revaluation of expensed additional purchase considerations.

| MSEK | **2021** | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Net revenues | **5,389** | 4,250 | 4,622 | 4,409 | 3,971 |
| Profit after net financial items | **743** | 515 | 557 | 609 | 517 |
| Net profit* | **568** | 397 | 431 | 469 | 388 |
| Shareholders' equity* | **2,858** | 2,518 | 2,413 | 2,232 | 1,997 |
| Total assets | **6,344** | 4,684 | 4,555 | 3,720 | 3,435 |

* attributable to Parent Company shareholders

### CORPORATE ACQUISITIONS

In 2021, five acquisitions were completed. The Beijer Tech Group acquired the Swedish companies Novosystems AB, Noxon AB and Källström Engineering Systems AB. Lesjöfors acquired the Dutch Group Alcomex BV and the US-based Plymouth Spring Company. The acquired companies are presented in Note 35, including acquisition analyses.

### SUBSIDIARIES

**Lesjöfors** is a full-range supplier of standard and customized industrial springs as well as wire and flat strip components. In 2021, order bookings increased 34 percent to MSEK 3,317 (2,476). The increase comprised 30 percent organic growth, +7 percent growth from acquisitions and –3 percent currency effects. Net revenues rose 31 percent to MSEK 3,198 (2,449). The increase comprised 26 percent organic growth, 8 percent growth from acquisitions and –3 percent currency effects. Operating profit increased to MSEK 607 (441). The operating margin was 19.0 percent (18). Operating profit includes an item affecting comparability of a negative MSEK 45 attributable to the divestment of a business in Germany. Operating profit before items affecting comparability amounted to MSEK 653, corresponding to a margin of 20.4 percent (18). Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. Net revenues rose 25 percent in Industry and 47 percent in Chassis Springs.

**Habia Cable** is a manufacturer of custom-designed cables. Order bookings increased 26 percent to MSEK 920 (731). The increase comprised 28 percent organic growth and –2 percent currency effects. Net revenues rose 1 percent to MSEK 809 (804). The increase comprised 3 percent organic growth and –2 percent currency effects. The change was due to reduced project demand in offshore as well as a negative impact on other projects and operations, while telecom and other industry experienced favorable demand. During the second quarter, Habia was hit with a data breach, which temporarily limited production, although this was offset during the second half of the year. Operating profit totaled MSEK 63 (54). The operating margin was 7.8 percent (6.7). Habia's sales to nuclear power, defense and offshore are usually strongly project-related, but sales are also conducted in the telecom and other industries.

**Beijer Tech** conducts industrial trading and manufacturing operations in two business areas: Industrial Products and Fluid Technology. Order bookings amounted to MSEK 1,433 (1,023), up 40 percent. The increase comprised 24 percent organic growth and +16 percent growth from acquisitions without currency effects. Net revenues increased 39 percent to MSEK 1,382 (997). This increase comprised 21 percent organic growth and +18 percent growth from acquisitions without currency effects. Operating profit totaled MSEK 129 (70). Operating profit included the net effect of the revaluation of additional purchase considerations in an amount of MSEK 11 (6).

The operating margin was 9.4 percent (7.0). Revenues increased 47 percent in the Industrial Products business area and 28 percent in Fluid Technology.

## 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 346 (loss: 18) and included dividends and Group contributions from subsidiaries totaling MSEK 373 (5).

## CAPITAL EXPENDITURES

Investments in fixed assets, excluding corporate acquisitions in 2021, amounted to MSEK 176 (124), compared with depreciation/amortization totaling MSEK 246 (234). Lesjöfors invested MSEK 133 (91), Habia Cable MSEK 24 (12) and Beijer Tech MSEK 19 (22).

## 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 orders totaling MSEK 14 (13) are included in the Group's administrative expenses.

## CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow after capital expenditures amounted to a negative MSEK 486 (377) and included corporate acquisitions totaling MSEK 1,046 (219). Excluding corporate acquisitions, cash flow amounted to MSEK 560 (596).

Net debt (interest-bearing liabilities excluding lease liabilities, less cash and cash equivalents) totaled MSEK 1,324 (573) at year-end.

The net debt/equity ratio (net debt in relation to shareholders' equity) was 46 percent (23). Available liquidity (cash and cash equivalents plus approved but unutilized committed credit facilities) totaled MSEK 1,380 (1,828). The equity ratio was 45 percent (53).

## RETURN ON CAPITAL EMPLOYED

The return on average capital employed was 18.6 percent (14.9), while the return on average shareholders' equity was 21.7 percent (16.5).

## EMPLOYEES

The average number of employees was 2,866 (2,564), corresponding to an increase of 302. Beijer Tech and Lesjöfors's acquisitions/divestments of companies increased the number of employees by 409, net. Lesjöfors and Habia conduct a portion of their manufacturing in China, Thailand, Singapore, Latvia, Slovakia, India, Poland and Mexico, where salary costs are lower. The number of employees in these countries increased by 88 to 926 (838). The number of employees in Sweden was 838 (774). In Sweden, an additional 64 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 will propose unchanged guidelines for senior executives to the 2022 Annual General Meeting.

## OWNERSHIP CONDITIONS

Beijer Alma has approximately 16,284 shareholders (15,400). The largest shareholder is Anders Wall, along with his family and companies, who owns 11.6 percent of the capital and 46.6 percent of the votes. Other major shareholders in terms of capital are the Anders Wall Foundation with 13.7 percent, Lannebo Fonder with 6.9 percent and Handelsbanken Fonder with 5.3 percent.

## CORPORATE SOCIAL 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 a compass for the Group.

Just over 60 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 19–31. 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.

## 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 the global COVID-19 pandemic are a relatively new component of risk and create uncertainty as both internal and external activities to prevent the spread of disease could negatively impact the operations. Financial risks primarily pertain to foreign currency risks, the management of which is described in Note 27.

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

| SEK 000s | |
|---|---|
| Retained earnings | –36.9 |
| Share premium reserve | 279.0 |
| Net profit for the year | 333.6 |
| **Total** | **575.7** |
| | |
| to be appropriated as follows: | |
| Ordinary dividend to shareholders of SEK 3.50 per share | 210.9 |
| **To be carried forward** | **364.8** |

## BOARD OF DIRECTORS' STATEMENT CONCERNING THE PROPOSED DIVIDEND

After the proposed dividend, the Parent Company's equity ratio will amount to 63.1 percent and the Group's equity ratio to 41.7 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 | **2021** | 2020 |
|---|---|---|---|
| Net revenues | 3,4 | **5,388.5** | 4,249.8 |
| Cost of goods sold | 10 | **–3,643.6** | –2,959.2 |
| **Gross profit** | | **1,744.9** | 1,290.6 |
| Selling expenses | 10 | **–468.0** | –383.3 |
| Administrative expenses | 5,10 | **–473.1** | –381.6 |
| Other operating income | 6 | **16.1** | 18.7 |
| Profit from participations in associated companies | 9 | **0.2** | 0.4 |
| Items affecting comparability | **7** | **–45.3** | – |
| **Operating profit** | | **774.8** | 544.8 |
| Interest income | | **1.5** | 0.8 |
| Interest expenses | | **–33.1** | –30.4 |
| **Profit after net financial items** | | **743.2** | 515.2 |
| Income tax | 13 | **–169.5** | –118.3 |
| **Net profit** | | **573.7** | 396.9 |
| *Of which, attributable to* | | | |
| Parent Company shareholders | | **568.2** | 396.6 |
| Non-controlling interests | | **5.5** | 0.3 |
| **Total net profit for the period** | | **573.7** | 396.9 |

# Consolidated statement of comprehensive income

| **Items that may be reclassified to profit or loss** | Note | **2021** | 2020 |
|---|---|---|---|
| Cash-flow hedges, net after tax | | **–13.4** | 8.7 |
| Translation differences | | **90.4** | –108.2 |
| **Total other comprehensive income after tax** | | **77.0** | –99.5 |
| **Total comprehensive income** | | **650.7** | 297.4 |
| *Of which, attributable to* | | | |
| Parent Company shareholders | | **645.2** | 297.1 |
| Non-controlling interests | | **5.5** | 0.3 |
| **Total comprehensive income** | | **650.7** | 297.4 |

Other comprehensive income pertains in its entirety to items that may be reclassified to profit or loss

| | | | |
|---|---|---|---|
| Net earnings per share before and after dilution, SEK | 14 | **9.43** | 6.58 |
| Dividend per share, SEK | | **3.50** | 3.00 |

# Consolidated balance sheet

| Amounts in MSEK | Note | 2021 | 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Fixed assets** | | | |
| Goodwill | 15 | **1,417.8** | 900.1 |
| Other intangible assets | 16 | **435.6** | 60.1 |
| Land and land improvements | 17 | **118.7** | 113.3 |
| Buildings | 17 | **504.5** | 462.0 |
| Plant and machinery | 17 | **533.6** | 499.1 |
| Equipment, tools, fixtures and fittings | 17 | **97.1** | 83.8 |
| Right-of-use assets | 11 | **236.6** | 203.7 |
| Other long-term receivables | | **9.1** | 14.0 |
| Participations in associated companies | 18 | **25.8** | 26.1 |
| Deferred tax assets | 25 | **58.2** | 26.7 |
| **Total fixed assets** | | **3,437.0** | 2,388.9 |
| **Current assets** | | | |
| Inventories | 20 | **1,360.9** | 944.9 |
| Accounts receivable | 21 | **895.8** | 629.2 |
| Tax assets | | **46.6** | 6.5 |
| Other receivables | 22 | **54.1** | 55.1 |
| Prepaid expenses and accrued income | 23 | **69.2** | 43.7 |
| Cash and cash equivalents* | | **480.5** | 616.1 |
| **Total current assets** | | **2,907.1** | 2,295.5 |
| **Total assets** | | **6,344.1** | 4,684.4 |

* Cash and cash equivalents include cash and bank balances

# Consolidated balance sheet



| Amounts in MSEK | Note | 2021 | 2020 |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity** | 24 | | |
| Share capital | | **125.5** | 125.5 |
| Other contributed capital | | **444.4** | 444.4 |
| Reserves | | **125.8** | 48.8 |
| Retained earnings, including net profit for the year | | **2,162.1** | 1,899.2 |
| **Shareholders' equity attributable to Parent Company shareholders** | | **2,857.8** | 2,517.9 |
| Non-controlling interests | | **–3.8** | –13.8 |
| **Total shareholders' equity** | | **2,854.0** | 2,504.1 |
| **Non-current liabilities** | | | |
| Other non-current liabilities | 28 | **175.3** | 61.2 |
| Deferred tax | 25 | **203.4** | 104.4 |
| Pension obligations | 26 | **3.0** | 2.8 |
| Liabilities to credit institutions | 27 | **999.1** | 614.4 |
| Non-current lease liabilities | 11 | **165.0** | 135.7 |
| **Total non-current liabilities** | | **1,545.8** | 918.5 |
| **Current liabilities** | | | |
| Committed credit facilities | 27 | **405.3** | 385.0 |
| Accounts payable | | **426.2** | 203.5 |
| Accrued expenses and deferred income | 29 | **447.1** | 327.5 |
| Liabilities to credit institutions | 27 | **399.8** | 189.4 |
| Other current liabilities | 30 | **130.2** | 90.6 |
| Tax liability | | **57.2** | – |
| Current lease liabilities | 11 | **78.5** | 65.8 |
| **Total current liabilities** | | **1,944.3** | 1,261.8 |
| **Total shareholders' equity and liabilities** | | **6,344.1** | 4,684.4 |

# 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, 2019** | **125.5** | **444.4** | **148.4** | **1,694.9** | **2,413.2** | **4.2** | **2,417.4** |
| Net profit for the year | | | | 396.7 | 396.7 | 0.3 | **396.9** |
| Other comprehensive income | | | –99.6 | | –99.6 | | **–99.6** |
| Dividend paid | | | | –150.7 | –150.7 | | **–150.7** |
| Liabilities for the acquisition of minority shares | | | | –41.7 | –41.7 | | **–41.7** |
| Non-controlling interests | | | | | | –18.2 | **–18.2** |
| **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 | | | | | | 4.5 | **4.5** |
| **Dec 31, 2021** | **125.5** | **444.4** | **125.8** | **2,162.1** | **2,857.8** | **–3.8** | **2,854.0** |

# Consolidated cash-flow statement

| Amounts in MSEK | Note | 2021 | 2020 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit | | **774.8** | 544.8 |
| Net interest paid and other financial items | | **–31.6** | –29.6 |
| Income tax paid | | **–175.7** | –102.8 |
| Items not affecting cash flow | 34 | **275.5** | 221.7 |
| **Cash flow from operating activities before change in working capital and capital expenditures** | | **843.0** | 634.1 |
| Change in inventories | | **–237.8** | 92.4 |
| Change in receivables | | **–188.5** | 54.2 |
| Change in current liabilities | | **312.3** | –59.8 |
| **Cash flow from operating activities** | | **729.0** | 720.9 |
| **Investing activities** | | | |
| Investments in tangible assets | | **–188.9** | –115.2 |
| Investments in intangible assets | | **38.5** | –7.0 |
| Change in other financial assets | | **–18.6** | –2.6 |
| Acquisitions of companies less cash and cash equivalents | 35 | **–1,046.0** | –218.9 |
| **Cash flow from investing activities** | | **–1,215.0** | –343.7 |
| **Cash flow after capital expenditures** | | **–486.0** | 377.2 |
| **Financing activities** | 27 | | |
| Change in provisions and non-current liabilities | | **0.3** | –13.0 |
| Change in utilized committed credit facilities | | **20.3** | –128.7 |
| Increase in liabilities/new loans | | **805.7** | 481.6 |
| Repayment | | **–310.2** | –391.9 |
| Dividend paid | | **–180.8** | –150.7 |
| **Cash flow from financing activities** | | **335.3** | –202.7 |
| **Change in cash and cash equivalents** | | **–150.7** | 174.5 |
| **Exchange-rate fluctuations in cash and cash equivalents** | | **15.1** | –23.5 |
| **Cash and cash equivalents* at beginning of year** | | **616.1** | 465.1 |
| **Cash and cash equivalents* at end of year** | | **480.5** | 616.1 |
| **Unutilized committed credit facilities** | | **899.4** | 1,212.4 |
| **Available liquidity** | | **1,379.6** | 1,828.5 |

*Cash and cash equivalents include cash and bank balances

# Parent Company income statement

| **Amounts in MSEK** | Note | **2021** | 2020 |
|---|---|---|---|
| Administrative expenses | 5 | **–41.7** | –38.0 |
| Other operating income | 6 | **18.2** | 18.2 |
| **Operating profit/loss** | | **–23.5** | –19.8 |
| Profit from participations in Group companies | 12 | **280.0** | –85.0 |
| Interest income | | **0.2** | 0.6 |
| Interest expenses | | **–3.5** | –3.5 |
| **Profit after net financial items** | | **253.2** | –107.7 |
| **Appropriations** | | | |
| Group contributions received | | **100.1** | 90.0 |
| Group contributions paid | | **–7.2** | – |
| Income tax | 13 | **–12.5** | –12.8 |
| **Net profit attributable to Parent Company shareholders** | | **333.6** | –30.5 |

# Parent Company balance sheet

| Amounts in MSEK | Note | 2021 | 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Fixed assets** | | | |
| Equipment, tools, fixtures and fittings | 17 | **0.2** | 0.2 |
| Participations in Group companies | 19 | **610.6** | 610.6 |
| Deferred tax assets | | **9.9** | 7.9 |
| **Total fixed assets** | | **620.7** | 618.7 |
| **Current assets** | | | |
| Receivables from Group companies | | **410.3** | 314.0 |
| Other receivables | | **5.2** | 0.0 |
| Prepaid expenses and accrued income | | **2.2** | 0.7 |
| Cash and cash equivalents | | **0.1** | 0.1 |
| **Total current assets** | | **417.8** | 314.8 |
| **Total assets** | | **1,038.5** | 933.5 |
| **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 | | **–36.9** | 174.4 |
| Net profit for the year | | **333.6** | –30.5 |
| **Total non-restricted equity** | | **575.7** | 422.9 |
| **Total shareholders' equity** | | **866.6** | 713.8 |
| **Current liabilities** | | | |
| Committed credit facilities | 27 | **139.2** | 184.6 |
| Liabilities to Group companies | | **8.7** | 5.3 |
| Accounts payable | | **2.9** | 2.1 |
| Tax liabilities | | **0.1** | 13.3 |
| Accrued expenses and deferred income | 28 | **20.4** | 14.1 |
| Other current liabilities | 29 | **0.6** | 0.3 |
| **Total current liabilities** | | **172.0** | 219.7 |
| **Total shareholders' equity and liabilities** | | **1,038.5** | 933.5 |

# Parent Company change in shareholders' equity

| **Amounts in MSEK** | Share capital | Statutory reserve | Share premium reserve | Retained earnings | Net profit for the year | **Total shareholder's equity** |
|---|---|---|---|---|---|---|
| **Dec 31, 2019** | **125.5** | **165.4** | **279.0** | **37.2** | **287.9** | **895.0** |
| Reclassification of net profit/loss for the preceding year | | | | 287.9 | –287.9 | **0** |
| Dividend paid | | | | –150.7 | | **–150.7** |
| Net profit for the year | | | | | –30.5 | **–30.5** |
| **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** |
| 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** |

The proposed dividend amounts to SEK 3.50 per share, equivalent to MSEK 210.9. See Note 32.

# Parent Company cash-flow statement



| Amounts in MSEK | Note | 2021 | 2020 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit/loss | | **–23.5** | –19.8 |
| Net interest paid and other financial items | | **–3.4** | –2.9 |
| Income tax paid | | **–14.3** | –10.4 |
| Items not affecting cash flow | | **0.0** | **0.0** |
| **Cash flow from operating activities before change in working capital and capital expenditures** | | **–41.2** | –33.1 |
| Change in receivables | | **269.8** | 64.9 |
| Change in current liabilities | | **–2.4** | 3.9 |
| **Cash flow from operating activities** | | **226.2** | 35.7 |
| Financing activities | 27 | | |
| Change in utilized committed credit facilities | | **–45.4** | 52.3 |
| Dividend paid | | **–180.8** | –150.7 |
| **Cash flow from financing activities** | | **–226.2** | –98.4 |
| **Change in cash and cash equivalents** | | **0.0** | –62.7 |
| **Cash and cash equivalents* at beginning of year** | | **0.1** | 62.7 |
| **Cash and cash equivalents* at end of year** | | **0.1** | 0.1 |
| **Unutilized committed credit facilities** | | **460.8** | 715.4 |
| **Available liquidity** | | **460.9** | 715.4 |

*Cash and cash equivalents include cash and bank balances

# Note 1 Summary of key accounting policies

**General information**

Beijer Alma AB (publ), 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 (publ) is an international industrial group focused on component production and industrial trading. The Group includes Lesjöfors, which is one of Europe's largest spring manufacturers, Habia Cable, one of Europe's largest manufacturers of custom-designed cables, 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, 2021 (comparative period January 1 to December 31, 2020) and the Annual Report was approved by the Board of Directors on March 5, 2022. The balance sheet and income statement will be presented to Annual General Meeting for adoption on March 30, 2022.

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 2021 financial year. No new IFRS or interpretations have been applied 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, 2022.

**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 15. 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 15, did not warrant the recognition of an impairment loss. Goodwill amounted to MSEK 1,418 (900).

***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 21 and 27. The general prevailing market trend has resulted in an increased focus on customer credit ratings and monitoring of accounts receivable. The share of doubtful receivables and risk of credit losses did not increase in 2021, but rather remained at the same level. Accounts receivable totaled MSEK 896 (629). The maturity structure for past due receivables and provisions for doubtful receivables are presented in Note 21. 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.

***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 cases where the acquisition does not pertain to 100 percent of the subsidiary, a non-controlling interest arises. There are two alternatives for recognizing non-controlling interests: recognize the non-controling interest's share of the proportionate net assets or recognize the non-controlling interest at fair value, which entails that the non-controlling interest has a share of goodwill. The choice between the alternatives for recognizing non-controlling interest is made on a case-by-case basis.

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 | Dec 31, 2021 | Year-end rate Dec 31, 2020 | 2021 | Average rate 2020 |
|---|---|---|---|---|
| USD | **9.03** | 8.19 | **8.60** | 9.16 |
| EUR | **10.26** | 10.04 | **10.15** | 10.48 |
| GBP | **12.18** | 11.09 | **11.83** | 11.78 |

**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 comprise reporting segments. Beijer Alma's reporting segments are Lesjöfors, Habia Cable and Beijer Tech. In 2020, it was decided that the two segments in Habia Cable would be merged and comprise one segment instead of two. The main reason is that the operations have changed and the previous structure was no longer relevant.

**Revenue recognition**

The Group manufactures and sells products for industrial trading in the form of springs, wire and flat strip components, customized cables and cable harnesses as well as 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.

Major projects in Habia Cable's offshore operations are recognized as profit as the performance obligations are satisfied. The settlement method for determining the degree of completion is based on the number of kilometers of manufactured and tested cable according to a predetermined test method agreed with each customer. The costs for obtaining and completing such projects are capitalized and recognized as intangible assets, and are reclassified as operating expenses in line with the corresponding revenue being recognized. There are also other operations in the subsidiaries, primarily Beijer Tech, that have a more 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 23 and contract liabilities in Note 29. Note 30 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**

Interest income is recognized distributed over the maturity period using the effective interest method.

**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, while Habia Cable is tested in its entirety. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. 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 15.

**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 relationships | 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 21 for details about credit reserves for credit losses.

**Derecognition of financial instruments**

***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.

**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 | Total 2021 | of whom, women | of whom, men | Total 2020 | of whom, women | of whom, men |
|---|---|---|---|---|---|---|
| **PARENT COMPANY** | | | | | | |
| Sweden | **5** | **2** | **3** | 4 | 2 | 2 |
| **Total** | **5** | **2** | **3** | 4 | 2 | 2 |
| **SUBSIDIARIES** | | | | | | |
| Sweden | **833** | **174** | **659** | 770 | 186 | 584 |
| **Outside Sweden** | | | | | | |
| Germany | **417** | **115** | **302** | 397 | 118 | 279 |
| China | **313** | **138** | **175** | 312 | 147 | 165 |
| UK | **246** | **49** | **197** | 216 | 38 | 178 |
| Latvia | **194** | **120** | **74** | 153 | 85 | 68 |
| Slovakia | **155** | **69** | **86** | 153 | 69 | 84 |
| Netherlands | **173** | **26** | **147** | 116 | 13 | 103 |
| Poland | **133** | **39** | **94** | 115 | 79 | 36 |
| Finland | **80** | **6** | **74** | 85 | 7 | 78 |
| Denmark | **67** | **14** | **53** | 63 | 15 | 48 |
| Thailand | **52** | **19** | **33** | 43 | 17 | 26 |
| Singapore | **38** | **11** | **27** | 39 | 10 | 29 |
| US | **35** | **5** | **30** | 34 | 4 | 30 |
| Czech Republic | **30** | **9** | **21** | – | – | – |
| Norway | **27** | **3** | **24** | 27 | 3 | 24 |
| Mexico | **24** | **5** | **19** | 23 | 5 | 18 |
| India | **17** | **1** | **16** | – | – | – |
| Russia | **16** | **6** | **10** | 14 | 5 | 9 |
| France | **6** | **1** | **5** | – | – | – |
| South Korea | **4** | **2** | **2** | – | – | – |
| Romania | **1** | **–** | **1** | – | – | – |
| **Total outside Sweden** | **2,028** | **638** | **1,390** | 1,790 | 615 | 1,175 |
| **Total** | **2,866** | **814** | **2,052** | 2,564 | 803 | 1,761 |

| Gender distribution senior executives | 2021 Women | 2021 Men | 2020 Women | 2020 Men |
|---|---|---|---|---|
| **PARENT COMPANY** | | | | |
| Board of Directors | **2** | **4** | 3 | 5 |
| Senior management | **1** | **4** | 1 | 4 |
| **GROUP** | | | | |
| Senior executives | **8** | **57** | 7 | 54 |

| Employee benefits | Group 2021 | Group 2020 | Parent Company 2021 | Parent Company 2020 |
|---|---|---|---|---|
| Salaries and remuneration | **1,108.7** | 933.7 | **13.7** | 11.2 |
| Social security contributions | **309.2** | 256.8 | **6.5** | 6.0 |
| of which, pension costs | **88.9** | 73.2 | **1.0** | 2.6 |
| **Total** | **1,417.9** | 1,190.5 | **20.2** | 17.2 |

**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 are expected to remain 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 2021, the preliminary collective consolidation level was 172 percent (December 31, 2020: 148 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 to the Board 2021**

| Directors (fees paid in accordance with the resolution passed by 2021 Annual General Meeting), SEK 000s | Directors' fees/fixed salary | Audit Committee | Remuneration Committee | Total |
|---|---|---|---|---|
| Johan Wall | 950 | 75 | 50 | **1,075** |
| Carina Andersson | 325 | 75 | | **400** |
| Johnny Alvarsson | 325 | | 25 | **350** |
| Hans Landin | 325 | | | **325** |
| Caroline af Ugglas | 325 | | 25 | **350** |
| Oskar Hellström | 325 | 125 | | **450** |
| **Total** | **2,575** | **275** | **100** | **2,950** |

**Remuneration to the Board 2020**

| Directors (fees paid in accordance with the resolution passed by 2020 Annual General Meeting), SEK 000s | Directors' fees/fixed salary | Audit Committee | Total |
|---|---|---|---|
| Johan Wall | 950 | 75 | **1,025** |
| Carina Andersson | 325 | | **325** |
| Johnny Alvarsson | 325 | | **325** |
| Hans Landin | 325 | | **325** |
| Caroline af Ugglas | 325 | | **400** |
| Oskar Hellström | 325 | 75 | **400** |
| Anders Ullberg | 325 | 125 | **450** |
| Cecilia Wikström | 325 | | **325** |
| **Total** | **3,225** | **275** | **3,500** |

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 three 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 senior executives 2021** | Salary and other remuneration | Variable remuneration | Social security contributions | Of which, pension costs | Other remuneration/ benefits | Total |
|---|---|---|---|---|---|---|
| President | 4.2 | 2.7 | 3.5 | 1.1 | 0.1 | **10.5** |
| Other senior management | 9.9 | 5.2 | 9.2 | 3.4 | 0.4 | **24.7** |
| **Total** | **14.1** | **7.9** | **12.7** | **4.5** | **0.5** | **35.2** |

| **Salaries and remuneration to senior executives 2020** | Salary and other remuneration | Variable remuneration | Social security contributions | Of which, pension costs | Other remuneration/ benefits | Total |
|---|---|---|---|---|---|---|
| President | 4.1 | 0.6 | 2.8 | 1.0 | 0.1 | **7.6** |
| Other senior management* | 10.2 | 2.1 | 6.3 | 2.3 | 0.4 | **19.0** |
| **Total** | **14.3** | **2.7** | **9.1** | **3.3** | **0.5** | **26.6** |

* This also includes Anders Karlström, who served as acting CFO in the period from February 1, 2020 until August 31, 2020 and invoiced the company a consultant's fee.

***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 senior executives in the Group** | **2021** | 2020 |
|---|---|---|
| Salaries and remuneration | **69.4** | 67.1 |
| Social security contributions | **23.4** | 21.7 |
| Of which, pension costs | **9.8** | 9.2 |
| **Total** | **92.8** | 88.9 |

**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 25 percent of fixed salary.

**Other members of senior 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 revenues

Within Lesjöfors and Habia, products are manufactured and sold, while Beijer Tech primarily purchases and sells products. Within Beijer Tech's operations, certain sales of service also occur. Revenues 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 sells major projects to customers in the offshore sector, which are recognized as profit over time as the performance obligations are satisfied. The delivery time of the projects from the start of production to final delivery did not exceed 12 months during the year. The settlement method for determining the degree of completion is based on the number of kilometers of manufactured and tested cable according to a predetermined test method agreed with each customer. 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 2021, the companies had remaining performance obligations amounting to MSEK 3.6 (5.8). Of net revenues, which amounted to MSEK 5,389 (4,250), the majority comprised sales at a point in time, while MSEK 136 (168) comprise sales where delivery of the goods or service took place over time. Sales over time are mainly attributable to Beijer Tech and Habia Cable. 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 revenues. At year-end, the Group had MSEK 112 (57) in customer discounts recognized as liabilities. These are recognized under "Accrued expenses and deferred income" in Note 29.

The Group's recognized contract assets and contract liabilities are presented in Notes 23, 29 and 30. Contract assets are presented in Note 23 and comprise MSEK 2.1 (5.6) pertaining to percentage of completion and MSEK 1.5 (0.2) in accrued commission. Contract liabilities comprise advance payments from customers, which are presented in Note 30 and amount to MSEK 17.5 (6.8), and other contract liabilities, which are presented in Note 29 and amount to MSEK 8.1 (1.6).

| Net revenues per business area | 2021 | 2020 |
|---|---|---|
| **LESJÖFORS** | | |
| Industry | **2,305** | 1,840 |
| Chassis Springs | **893** | 609 |
| **Total Lesjöfors** | **3,198** | 2,449 |
| **HABIA CABLE** | | |
| **Total Habia** | **809** | 804 |
| **BEIJER TECH** | | |
| Fluid Technology | **555** | 434 |
| Industrial Products | **827** | 563 |
| **Total Beijer Tech** | **1,382** | 997 |
| **Group** | **5,389** | 4,250 |

**SUBSIDIARIES' SHARE OF TOTAL NET REVENUES**

Lesjöfors 59% (58)
Habia Cable 15% (19)
Beijer Tech 26% (23)

# Note 4 Segment reporting

The Group is divided into three 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 is not divided into business areas, which is why it is 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.

| 2021 | Lesjöfors | Habia | Beijer Tech | Other (Parent Company, etc.) | Eliminations | Total |
|---|---|---|---|---|---|---|
| Segment revenue | 3,197.8 | 808.6 | 1,382.2 | 18.2 | –18.3 | **5,388.5** |
| Inter-segment sales | – | – | – | – | – | **0.0** |
| **Revenue from external customers** | **3,197.8** | **808.6** | **1,382.2** | **18,2** | **–18.3** | **5,388.5** |
| Operating profit | 607.2 | 63.1 | 129.4 | –25.0 | – | **774.8** |
| Financial income | 0.9 | 0.4 | 0.1 | 0.2 | –0.2 | **1.5** |
| Financial expenses | –14.0 | –6.8 | –8.8 | –3.4 | – | **–33.1** |
| **Profit after net financial items** | **594.1** | **56.7** | **120.7** | **–28.2** | **–0.2** | **743.2** |
| Appropriations | –100.0 | 7.2 | – | 372.8 | 280.0 | **0.0** |
| Tax | –114.5 | –17.1 | –25.5 | –12.4 | – | **–169.5** |
| Minority interest | –2.4 | – | –3.2 | – | – | **–5.5** |
| **Net profit** | **377.3** | **46.8** | **92.1** | **332.2** | **–280.2** | **568.2** |
| **Operating profit includes:** | | | | | | |
| Depreciation/amortization | 155.9 | 36.3 | 52.6 | 1.7 | – | **246.5** |
| of which, impairment | – | – | – | – | – | **0.0** |
| Share of profit/loss in associated companies | 0.2 | – | – | – | – | **0.2** |
| Assets | 4,205.5 | 760.5 | 1,215.0 | 1,040.2 | –877.1 | **6,344.1** |
| Liabilities | 2,181.9 | 336.6 | 933.7 | 173.6 | –135.8 | **3,490.1** |
| Of which, interest-bearing | 1,121.7 | 132.2 | 414.1 | 139.2 | –2.9 | **1,804.3** |
| Cash funds (included in assets) | 369.0 | 75.5 | 36.0 | 0.1 | – | **480.6** |
| Net debt* | 752.7 | 56.7 | 378.1 | 139.1 | –2.9 | **1,323.7** |
| Investments in tangible assets | 133.3 | 23.7 | 18.9 | – | – | **175.9** |
| Sales outside Sweden, % | 86.1 | 95.5 | 42.3 | – | – | **76.1** |

| 2020 | Lesjöfors | Habia | Beijer Tech | Other (Parent Company, etc.) | Eliminations | Total |
|---|---|---|---|---|---|---|
| Segment revenue | 2,448.7 | 804.0 | 997.1 | 22.2 | –22.2 | 4,249.8 |
| Inter-segment sales | – | – | – | – | – | 0.0 |
| **Revenue from external customers** | **2,448.7** | **804.0** | **997.1** | **–** | **–** | **4,249.8** |
| Operating profit/loss | 441.2 | 53.7 | 69.7 | –19.8 | – | 544.8 |
| Financial income | 0.6 | 0.1 | 0.2 | –84.4 | 84.4 | 0.9 |
| Financial expenses | –12.8 | –6.2 | –8.4 | –3.6 | 0.6 | –30.4 |
| **Profit/loss after net financial items** | **429.0** | **47.6** | **61.5** | **–107.8** | **85.0** | **515.3** |
| Appropriations | –90.0 | – | – | 90.0 | – | 0.0 |
| Tax | –77.7 | –14.9 | –13.0 | –12.8 | – | –118.4 |
| Minority interest | – | – | –0.3 | – | – | –0.3 |
| **Net profit/loss** | **261.3** | **32.7** | **48.2** | **–30.6** | **85.0** | **396.6** |
| **Operating profit includes:** | | | | | | |
| Depreciation/amortization | 148.2 | 41.8 | 48.9 | – | 0.8 | 239.7 |
| of which, impairment | – | – | 6.0 | – | – | 6.0 |
| Share of profit/loss in associated companies | 0.4 | – | – | – | – | 0.4 |
| Assets | 2,934.4 | 688.3 | 929.7 | 961.2 | –829.2 | 4,684.4 |
| Liabilities | 1,170.3 | 329.0 | 680.4 | 230.7 | –226.0 | 2,184.4 |
| Of which, interest-bearing | 565.5 | 141.6 | 299.4 | 184.6 | –2.6 | 1,188.5 |
| Cash funds (included in assets) | 456.7 | 112.3 | 47.0 | 0.5 | – | 616.5 |
| Net debt* | 108.8 | 29.4 | 252.4 | 184.1 | –2.6 | 572.1 |
| Investments in tangible assets | 91.0 | 11.5 | 21.9 | – | – | 124.4 |
| Sales outside Sweden, % | 85.4 | 94.2 | 40.3 | – | – | 76.5 |

*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.

| Sales per country | 2021 | 2020 |
|---|---|---|
| Sweden | **1,279** | 1,001 |
| Germany | **623** | 499 |
| UK | **474** | 306 |
| China | **350** | 262 |
| Norway | **255** | 247 |
| Finland | **289** | 239 |
| Denmark | **211** | 167 |
| Poland | **215** | 140 |
| Netherlands | **259** | 131 |
| France | **93** | 102 |
| Russia | **114** | 92 |
| Belgium | **113** | 85 |
| Czech Republic | **114** | 77 |
| Hungary | **62** | 61 |
| Romania | **49** | 39 |
| Slovakia | **44** | 38 |
| US & Canada | **213** | 177 |
| India | **39** | 0 |
| Other Asia | **160** | 167 |
| Other Europe | **140** | 112 |
| Other EU | **186** | 227 |
| Rest of the world | **107** | 81 |
| **Total** | **5,389** | 4,250 |

| Fixed assets per country | 2021 | 2020 |
|---|---|---|
| Sweden | **1,034** | 880 |
| Denmark | **80** | 81 |
| Finland | **120** | 119 |
| India | **5** | 0 |
| China | **74** | 65 |
| Latvia | **101** | 93 |
| Netherlands | **932** | 194 |
| Slovakia | **70** | 74 |
| UK | **321** | 294 |
| Germany | **283** | 325 |
| US | **223** | 122 |
| Czech Republic | **25** | 0 |
| Poland | **29** | 8 |
| Norway | **38** | 21 |
| Other Asia | **29** | 67 |
| Other Europe | **4** | 6 |
| Other EU | **2** | 0 |
| **Total** | **3,370** | 2,348 |

# Note 5 Auditors' fees

Auditors' fees are included in administrative expenses as follows.

| | Group 2021 | Group 2020 | Parent Company 2021 | Parent Company 2020 |
|---|---|---|---|---|
| | **KPMG** | **KPMG** | **KPMG** | **KPMG** |
| Audit assignment | **4.8** | 4.4 | **0.7** | 0.5 |
| Auditing activities in addition to audit assignment | **0.1** | 0.4 | **–** | 0.3 |
| Tax consultancy | **0.1** | 0.0 | **–** | – |
| Other services | **0.3** | 0.1 | **0.2** | 0.1 |
| **Other auditors** | | | | |
| Audit assignment | **4.9** | 4.1 | **–** | 0.5 |
| Auditing activities in addition to audit assignment | **0.1** | 0.7 | **–** | 0.1 |
| Tax consultancy | **0.9** | 0.8 | **–** | – |
| Other services | **0.9** | 1.1 | **–** | 0.1 |
| **Total** | **12.1** | 11.6 | **0.9** | 1.6 |

In the 2021 financial year, remuneration paid to KPMG by the Beijer Alma Group amounted to MSEK 5.3 (of which MSEK 3.3 to KPMG AB), distributed between the following categories:

- Audit assignment, MSEK 4.8 to KPMG, of which MSEK 3 to KPMG AB
- Other statutory assignments, MSEK 0.1 to KPMG, of which MSEK 0.1 to KPMG AB
- Tax consultancy, MSEK 0.1 to KPMG, of which MSEK 0 to KPMG AB
- Other services, MSEK 0.3 to KPMG, of which MSEK 0.2 to KPMG AB

# Note 6 Other operating income and operating expenses

| | Group 2021 | Group 2020 | Parent Company 2021 | Parent Company 2020 |
|---|---|---|---|---|
| Remeasurement of additional purchase considerations | **16.1** | 17.2 | – | – |
| Other | **–** | 1.5 | – | – |
| Management fee | **–** | – | **18.2** | 18.2 |
| **Total** | **16.1** | 18.7 | **18.2** | 18.2 |

# Note 7 Items affecting comparability

| | Group 2021 | Group 2020 | Parent Company 2021 | Parent Company 2020 |
|---|---|---|---|---|
| Net loss, divestment of operations in Germany | **–45.3** | – | – | – |
| **Total** | **–45.3** | – | – | – |

# Note 8 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. A total of MSEK 10 (65) in grants and reductions in social security contributions have been received, of which MSEK 1 (33) for short-time work allowance. Of the total grants and reductions in social security contributions, MSEK 2 (25) was attributable to operations in Sweden.

# Note 9 Profit from participations in associated companies

| | Group 2021 | Group 2020 |
|---|---|---|
| **Share of profit from:** | | |
| Hanil Precision Co Ltd | **0.2** | 0.4 |
| **Total** | **0.2** | 0.4 |

# Note 10 Operating profit

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

| | 2021 | Group 2020 |
|---|---|---|
| Plant and machinery | **103.0** | 106.6 |
| Equipment, tools, fixtures and fittings | **26.4** | 31.1 |
| Buildings | **23.4** | 23.9 |
| Land improvements | **1.2** | 1.1 |
| Right-of-use assets | **73.5** | 68.3 |
| Other intangible assets | **19.0** | 8.7 |
| **Total** | **246.5** | 239.7 |

Depreciation is distributed per line in profit or loss as follows: cost of goods sold MSEK 214 (221), selling expenses MSEK 14 (9) and administrative expenses MSEK 18 (8).

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by SEK 21,000 (30,000).

| **Costs distributed by type of cost** | 2021 | Group 2020 |
|---|---|---|
| Material costs | **2,285.7** | 1,810.5 |
| Costs for employee benefits (Note 2) | **1,417.9** | 1,190.5 |
| Development costs not charged to respective orders | **13.8** | 13.2 |
| Depreciation/amortization (Note 10) | **246.5** | 239.7 |
| Other costs | **650.0** | 451.1 |
| **Total** | **4,613.9** | 3,705.0 |

# Note 11 Leases

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

| | 2021 | Group 2020 |
|---|---|---|
| **Right-of-use assets** | | |
| Properties | **201.0** | 167.1 |
| Motor vehicles | **28.1** | 26.9 |
| Other leased assets | **7.5** | 9.7 |
| **Total** | **236.6** | 203.7 |
| **Lease liabilities** | | |
| Non-current lease liabilities | **165.0** | 135.7 |
| Current lease liabilities | **78.5** | 65.8 |
| **Total** | **243.5** | 201.5 |
| **Depreciation for the year per type of right-of-use asset** | | |
| Properties | **55.1** | 52.4 |
| Motor vehicles | **15.7** | 13.4 |
| Other leased assets | **2.7** | 2.5 |
| **Total** | **73.5** | 68.3 |
| **Due date of future payments included in lease liability on Dec 31** | | |
| To be paid within 1 year | **76.5** | 67.6 |
| To be paid within 1 to 3 years | **98.8** | 95.5 |
| To be paid within 3 to 5 years | **46.7** | 38.4 |
| To be paid after more than 5 years | **18.1** | 20.4 |
| **Total future lease payments** | **240.1** | 221.9 |

Net financial items include interest for lease obligations amounting to MSEK 8.5 (8.9).
Payments of leases are charged to cash flow in an amount of MSEK 80 (75) and are included as part of the depreciation and interest expenses.
Lease payments for low-value and short-term leases totaled MSEK 3.4 (2.7).

No leases in any of the years presented were impacted by rental discounts provided as a support measure owing to the COVID-19 pandemic.

# Note 12 Income from participations in Group companies

| | 2021 | Parent Company 2020 |
|---|---|---|
| Reversed anticipated dividend 2019 | **–** | –225.0 |
| Anticipated dividend from: | | |
| Beijer Tech AB | **50.0** | 30.0 |
| Habia Cable AB | **130.0** | – |
| Lesjöfors AB | **100.0** | 110.0 |
| **Total** | **280.0** | –85.0 |

# Note 13 Income tax

| | Group 2021 | Group 2020 | Parent Company 2021 | Parent Company 2020 |
|---|---|---|---|---|
| Current tax for the period | **–172.4** | –114.8 | **–13.8** | –12.8 |
| Deferred tax pertaining to: | | | | |
| – untaxed reserves | **3.8** | –1.4 | **2.0** | – |
| – provisions | **–0.4** | –2.1 | – | – |
| – other | **0.7** | – | – | – |
| Current tax attributable to earlier years | **–1.2** | – | **–0.6** | – |
| **Total** | **–169.5** | –118.3 | **–12.4** | –12.8 |

| Difference between tax expense and 20.6 percent tax (21.4) | 2021 | 2020 | 2021 | 2020 |
|---|---|---|---|---|
| Profit before tax | **743.2** | 515.2 | **346.0** | –17.7 |
| 20.6 percent (21.4) of this amount | **–153.1** | –110.3 | **–71.3** | 3.8 |
| Tax for the period | **–169.5** | –118.3 | **12.4** | –12.8 |
| **Difference** | **–16.4** | –8.0 | **58.9** | –16.6 |

| Specification of difference | 2021 | 2020 | 2021 | 2020 |
|---|---|---|---|---|
| **Effect of:** | | | | |
| foreign tax rates | **–5.7** | –1.3 | **–** | – |
| non-deductible costs | **–10.1** | –1.8 | **0.6** | –0.3 |
| non-taxable income | **8.1** | 0.9 | **58.1** | –16.3* |
| deficit in foreign subsidiaries | **–** | –3.0 | **–** | – |
| deferred tax not previously recognized | **0.1** | –3.0 | **–** | – |
| changed tax rate | **–2.8** | **–** | **–** | **–** |
| other | **–6.0** | – | **0.2** | – |
| **Total** | **–16.4** | –8.0 | **58.9** | –16.6 |

*Includes the effect of reversed anticipated dividends.

The Group's weighted average tax rate was 22.8 percent (23.0).
Cash-flow hedges after tax are recognized in other comprehensive income. A tax asset of MSEK 3.6 was recognized in 2021 and a tax expense of MSEK 2.4 pertaining to cash-flow hedges was recognized in 2020 in other comprehensive income. There are no other tax effects in other comprehensive income.

# Note 14 Earnings per share

| | Group 2021 | Group 2020 |
|---|---|---|
| Net profit attributable to Parent Company shareholders | **568.2** | 396.7 |
| Number of shares | **60,262,200** | 60,262,200 |
| Earnings per share, SEK | **9.43** | 6.58 |

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

# Note 15 Goodwill

| | Group 2021 | Group 2020 |
|---|---|---|
| Opening cost | **1,012.2** | 875.2 |
| Acquisitions [1] | **523.3** | 153.6 |
| Sales/disposals | **–16.7** | – |
| Reclassification | **–** | – |
| Translation differences | **11.1** | -16.6 |
| **Closing accumulated cost** | **1,529.9** | 1,012.2 |
| Opening impairment | **112.1** | 112.1 |
| Impairment for the year | **–** | – |
| Translation differences | **–** | – |
| **Closing accumulated impairment** | **112.1** | 112.1 |
| **Carrying amount** | **1,417.8** | 900.1 |

| [1] Specification of acquisitions | Group 2021 | Group 2020 |
|---|---|---|
| INU Group | **–** | 84.7 |
| Metrol | **–** | 57.7 |
| PA Ventiler AB | – | 11.2 |
| Novosystems | **41.8** | – |
| Noxon | **37.0** | – |
| Alcomex | **368.4** | – |
| Källström Engineering Systems | **35.5** | – |
| Plymouth Spring Inc. | **40.6** | – |
| **Total** | **523.3** | 153.6 |

| The Group's total recognized goodwill is allocated to the following cash-generating units | 2021 | 2020 |
|---|---|---|
| Lesjöfors Chassis Springs | **29.0** | 29.0 |
| Lesjöfors Industry | **729.7** | 330.4 |
| Habia Cable | **57.9** | 56.7 |
| Beijer Tech Fluid Technology | **337.8** | 265.0 |
| Beijer Tech Industrial Products | **263.4** | 219.0 |
| **Total** | **1,417.8** | 900.1 |

**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 2022, 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 before tax used in the 2021 impairment testing were 9.6 percent (8.7) for Fluid Technology and Industrial Products in Beijer Tech, 10.1 percent (9.6) for Habia Cable and 10.0 percent (9.6) for Chassis Springs and Industrial Springs in Lesjöfors. The differences between the subsidiaries are due to individual risk profiles.

The 2021 impairment tests did not indicate an impairment requirement. Several sensitivity analyses were performed in which the growth rate was halved and the discount rate was increased by 1 and 2 percent, respectively. These conditions also did not result in an impairment requirement for any of the cash-generating units.

# Note 16 Other intangible assets

| | | Group |
|---|---|---|
| | 2021 | 2020 |
| Opening cost | **119.0** | 84.2 |
| Purchases | **4.7** | 6.6 |
| Sales and disposals | **–2.6** | – |
| Acquisitions of subsidiaries | **388.1** | 28.3 |
| Reclassification | **5.2** | – |
| Translation differences | **2.9** | – |
| **Closing accumulated cost** | **517.3** | 119.0 |
| Opening amortization | **57.9** | 48.6 |
| Sales and disposals | **–2.3** | – |
| Reclassification | **3.7** | – |
| Amortization for the year | **19.1** | 8.7 |
| Translation differences | **–0.1** | 0.6 |
| **Closing accumulated amortization** | **78.3** | 57.9 |
| Opening impairment | **1.0** | 1.0 |
| Reclassification | **1.5** | – |
| Impairment for the year | **0.8** | – |
| Translation differences | **0.1** | – |
| **Closing impairment** | **3.4** | 1.0 |
| **Carrying amount** | **435.6** | 60.1 |

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

# Note 17 Tangible assets

| 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 | –5.9 | –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** | **311.6** | **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** | **0.0** | **7.2** | **2.6** | **9.9** |
| **Carrying amount** | **118.7** | **504.5** | **533.6** | **97.1** | **1,253.9** |

| 2020 | Land | Buildings | Machinery | Equipment | Group Total |
|---|---|---|---|---|---|
| Opening cost | 124.7 | 711.6 | 1,886.5 | 286.8 | **3,009.7** |
| Purchases | 0.1 | 26.1 | 61.3 | 27.1 | **114.6** |
| Sales and disposals | – | – | –29.1 | –6.7 | **–35.9** |
| Through acquisitions of subsidiaries | – | 31.2 | 20.5 | 5.3 | **57.0** |
| Reclassification | 0.8 | 2.5 | 0.5 | 5.7 | **9.6** |
| Translation differences | –4.9 | –17.7 | –72.7 | –11.1 | **–106.5** |
| **Closing accumulated cost** | **120.7** | **753.7** | **1,867.1** | **307.1** | **3,048.5** |
| Opening depreciation | 6.0 | 279.5 | 1,316.7 | 204.4 | **1,806.5** |
| Sales and disposals | – | – | –25.8 | 1.5 | **–24.3** |
| Through acquisitions of subsidiaries | – | – | 5.2 | –5.8 | **–0.7** |
| Reclassification | 0.3 | –5.1 | 7.2 | 2.8 | **5.2** |
| Depreciation for the year | 1.1 | 23.9 | 106.6 | 31.1 | **162.7** |
| Translation differences | –0.1 | –6.6 | –48.6 | –12.5 | **–67.8** |
| **Closing accumulated depreciation** | **7.3** | **291.7** | **1,361.2** | **221.4** | **1,881.6** |
| Opening impairment | 0.1 | – | 5.0 | 1.9 | **7.0** |
| Reclassification | – | – | 0.3 | – | **0.3** |
| Impairment for the year | – | – | 1.5 | – | **1.5** |
| Translation differences | – | – | –0.1 | – | **–** |
| **Closing impairment** | **0.1** | **0.0** | **6.7** | **1.9** | **8.7** |
| **Carrying amount** | **113.3** | **462.0** | **499.1** | **83.8** | **1,158.2** |

| Equipment, SEK 000s | Parent Company 2021 | 2020 |
|---|---|---|
| Opening cost | **1,842** | 1,842 |
| Sales and disposals | **31** | – |
| Translation differences | **–** | – |
| **Closing accumulated cost** | **1,873** | 1,842 |
| Opening depreciation | **1,669** | 1,639 |
| Sales and disposals | **–** | – |
| Depreciation for the year | **20** | 30 |
| **Closing accumulated depreciation** | **1,689** | 1,669 |
| **Carrying amount** | **184** | 173 |

# Note 18 Participations in associated companies

| | Share of equity, % | Registered office | Carrying amount 2021 | Group Carrying amount 2020 |
|---|---|---|---|---|
| Hanil Precision Co Ltd | 20 | Busan, South Korea | **25.8** | 26.1 |
| **Total** | | | **25.8** | 26.1 |

Hanil Precision Co Ltd is a South Korean gas-spring manufacturer with revenues of approximately MSEK 175 (195) and an operating margin of 4 percent (5). During the year, Lesjöfors purchased gas springs from Hanil for MSEK 7 (21). These purchases were conducted on market terms.

| **Group share as of Dec 31, 2021 (MSEK)** | Assets | Liabilities | Income | Net profit |
|---|---|---|---|---|
| Hanil Precision Co Ltd | 31.0 | 8.0 | 49.2 | 5.6 |

| | 2021 | Group 2020 |
|---|---|---|
| Opening value | **26.1** | 28.0 |
| Share in profit after tax | **0.2** | 0.4 |
| Purchases | **–** | – |
| Translation difference | **0.8** | –1.1 |
| Impairment | **–1.3** | –1.2 |
| **Carrying amount** | **25.8** | 26.1 |

# Note 19 Participations in Group companies

| **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.
The merger of AIHUK AB into Beijer Alma AB is ongoing and is expected to be finalized in the first quarter of 2022.

| **2020** | Corp. Reg. No.: | Number | Registered office | Carrying amount | Parent Company Adjusted shareholders' equity |
|---|---|---|---|---|---|
| Lesjöfors AB | 556001-3251 | 603,500 | Karlstad, Sweden | 178.6 | 1,764.1 [1] |
| Habia Cable AB | 556050-3426 | 500,000 | Upplands Väsby, Sweden | 95.6 | 359.3 |
| Beijer Tech AB | 556650-8320 | 50,000 | Tyresö, Sweden | 333.3 | 249.3 [2] |
| 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 110.0.
[2] Before anticipated dividend to the Parent Company in the amount of MSEK 30.0.

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. These companies comprise independent segments. Other companies are dormant.

| | 2021 | Parent Company 2020 |
|---|---|---|
| Opening cost | **526.4** | 526.4 |
| **Closing cost** | **526.4** | 526.4 |
| Opening write-ups | **86.6** | 8.0 |
| Sales | **–** | – |
| Write-ups for the year | **–** | 78.6 |
| **Closing write-ups** | **86.6** | 86.6 |
| Opening impairment | **2.4** | 2.4 |
| Impairment for the year | **–** | – |
| **Closing impairment** | **2.4** | 2.4 |
| **Carrying amount** | **610.6** | 610.6 |

All companies are wholly owned unless otherwise specified.
Lesjöfors Gas Springs LV, for which the agreement states that the minority shareholding is not added to profit, Minority shareholdings are added to the profit in other companies with minority shareholders.

| Subsidiary holdings of participations in Group companies | Corp. Reg. No. | Percentage stake | Registered office |
|---|---|---|---|
| Lesjöfors Fjädrar AB | 556063-5244 | 100 | Filipstad, Sweden |
| Lesjöfors Automotive AB | 556335-0882 | 100 | Växjö, Sweden |
| Lesjöfors Stockholms Fjäder AB | 556062-9890 | 100 | Stockholm, Sweden |
| Lesjöfors Springs and Pressings AB | 556997-0675 | 100 | Stockholm, Sweden |
| Lesjöfors Industrifjädrar AB | 556593-7967 | 100 | Herrljunga, Sweden |
| Lesjöfors Banddetaljer AB | 556204-0773 | 100 | Värnamo, Sweden |
| Stece Fjädrar AB | 556753-6114 | 100 | Mönsterås, Sweden |
| Lesjöfors A/S | 26376521 | 100 | Copenhagen, Denmark |
| Lesjöfors A/S | 968703439 | 100 | Oslo, Norway |
| Oy Lesjöfors AB | 356.422 | 100 | Åminnefors, Finland |
| Lesjöfors Springs Oy | 229.771 | 100 | Turku, Finland |
| Lesjöfors Springs Ltd | 3141628 | 100 | Elland, UK |
| Lesjöfors Springs (UK) Ltd | 2483860 | 100 | Elland, UK |
| Lesjöfors Springs GmbH | DE812397971 | 100 | Hagen, Germany |
| Lesjöfors Industrial Springs & Pressings GmbH | DE815378385 | 100 | Hagen, Germany |
| Lesjöfors China Ltd | 91320411770525524U | 100 | Changzhou, China |
| Harris Springs Ltd | 1299095 | 100 | Reading, UK |
| European Springs & Pressings Ltd | GB 853997954 | 100 | Beckenham, UK |
| Lesjöfors Springs LV | 42103030622 | 100 | Liepaja, Latvia |
| Lesjöfors Gas Springs LV | 42103045346 | 63 | Liepaja, Latvia |
| Lesjöfors Springs Russia | 1105009002010 | 100 | Moscow, Russia |
| Stumpp+Schüle | 220825 | 100 | Beuren, Germany |
| Lesjöfors Deutschland GmbH | DE289871861 | 100 | Velbert, Germany |
| Lesjöfors Springs Slovakia | 17772672 | 100 | Myjava, Slovakia |
| Lesjöfors Springs America Inc | 47-2245852 | 100 | Scranton, US |
| John While Group | 19900585N | 100 | Singapore |
| AB Spiralspecialisten | 556058-9151 | 100 | Tyresö, Sweden |
| Spiralspecialisten Fastighets AB | 556483-6244 | 100 | Tyresö, Sweden |
| Spibelt Beheer B.V | 62783467 | 100 | Haaksbergen, Netherlands |
| Metrol Springs Ltd | 01877760 | 100 | Northampton, UK |
| Lesjöfors | 49412566 | 88 | Opmeer, Netherlands |
| Plymouth Spring Company Inc | 87-2414987 | 100 | Bristol, Connecticut, US |
| Nitro Springs Manufacturing Ltd | 04336753 | 100 | Northampton, UK |
| Habia Benelux BV | 20027506 | 100 | Breda, Netherlands |
| Habia Cable Asia Ltd | 30476936 | 100 | Hong Kong, China |
| Habia Cable GmbH | HRB 21341 KI | 100 | Norderstedt, Germany |
| Habia Cable Ltd. | 1285451 | 100 | Mansfield, UK |
| Habia Cable SA | 1105009002010 | 100 | Orléans, France |
| Habia Cable Sp Zoo | KRS0000243459 | 100 | Doluje, Poland |
| HC AB Korea Ltd. | 635-88-01045 | 100 | Seoul, South Korea |
| Beijer Industri AB | 556031-1549 | 100 | Malmö, Sweden |
| Lundgrens Sverige AB | 556063-3504 | 100 | Gothenburg, Sweden |
| Beijer OY | 10900757 | 100 | Helsinki, Finland |
| Preben Z Jenssen A/S | 44551128 | 100 | Hedehusene, Denmark |
| Norspray AS | 976698118 | 100 | Stavanger, Norway |
| Svenska Brandslangsfabriken AB | 556199-1745 | 100 | Skene, Sweden |
| Encitech AB | 556187-1004 | 100 | Halmstad, Sweden |
| BeijerInu | 559260-5892 | 75 | Tyresö, Sweden |
| Noxon AB | 559260-5892 | 100 | Stockholm, Sweden |
| Källströms Engineering AB | 556820-7145 | 85.6 | Eslöv, Sweden |
| Alma Uppsala | 556480-0133 | 100 | Uppsala, Sweden |
| Daxpen Holding AB | 556536-1757 | 100 | Uppsala, Sweden |

# Note 20 Inventories

| | | Group |
|---|---|---|
| | **2021** | 2020 |
| Raw materials | **527.7** | 324.9 |
| Products in progress | **107.6** | 80.5 |
| Finished goods | **725.6** | 539.5 |
| **Total** | **1,360.9** | 944.9 |

The expenditure for inventories was expensed under the item "Cost of goods sold" and amounted to MSEK 2,286 (1,810).

# Note 21 Accounts receivable

| | 2021 | Group 2020 |
|---|---|---|
| Total outstanding accounts receivable | **907.0** | 642.6 |
| Provisions for doubtful receivables | **–11.2** | –13.4 |
| **Carrying amount** | **895.8** | 629.2 |

| | 2021 | Group 2020 |
|---|---|---|
| Past due amounts | **120.8** | 89.6 |
| Of which, past due by less than 30 days | **89.0** | 55.6 |
| Of which, past due by 30–90 days | **22.7** | 24.3 |
| Of which, past due by more than 90 days | **9.1** | 9.7 |
| Provisions for doubtful receivables | **11.2** | 13.4 |

On December 31, 2021, a total of MSEK 25 (34) in accounts receivable was more than 30 days past due, for which a loss allowance for expected credit losses was recognized.
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.
There has been deemed to be no need for a loss allowance for insured receivables.

| Provisions for doubtful receivables | 2021 | 2020 |
|---|---|---|
| Opening balance | **13.4** | 13.1 |
| Provisions for the year | **3.6** | 1.3 |
| Reversal of earlier provisions | **–6.0** | –1.0 |
| Write-offs of receivables | **0.2** | 0.0 |
| **Closing balance** | **11.2** | 13.4 |

| Specification of provisions for the year | 2021 | 2020 |
|---|---|---|
| Reserve for receivables not past due | **7.0** | 5.7 |
| Reserve for receivables less than 30 days past due | **0.9** | 0.1 |
| Reserve for receivables 31–90 days past due | **1.0** | 3.5 |
| Reserve for receivables more than 90 days past due | **2.3** | 4.1 |
| **Total** | **11.2** | 13.4 |

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 896 (629). The fair value corresponds with the carrying amount.

# Note 22 Other receivables

| | 2021 | Group 2020 | 2021 | Parent Company 2020 |
|---|---|---|---|---|
| Value-added tax | **16.8** | 8.2 | **0.5** | **0.0** |
| Deposit to landlord | **8.3** | 6.8 | **–** | **–** |
| Credit received* | **7.2** | 17.1 | **–** | **–** |
| Derivative instruments | **1.9** | 13.7 | **–** | **–** |
| Advance payments to suppliers | **12.2** | 6.2 | **–** | **–** |
| Other | **7.7** | 3.1 | **–** | **–** |
| **Total** | **54.1** | 55.1 | **0.5** | 0.0 |

*Refers to credit facilities not due for payment related to receivables from contracts with customers.

# Note 23 Prepaid expenses and accrued income

| | 2021 | Group 2020 | 2021 | Parent Company 2020 |
|---|---|---|---|---|
| Lease payments and rent | **8.4** | 7.8 | **0.4** | 0.3 |
| Accrued interest income | **–** | 1.5 | **–** | – |
| Prepaid expenses | **37.8** | 23.6 | **1.9** | 0.4 |
| Contract assets | **3.6** | 5.9 | **–** | – |
| Accrued insurance income | **8.7** | – | **–** | – |
| Other accrued expenses | **10.7** | 4.9 | **–** | – |
| **Total** | **69.2** | 43.7 | **2.3** | 0.7 |

Contract assets comprise MSEK 2.1 (5.6) pertaining to percentage of completion and accrued commission of MSEK 1.5 (0.2).

# Note 24 Shareholders' equity

| | Translation reserve | Hedging reserve | Group Total |
|---|---|---|---|
| **Dec 31, 2019** | **147.0** | **1.4** | **148.4** |
| Change in value of hedging reserve | – | 11.0 | **11.0** |
| Tax thereon | – | –2.4 | **-2.4** |
| 2020 translation difference | –108.2 | – | **–108.2** |
| **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** |

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 2021 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 25 Deferred tax

| Deferred tax assets | Group 2021 | Group 2020 | Parent Company 2021 | Parent Company 2020 |
|---|---|---|---|---|
| **Temporary differences pertaining to:** | | | | |
| – endowment insurance | **9.9** | 7.9 | **9.9** | 7.9 |
| – loss carryforwards | **–** | – | **–** | – |
| – forward agreements | **1.3** | 2.9 | **–** | – |
| – surplus values | **30.3** | – | **–** | – |
| – other | **16.7** | 15.9 | **–** | – |
| **Total** | **58.2** | 26.7 | **9.9** | 7.9 |

| Deferred tax liabilities | Group 2021 | Group 2020 | Parent Company 2021 | Parent Company 2020 |
|---|---|---|---|---|
| **Temporary differences pertaining to:** | | | | |
| – forward agreements | **0.4** | 0.2 | **–** | – |
| – untaxed reserves | **50.2** | 40.8 | **–** | – |
| – amortization of consolidated surplus values | **117.2** | 32.3 | **–** | – |
| – other | **35.6** | 31.1 | **–** | – |
| **Total** | **203.4** | 104.4 | **0** | 0 |

# Note 26 Pension obligations

| | Group 2021 | Group 2020 |
|---|---|---|
| Opening value | **2.7** | 2.6 |
| Decreased provision | **–0.1** | –0.1 |
| Increased provision | **0.4** | 0.3 |
| **Closing value** | **3.0** | 2.8 |

# Note 27 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 at various levels in the Group. The goal is to obtain an overall view of the risk situation, to minimize negative earnings effects and to clarify and define responsibilities and authority within the Group. Regular monitoring is carried out at the local and central level and findings are reported to the Audit Committee and Board of Directors.

The financial risks for the Parent Company mainly relate to changes in interest rates and liquidity since the exposure to various currencies is limited as the majority of costs are in SEK.

**MARKET RISK**

**Currency risk**

***Transaction exposure***

Lesjöfors and Habia Cable conduct 14 percent (15) and 5 percent (6), respectively, of their sales in Sweden, while approximately 34 percent (35) of their manufacturing takes place in Sweden.

This means that a large portion of the Group's income is in foreign currencies, while a relatively high proportion of its expenses, particularly personnel costs, are in SEK. To a certain extent, part of this currency risk is managed by purchasing input materials and machinery in currencies other than SEK. However, the manufacturing companies' income in certain foreign currencies still exceeds its expenses, and due to this lack of balance, the Group is exposed to currency risks.

For Beijer Tech, the situation is the opposite. Sweden accounts for 58 percent (62) of sales and the remaining 42 percent (38) is mainly sold 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, cash flow and, over time, its competitiveness.

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

| 2021 | USD | EUR | DKK | NOK | GBP | CNY | JPY | HKD | KRW | 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 | –53.9 | – | – | – | –20.9 | – | **57.7** |
| 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** | **–53.9** | **–0.1** | **0.0** | **0.0** | **–24.4** | **3.4** | **272.7** |

| 2020 | USD | EUR | DKK | NOK | GBP | CNY | JPY | HKD | KRW | PLN | CHF | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Lesjöfors | 15.0 | 291.0 | 6.0 | 9.0 | –32.0 | – | 4.0 | – | – | – | – | **293.0** |
| Habia Cable | 38.6 | 136.5 | – | 8.1 | 55.5 | –60.9 | – | –0.3 | 1.2 | –28.0 | – | **150.7** |
| Beijer Tech | –38.4 | –104.3 | 24.4 | 53.0 | –9.9 | – | –1.9 | – | – | – | –8.5 | **–85.6** |
| **Total** | **15.2** | **323.2** | **30.4** | **70.1** | **13.6** | **–60.9** | **2.1** | **–0.3** | **1.2** | **–28.0** | **–8.5** | **358.1** |

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 Group management, hedge parts of the flow up to 18 months. In most cases, the level of hedging lies in the middle of the range. The main hedging instrument used is forward agreements. Forward agreements are signed centrally in Lesjöfors and Habia Cable, each of which is responsible for their own net exposure. Forecast flows are not hedged in Beijer Tech. 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. Of these agreements, which have a total nominal value of MSEK 327, MSEK 320 falls due in 2022 and MSEK 7 in 2023. Most of the agreements pertain to EUR. The average rate for these agreements is 10.32**.**

| | Group | |
|---|---|---|
| | **Dec 31, 2021** | Dec 31, 2020 |
| USD | **25.3** | 21.9 |
| EUR | **203.7** | 325.8 |
| GBP | **97.8** | 26.6 |
| **Total** | **326.8** | 374.3 |

| Recognition of derivatives, etc. | 2021 | 2020 |
|---|---|---|
| Nominal amount of derivatives | **326.8** | 374.3 |
| Carrying amount of forward agreements | **-4.2** | 12.8 |
| **Balance sheet item where value is recognized** | | |
| Other liabilities | **6.1** | 0.9 |
| Other receivables | **1.9** | 13.7 |
| Ineffective hedging instruments | **–** | – |
| Hedging result recognized in other comprehensive income | **-13.4** | 8.7 |
| 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. The Group has no other derivatives not 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 were ineffective, mainly due to the fact that only part of forecast net flows are hedged. 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 –4.2 (12.8), which, after deduction for deferred tax, decreased the Group's shareholders' equity. Consolidated comprehensive income was impacted in an amount of MSEK –13.4 (8.6) due to foreign exchange contracts.

The Group has no other financial assets and liabilities measured at fair value. 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. Beijer Alma has no hedging of net investments in foreign operations.

**Sensitivity analysis**

***Earnings***

The Group's net exposure is primarily in EUR. A 1-percent change in the EUR in relation to the SEK would have had an impact of approximately MSEK 1.5 (3.2) on profit before tax. If the EUR had changed 5 percent in relation to the SEK, the impact on profit would have been MSEK 7.5 (16.2). Entering into forward agreements partly delays the earnings effect since a proportion of the forecast flows for the following 12-month period are covered by signed agreements. The same applies for project orders where forward agreements have been signed on the basis of the payment terms of the order. During this time, measures may be taken to mitigate the effects.

***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. Balance sheets maintained in EUR have the largest translation exposure. A 1-percent change in the EUR in relation to the SEK would have had an impact of MSEK 3 (7) on shareholders' equity in the Group. A 5-percent change in the EUR in relation to the SEK would have had an impact of MSEK 14 (34) 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 327 (374). 82 percent (87) 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 is also 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 up to 12 months. Outstanding loans and committed credit facilities are listed below.

| | Group 2021 | 2020 | Parent Company 2021 | 2020 |
|---|---|---|---|---|
| **Non-current liabilities** | | | | |
| Liabilities to credit institutions | **999.1** | 614.4 | **–** | – |
| **Current liabilities** | | | | |
| Liabilities to credit institutions | **399.8** | 189.4 | **–** | – |
| Committed credit facilities | **405.3** | 385.0 | **139.2** | 184.6 |
| **Total interest-bearing liabilities** | **1,804.2** | 1,188.8 | **139.2** | 184.6 |

All amounts are deemed to correspond to fair value. Interest-bearing liabilities in the table do not include lease liabilities.

Liabilities to credit institutions comprise approximately 62 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 876 in EUR, MSEK 27 in CNY, MSEK 117 in GBP, and MSEK 6 in DKK. Other than this, the Group has no interest-bearing liabilities in any single currency corresponding to more than MSEK 10.

The interest levels vary between 0.7 percent and 5.4 percent. The average interest rate is approximately 1.3 percent. The average interest rate on the committed credit facilities is about 1.1 percent. A limit fee on the granted amount averaging 0.2 percent is also payable. No derivative instruments are used. All loans are subject to an interest rate with varying fixed-interest terms, in most cases, of up to one 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 1,324 (573). Net debt varies over the year. The level of indebtedness is at its highest after the dividend is paid and then normally declines until such time as the dividend is paid in the following year. A 1-percentage-point change in the interest rate would have had an impact of about MSEK 9.5 (7) on profit before tax based on average net debt.

### 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. Habia Cable has taken out credit insurance for some of its Chinese customers. 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 21.

### LIQUIDITY RISK

Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 480.5 (616.1), the majority is invested with Nordea and Handelsbanken.

Beijer Alma has loans that fall due at different points in time. A large portion of its liabilities are in the form of committed credit facilities that are formally approved for a period of one year. Refinancing risk refers to the risk of Beijer Alma being unable to fulfill its obligations due to canceled loans and difficulties in raising new loans.

For information concerning lease liabilities, refer to Note 11.

Beijer Alma manages this risk by maintaining a strong liquidity position. The Group's policy is that available liquidity, defined as cash funds plus approved but unutilized committed credit facilities, is to amount to not less than two months of invoicing, meaning approximately MSEK 890. The Group's liquidity position at recent year-ends is shown in the table below. Another method of managing this risk is to maintain a strong financial position and favorable profitability, thereby making the company an attractive customer for financing institutions. In the first half of 2020, Beijer Alma chose to increase its liquidity by MSEK 300 through a revolving credit facility. The revolving credit facility falls due at the end of 2022.

| Available liquidity | Group 2021 | 2020 | Parent Company 2021 | 2020 |
|---|---|---|---|---|
| Cash funds | **480.5** | 616.1 | **0.1** | 0.1 |
| Approved committed credit facilities | **1,304.4** | 1,597.4 | **600.0** | 900.0 |
| Utilized portion of committed credit facilities | **-405.3** | -385.0 | **-139.2** | -184.6 |
| **Available liquidity** | **1,379.6** | 1,828.5 | **460.9** | 715.4 |

Maturity analysis of liabilities, including interest to be paid for each period. The revolving credit facility is not included in the table below.

| 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 | **1,804.1** |
| 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** |

| Group | Less than 1 year | 1–3 years | 4–5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **Dec 31, 2020** | | | | | |
| Borrowing | 571.3 | 538.8 | – | 63.6 | **1,173.7** |
| Liabilities for leases | 67.6 | 95.5 | 38.4 | 20.4 | **221.9** |
| Accounts payable | 203.5 | – | – | – | **203.5** |
| Acquisition-related liabilities | 29.0 | – | 42.0 | – | **71.0** |
| **Total** | 871.4 | 634.3 | 80.4 | 84.0 | **1,670.1** |

Acquisition-related liabilities include additional contingent considerations amounting to MSEK 0 (26), a future unconditional consideration of MSEK 9 (3) and an expensed purchase consideration of MSEK 166.2 (42) for planned acquisitions of minority shares in 2025. Both of these items are measured partly based on unobservable market data. Contingent considerations are recognized at 0 percent (74) of the maximum outcome. There were no contingent considerations as of December 31, 2021. Of the foreign exchange contracts at year-end totaling MSEK 327 (374), MSEK 320 (366) had a maturity period of less than one year and MSEK 7 (9) had a maturity period of one to two years.

### 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 | 2021 | 2020 |
|---|---|---|
| Interest-bearing liabilities | **1,804.2** | 1,188.7 |
| Cash and cash equivalents | **–480.5** | –616.1 |
| **Net debt** | **1,323.7** | 572.6 |
| Shareholders' equity | **2,854** | 2,504 |
| Net debt/equity ratio, % | **46.4** | 22.9 |

| Reconciliation of net debt | Cash and cash equivalents | Current interest-bearing liabilities, incl. credit facilities | Non-current interest-bearing liabilities | Total net debt |
|---|---|---|---|---|
| **Dec 31, 2019** | **465.1** | **654.4** | **531.6** | **–720.9** |
| Via acquisitions | – | 98.1 | 97.8 | **–195.9** |
| Translation differences | –23.5 | –5.5 | –21.5 | **3.5** |
| Cash flow during the year | 174.5 | –172.6 | 6.5 | **340.6** |
| Not affecting cash flow | – | – | – | **–** |
| **Dec 31, 2020** | **616.1** | **574.4** | **614.4** | **–572.6** |
| Via acquisitions | 94.2 | 109.7 | 75.0 | **–90.5** |
| Translation differences | 11.8 | 2.7 | 30.7 | **–21.6** |
| Cash flow during the year | –241.6 | 54.3 | 346.8 | **–642.7** |
| Not affecting cash flow | – | 64.1 | –67.8 | **3.7** |
| **Dec 31, 2021** | **480.5** | **805.1** | **999.1** | **–1,323.7** |

Lease liabilities are not included in the Group's definition of net debt. Lease liabilities totaled MSEK 244 (201). Payments of leases are charged to cash flow for 2021 in an amount of MSEK 79.8 (75).

**Financial instruments by category in the Group**
The accounting policies for financial instruments were applied as follows:

| 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* | – | – | 175.2 | **175.2** |
| Contingent consideration | – | – | – | **0** |
| **Total** | **6.1** | **2,230.4** | **175.2** | **2,411.7** |

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

| Dec 31, 2020 | Financial assets measured at amortized cost | Derivatives used for hedging purposes | Total |
|---|---|---|---|
| **Assets in the balance sheet** | | | |
| Other long-term receivables | 13.8 | – | **13.8** |
| Accounts receivable and other receivables | 629.2 | – | **629.2** |
| Derivative instruments (included in the item other receivables) | – | 13.7 | **13.7** |
| Cash and cash equivalents | 616.1 | – | **616.1** |
| **Total** | **1,259.1** | **13.7** | **1,272.8** |

| Dec 31, 2020 | 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 | – | 803.8 | – | **803.8** |
| Committed credit facilities | – | 385.0 | – | **385.0** |
| Derivative instruments (included in the item other current liabilities) | 0.9 | – | – | **0.9** |
| Accounts payable | – | 203.5 | – | **203.5** |
| Future purchase consideration* | – | – | 44.7 | **44.7** |
| Contingent consideration | – | – | 26.1 | **26.1** |
| **Total** | **0.9** | **1,392.3** | **70.8** | **1,464.0** |

* MSEK 41.7 is measured at fair value through shareholders' equity and MSEK 3 through profit or loss.

# Note 28 Other non-current liabilities

| | Group 2021 | 2020 |
|---|---|---|
| Other non-current liabilities | **5.6** | 0 |
| Other provisions | **3.5** | 0 |
| Liabilities for future acquisitions of minority shares | **166.2** | 61.2 |
| **Total** | **175.3** | 61.2 |

# Note 29 Accrued expenses and deferred income

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Accrued personnel costs | 219.3 | 174.5 | 20.3 | 14.0 |
| Accrued interest | 2.8 | 1.4 | – | – |
| Restructuring reserve | 3.9 | 16.0 | – | – |
| Accrued bonuses to customers | 112.3 | 57.1 | – | – |
| Deferred income | 11.7 | 11.4 | – | – |
| Contract liabilities | 8.1 | 1.6 | – | – |
| Other | 89.0 | 65.5 | 0.1 | – |
| **Total** | 447.1 | 327.5 | 20.4 | 14.0 |

The restructuring reserve includes MSEK 3.9 (16) in costs for restructuring activities in Sweden.

# Note 30 Other current liabilities

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Personnel tax | 30.1 | 29.4 | 0.4 | 0.3 |
| Value-added tax | 47.0 | 31.6 | 0.2 | – |
| Advance payments from customers | 17.5 | 6.8 | – | – |
| Derivative instruments | 6.1 | 0.9 | – | – |
| Additional purchase consideration | – | 7.0 | – | – |
| Other | 29.5 | 14.9 | – | – |
| **Total** | 130.2 | 90.6 | 0.6 | 0.3 |

Advance payments from customers amounted to MSEK 17.5 (6.8) and comprise contract liabilities.

# Note 31 Pledged assets

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Floating charges | 596.8 | 419.0 | 304.9 | 146.0 |
| Real estate mortgages | 209.9 | 150.0 | – | – |
| Shares | 597.7 | 602.6 | 13.4 | 13.4 |
| Machinery used in accordance with finance leases | 37.9 | – | – | – |
| Assets with retention of title | 8.3 | 8.1 | – | – |
| **Total** | 1,450.6 | 1,179.7 | 318.3 | 159.4 |

# 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.

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Guarantees | 32.2 | 29.2 | – | – |
| Pension commitments | – | 0.4 | – | – |
| Relocation subsidy received | 1.5 | 1.5 | – | – |
| **Total** | 33.7 | 31.1 | 0 | 0 |

# 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 | –36.9 |
| Share premium reserve | 279.0 |
| Net profit for the year | 333.6 |
| **Total** | **575.7** |
| To be appropriated as follows: | |
| Ordinary dividend to shareholders of SEK 3.50 per share | 210.9 |
| **To be carried forward** | **364.8** |

# Note 34 Items not affecting cash flow

| | Group 2021 | Group 2020 | Parent Company 2021 | Parent Company 2020 |
|---|---|---|---|---|
| Depreciation/amortization | **246.5** | 239.7 | **–** | 30.0 |
| Sale of fixed assets | **–** | –0.4 | **–** | – |
| Net loss, divestment of operations | **45.3** | – | **–** | – |
| Remeasurement of additional purchase considerations | **–16.1** | –17.2 | **–** | – |
| Loss from associated companies | **–0.2** | –0.4 | **–** | – |
| **Total** | **275.5** | 221.7 | **0.0** | 30.0 |

# Note 35 Business combinations

**2021**

**Plymouth Spring**

On December 10, 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 revenues of approximately MUSD 12, with good profitability.

**Källström Engineering Systems AB**

On September 15, 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 revenues of approximately MSEK 35, with good profitability.

**Novosystems AB**

On April 6, 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 revenues of approximately MSEK 50.

**Noxon AB**

On April 1, 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 revenues 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, 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 | 118.7 |
| 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 18.

The expensed purchase consideration of MSEK 123.2 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. The total liability for acquisitions carried out in 2021 and previous years amounts to MSEK 9 (29), of which MSEK 9 comprises current liabilities (Note 30). If all of the acquisitions had been carried out on January 1, 2021, they would have had an impact of MSEK 799 on the Group's net revenues and and MSEK 127 on operating profit, of which Alcomex would have contributed MSEK 530 Mkr in net revenues and MSEK 85 in operating profit.

On January 14, 2022, Beijer Tech acquired the majority of the shares in Swedish Microwave AB, a manufacturer of equipment for satellite communication to the global professional market. The company has revenues of MSEK 50, with high profitability, and 24 employees. On February 3, 2022, Beijer Tech acquired the majority of the shares in Mountpac AB, a manufacturer and supplier of customized components in different materials.The company has revenues of MSEK 50, with high profitability, and 16 employees.

**2020**

**Metrol Springs Ltd**

On January 2, 2020, Lesjöfors acquired 100 percent of the shares in the UK company Metrol Springs Ltd, a leading manufacturer of tooling gas springs and special purpose gas springs with a proprietary range of gas struts. Metrol has further enhanced their product offering with linear actuators and other products. The company generates revenues of approximately MGBP 7 with favorable profitability, and has a diversified customer base in general industry and the automotive industry in the UK, Europe, the US, and Asia.

**PA Ventiler AB**

On February 6, 2020, Beijer Tech acquired 100 percent of the shares in PA Ventiler

AB, located in Lindome, Gothenburg, via Lundgrens Sverige AB. PA Ventiler conducts sales of valves, primarily to the pulp and paper industry as well as the chemical and petrochemical industry. The company generates revenues of approximately MSEK 27 with favorable profitability.

**INU Group**
On August 31, Beijer Tech's acquisition of INUInvest AB, including the operations of INUstyr AB and its sister companies, was completed through a newly formed company, BeijerInu AB, in which Beijer Tech acquired 75 percent of the shares. INUstyr is active in building automation systems and offers energy efficient solutions for public and private customers in Sweden. The company focuses on complete solutions for indoor environments through system integration and coordination, particularly in commercial and specialized buildings. INU Group has revenues of approximately MSEK 110.

**Acquisition calculations for acquisitions in 2020**

| | |
|---|---|
| Purchase consideration | 176.3 |
| Net assets measured at fair value | 3.8 |
| Of which, non-controlling interests, 25% | –17.8 |
| Goodwill | 154.5 |
| Cash portion of purchase consideration | 157.9 |
| Purchase consideration to be paid within five years | 44.7 |

**Net assets measured at fair value**

| | |
|---|---|
| Buildings and land | 34.1 |
| Machinery and equipment | 21.6 |
| Other intangible assets | 28.0 |
| Inventories | 21.1 |
| Receivables | 38.0 |
| Cash and cash equivalents | 33.3 |
| Interest-bearing liabilities | –128.1 |
| Non-interest-bearing liabilities | –44.2 |
| **Total** | 3.8 |

**Purchase consideration – cash outflow**

| | |
|---|---|
| Cash flow to acquire the subsidiary, less acquired cash and cash equivalents | |
| Cash purchase consideration | 157.9 |
| Loan to the owner company Beijer Inu | 94.3 |
| Less: Acquired cash and cash equivalents | –33.3 |
| **Net outflow of cash and cash equivalents – investing activities** | **218.9** |

The acquisition calculations for acquisitions in 2020 have been determined.

# Note 36 Transactions with related parties

The Parent Company invoiced its subsidiaries a management fee of MSEK 18.2 (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 18 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 14, Beijer Tech acquired the majority of the shares in Swedish Microwave AB, a manufacturer of equipment for satellite communication to the global professional market. The company has revenues of MSEK 50, with high profitability, and 24 employees. On February 3, Beijer Tech acquired the majority of the shares in Mountpac AB, a manufacturer and supplier of customized components in different materials. The company has revenues of MSEK 50, with high profitability, and 16 employees. Refer to Note 35 for more information.

On February 2, Beijer Alma's CFO Erika Ståhl announced that she will be leaving the company to pursue another opportunity outside the Group.

On February 15, the Board of Beijer Alma announced that it had decided to carry out a strategic review of the Group's holdings in Habia Cable. The review is intended to ensure long-term value creation for Beijer Alma's shareholders, and to ensure that Habia Cable has the right conditions for growth, considering the company's leading position in its niche.

# 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, revenues, sales**
Unless otherwise stated, the terms invoicing, revenues and sales refer to net revenues.

**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 revenues.

**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 the website.*

# Board signatures

These consolidated financial statements were approved by the company's Board of Directors on February 15, 2022.

The balance sheet and income statement will be presented to the Annual General Meeting on March 30, 2022.

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 5, 2022

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 5, 2022

KPMG AB

Helena Arvidsson Älgne

# Auditor's Report

*To the general meeting of the shareholders of Beijer Alma AB (publ), 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 2021, except for the corporate governance statement on pages 35-38. The annual accounts and consolidated accounts of the company are included on pages 35-73 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 2021 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 2021 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 35-38. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### 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 and existence of inventory

See disclosure 20 and accounting principles on page 52 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 1 361 million as of December 31, 2021 which represents 21% 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 obtaied 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.

#### Valuation of trade receivables

See disclosure 21 and accounting principles on page 50 and 52 in the annual account and consolidated accounts for detailed information and description of the matter.

**Description of key audit matter**

- Beijer Alma's trade receivables amounts to SEK 896 million as of December 31, 2021, equivalent to 14% of total assets.
- Valuation of trade receivables is based on managements assumptions and principles for bad debt provisions.
- Changes in the assumptions and assessments may have a significant effect on the financial statements, we have therefore deemed valuation of trade receivables as a key audit matter.

**Response in the audit**

- We have gained an understanding of and evaluated the group process for review of trade receivables including the routines in place to identify doubtul trade receivables. We have evaluated management's assessment and provision of bad debt.
- We have reviewed the ageing structure of accounts receivables and historical losses and compared these with management's assessment.
- 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.

## OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-34 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 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the 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 2021.

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

In our opinion, the Esef report BZM7OQTWwJs8s58= 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

## THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 35-38 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 23 March 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2020.

Stockholm March 5, 2022

KPMG

Helena Arvidsson Älgne
*Authorized Public Accountant*

# Information on the Annual General Meeting

Beijer Alma's Annual General Meeting will be held on Wednesday, March 30, 2022. Due to the ongoing Covid-19 pandemic, the Annual General Meeting will only be conducted by means of advance voting with the support of temporary exception legislation. This means the Annual General Meeting will be held with no physical participation.

The speech by the CEO will be available on the company's website, www.beijeralma.se, as of March 30, 2022. Information regarding the resolutions passed at the Annual General Meeting will be published on March 30, 2022 as soon as the results of the voting have been finalized.

### PARTICIPATION

Shareholders who wish to participate in the Meeting through advance voting must:

- Be listed in Euroclear Sweden AB's (Euroclear) shareholder register based on the situation as of March 22, 2022, and
- Register not later than March 29, 2022 by casting their vote in advance in accordance with the instructions provided under the heading "Advance voting," ensuring that their advance vote reaches Euroclear by the same date.

Shareholders whose holdings are registered in the name of a nominee must register the shares in their own name with Euroclear. Such registration must be completed not later than March 22, 2022, and should be requested well ahead of this date.

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.

### DIVIDENDS

The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 3.50 per share (3.00).

The proposed record date for dividends is April 1, 2022. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid out through Euroclear commencing April 6, 2022.

### 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

| | | |
|---|---|---|
| 2022 | March 30 | Annual General Meeting |
| | April 26 | Interim report January 1–March 31 |
| | August 19 | Interim report April 1–June 30 |
| | October 27 | Interim report July 1–September 30 |
| 2023 | February | Year-end report |
| | March 30 | 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.

## CONTACT

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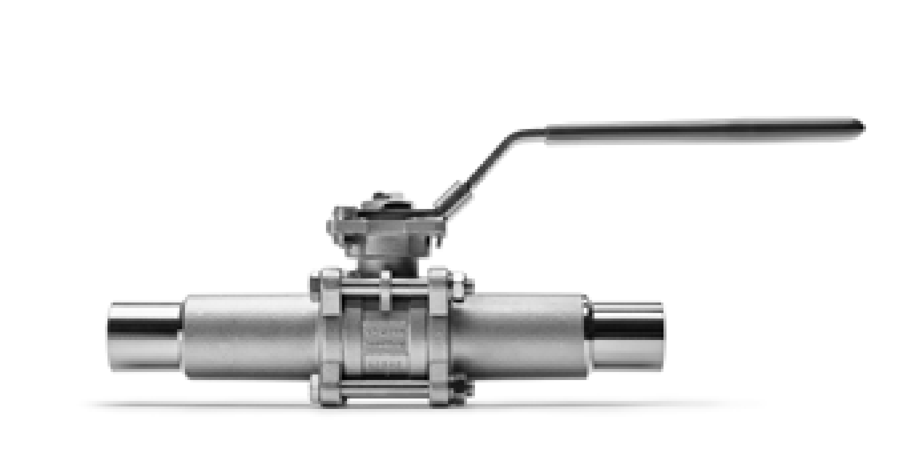

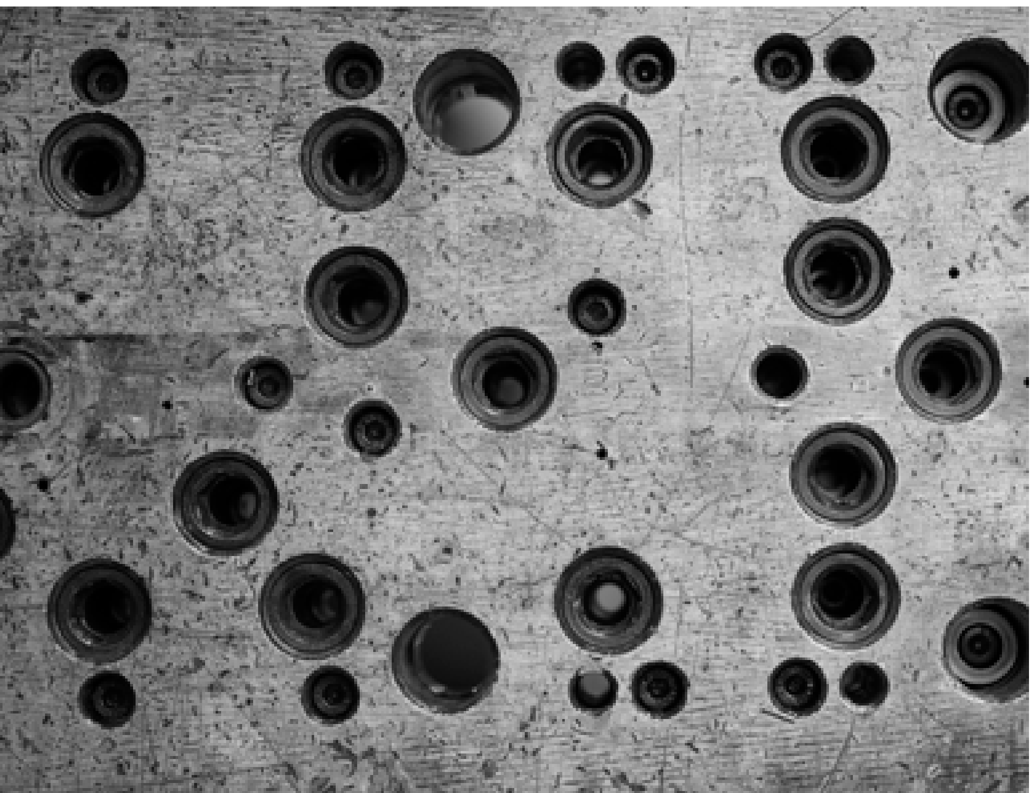

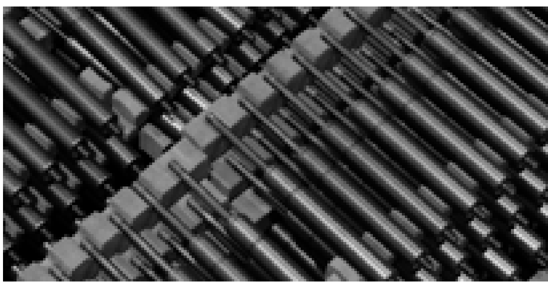

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