



Annual Report 2023



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Net turnover amounted to SEK 38,514 M (35,345). Operating profit amounted to SEK 1,416 M (2,102). The margin was 3.7 per cent (5.9). The previous year included a profit from sale of operations of SEK 368 M.			
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We reported a stable result for 2023, which was attributable to a continued strong Service Business and good demand for used cars. Organic growth in the Service business was 10 per cent.			
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A success factor for Bilia is our employees. Our internal strategy is based on an employeeship that, through pride and consideration, contributes to satisfied customers.			
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Bilia is a full-service supplier, with a wide range of services, a One Stop Shop offering assistance with everything related to the car ownership during the car's life cycle.			
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# This is Bilia

One of Europe's largest full-service supplier  
for everything related to car ownership



MARKET CAPITALISATION

SEK **13.0** Bn

TOTAL TURNOVER

SEK **38.5** Bn

ORGANIC GROWTH IN  
THE SERVICE BUSINESS

**10 %**

DELIVERED CARS,  
NEW AND USED

**90,040**

TURNOVER OUTSIDE OF SWEDEN

**36 %**

► Bilia is a full-service supplier with one of the widest ranges of products and services on the market, and offers assistance with everything related to car ownership during the car's life cycle. All our customers are treated as guests and we aim always to create a better experience.

## OUR CAR BRANDS 2023



VOLVO

PORSCHE



# Find Bilia here

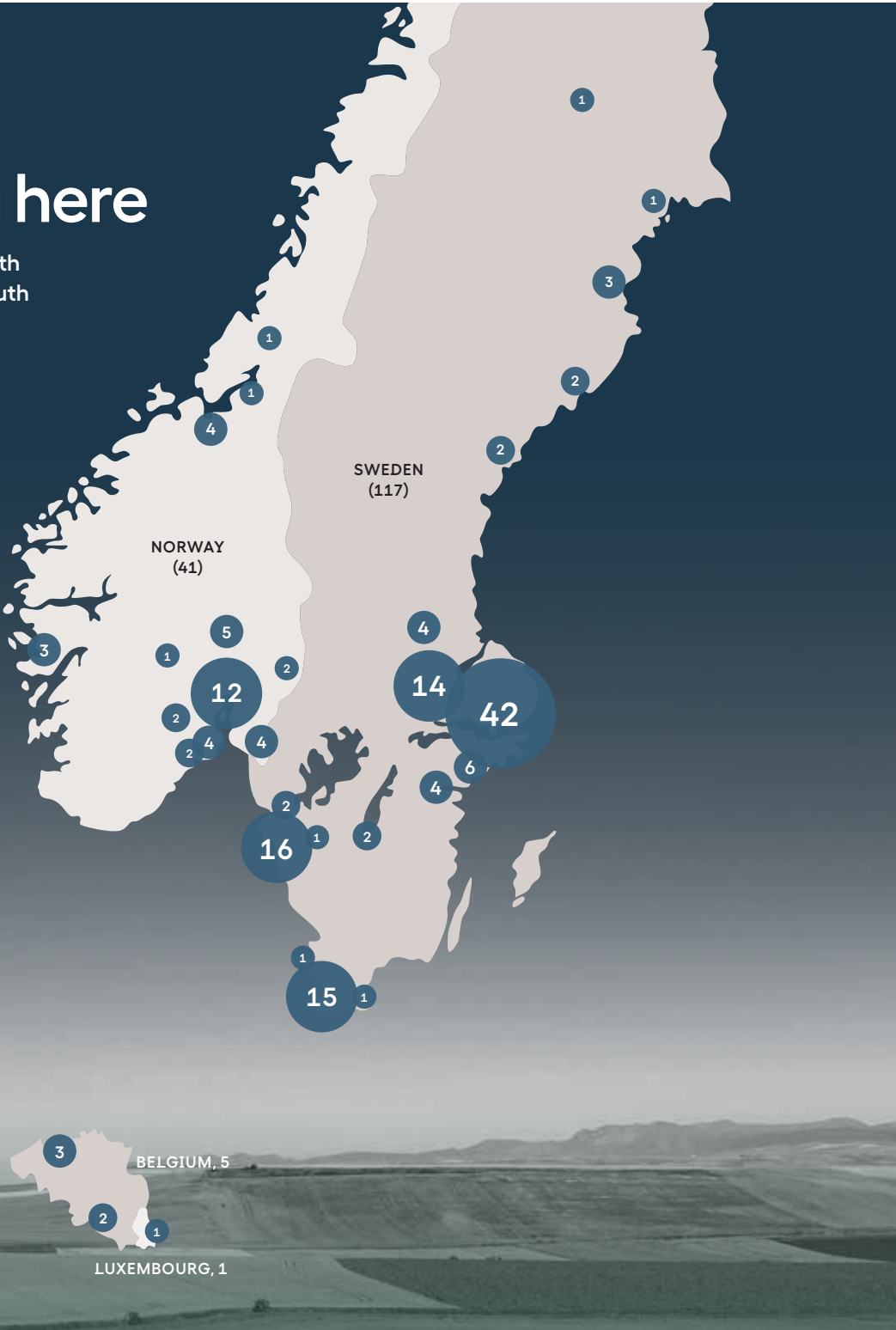
From Gällivare in the north to Luxembourg in the south

TOTAL NUMBER OF FACILITIES

164

EMPLOYEES

5,185



DACIA



XPENG



SKODA





“Again in 2023, customer satisfaction was above average in the industry for our car brands”

# Our customers in focus as we grow and develop our business

**FULL SPEED AHEAD IN THE SERVICE BUSINESS.** Our customers continue to look after their cars also in tough economic times, and demand for servicing was not affected during the year. During the year, the Service Business represented 22 per cent of our turnover and 62 per cent of our operational earnings.

### Stable result for the year

We reported stable operational earnings of SEK 1,623 M (1,906) for 2023. The Service Business contributed an impressive SEK 1,097 M (1,161) and the Car Business SEK 652 M (823), with sales of used cars accounting for SEK 352 M (412).

The operation in Sweden reported a result of SEK 1,365 M (1,304). The higher results were attributable to the Car Business and sales of used cars. Adjusted for operations divested in 2022, the Service Business also reported higher results. The operation in Western Europe reported the highest result ever of SEK 228 M (154), which was primarily attributable to the

strong Car Business, although the Service Business too reported higher results. Norway, however, reported a lower result of SEK 177 M (547) compared to the previous year, mainly attributable to the Car Business and especially sales of new cars. The Norwegian market has been adversely affected by new tax regulations and a weak economy. Measures were taken during the year to improve and support the operation.

The order intake for new cars was lower than the previous year due to high interest rates and high inflation in our operating countries. At the end of the year, the order backlog was at a normal level from a historical perspective.



### **Service Business in focus for growth and development**

The Service Business reported a continued stable result and demand for our services was not affected by the economic uncertainty. Our customers continued to look after their cars also in tough economic times. Organic growth in the Service Business amounted to 10 per cent during the year; 9 per cent in Sweden, 7 per cent in Norway and 27 per cent in Western Europe.

The Service Business is where we meet most of our customers several times a year. Customer encounters usually occur in connection with servicing and repairs, and also with wheel changes when customers come to our facilities. These recurring encounters boost customer relations and present opportunities to offer our customers further services. We help with everything relating to owning a car and our offering includes servicing and repairs, fuel, car washes, rental cars, wheels and tyres, rim repair, car accessories, car care, paintwork, glass replacement and repair, car dismantling and more. Customers can also take out service and wheel storage subscriptions to simplify car ownership.

We are continuously working to ensure that our offering in the Service Business matches our customers' wishes and requirements.

### **A better customer experience**

Customers and their wishes and needs are, and always have been, in focus for Bilia. As the industry is changing, our customers are setting higher demands and sustainability is a driving factor. By developing total solutions for car users, we can offer our customers a complete suite of services. Satisfied customers are a key component in our customer promise, and also one of our sustainability targets which we monitor by facility and car brand. For 2023, weighted customer satisfaction for our car brands was 2.1 percentage points higher than among competitors in our markets.

We are receptive to what our customers are looking for, and we develop services for all car brands, including wheels, dismantling and reuse of used spare parts, car glass, used cars and repair workshops. We can see that the market's future needs in these areas are growing as demand for sustainable solutions increases.

### **Evolution and expansion of the Bilia family**

We continuously develop our sustainable business strategy by acquiring operations that complement and enhance our existing Service and Car Business and create sustainable growth in the long term. During the year, we have expanded the Bilia family through acquisitions, new operations, and a new operational area.

With the acquisition of Söderbergs Personbilar AB at the beginning of the year, we welcomed the car brands Volkswagen,

Audi, Skoda, Seat and Cupra into the Bilia family. Operations are now up and running at seven full-service facilities and include sales of new cars of these five brands, as well as sales of Volkswagen transport vehicles, along with related sales of used cars and service operations.

The acquisition of Bilcentergruppen Sörmland AB has extended our Mercedes business in Sweden with one further facility, where we offer sales and servicing of Mercedes-Benz cars and transport vehicles.

Thanks to an expanded partnership with Nissan, during the year we have successfully established the car brand at several of our facilities across Sweden.

In 2023 we also established sales of new XPENG cars in Stockholm, Gothenburg and Malmö in Sweden and in Bergen, Norway.

South west of Oslo in Norway, we have co-located our car dismantling and repair operations so that we can better utilise used spare parts when repairing cars.

At the end of the year we were made the official importer of Jaguar and Land Rover's brands in Sweden and Norway, and imports will begin during the second quarter of 2024. We are delighted to have this opportunity to establish ourselves as an importer/general agent.

Also during the year we acquired B MotorGroup Stockholm AB, which comprises two full-service facilities in Stockholm for sales of new and used Jaguar and Land Rovers, with related service operations. The commencement of the operation took place in January 2024, supplementing our Swedish business with the Jaguar and Land Rover brands, while they will also complement our new import operation which is starting in 2024.

### **Potential economic upturn in 2024?**

The past year has been characterised by high inflation and high interest rates. We are now seeing indications of lower inflation and interest rates during 2024. Bilia's new car orders have historically been impacted negatively early on in times of recession, but have also been quick to improve once the economy recovers. We therefore have high hopes for an improved order intake for new cars in the second half of the year. In addition we have a stable, profitable Service Business which comprises a large part of our operating profit and is far less sensitive to economic fluctuations.

Despite the challenging times, we continue to work together to take Bilia successfully into the future. Our long-term strategy remains, we know what we have to do, and how to get results.

Gothenburg, March 2024

**Per Avander**  
CEO and Managing Director

# Bilia's customers shall have a better experience

**VISION.** We want to be the best service company in the business through consideration for our customers, colleagues and the world we live in.

The automotive industry is facing major changes. Developments in car technology, new actors and innovative add-on services are just a few examples of external factors that affect our business. In order to stay at the forefront and increase our market share, we must be adaptable and stay one step ahead of our competitors and the rest of the industry. We are working continuously on our customer promise to ensure that our customers receive the same unique experience and considerate service, regardless of which facility or communication channel they use.

Our customer promise is 'A better experience' through considerate service. We promise to create an experience that exceeds the customer's expectations, and adds value that distinguishes Bilia from its competitors. We always strive to be better. By working in a goal-conscious way founded on our vision, values and customer promise, we create a positive spiral, enabling us to exceed expectations and provide a better experience for customers and colleagues alike. Our customer promise is the same regardless of the geographical market or brand we work with.

Our compass is based on 'Pride and consideration', and this leads to a better customer experience. Over 90 per cent of employees at Bilia are rewarded based on the customer's experience.

Our pathway to success is strong leadership and co-workership based on dedication, competence, genuineness and respect. In today's fast-changing world, continuing professional development is a key success factor. New recruits learn about our core values from their very first day as part of their training. This is followed up in role-specific training courses on our way of working with the focus on the customer.

Bilia's work focuses on the results of regular employee surveys, and more frequent pulse surveys were introduced in 2023. Checking in with employees more often and thereby continuously developing the corporate culture has been welcomed by employees and managers alike. Thanks to Bilia's work to improve employee commitment, the company's results are well above the benchmark.

At Bilia, every employee is responsible for their own and their colleagues' working environment. Together we create an inclusive environment where each employee feels appreciated for the person they are and receives affirmation for their work. We are convinced that a workplace filled with people who have different knowledge, experiences and backgrounds is positive for the working environment and the company's profitability.

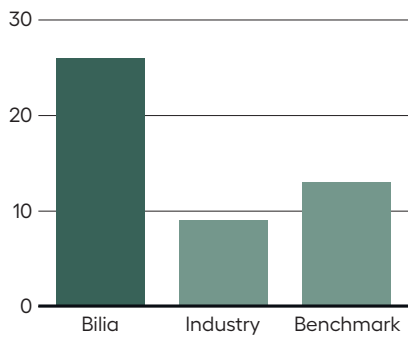
We operate in a male-dominated industry, and this places high demands on measures to attract more women. Equal opportunity and treatment regardless of gender is a fundamental principle for us. We are convinced that an even gender distribution has positive effects on both the work environment and profitability, and we would therefore like to recruit more women. We have formulated a special recruitment policy which we follow up regularly, we work actively with wage mapping and a gender equality plan, and we keep the recruitment discussion alive.

Bilia's employees should also thrive, both at and outside of work, which is why we care about our employees' future, health and life outside of work. We actively work to promote well-being and security through health-promoting programmes, fitness subsidies, joint fitness activities and education about health and ill health.

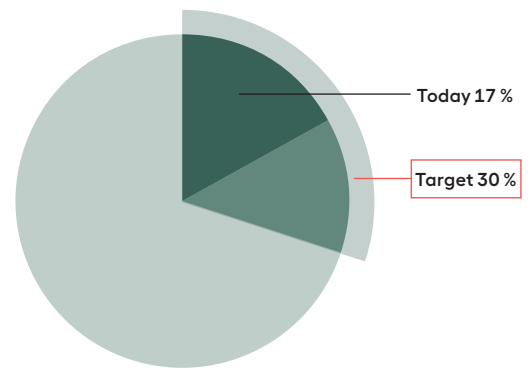
## Bilia's road to success

**OUR VISION.** We want to be the best service company in the business – through consideration for our customers, colleagues and the world we live in.





**EMPLOYEES AND AMBASSADORS:** Proud employees are an important component in our internal strategy. A high percentage of ambassadors among employees leads to loyal customers who are willing to recommend Bilia further. Employee Net Promoter Score (eNPS) is a measure of the percentage of ambassadors minus the percentage of critics. In 2023, Bilia's eNPS was 26 compared to the benchmark 13 and the industry 9.



**SUSTAINABILITY TARGET:** Bilia wants to be an equal organisation, where men and women are represented in all professional categories. We want to increase the proportion of women in our business and focuses as a first step on the proportion of women in our sales operations. During 2023 the proportion of women in sales operations increased from 16 to 17 per cent.

### Strong leadership

Our leaders should stand for strong leadership with focus on engagement and competence.

### Proud employees

Our employees should be proud to contribute to a better experience for our customers.

### Satisfied customers

Our customers should have a better experience through a considerate approach.

### Satisfied shareholders


Our shareholders should be satisfied with the return on their investment in Bilia shares.

# We offer everything for the car ownership

**ALL UNDER ONE ROOF.** Bilia is a full-service supplier with one of the widest ranges of products and services on the market, and offers assistance with everything related to car ownership during the car's life cycle. All of our customers are treated as guests and we aim always to create a better experience.

Our circular business model is based on the customer's need for a product or service related to owning a car, for the car's life cycle. We offer private and corporate customers a wide range of car models and brands that suit the needs of different customers. In connection to the car purchase, customers are offered financing and insurance solutions to facilitate the process. At this stage, we also offer services to simplify their car ownership, such as service and wheel storage subscriptions. Service subscriptions give customers a fixed monthly cost and the wheel storage service simplifies wheel changes and makes storage easier for the customer. Our subscriptions give us the chance to meet customers repeatedly, thus strengthening relations and presenting opportunities to offer customers additional services.

We help with everything relating to owning a car and our offering includes servicing and repairs, fuel, car washes, rental cars, wheels and tyres, rim repair, car accessories, car care, paintwork, glass replacement and repair, car dismantling and more. Contact with us takes place online and/or in a visit to one of our showrooms. Bilia has regular contact with its customer base through customer-specific offers related to car ownership. The business model puts the customer in focus and is developed in line with customer needs and requirements.

 **Our subscriptions give us the chance to meet customers repeatedly, thus strengthening relations and presenting opportunities to offer customers additional services.”**

## A better experience

**EXPERIENCE.** At Bilia we strive for continuous development, to be a little better each day, whatever our title or position. Working in a goal-conscious way founded on our vision, core values and customer promise creates a positive spiral, enabling us to exceed expectations and provide a better experience for customers and colleagues alike.



We offer services and products for everything related to car ownership during the car's life cycle, from the purchase of a new car to recycling parts from a dismantled car.

- 
**Car purchase**  
 Financing, insurance, the Bilia-card, service subscriptions, tyre hotels, paint shops, accessory and tyre and wheel sales.
- 
**Store**  
 Accessories, spare parts and e-commerce.
- 
**Stations**  
 Fuels and car washes.
- 
**Tyre centres**  
 Tyre hotels, wheel change, tyre and wheel sales and workshop services.
- 
**Rim repair**  
 Renovation of rims.
- 
**Service**  
 Original service, personal service technicians and repairs.
- 
**Car glass**  
 Glass treatment, glass repair and windscreen replacement.
- 
**Car care**  
 Reconditioning and AC-cleaning.
- 
**Damage**  
 Roadside assistance, body shop, paint shop and dent removal.
- 
**Rental cars**  
 Rentals and Flexlease.
- 
**Car dismantling**  
 Dismantling, reuse and sales of used car parts.

**VISION: The best service company in the business – through consideration for customers, colleagues and the world we live in.**

Bilia will create a sustainable business through consideration and pride by offering attractive and innovative solutions for the mobile human being.

**CULTURE AND CORE VALUES: Dedication, Competence, Genuine, Respect.**

Bilia's culture and core values govern our attitude and the way we interact. At Bilia we are engaged in the meeting with customers, with each other and with suppliers. We show competence by using our expertise to find solutions and suggestions that benefit the customer the most. Being genuine and showing mutual respect build confidence in Bilia and our employees.

**CUSTOMER PROMISE: A better experience.**

Through management by objectives, monitoring and quality processes, we work goal-consciously to be a little better every day. Our general goal is to create an experience that exceeds the customer's expectations, and adds value that distinguishes Bilia from its competitors.

# A better experience through constant development



**EXPERIENCE.** At Bilia we strive to be a little better each day, whatever our role or duties. Working in a goal-conscious way founded on our vision, values and customer promise, creates a positive spiral, enabling us to exceed expectations and provide a better experience for customers and colleagues alike.

This requires well-defined work processes, and that each employee is fully aware of their areas of responsibility and the expectations placed on them. Our RACE work process (from the Swedish words for Procedures, Working Methods, Charm and Efficiency), which is also an integral part of our ISO certified management system, serves as a framework for when and how we should interact with our customers.

In the RACE process, our procedures are based on best practices to achieve our targets. By systematically analysing our service and sales processes and our functions, we can draw comparisons between operations that are performing above expectations and those that are underperforming. This enables us to support those operations that need to improve both their customer satisfaction and profitability, and spread best practices between our various car brands.

## **Business Excellence supports the operations**

Our Business Excellence team helps the facilities and functions that need support in their work to improve. The team's main task is to develop, train and follow up operations within Bilia to secure improvement and compliance with processes. This is also an important part of how Bilia integrates acquired companies into the Group and ensures they adopt Bilia working methods.



### Improvement through new working methods

At Bilia, we base our decisions on industry studies and internal analysis, to improve customer satisfaction and profitability when introducing a new working method in our operations.

In the event of a major change we involve our employees, already in the planning phase, by listening to their thoughts and answering their questions. Sometimes the change means that we need to rebuild our premises to enable better customer contact or a new behaviour from both customers and employees. A change also means that we introduce new routines and provide employees with relevant training in, for example, customer service or administrative systems.

Our Business Excellence team is often on site for a longer period of time to coach employees in their new roles. After a change has been implemented, a follow-up is made of what has been achieved and how this can be transferred to other parts of the organisation in order to continuously improve.



# A sustainable growth strategy



**WE WILL CONTINUE TO GROW.** One of our financial targets is to grow more than 5 per cent over a business cycle. We are doing this through organic growth and acquisitions.

Between 2012 and 2023, turnover more than doubled from SEK 17.7 Bn to SEK 38.5 Bn and the number of employees increased by almost 50 per cent.

## Organic growth

The automotive industry is characterised by change where sustainability is a driving factor. We are continuously striving to develop and improve our business so that it meets today's requirements regarding sustainability and services. Our active work to improve and develop the business also ensures that we maintain profitability in the best way. We are continuing to work on our MobiliaCare operational area, which focuses on products and services that are common to all car brands. MobiliaCare currently covers car glass, spare parts recycling, car dismantling, used cars, bodywork and paintwork, wheels and tyres, wheel storage and rim repair.

We want to increase the percentage of used spare parts from car dismantling at our repair workshops, thus contributing to more sustainable utilisation of the vehicle throughout its life cycle. As society's focus on circularity increases, there will be even

greater demand for used spare parts. MobiliaCare is about repairing and thus maintaining instead of buying new.

We want to continue to grow our sales of used cars via Bilia Outlet in Sweden and Norway. We see opportunities here for further sales of services needed by owners of older used cars, regardless of the brand.

## Growth through acquisitions

Over the past decade Bilia has made almost 45 acquisitions, which has entailed expansion in new countries, new car brands and new service areas. For us, the key is to have a clear acquisition strategy together with a well-planned acquisition process. A successful acquisition strategy also enables us to identify risks and opportunities, and carry out and integrate acquisitions as efficiently as possible to create sustainable value for the company and its stakeholders. Once we have acquired an operation, we use our own Business Excellence team to identify and implement improvement measures and processes that increase profitability.

In light of the ongoing consolidation in the industry, we see good opportunities to create continued growth through future acquisitions in areas of strategic importance to us. We want to continue to grow, primarily with our existing car brands, but we are also open to further additions to our car brand portfolio. Over time, new acquisitions contribute to organic growth through our focus on efficiency and improvement, especially within the Service Business and MobiliaCare.

We want to grow in Sweden, Norway, Luxembourg and Belgium, but other European countries may also be of interest. Our aim is also to grow the Service Business by making acquisitions in new areas of operation.

## SUSTAINABLE GROWTH STRATEGY

- Organic growth in the Service Business
- New services/products via MobiliaCare
- Continued growth through acquisitions
- Focus on used cars
- Geographic growth

# Acquisitions during the year



**NEW BUSINESSES.** We want to continue to grow, primarily with our existing car brands.

The year began with the addition of the Volkswagen, Audi, Skoda, Seat and Cupra car brands to Bilia's portfolio through Söderbergs Personbilar AB in Sweden.

During the year, we further strengthened our position within our existing brands Mercedes-Benz, Nissan, XPENG, Jaguar and Land Rover. On 1 November, we took over the operation of Bilcentergruppen Sörmland AB in Sweden, a Mercedes-Benz dealer. This acquisition broadened our geographical reach in Sweden, and we see opportunities to

improve our service and sales offering along with profitability.

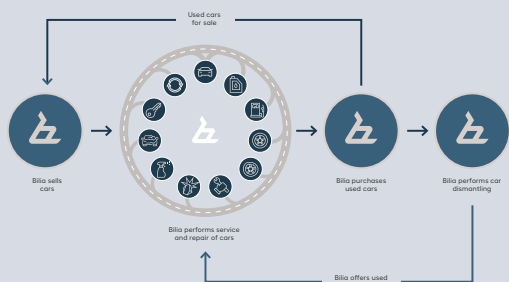
During the year we strengthened our collaboration with Nissan and began selling new and used cars and transport vehicles at several facilities in Sweden.

We also established sales of new XPENG cars in Stockholm, Gothenburg and Malmö in Sweden, and in Bergen, Norway.

During the latter part of the year, we signed an agreement to acquire B MotorGroup Stockholm AB, a full-service operation for Jaguar and Land Rover in

Sweden. The operation is conducted in two facilities located in Stockholm. Bilia took over the operation in January 2024. This acquisition nicely complements the agreement we signed with Jaguar and Land Rover during the year to become an official importer for the Jaguar and Land Rover brands Range Rover, Defender, Discovery and Jaguar in Sweden and Norway. We are delighted to have the opportunity during 2024 to develop a new operational area focusing on imports, and we will work closely with Jaguar and Land Rover through our joint company.

# 5 reasons to invest in Bilia



## 1. Circular business model for sustainable offers

Bilia's business model is to be a full-service supplier that offers everything a car owner needs during the car's life cycle. Development of services is ongoing continuously, based on customers' wishes and requirements, where we offer an opportunity to make choices that reduce climate and environmental impact.



## 3. Seamless customer experience and good accessibility

Bilia's operations are primarily run from some 160 facilities which are supported with a digital offer that simplifies and improves our contact with and service to customers. The number of customer visits is twice as many on our websites as in our facilities and in total there are more than 10 million visits per year.

## 5. Strong financial position

Bilia has a stable and strong financial position and a financial target of a dividend share of at least 50 per cent of profit per share. During 2023, a decision on a quarterly dividend of in total SEK 8.80 per share to the shareholders has been taken. The board's proposal for the 2024 AGM is an ordinary dividend of SEK 6.60 per share, to be distributed on four occasions.



## 2. Proud employees and committed leaders

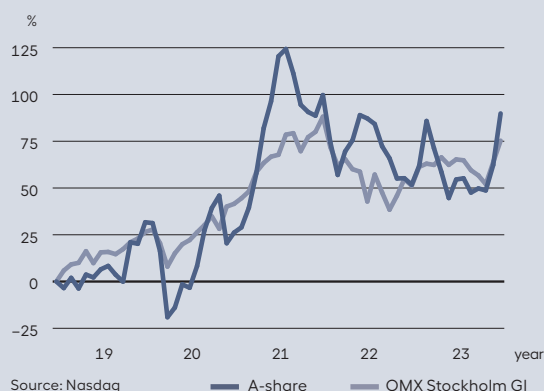
Our corporate culture is based on dedicated, proud and considerate employees and leaders, and this is fundamental in offering a better experience to ensure satisfied, loyal customers. Employee Net Promoter Score (eNPS) is a measure of the percentage of ambassadors minus the percentage of critics. In 2023, Bilia's eNPS was 26 compared to the benchmark 13 and the industry 9.



## 4. Strong business partners

Bilia has long-term collaborations with selected partners who contribute to our competitive range of products and services for our customers. Through continued acquisitions, we continuously increase the number of partners in the Bilia family.

TOTAL RETURN OF BILIA SHARE



# How Bilia contributes to a sustainable value chain

Our resources, vision and business model create lasting value for our customers and stakeholders.



## UPSTREAM

### Work with suppliers and subcontractors

Bilia is part of a value chain, and as such we have a responsibility to influence suppliers and subcontractors towards improvement based on various sustainability aspects.

We have the greatest impact through our purchases of cars. The automotive industry has a long supply chain, from raw material extraction to vehicle manufacturers that produce and assemble vehicles. Bilia has little opportunity to have an influence far up the value chain. We have therefore chosen to work with car brands that have high sustainability targets and clear ambitions, as we believe this is where Bilia has the greatest potential to contribute to a more sustainable automotive industry. In addition, Bilia can also make improvements in connection with acquiring new companies, whether we spread lessons learnt based on best practice or make improvements to newly acquired facilities.

When it comes to suppliers other than our car manufacturers, we have more opportunities to exert an influence. Primarily we choose supplier products and services with a lower environmental impact, but we can also influence our suppliers to enhance their work on sustainability.

Demands regarding the environment and human rights are stipulated in central agreements, and in Norway in 2023 we carried out risk assessments of suppliers based on human rights. Bilia is working to ensure that all new and existing suppliers sign our Supplier Code of Conduct. Going forward, we are looking at how Bilia should work in accordance with the EU's upcoming directive, CSDDD, with a requirement that suppliers must be risk assessed based on human rights and environmental aspects.

### How Bilia works:

- Requirement to meet the Supplier Code of Conduct with demands regarding the environment and human rights.
- Work in line with the Transparency Act in Norway
- Preparations ahead of CSDDD

## OWN OPERATIONS

### Our value proposition to customers

At Bilia we create value by working towards our vision of being the best service company in the business through consideration for customers, colleagues and the world we live in. One way we can make a significant contribution is to sell vehicles with a lower environmental impact. Here, we support individuals and companies that want to reduce their environmental impact through new or used cars with lower emissions.

Bilia's circular business model illustrates how, through service and repairs, we can extend a vehicle's life and facilitate reuse and recycling. One example is the way our Business Excellence team focuses on ensuring our damage centres increase their use of used parts, plastic repairs and bodywork repair. For cars at the end of their usable life cycle, Bilia offers a dismantling service. At present we have five car dismantling facilities: three in Sweden and two in Norway. With a newly established facility south of Oslo, with dismantling and repairs on the same site, Bilia wants to influence the Norwegian market to use more used car parts. All of these initiatives help to ensure that fewer new car parts need to be manufactured and are an important part of the circular economy.

Bilia also currently has 27 Tanka stations which are part of the Fuel Business which account for 3 per cent of Bilia's net turnover. These are fuelling stations, and 18 of them offer HVO100 and seven offer ethanol.

We view our work on gender equality and the work environment as a fundamental aspect of our internal sustainability work. We work systematically and continuously on work environment issues, for instance via performance appraisals with employees, risk assessments, employee wellness, and by working with union representatives.

We also make ongoing improvements and investments in our properties. We conduct energy improvements, and we strive for green rental contracts and renewable energy alongside the property owners.

### How Bilia works:

- Sales of cars with a lower environmental impact
- Circular business model
- Systematic work environment management
- Active work on gender equality
- Substitution of hazardous chemicals
- Focus on renewable energy





## DOWNSTREAM

### Usage and final disposal

The largest part of a vehicle's impact on the climate comes from its time in use. As more and more electric cars are produced, the climate impact is shifting from the usage to the production phase. Consequently, we choose our car brands with care, as vehicle design and production are crucial aspects of sustainability.

The majority of cars on the roads today still run on fossil fuel. Due to higher prices and a lack of charging infrastructure, electric cars are not an option for all customers. Bilja uses meticulous needs analyses to identify the most suitable cars based on our customers' circumstances.

The climate impact from the use of fossil fuel cars can also be reduced by selling HVO and ethanol, but also by adding AdBlue to newer diesel cars. AdBlue converts hazardous nitrogen compounds (NOx) in exhaust fumes to water vapour and nitrogen gas.

As well as face-to-face contact with customers, Bilja also strives to provide information via its website. We want to support electric car customers with knowledge from reliable sources. We also work with different kinds of events, focusing for example on how haulage companies can cultivate more profitable business relations using electric trucks, or reduce their diesel consumption.

One important phase in the life cycle of a car is how it is disposed of at the end of its life. With several car dismantlings, Bilja has this phase covered and can work towards greater circularity. We hope to see growing demand for used parts from both business and private customers. As well as having a lower environmental impact, used car parts also help to reduce costs. The final stage in the life cycle is materials recycling. Our waste contractors are key here in recovering as much of the materials as possible.

### How Bilja works:

- Needs analysis in connection with buying a car
- Information from a reliable source
- Events on a sustainability theme
- Fuels with a lower climate impact
- Well-established waste contractors

## Sustainable value creation

# 5.7 %

Dividend yield on the Bilja share. Proposed dividend of SEK 6.60 per share for 2024.

# 2.1

percentage points higher customer satisfaction compared to other dealers in our operating countries.

# 26

Bilja's Employee Net Promoter Score, which was 13 points higher compared to the benchmark.

# 1.3 times

The ratio of net debt to EBITDA, excluding IFRS 16, compared to our financial target of <2.0 times.

# 9 goals

identified goals from 2030 Agenda and the UN's global Sustainable Development Goals where Bilja can contribute and work for sustainable development.

# Sustainability targets

Bilia's sustainability targets are long-term and work is ongoing to define, measure and follow up on interim goals.

During 2022 Bilia launched five sustainability targets within the focus areas: Sustainable growth, Circular economy, Human care and Climate care.

- ▶ Our customer satisfaction was 2.1 percentage points higher than the industry average, which was slightly below our target of 3 percentage points.
- ▶ Proportion of women in sales operations increased from 16 to 17 per cent.

- ▶ During the year, the proportion of used spare parts for repair cases in Sweden amounted to 7.5 per cent compared to 6.0 per cent the previous year.
- ▶ Proportion of committed employees have, also during 2023, been over benchmark.
- ▶ We are working on informing customers how they can reduce their climate impact.

## How were Bilia's sustainability targets met in 2023?

### Customer satisfaction to be 3 percentage points higher than the industry average for each brand and country

▶ The work of having satisfied customers has been a target for several years. There are clear ways of working regarding processes, work routines and follow-up of deviations that enable us to respond to our customers in the best way. In 2023, customer satisfaction was 2.1 percentage points higher than the industry average for each brand and country. In order to achieve our target, we continue to work on improvement activities, particularly for our newly acquired businesses.

### Share of 12 per cent used spare parts for repair cases in Sweden in 2028

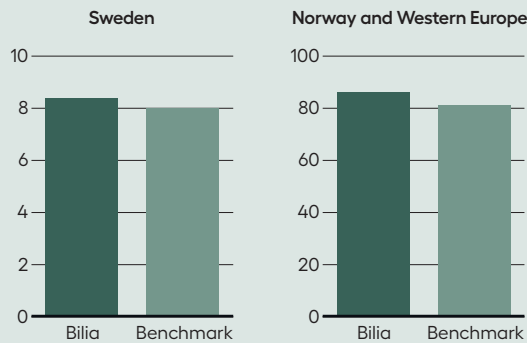
▶ The target is linked to our circular business model and intends to increase the proportion of used spare parts to make better use of the car at the end of its life cycle. The target is for the share of used spare parts for repair cases in Sweden to reach 12 per cent in 2028. In 2023, the share of used spare parts amounted to 7.5 per cent, up from 6.0 per cent the previous year. Work is ongoing on when and how Norway and Western Europe will be included in the target.

### Contribute to lower climate impact among our customers when using the products and services we provide

▶ Since the launch of the target in 2022, Bilia has been working to identify which of our services have a scientific basis for reducing climate impact. We will provide all our customers with clear and transparent information on how they can reduce their climate impact through their choice of car and services.

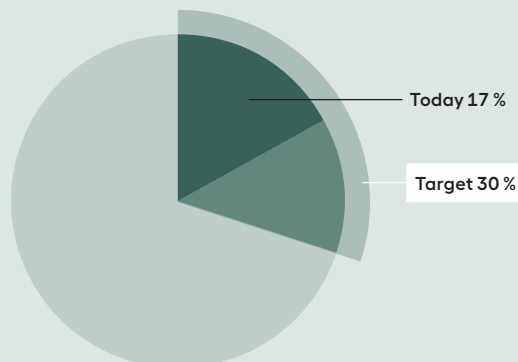
### Proportion of committed employees above the benchmark

▶ Proportion of committed and proud employees is an important component of our internal strategy to have proud employees and satisfied customers. Also for 2023, we had a higher proportion of committed employees than benchmark. In connection with the launch of "BiliaPulsen" in Sweden, different indices are used in our countries. Sweden: 8.4 compared to the benchmark of 8.0. Norway and Western Europe: 86 compared to the benchmark of 81.



### Proportion of women in sales operations should exceed 30 per cent

▶ Bilia believes that an even gender distribution has positive effects on both the work environment and profitability. We want to increase the proportion of women and focusing as a first step on the proportion of women in our sales operations. During 2023 the proportion of women in sales operations increased from 16 to 17 per cent.



# Financial targets

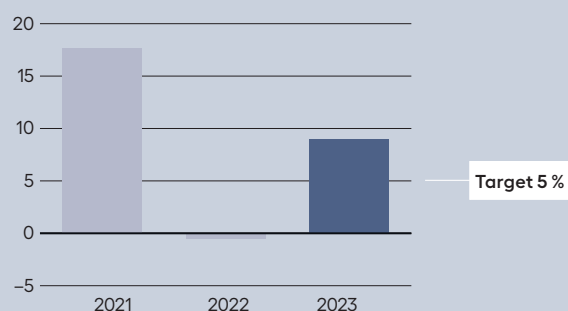
Bilia's financial targets are long-term and apply over a business cycle.

Bilia's financial targets were met 2023, as below:

- ▶ Operational margin 3.7 per cent (target 5.0 per cent).
- ▶ Dividend share 65 per cent (target at least 50 per cent of profit per share).
- ▶ Total growth amounted to 9.0 per cent (target over 5.0 per cent).
- ▶ Ratio of net debt to EBITDA, excluding IFRS 16, 1.3 times (target under 2.0)
- ▶ From 2018 to 2023 Bilia's total growth in turnover was 30 per cent, an average annual growth of over 6 per cent. During 2022 the growth was negative which was mainly explained by divested operations.

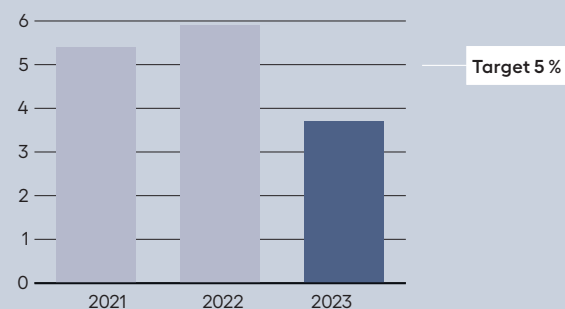
## How were Bilia's financial targets met in 2023?

**Total yearly growth higher than 5 per cent during a business cycle**



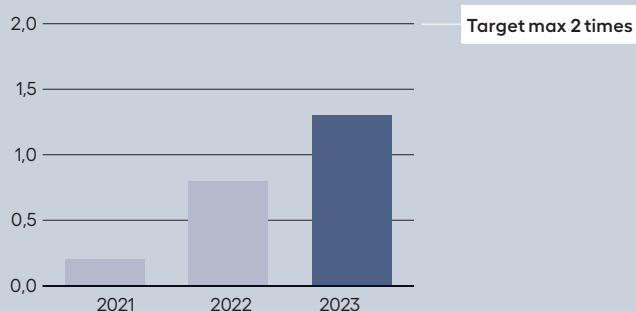
▶ The total growth includes organic growth and growth through acquisitions and divested operations. The total growth over the last five years amounted to an average of 6 per cent for 2023 and since 2013 the reported turnover has increased by more than 100 per cent.

**Operating margin over 5 per cent during a business cycle**



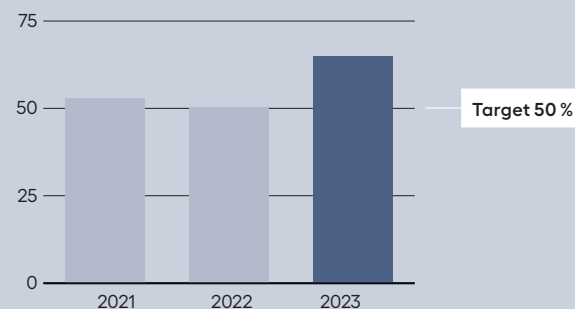
▶ The operating margin 2023 amounted to 3.7 per cent and during the last five years to an average of 4.7 per cent.

**Net debt in relation to EBITDA, excluding IFRS 16**



▶ Net debt in relation to EBITDA during 2023 amounted to 1.3 times and has for the last few years varied between -0.2 (positive net debt) to 1.3 times.

**Dividend share of at least 50 per cent of earnings per share**



▶ The dividend share in the Board's dividend proposal for 2023 amounted to 65 per cent, and in the past five years the dividend averaged 59 per cent of earnings per share.

# Directors' Report

The Board of Directors and Managing Director of Bilia AB (publ), Corp. ID no. 556112-5690, hereby submit their annual accounts and consolidated accounts for the financial year 2023. The Bilia Group is referred to as Bilia. When only the Parent Company is being referred to, it is called Bilia AB.

## Operations – general

Bilia is one of Europe's largest full-service suppliers for everything related to car ownership with a leading position in servicing and sales of new and used cars, transport vehicles and trucks. Bilia had, at the end of 2023, around 160 facilities in Sweden, Norway, Luxembourg and Belgium and an auction site in Sweden.

Bilia's vision is to be the best service company in the business – through consideration for our customers, colleagues and the world we live in. Bilia's business model is circular in nature and offers services for everything related to car ownership during the car's life cycle. Bilia strives continuously to be the best service company in the business through full-service workshops, showrooms and a customer service, with high availability, physically and digitally.

Bilia's Service Business includes a well-developed range of services and service concepts that are continuously developed to simplify the car ownership for the customers, during the car's life cycle. The Service Business includes workshop services, spare parts, car dismantling, rim repair, wheel sales and storage, in-store sales and e-commerce.

Bilia's Car Business includes sales of both new and used cars, transport vehicles and trucks, plus supplementary services such as financing and insurance. During 2023, Bilia sold cars from Volvo, BMW, MINI, Toyota, Lexus, Mercedes-Benz, Porsche, Nissan, Jaguar, Land Rover, XPENG, Volkswagen, Audi, Skoda, Seat, Cupra, Renault, Dacia and Alpine, transport vehicles from Renault, Toyota, Mercedes-Benz, Nissan and Volkswagen as well as trucks from Mercedes-Benz.

Bilia's Fuel Business comprises sale of fuels and car wash.

 **Bilia's business model is circular in nature and offers services for everything related to car ownership during the car's life cycle"**

## The Bilia share

The total number of shares in the company at 31 December 2023 was 96,299,952, including holdings of own shares of 4,315,709. All issued shares have equal rights in the company and are entitled to one vote at the Annual General Meeting (AGM). Bilia's shares are listed on Nasdaq Stockholm and can be transferred freely there, subject to the rules of the stock exchange.

Bilia has no knowledge of any shareholders' agreements between Bilia's shareholders.

The 2023 AGM authorised the Board of Directors to buy back Bilia shares equivalent to no more than 10 per cent of the total number of shares in the company. At the same time, the Board was also authorised to dispose of Bilia shares. At the end of the year, the number of own shares corresponded to 4.5 per cent of the total number of shares. The most recent repurchases were made during 2022, when a total of 3,792,419 shares were repurchased.

## Sales and earnings

Net turnover amounted to SEK 38,514 M (35,345). Adjusted for acquired and divested operations and for exchange rate fluctuations, net turnover increased by 6 per cent. Exchange rate fluctuations had no significant impact on net turnover compared to the previous year.

Operating profit amounted to SEK 1,416 M (2,102). Operating profit for 2022 included a profit from sale of operations in Sweden and Norway of SEK 368 M.

Operational earnings amounted to SEK 1,623 M (1,906), and the operational margin was 4.2 per cent (5.4). Norway reported lower operational earnings attributable mainly to the Car Business, while Sweden and Western Europe reported higher operational earnings compared to the previous year. The Service Business reported a result of SEK 1,097 M compared to SEK 1,161 M the previous year. Adjusted for divested operations in Sweden and Norway, the Service Business's result was on a par with the previous year. The Car Business reported a result of SEK 652 M, compared to SEK 823 M the previous year. The lower result was mainly attributable to sales of new cars. The Fuel Business reported a result of SEK 21 M, which was unchanged on the previous year.

The operation in Sweden reported a result of SEK 1,365 M (1,304). The margin was 5.5 per cent (6.2). The operation in Norway reported a result of SEK 177 M (547). The margin was 1.8 per cent (4.8). The operation in Western Europe reported a result of SEK 228 M (154). The margin was 5.6 per cent (5.0). In Sweden, the higher result was attributable to the Car Business, primarily sales of used cars. In Norway the lower result was mainly attributable to the Car Business. In Western

Europe, the higher result was attributable to both the Service Business and the Car Business. The operating result for the Parent Company amounted to SEK –162 M (–101). Compared to the previous year, the result has been affected by central marketing costs and revaluation of endowment insurance for pensions.

Net profit for the period amounted to SEK 931 M (1,622). Earnings per share amounted to SEK 10.12 (17.43). Exchange rate fluctuations did not have a material impact on net profit for the period compared to the previous year.

### Acquisition of non-current assets

Acquisitions of non-current assets amounted to SEK 520 M (390) excluding lease vehicles and SEK 2,089 M (1,538) including lease vehicles.

### Financial position

The balance sheet total decreased by SEK 606 M during the year and amounted to SEK 19,395 M. Equity decreased by SEK 46 M amounting to SEK 4,841 M. The equity/assets ratio amounted to 25 per cent (24). Net debt increased by SEK 923 M during the year and amounted to SEK 6,689 M. Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 2,443 M, an increase of SEK 657 M since December 2022. The ratio of net debt to EBITDA, excluding IFRS 16, amounted to 1.3 times compared with 0.8 times last year.

At year-end, SEK 1,135 M of Bilias credit with the banks (Nordea and DNB) was utilised. The credit limit with Nordea and DNB totals SEK 2,300 M. During June 2023, outstanding bond loans of SEK 800 M with regular maturity in October 2023 were renewed with a maturity of 5 years.

### Key figures

In addition to financial definitions according to IFRS standards, key ratios are used which are considered to give investors and Bilias management a complement to IFRS to assess Bilias performance. For definitions, see page 140.

	2023	2022	2021
<b>Bilia Group</b>			
Net turnover, SEK M	38,514	35,345	35,509
Operational earnings, SEK M	1,623	1,906	2,142
Operational margin, %	4.2	5.4	6.0
Operating profit, SEK M	1,416	2,102	1,925
Profit before tax, SEK M	1,159	2,002	1,830
Net profit for the year, SEK M	931	1,622	1,457
Earnings per share, SEK	10.12	17.43	14.90
Ratio of net debt to EBITDA, excluding IFRS 16, times	1.3	0.8	0.2
Return on capital employed, %	12.5	21.5	20.5
Return on equity, %	23.2	36.2	33.8
Operating cash flow, SEK M	627	345	1,814
Equity/assets ratio, %	25	24	26
Equity per share, SEK	53	53	46
Number of employees, 31 December	5,185	5,110	5,331

## Notable events

- On 23 January Bilia signed an agreement with Great Wall Motor to be an importer and dealer in Norway. Great Wall Motor is a listed company in Hong Kong which in 2021 has sold 1.3 million vehicles and is now establishing in Europe. Decision was made during the second quarter to pause cooperation with Great Wall Motor based on EU sanctions list regarding Russia.
- On 5 April Bilia announced that the collaboration with Nissan Sweden is expanding, sales and service of Nissan cars will be offered at several facilities in Sweden. From January 1, 2024, Nissan Sweden will change to an agency model. The new distribution model will be implemented with Bilia as an agent for the brand.
- On 16 June Bilia announced that a repurchase had taken place of SEK 768 M of the total outstanding unsecured bond loan of SEK 800 M with regular maturity in October 2023. The repurchases took place at a price of 100.5 per cent. At the same time, a new senior unsecured bond loan was issued for an amount of SEK 800 M. The new bond loan has a variable interest rate of 3 m STIBOR plus 275 bps and has a final maturity in June 2028.
- On 18 September Bilia reached an agreement to acquire Bilcentergruppen Sörmland AB. The operation is conducted in a strategically located facility in Nyköping. Bilcentergruppen Sörmland is a modern full-service facility for Mercedes-Benz cars and transport vehicles with associated sales of used cars and service operations. During 2022, Bilcentergruppen Sörmland's turnover amounted to approximately SEK 100 M. The number of employees were 24 at the end of 2022. The acquisition was effectuated on 1 November 2023.
- On 26 October Bilia reached an agreement to acquire B MotorGroup Stockholm AB. The operation is conducted in two modern facilities located in Danderyd and Smista, Stockholm, with sales and service of Jaguar and Land Rover. During 2022 turnover amounted to approximately SEK 450 M with an operating margin of 1.1 per cent. The number of employees were 45 at the end of 2022. The acquisition was effectuated on 2 January 2024.
- On 13 November Bilia signed an agreement with Jaguar and Land Rover (JLR) to become the official importer for JLR brands (Range Rover, Defender, Discovery and Jaguar) in Sweden and Norway. As part of the agreement, a joint venture, Bilia JLR Import AB, will be established between the two companies. The newly established joint venture agreement includes import operations for new car sales and after market services. Importer offices will be located in Malmö and Oslo. The importing business is expected to commence by 1 April 2024.

# The Group in figures

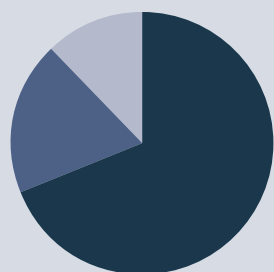
## The Group divided into Service, Car and Fuel Business

	Net turnover, SEK M <sup>1)</sup>			Operational earnings, SEK M			Margin, %		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Service Business	8,865	8,093	7,812	1,097	1,161	1,279	12.4	14.3	16.4
Car Business	30,632	27,913	28,335	652	823	938	2.1	2.9	3.3
Fuel Business	1,129	1,305	1,252	21	21	37	1.9	1.6	3.0
Parent Company, other	-2,112	-1,966	-1,890	-147	-99	-112	—	—	—
<b>Total</b>	<b>38,514</b>	<b>35,345</b>	<b>35,509</b>	<b>1,623</b>	<b>1,906</b>	<b>2,142</b>	<b>4.2</b>	<b>5.4</b>	<b>6.0</b>

The Service Business includes workshop services, spare parts and accessories. The Car Business includes sales of new and used cars plus supplementary services.

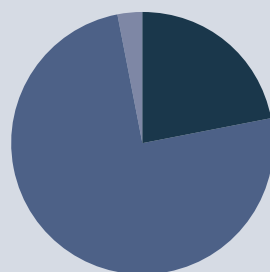
<sup>1)</sup> Net turnover does not include eliminations for internal sales regarding the segments.

### SHARE OF EMPLOYEES, %



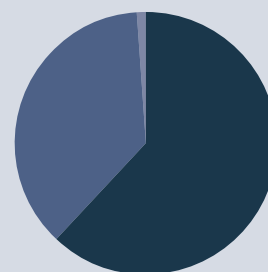
■ Service, 69  
■ Car, 19  
■ Fuel, 0  
■ Mother company other, 12

### SHARE OF NET TURNOVER, %



■ Service, 22  
■ Car, 75  
■ Fuel, 3

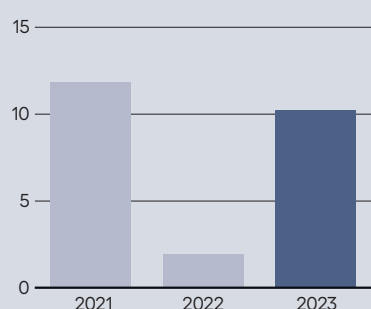
### SHARE OF OPERATIONAL EARNINGS, %



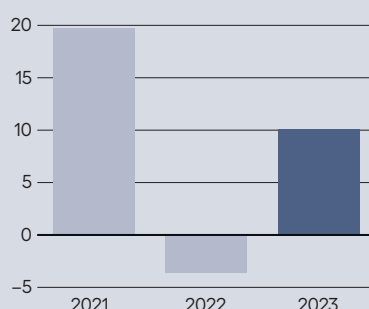
■ Service, 62  
■ Car, 37  
■ Fuel, 1

## Growth in local currency divided into business areas

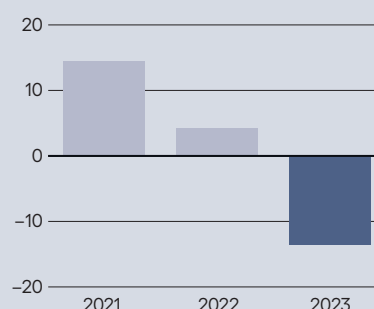
### SERVICE, %



### CAR, %



### FUEL, %



## The Group

	Net turnover, SEK M			Operational earnings, SEK M			Margin, %		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Sweden	24,653	20,902	20,542	1,365	1,304	1,418	5.5	6.2	6.9
Norway	9,763	11,368	11,250	177	547	757	1.8	4.8	6.7
Western Europe	4,069	3,046	3,689	228	154	79	5.6	5.0	2.1
Parent Company, other	29	29	28	-147	-99	-112	—	—	—
<b>Total</b>	<b>38,514</b>	<b>35,345</b>	<b>35,509</b>	<b>1,623</b>	<b>1,906</b>	<b>2,142</b>	<b>4.2</b>	<b>5.4</b>	<b>6.0</b>

## Statistics Service and Car Business

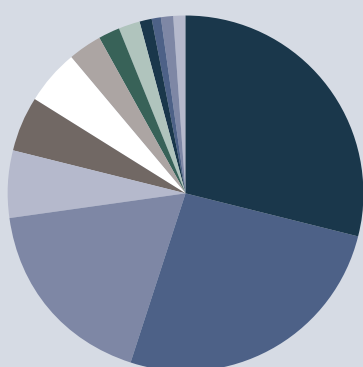
Growth in the Service Business, %	Sweden			Norway			Western Europe		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Reported growth	12.7	5.4	13.1	-3.2	4.0	16.5	34.3	-14.7	-8.9
Underlying growth	8.2	3.5	0.3	5.9	-0.6	4.3	26.8	7.6	0.2
Calendar effect	0.8	0.0	-0.4	0.8	-0.4	0.0	0.2	0.5	-0.4
<b>Organic growth</b>	<b>9.0</b>	<b>3.5</b>	<b>-0.1</b>	<b>6.7</b>	<b>-1.0</b>	<b>4.3</b>	<b>27.0</b>	<b>8.1</b>	<b>0.2</b>

Number of cars	Deliveries, new cars <sup>1)</sup>			Deliveries, used cars <sup>1)</sup>			Order backlog, new cars		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Sweden	30,259	28,029	28,387	30,239	27,901	33,391	9,723	15,980	12,451
Norway	8,139	10,039	12,777	12,753	11,828	13,267	1,937	6,707	7,836
Western Europe	5,836	4,247	5,769	2,814	2,849	5,148	2,602	3,638	2,488
<b>Total</b>	<b>44,234</b>	<b>42,315</b>	<b>46,933</b>	<b>45,806</b>	<b>42,578</b>	<b>51,806</b>	<b>14,262</b>	<b>26,325</b>	<b>22,775</b>

<sup>1)</sup> 2021 has been recalculated for comparability.

## Bilia's deliveries of new cars

### THE GROUP, DELIVERIES OF NEW CARS, %



■ BMW, 29	■ Nissan, 1
■ Volvo, 26	■ Dacia, 1
■ Toyota, 18	■ Audi, 1
■ Mercedes-Benz, 6	■ Skoda, 1
■ Renault, 5	■ XPENG, 0
■ MINI, 5	■ Land Rover, 0
■ Volkswagen, 3	■ Seat/Cupra, 0
■ Lexus, 2	■ Jaguar, 0
■ Porsche, 2	■ Alpine, 0

### Deliveries, new cars

Brand	Sweden	Norway	Western Europe
BMW	5,510	2,682	4,444
Volvo	9,494	2,214	—
Toyota	5,212	2,695	—
Mercedes-Benz	2,758	—	—
Renault	2,326	—	—
MINI	595	124	1,392
Volkswagen	1,216	—	—
Lexus	907	196	—
Porsche	690	—	—
Nissan	556	—	—
Dacia	324	—	—
Audi	237	—	—
Skoda	233	—	—
XPENG	112	79	—
Land Rover	—	127	—
Seat/Cupra	74	—	—
Jaguar	—	20	—
Alpine	6	—	—
Other	9	2	—
<b>Total</b>	<b>30,259</b>	<b>8,139</b>	<b>5,836</b>

## Bilia's share of each brand's sales, %

	BMW		Volvo		Toyota		Mercedes-Benz		Renault		MINI		VW-group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sweden	35	29	23	24	20	19	13	13	21	20	29	23	2	—
Norway	45	29	25	23	13	13	—	—	—	—	33	29	—	—
Western Europe <sup>1)</sup>	8	8	—	—	—	—	—	—	—	—	15	13	—	—

	Lexus		Porsche		Nissan		Dacia		XPENG		Land Rover		Jaguar	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sweden	35	30	23	21	9	5	11	14	48	—	—	—	—	—
Norway	15	14	—	—	—	—	—	—	15	—	26	23	22	13
Western Europe	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Calculated on official statistics for the number of registered cars per country and brand.

<sup>1)</sup> The previous year has been recalculated and include Luxembourg and Belgium.

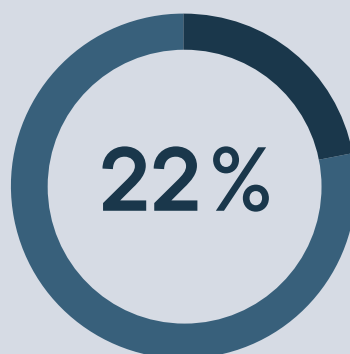
# These are Bilia's business areas

## Service Business

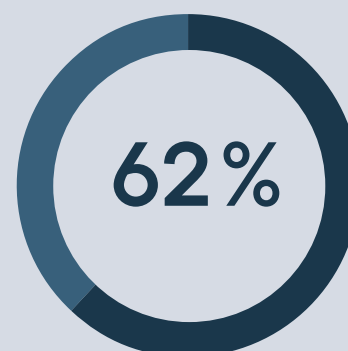
READ MORE ON PAGE 24–27

- Service centres
- Damage centres
- New and used spare parts
- Stores and e-commerce
- Tyre centres
- Tyre hotel
- Glass centres
- Accessory services
- Car dismantling

SHARE OF BILIA'S NET TURNOVER 2023



SHARE OF BILIA'S OPERATIONAL EARNINGS 2023



### SERVICE BUSINESS DIVIDED INTO GEOGRAPHIC MARKET

	Net turnover SEK M <sup>1)</sup>		Operational earnings, SEK M		Margin, %	
	2023	2022	2023	2022	2023	2022
Sweden	6,045	5,363	876	879	14.5	16.4
Norway	2,182	2,254	138	227	6.3	10.1
Western Europe	638	476	83	55	13.0	11.5
<b>Total</b>	<b>8,865</b>	<b>8,093</b>	<b>1,097</b>	<b>1,161</b>	<b>12.4</b>	<b>14.3</b>

<sup>1)</sup> Net turnover does not include eliminations for internal sales.



## Car Business

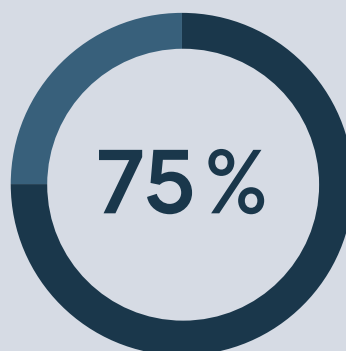
READ MORE ON PAGE 28–29

- Sales of new and used cars
- Financing and insurance
- Car rental
- Sales of accessories

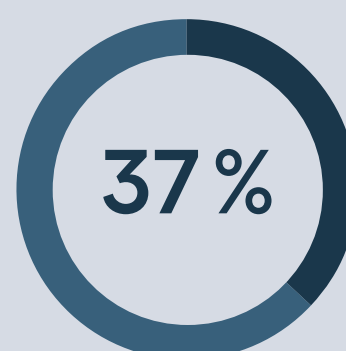
### Our Brands

- Volvo
- BMW
- Toyota
- Renault
- MINI
- Lexus
- Porsche
- Mercedes-Benz
- Nissan
- Dacia
- Jaguar
- Land Rover
- XPENG
- Alpine
- Volkswagen
- Audi
- Skoda
- Seat
- Cupra

SHARE OF BILIA'S  
NET TURNOVER 2023



SHARE OF BILIA'S OPERATIONAL  
EARNINGS 2023



### CAR BUSINESS DIVIDED INTO GEOGRAPHIC MARKET

	Net turnover SEK M <sup>1)</sup>		Operational earnings, SEK M		Margin, %	
	2023	2022	2023	2022	2023	2022
Sweden	18,941	15,442	468	404	2.5	2.6
Norway	8,175	9,815	39	320	0.5	3.3
Western Europe	3,516	2,656	145	99	4.1	3.7
<b>Total</b>	<b>30,632</b>	<b>27,913</b>	<b>652</b>	<b>823</b>	<b>2.1</b>	<b>2.9</b>

<sup>1)</sup> Net turnover does not include eliminations for internal sales.

## Fuel Business

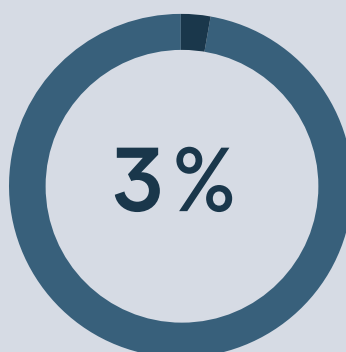
READ MORE ON PAGE 30

- Fuel sales
- Car washes

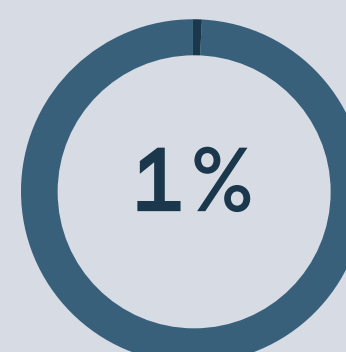
### Our Brands

- Tanka
- Tvätta
- OKQ8

SHARE OF BILIA'S  
NET TURNOVER 2023



SHARE OF BILIA'S OPERATIONAL  
EARNINGS 2023



### FUEL BUSINESS

	Net turnover SEK M <sup>1)</sup>		Operational earnings, SEK M		Margin, %	
	2023	2022	2023	2022	2023	2022
<b>Total</b>	<b>1,129</b>	<b>1,305</b>	<b>21</b>	<b>21</b>	<b>1.9</b>	<b>1.6</b>

<sup>1)</sup> Net turnover does not include eliminations for internal sales.

# Stable result in the Service Business and strong organic growth

The Service Business includes services and concepts that simplify car ownership throughout a car's life cycle. These encompass car servicing and repairs, spare parts, wheel storage, tyre sales, rim repair, glass repair and replacement, car dismantling, and in-store and online sales.

## Market and business environment

With its Service Business offering, Bilia stays with the car and its owner throughout the car's life cycle. It is part of our business where demand for our services remains relatively unaffected by economic fluctuations. Even in times of economic uncertainty, customers continue to look after their cars.

The high level of new car sales in the past 10 years has created a large and stable stock of cars with strong demand for servicing. With rapid technological developments in modern cars, the need for servicing is high and requires advanced technological competence. Repairs on a car are often more extensive these days, given the increasing proportion of electronics over the past 10 years.

The cars that have historically been customers in our Service Business have been between 0 and 6 years old and have consisted of the car brands that we were authorised for in terms of sales of new cars. Through our strategic focus on used cars of all brands more than 6 years old, we have had access to a far larger customer base for our Service Business for several years.

The vast majority of the cars we deal with in our Service Business run on fossil fuel. The share of electric vehicles on the roads is increasing as customers choose fossil-free models but they still represent a low percentage overall. In Sweden during 2023, about 6 per cent of all cars were electric cars, and in Norway the corresponding figure was 24 per cent. The rising number of electric cars in our Service Business requires new skills among our personnel and new equipment at our facilities. We continuously ensure that our employees have the latest training, and that our facilities are up to date and can readily deal with the latest

technology. Going forward, further training and upgrading of our equipment and workshops will be required, and this is expected to lead to a consolidation of the number of players on the market. Bilia wants to be a part of this future market consolidation.

## Development of our Service Business

The Service Business is a stable operation, and in recent years it has accounted for about 25 per cent of our turnover and about 70 per cent of our operational earnings. We are continuously working to ensure that our service offering meets our customers' needs and expectations. Our business model centers on the customer, and we are constantly developing it according to the customers' wishes and requirements.

Our target is to grow the turnover and profitability of our Service Business. In the past ten years, turnover has increased by nearly 120 per cent and operational earnings by just over 210 per cent. Over the same period the margin has increased from 8.7 to 12.4 per cent.

To achieve our growth target, we strive continuously to improve profitability in our Service Business. Our Business Excellence team works with our Service Business teams to identify the most efficient processes, and these are then implemented at the facilities where there is potential for improvement. In connection with acquisitions of new operations, Business Excellence works closely with the new operations to identify and implement improvement measures according to best practice together. Between 2021 and 2023 we have added several new acquisitions as well as newly established operations, where we are working to implement Bilia's processes in the Service Business.



**“The Service Business is a stable operation that is only affected by economic conditions to a limited extent. Our customers continue to look after their cars also in tough economic times”**

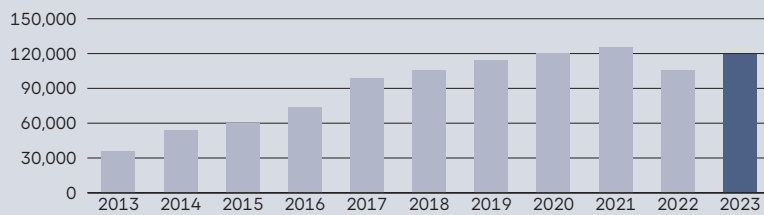


We are working systematically to improve the profitability of our Service Business by implementing the most efficient processes for our workshops.

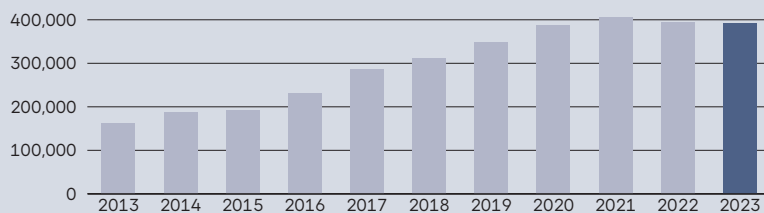
## Service Business

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net turnover, SEK M	4,050	3,981	4,491	5,319	5,998	6,453	7,052	6,971	7,812	8,093	8,865
Operational earnings, SEK M	351	402	496	600	704	766	945	1,157	1,279	1,161	1,097
Operational margin, %	8.7	10.1	11.0	11.3	11.7	11.9	13.4	16.6	16.4	14.3	12.4

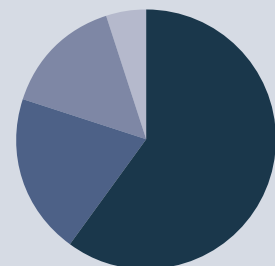
### SERVICE SUBSCRIPTIONS <sup>1)</sup>



### WHEELS IN STORAGE <sup>2)</sup>



### TURNOVER SERVICE BUSINESS, %



- Service och repair, 60
- Damage centres incl. paint shop, 20
- Tyres, wheels and glass, 15
- Car dismantlings, 5

<sup>1)</sup> Operations divested in 2022 decreased the number of service subscriptions by about 16,000 subscriptions.

<sup>2)</sup> Operations divested in 2022 decreased the number of stored wheels by about 53,000 wheels.

## We are constantly working to improve our Service Business processes by implementing best practice at all our facilities”

The priority areas for newly acquired operations are increasing the number of mechanics, optimising customer bookings and developing the repair workshops.

During 2023 we reported organic growth in turnover of 10 per cent on the previous year. The organic growth is adjusted for exchange rates, acquired and divested operations, and number of working days. In 2023, acquired operations have also contributed to an expansion in the Service Business. Growth in turnover was attributable to all our operating countries; approximately 50 per cent related to volume and just under 50 per cent to price changes to reflect the rate of inflation. In Sweden the growth was attributable to generally good demand, in Norway mainly to newly established operations, and in Western Europe to a new facility with higher capacity.

Turnover in the Service Business comes from different services that are updated according to customers’ needs and expectations. Services encompass service centres, repair workshops, wheel storage and sales, glass repair and replacement, car dismantling and sales of used spare parts, etc.

Service subscriptions simplify car ownership for the customer and create long-term relationships between Bilia and its customers. A service subscription is an agreement between Bilia and the customer, or the car brand and the customer, where we expect the servicing to be carried out at Bilia. The number of service subscriptions amounted to 119,000 in 2023, slightly more than the previous year. The number of service subscriptions sold for used cars increased as a result of Bilia’s strategic used car sales initiative via Bilia Outlet in Sweden and Norway. Operations divested in 2022 decreased the number of service subscriptions by about 16,000 subscriptions. The target is to reach 130,000 service subscriptions.

We can see strong demand for our services related to wheel storage for our customers. At the end of 2023, the number of stored wheels amounted to 391,000. Operations divested in 2022 decreased the number of stored wheels by about 53,000 wheels. The long-term target is to store 1,000,000 wheels.

### Events during the year

During 2023, we have continued striving to improve the Service Business for newly acquired operations. Since 2021 we have added car brands such as Porsche, Mercedes-Benz, Nissan, Jaguar, Land Rover, Volkswagen, Audi, Skoda, Seat and Cupra, and we are now working actively to learn what they are good at and teach them about what we feel are Bilia’s strong points. During the year, we continued our efforts to develop the newly established truck service points located in Norrköping, Skellefteå and Gällivare.

The acquisition of Bil1Din’s car dismantling operation in Norway was part of our focus on sustainability, where we want to be part of the car’s life cycle and to facilitate the use of used parts in our Service Business. During 2023, we established a new car dismantling facility at the same location as a repair workshop south



of Oslo, and this facilitates the flow of used spare parts for our Service Business. In 2023, 7.5 per cent of spare parts in our repair cases were used parts, an increase of 1.5 percentage points on the previous year. Bilia was the first dealer in Norway to include car dismantling as part of its operation. In total we now have five car dismantling facilities: three in Sweden and two in Norway.

The strategic focus on the tyre business and sustainability through the rim repair operation continues. The wheel storage operations in Sweden and Norway expanded during the year, with the construction and occupation of new facilities. The newly established tyre hotels mean an increased capacity for wheel storage.

### Result development

Result development for the Service Business, taking into account divested operations, remained stable in 2023 and operational earnings amounted to SEK 1,097 M (1,161) with a margin of 12.4 per cent (14.3). The Service Business accounted for 62 per cent of the Group’s operational earnings. Adjusted for divested operations, the result for the Group was slightly higher than the previous year. Results in Sweden and Norway were positively affected by good organic growth. The result in Western Europe was positively affected by the new facility with higher capacity. The margin for the Service Business was negatively affected in 2023 by new operations in Sweden and Norway that have yet to implement Bilia’s processes. The new operations related partly to newly established operations in new facilities, and partly to newly acquired operations where work is ongoing to implement



Bilia's best practice. In addition, Service Business margins were negatively affected by implementation effects when introducing a new workshop concept.

### Challenges and opportunities

A continued high stock of cars on the roads means high demand for servicing and repairs. The operations acquired in recent years will make a positive contribution to the development of the Service Business and partly compensate for the operations divested in 2022. The new operational areas, Trucks and MobiliaCare, will create opportunities to expand in the Service Business. MobiliaCare encompasses all car brands and mainly services in repair workshops, wheels and tyres, as well as glass repair and replacement. Moving forward, we can see opportunities to extend our service offering and the scale of these activities in our Service Business.

In recent years, the number of new electric car registrations has increased rapidly in our operating countries, which means partly lower servicing turnover compared with cars that run on fossil fuels. Other services are however on the increase, and so far we have seen higher demand for tyre changes, and brake and glass repair and replacement, for example. To date the rising stock of electric cars has not had an adverse impact on the Service Business's profitability. We have a higher percentage of electric cars in our Norwegian operation's workshops, and we are carefully monitoring how the Service Business is developing as a result. We will gradually adapt our services and business to meet customers' needs and expectations as the composition of the car stock evolves.



The organic growth in the Service Business in Sweden was 9 per cent and the operational earnings amounted to SEK 876 M (879). Adjusted for divested operations, the result was higher than the previous year.



The organic growth in the Service Business in Norway was 6,7 per cent. Operational earnings amounted to SEK 138 M (227).



The organic growth in the Service Business in Western Europe was 27 per cent. Operational earnings amounted to SEK 83 M (55).



### SERVICE BUSINESS

	2023	2022
Net turnover, SEK M <sup>1)</sup>	8,865	8,093
Share of net turnover, % <sup>1)</sup>	22	22
Growth, local currency, %	10.2	1,9
Operational earnings, SEK M	1,097	1,161
Margin, %	12.4	14,3
Number of employees	3,562	3,526
Number of facilities	132	128
Number of service subscriptions	119,000	106,000
Number of wheels in storage	391,000	393,000

<sup>1)</sup> Net turnover does not include eliminations for internal sales.



# Strong demand for used cars in the Car Business

In the Car Business, Bilia sells 19 attractive brands of new and used cars, transport vehicles and trucks. A sale often leads to financing, insurance, servicing, wheel storage and other services during the ownership period.

## Market and business environment

Access to new cars improved during 2023, after three years of component shortages leading to lack of new cars. In Sweden, the number of car registrations was on a par with the previous year. In Luxembourg and Belgium, new car registrations increased by 17 and 30 per cent respectively on the previous year. In Norway car registrations fell by 27 per cent on the previous year, which was mainly attributable to new tax regulations.

The Car Business's deliveries of new cars, adjusted for acquired and divested operations, were on a par with the previous year for the Group, increasing by 1 per cent. In Sweden underlying deliveries of new cars were on a par with the previous year at 1 per cent higher, while in Norway they decreased by 16 per cent. In Western Europe, deliveries of new cars were up 38 per cent on the previous year.

Deliveries of used cars, adjusted for acquired and divested operations, increased by 5 per cent on the previous year, primarily due to better access to used cars. For the fourth consecutive year, we delivered more used cars than new cars to our customers. Demand for used cars has been good in 2023 and is deemed to have been positively impacted by the weak economy, leading customers to choose used cars over new ones.

Demand for new cars was adversely affected during the year by the weak economy, high interest rates and high inflation. The order intake for new cars, adjusted for acquired and divested operations, decreased by 37 per cent, primarily attributable to Norway and Sweden. In Western Europe orders were more stable compared to the previous year. The order backlog at the end of the year was at a historically normal level in our operating countries. The order backlog amounted to 14,262 cars, compared to 26,325 cars in the previous year. The decrease was attributable to improved access to new cars as well as lower incoming orders during the year.

In Sweden and Norway, deliveries of chargeable cars continued to increase during the year. In our operating countries, the percentage of registrations for chargeable cars and electric cars respectively amounted to:

Share of total market, %	Chargeable cars	Electric cars
Sweden	60	39
Norway	90	82
Belgium	59	19
Luxembourg	53	24



Demand for chargeable cars did, however, fall during the year, mainly attributable to less favourable tax regulations. In Norway the tax regulations changed on 1 January 2023, making most electric cars far more expensive, and consequently there were order cancellations from customers and fewer new orders.

## Events during the year

On 1 January, we added the car brands Volkswagen, Audi, Skoda, Seat and Cupra to Bilia's portfolio through the acquisition of Söderbergs Personbilar AB with seven facilities. On 1 November, we took over the operation of Bilcentergruppen Sörmland AB, a Mercedes-Benz dealer with one facility.

During the year we began selling XPENG at three facilities in Sweden and one facility in Norway. Autumn saw the end of our dealer agreements with Renault, Dacia and Alpine in Sweden. At the same time, our sales of new and used Nissan cars and transport vehicles expanded, and during 2023 we established operations at seven locations where we previously sold Renault.



# Lower volumes in the Fuel Business decreased the turnover

Bilia wants to follow the customer throughout their car ownership, including washing and refuelling. Fuel sales and car washes operate in Sweden under the brand names Tanka, OKQ8 and Tvätta.

## Market and business environment

The uncertain economic situation, the higher proportion of chargeable cars and high fuel prices during the year have affected people's movement patterns and the use of the car has decreased compared to previous years.

All fuel suppliers must reduce greenhouse gas emissions. We are achieving this by gradually increasing the content of biofuel: HVO for diesel and ethanol for petrol. Adding AdBlue in newer diesel cars reduces the environmental impact by converting hazardous nitrogen compounds (NOx) in exhaust emissions into water vapour and nitrogen gas.

## Events during the year

Bilia has continued its efforts to renew the Tanka concept, make the service stations attractive, safe and accessible to customers. At all our Tanka stations in Sweden, customers can now pay using the CarPay mobile app. The work on introducing HVO at our Tanka stations is ongoing and now Neste My (HVO100) is offered at 18 stations and as an additive in the diesel sold at all our stations.

## Result development

Fuel Business is concentrated to Sweden and the operational earnings amounted to SEK 21 M (21). Turnover decreased mainly due to approximately 10 per cent lower volumes of sold fuels. Bilia's customers did approximately 83,000 car washes during the year.

## Challenges and opportunities

It's a challenge getting approval for new locations so as to offer extended services and replace facilities that have been closed. The focus for the Tanka operations is to increase the share of renewable fuels in order to contribute to a more sustainable society. The increasing number of chargeable cars could affect fuel sales in the longer term, but could also present an opportunity to open our own charging stations in the future. The market for automated service stations for car washes is growing and we believe that the future car owners will want to wash their car in automatic car washes rather than washing the car at home.



Fuel sales and car washes operate in Sweden under the brand names Tanka, OKQ8 and Tvätta.

## FUEL BUSINESS

	2023	2022
Net turnover, SEK M <sup>1)</sup>	1,129	1,305
Share of net turnover, % <sup>1)</sup>	3	3
Growth, local currency, %	-13.5	4.2
Operational earnings, SEK M	21	21
Margin, %	1.9	1.6
Number of washed cars	83,241	96,890
Number of employees	10	13
Number of facilities	40	39

<sup>1)</sup> Net turnover does not include eliminations for internal sales.





# Risks and opportunities

**ANALYSIS.** Risks and risk takings are a natural part of Bilia’s operations. A good understanding of the risks together with an efficient way of identifying, evaluating and managing the risks are important for Bilia’s short-term and long-term success. Properly handled risks can add value and business benefits.







Bilia has a formal process on Group level to identify and managing identified risks in the business. During the year, there is an ongoing dialogue in both management, the Audit Committee and the Board regarding risk identification and management based on changes that occur in the market, with competitors, suppliers and customers. Bilia can influence some of the identified risks while others are beyond the Group’s control.









The following pages include a selection of the risks that have been identified within the framework of Bilia’s risk management













process together with a short description of the opportunities associated with the risk area and the measures taken to manage these risks. The description and analysis of risks, opportunities and management for Bilia is based on information available as of today and there may be aspects that are not possible to predict or assess based on current information.







► For financial risks see Note 26 “Financial risks and risk management”.

RISK	RISK DESCRIPTION	OPPORTUNITIES AND MANAGEMENT	ANALYSIS
<b>Risks related to the market’s development</b>	<p>Demand for Bilia’s products and services are influenced by fluctuations in the business cycle and the Car Business is the part of the operations that are influenced most by changes in the business cycle. In a recession, customers can postpone or refrain the car purchase. Factors that are significant include, among others, interest rate levels, labor market, stock market, financial option and fuel prices. Reduced demand for cars may also affect the value of cars in inventory and cars sold with guaranteed residual values.</p> <p>Also events such as ongoing wars in Ukraine and the Middle East, pandemics and natural disasters can have significant direct or indirect consequences for Bilia’s market and turnover, such as government lock down and product shortage.</p>	<p>The Service and Fuel Businesses are less impacted by changes in the business cycle since cars require service, repairs and fuel regardless of the state of the economy. Sales of used cars are less affected by changes in the business cycle as customers choose a used car over a new car in these situations. However, a deep recession could also affect the Service Business and sales of used cars.</p> <p>Events such as ongoing wars, pandemics and natural disasters are managed in line with government rules and recommendations, the aim being to continue with business as usual as far as possible.</p>	<p>Probability </p> <p>Impact </p> <p>Change from last year </p>
<b>Risks related to authorisation agreements and termination of these by the general agent</b>	<p>Bilia’s core business consists of distribution and servicing of cars, transport vehicles and trucks in four countries. For new car sales, Bilia needs the approval from the respective general agent, as there are no special rules governing competition for new car sales in the EU. A car manufacturer and/or general agent can unilaterally recall a sales authorisation and terminate the sales agreements with Bilia.</p> <p>BMW, Volvo, Toyota, Mercedes-Benz and Volkswagen are now the largest car manufacturers/general agents for Bilia. A recall or termination, a changed content and/or balance between the manufacturer/general agent and Bilia in the authorisation agreement could have significant negative impact on Bilia’s operations.</p>	<p>Bilia is not dependent on one single manufacturer/general agent, but has several business partners, which reduces the risk compared to being dependent on just one manufacturer/general agent. Sales of used cars and the Service Business are not subject to the approval from the general agents for establishment and expansion of business.</p> <p>Bilia is working on finding new business partners and growth opportunities, in line with the prevailing growth strategy. Good relations with car manufacturers/general agents are a focus area to enable expansion and reduce the risk of sales authorisation for new cars being recalled. Bilia is constantly working to enhance and develop its customer relations with the aim of maintaining a strong position on the market.</p>	<p>Probability </p> <p>Impact </p> <p>Change from last year </p>

 Low  Medium  High  Increased risk  Unchanged risk  Reduced risk

RISK	RISK DESCRIPTION	OPPORTUNITIES AND MANAGEMENT	ANALYSIS
<b>Risks related to government decisions and public opinion</b>	<p>Regulatory decisions that lead to changes in taxes, charges, subsidies and restrictions on the products Bilia sells can influence both demand for and the valuation of cars in inventory and cars sold with guaranteed residual values.</p> <p>Tax rules regarding green cars have changed frequently in recent years for our countries and are expected to do so in the coming years as well. Bilia's operations can be effected by public opinion and government decisions mainly relating to climate and environmental issues.</p> <p>Government decisions that restrict the freedom of movement of individuals, may affect Bilia's ability to conduct business in both the Car Business and the Service Business.</p>	<p>New regulatory decisions and changes in opinion can result in higher or lower demand for Bilia's products and services. Favourable tax rules regarding green cars can lead to increased demand for the cars that meet the set requirements.</p> <p>Adapting operations to changes in laws and regulations is an ongoing process, and is achieved by monitoring relevant regulatory changes and analysing possible measures. Products and services are adapted continuously based on public opinion.</p>	<p>Probability </p> <p>Impact </p> <p>Change from last year →</p>
<b>Risks related to new sales channels, new business models and new players</b>	<p>Bilia currently sells cars and services from facilities, but also has digital sales channels for used cars and accessories. Change initiatives are underway regarding digital business channels and business models for sale of new cars. If all the car manufacturers/general agents that Bilia works with should move, fully or partly, to their own sales channels, this could have an adverse impact on Bilia's business. New players, mainly for car sharing and fossil-free cars, are interested in establishing operations in our countries.</p>	<p>Bilia's sales currently take place via various business models, such as traditional retailer and agent model. Bilia follows the development of new business models and new sales channels and will adapt its business to market conditions as necessary. New business models can make a positive contribution to Bilia's financial position regarding risk and capital tied up. Bilia continuously works on strengthening and developing its customer relationship to maintain a strong position on the market.</p> <p>Bilia follows the development of new players in our operating countries and continuously evaluates future possible partners.</p>	<p>Probability </p> <p>Impact </p> <p>Change from last year →</p>
<b>Risks related to competitiveness of products and technological development of fossil-free cars</b>	<p>Bilia is dependent on the ability of the Group's business partners to develop competitive products that incorporate the technological advances. One example is development of fossil-free car models to meet the UN's 17 global SDGs. The tax systems on green cars, especially in Sweden and Norway, impact the demand on car models that fulfills these requirements.</p> <p>Chargeable cars can have a negative effect on Bilia's Service Business, as the need for service for fossil-free cars is believed to be lower than for cars powered by fossil fuels.</p>	<p>Through a broad brand portfolio, Bilia has business partners who are well-established with the financial resources to ensure the products' competitiveness and technological development. Bilia's business partners currently offer several fossil-free cars and assesses to be well equipped to follow the technological development to meet the UN's 17 global SDGs by 2030 as well as the current tax systems from the governments. The launch of new fossil-free car models is planned by our business partners. Investments in equipment in our workshops are made as well as training for our mechanics. New services are developed to meet the needs of fossil-free cars in the Service Business.</p>	<p>Probability </p> <p>Impact </p> <p>Change from last year →</p>
<b>Risks related to key persons and employees</b>	<p>There is a future risk that Bilia will not be successful in recruiting or keeping competent people to the extent that is requested. Both management and employees contribute with knowledge about the business and the operation and actively participate in developing own concepts and services. People with a vehicle technical competence is a scarce resource, which may influence future growth within the Service Business negatively.</p>	<p>Bilia has strong results in the annual employee survey compared to other companies. Bilia focus on keeping and further improve the environment for our key persons and employees to keep being an attractive employer. Bilia works actively together with schools to contribute to make the vehicle technician profession more attractive and to contribute to a good quality on the education that is offered.</p>	<p>Probability </p> <p>Impact </p> <p>Change from last year →</p>

RISK	RISK DESCRIPTION	OPPORTUNITIES AND MANAGEMENT	ANALYSIS
<b>Risks related to facilities, environment and climate impact</b>	Bilia leases most of the facilities for the operations. As a tenant, Bilia may become dismissed from the lease at the end of the rental period, which would mean that Bilia would lose strategic business locations. Bilia can be negatively affected by climate-related risks, such as floods and landslides, when climate change occurs. If contamination should be confirmed at any of Bilia's facilities, there is a risk that Bilia may be held responsible for decontamination of the facility. Such decontamination may be associated with considerable costs.	To lease facilities give Bilia flexibility to adjust the number of facilities. Bilia works to future-proof the business for climate change and assesses that the current risk is limited. Bilia works, as an integrated part of its operations, to minimise the negative effect on the environment. Most of our facilities in Sweden and Norway are certified according to ISO 14001 and are yearly reviewed by external certification body. Bilia has routines and processes to ensure that laws and regulations are followed.	Probability  Impact  Change from last year 
<b>Risks related to acquisitions</b>	As part of realising Bilia's strategic growth target, businesses are acquired. If the status of the acquired operations were to differ significantly from what was known before the acquisition, or if the integration of the operations would fail, it could influence Bilia negatively.	Through acquisitions, Bilia improves its operations from a strategic and financial perspective. New operations are continuously integrated and follow-up versus expected performance is made during the integration period to early identify and act on any deviations.	Probability  Impact  Change from last year 
<b>Risks related to IT-environment</b>	Bilia's operations are dependent on a well working IT-environment. A centralised and coordinated IT-environment gives the Group advantages but at the same time mean higher sensitivity for disturbances such as for example downtime of significant operational systems. Further, there is a risk for external attacks on the IT-environment through viruses, hacking, trespassing and information theft from criminal networks and organisations.	A centralised and coordinated IT-environment gives advantages such as ensuring a security level, centralised competence for development work and lower costs. Actions have been taken to minimise effects of downtime and external attacks on the IT-environment. Bilia works continuously to update the processes to manage external attacks on the IT-environment and analyse existing and new risks and threats.	Probability  Impact  Change from last year 
<b>Risks related to compliance of laws and rules</b>	A number of laws and rules regulates Bilia's operation. Bilia's ability to comply with laws and rules and deliver high quality in all customer relations is crucial for the customer confidence. An inability to comply with laws and rules and deliver high quality to customers may result in legal or regulatory penalties, financial losses and a negative impact on the customer confidence in the Bilia brand.	To comply with laws and rules and to minimise the risk exposure Bilia has developed a framework, which includes the Bilia Code of Conduct for employees and suppliers, Competition code, Group policies and steering documents in order to ensure a high quality in all customer relations to protect Bilia's brand. For certain areas such as competition and integrity protection there are special compliance programs with training for the Group's employees. Bilia has routines and processes certified to ISO 14001 to ensure that laws and regulations are followed.	Probability  Impact  Change from last year 

 Low  
  Medium  
  High  
  Increased risk  
  Unchanged risk  
  Reduced risk

## Guidelines for remuneration to senior officers

Remuneration decided by the Annual General Meeting (AGM) is paid to the Chairman and members of the Board. The AGM 2020 has decided on the following guidelines for compensation to the management to apply, no longer than, up until the AGM 2024. For detailed information, see the minutes of the AGM at the company's website, bilia.com.

Remuneration to the Managing Director (MD) and other members of the Group Management consists of basic salary, variable remuneration, other benefits and pension. By "other members of the Group Management" is meant the Deputy MD, CFO, CIO, HR, Investor Relations and M&A and Business Development and Communication, the MD of Bilia Personbilar AB and the MD of Bilia Norge AS. For the composition of the Group Management and remuneration, see Note 8, "Employees, personnel costs and remunerations for senior officers".

The distribution between basic salary and variable salary should be commensurate with the Group Management's powers and responsibilities. The variable remuneration paid to the MD and other members of the Group Management may not exceed 60 respectively 50 per cent of the individual's basic salary. The variable remuneration is based on performance targets and individual targets.

Premium-based pension benefits and other benefits for the MD and Deputy MD are payable as a part of the total remuneration.

In the event of significant changes in the company's ownership structure that affect the conditions or content of their jobs, the Deputy MD of Bilia AB and one top executive in a subsidiary are entitled to terminate their own employment and receive 24 months' salary, less any salary received from other service during the last 12 months. Bilia's bank, service and distribution agreements all contain clauses to the effect that the agreement may be terminated if the company is transferred to a new owner.

## Holding of own shares

The 2023 AGM gave the Board of Directors a new authorisation to buy back the company's own shares. During 2023, the authorisation has not been utilised. During 2022 a total of 3,792,419 shares were repurchased to a total price of SEK 525 M, which amounts to an average price per share of SEK 138.43. During 2022, 6,500,000 own shares were withdrawn, after which the remaining holdings of own shares on 31 December 2023 amounted to 4,315,709. These own shares have been acquired at an average price per share of SEK 123.69.

## Parent Company

Bilia AB is responsible for the Group's management, strategic planning, legal, purchasing, public relations, business development, marketing, HR, sustainability, real estate activities, accounting and financing. The Parent Company's operating result amounted to SEK -162 M (-101). Compared to the previous year, the result was affected by central marketing costs and a revaluation of endowment policies for pensions.

## Future outlook

Owing to the fact that Bilia's earnings are affected by various factors beyond the company's control, no earnings forecast is made. A review of the most important earnings impacting factors is provided in the sensitivity analysis in Note 26, "Financial risks and risk management".

Industry analysts predict that the car market in Sweden and Norway for 2024 will be lower than 2023. However, there is great uncertainty due to the general economic climate and, above all, the future interest rate levels. The service markets, where Bilia is represented, are expected to remain at the same level in 2024 as they were in 2023.

## Proposed distribution of profits

The Board of Directors proposes that the earnings available for distribution, SEK 912,316,665, be disposed of as follows:

Cash dividend, SEK 6.60 per share <sup>1)</sup>	607,096,004
To be carried forward, SEK	305,220,661
<b>Total, SEK</b>	<b>912,316,665</b>

<sup>1)</sup> Based on the number of shares outstanding at 31 December 2023, 91,984,243 (excluding holdings of own shares of 4,315,709).

## Statement of Board of Directors regarding proposed distribution of profits

The Group's equity has been calculated according to the accounting rules set forth in the International Financial Reporting Standards (IFRS). The Parent Company's equity has been calculated in accordance with the Swedish Financial Reporting Board's recommendation RFR 2, "Accounting for Legal Entities".

The proposed dividend consists of a cash dividend of SEK 6.60 per share. Total dividend is estimated to amount to SEK 607 M and will be paid out on four occasions.

The proposed cash dividend is consistent with Bilia's target, which is that at least 50 per cent of the net profit per share for the year should be distributed to the shareholders, and that Bilia should have an optimal capital structure at any given time.

It is the judgement of the Board of Directors that the company's and the Group's equity after the proposed dividend will be sufficient in relation to the nature, scope and risks of the business and the terms of the lenders. The Board has also taken into account the Group's history, liquidity and investment plans, as well as the general economic situation.

## Approval of the financial statements

The financial statements were approved for publication by the Parent Company's Board of Directors on 13 March 2024.

For further details concerning the company's results and financial position, please refer to the following Consolidated Statement of Income and Other Comprehensive Income and the Consolidated Statement of Financial Position with accompanying comments.



# Sustainability Report

This Sustainability Report is a summary of how Bilja works with sustainability in the operation. It covers all companies in the Parent Company's Note 10 and has been prepared to meet the requirements of the Swedish Annual Accounts Act. Sustainability aspects are however integrated into the business and are also described in other parts of the Annual Report.

The automotive and transportation industry faces major challenges. These include a transition to vehicles that run on sustainable fuels, as well as taking greater overall responsibility along the entire value chain and finding ways to reduce resource consumption. This is especially true for the use of sought-after minerals such as lithium. These challenges are regulated by international laws and objectives but are also

expected and demanded by business partners and customers. Dealing with the challenges requires all of society to help out: politicians, companies, organisations and individuals. When selling new cars, Bilja supports companies and individuals in the transition to vehicles with lower carbon dioxide emissions, while our workshops and dismantling facilities contribute to a more circular economy through repair and reuse.

## Sustainability at Bilia

In recent years, sustainability has become an increasingly integral part of Bilia's operation. Our business concept is to create a sustainable business through consideration and pride by offering attractive and innovative solutions for the mobile human being. We do this not only to provide added value for our customers, but also because we regard it as a vital part of our business. Our business idea allows us to grow while contributing to the major societal changes happening in the world.

## Organisation

The Group's CEO is ultimately responsible for the Group's sustainability work, targets, action plans and performance measures. In the business planning process, responsibility for target achievement and action plans is delegated to the Managing Director of each company. It is vital that all employees within Bilia contribute because all of our employees are key parts of our sustainability work and make a difference in their day-to-day work.

In 2023, Bilia's sustainability work was divided into two groups: sustainable operational development, and environmental and occupational safety. The sustainable operational development function works on assignments from the Group Management, and reports to the CFO. It works to develop Bilia's overall sustainability work, target setting, monitoring and reporting.

The environmental and occupational safety function exists in all our operating countries. They report to the appointed person in each management team, as tasked by the subsidiaries' MDs. The function coordinates, supports and provides advice for Bilia in areas such as work environment, fire safety, chemicals, water and waste, and hazardous goods management. It ensures that Bilia complies with legislation, requirements and procedures, and coaches a more sustainable approach on a day-to-day basis.

## Governance

Bilia works to the UN global Sustainable Development Goals, part of the 2030 Agenda. We work systematically with quality and environmental matters, and most parts of Bilia's operation are certified to ISO 9001 and ISO 14001. The Code of Conduct and policy on equal treatment are important in ensuring Bilia is a

company for everybody. Work is ongoing to influence our suppliers to take greater responsibility for sustainability. Bilia's internal Code of Conduct, and the external Supplier Code of Conduct, can be found at [bilias.com](http://bilias.com).

## Follow-up

Bilia's sustainability work is followed up via internal audits, supplier assessments, systematic health and safety work, annual performance appraisals and case management. Bilia also has an annual process for identifying and managing risks in the operation, see pages 31–33.

## Development of sustainability reporting

During 2023, work continued on creating a more transparent sustainability report. Preparations have been made for sustainability reporting in accordance with the EU's upcoming legislation, CSRD. During the year, work on a double materiality analysis and a gap analysis against the data points in the ESRS standards has been ongoing. In 2023, we have also developed our Scope 3 reporting by setting requirements and processes for all countries. Preparations have also been made to meet the extended reporting requirements in the taxonomy.

## What's happening in 2024?

Our operations face various local challenges ahead, especially when it comes to the environment. The Norwegian operation, among other things, plans to install solar panels on several facilities in 2024, while the Swedish operation in turn plans to install more treatment works. A review of waste separation will be conducted to see how we can reduce waste and improve sorting for a more circular economy.

Continuous improvements are also being made in relation to the work environment. During 2024, the work environment training for managers that was launched in 2023 will continue. During the year, facilities will also start to be inventoried for chemicals to ensure a better environment and working environment in the workshops.

In addition, the work with our suppliers will be developed. This has already been done to some extent in Norway based on the Transparency Act, but preparations have also begun in our other countries to meet the requirements of the upcoming EU legislation, CSDDD.



# Human rights and anti-corruption

Bilia works for sustainable businesses and sustainable employees, and therefore supports internationally recognised human rights, as well as norms and initiatives for good business ethics.

### Competition on equal terms

Bilia is well aware of the rules governing competition on equal terms and operates in a way that is compatible with competition laws in all of the countries in which we operate. Bilia has formulated and implemented a competition code by which all employees are bound. The internal Code of Conduct training taken by all employees includes training in competition rules.

### Zero tolerance of bribery and corruption

Bilia has zero tolerance of bribery and corruption. Through the Code of Conduct we clearly denounce bribery and corruption and work for sustainable businesses. Via formal authorisation order, the Code of Conduct, internal audits and its whistle-blower system, Bilia has implemented procedures for counteracting and preventing bribery and corruption. No cases of bribery or corruption have been discovered in the operation.

### Requirement specification in the supply chain

Bilia has introduced a Group Supplier Code of Conduct, which covers

human rights and anti-corruption. The Code enables us to ensure compliance through audits. The Code is published at bilia.com. Bilia also has a Group-wide procurement policy to highlight sustainability aspects when signing both central and local agreements.

### Whistle-blowing system

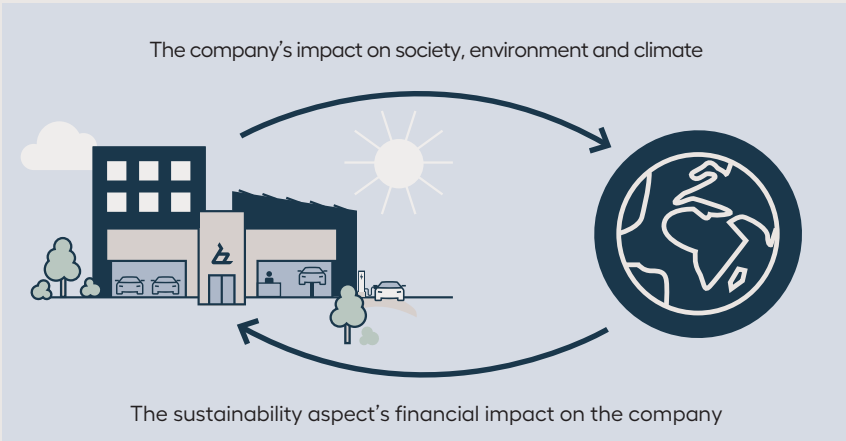
Anyone can anonymously report violations of the Code of Conduct or other misconduct in an external digital whistle-blower system. The system is available via bilia.com. During the year, incident reports have been handled in accordance with the policy.

# Double materiality analysis

In preparation for the upcoming CSRD requirements, Bilia has been working on a double materiality analysis during the year. The process included interviews with Bilia’s stakeholders, workshops, and scrutiny of documents and previous materiality analyses.

The work with the double materiality analysis was conducted by Bilia, supported and assisted by consultants. It included a mapping of the value chain, as well as interviews with internal functions such as Purchasing and HR. External stakeholders were also interviewed, such as investors, customers, industry organisations, suppliers and experts. Two workshops were held, with broad representation from different parts of the organisation. In it, social, environmental and governance-related aspects were identified and evaluated. Desktop surveys and interviews with Bilia’s Finance and Business Development departments were used to identify risks and opportunities.

The preliminary result of the double materiality analysis shows that all overall



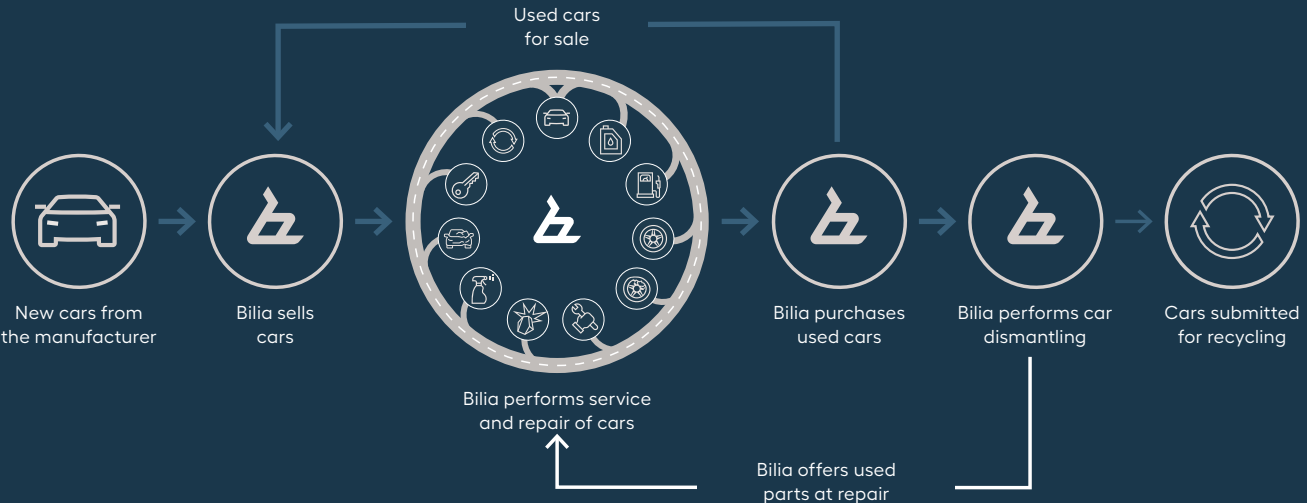
areas in the ESRS standard can be material when considering the entire value chain of a car. However, not all underlying areas in the ESRS standard would be material. The fact that several areas can be material is because the entire value chain of the car, from the extraction of raw materials to the recycling of end-of-life vehicles, has been considered. The automotive industry has long supply chains and, above all, raw materials with a significant impact on sustainability issues.

In 2024, we will continue our work with the double materiality analysis to evaluate what is material to Bilia and what it means in terms of future reporting requirements based on the emerging practice around the CSRD. The materiality analysis will be a foundation for Bilia’s improvement work for several years to come.

**Bilia’s sustainability targets are presented on page 16 of the Annual Report.**



# Circular business model





# Circular business model

## – a sustainable way of doing business

There is no clear definition of circular economy, but fundamentally it is about value sharing and resource efficiency, in order to reduce the need for raw materials and create less waste. Read more about how Bilia affects and is affected by the circular economy.

### Design

The majority of the waste generated by a product can be attributed to its design. It is therefore crucial to include a circular aspect in the planning phase. A process is ongoing among car manufacturers to be more circular, or create more circular cars.

Bilia is affected by the cars' design in everything from keeping customers satisfied to being able to dismantle and reuse used parts. We can see that this gives us a unique, broad perspective when it comes to the car's life cycle. We are therefore for example part of the project The Circular Car, alongside RISE Research Institutes of Sweden and other actors, such as car manufacturers, insurance companies and business customers.

### Waste as a resource

Making the most of materials even when the product itself can no longer be used is a vital part of a circular economy. The key here is to change perspectives and attitudes, and have the courage to invest in new solutions.

In this area, Bilia sees the acquisition of car dismantling operations and the increased use of used spare parts as important factors. We can see great growth potential here, as well as the opportunity to contribute to the development of both the Swedish and Norwegian markets to become more circular. Any parts that are not dismantled are recycled by our waste contractors, thus ensuring that the materials can be reused.

### Extending the life cycle

Through maintenance and repair, a product can work and be used for as long as possible, thus reducing demand for a replacement product or the need to deal with waste.

This is closely connected with Bilia's circular business model. By offering customers servicing and damage repair, we can help to extend the life of a vehicle. Bilia offers services for repair of damaged rims and promote the benefits through TV advertising of rim repair, as well as by conducting a life cycle analysis of the renovation process.

### Holistic thinking

It is not possible to create a circular economy by yourself. By collaborating across different industries and thinking outside the box, we can find solutions together.

Bilia is one player in a large, complex value chain. We can see higher demand for circular solutions and work together with different stakeholders. In a collaboration with Stena Recycling and Formac we have been able to recycle bumpers into number plate holders. We continued to search for innovative solutions in 2023. We have, for instance, been involved in a major EU project called ABSolEU, a collaboration that aims to recycle the plastic ABS, found in durable products from toys and other consumer goods to automotive components. Other participating companies include Volvo Cars, Lego, RISE research Institutes of Sweden, and BIC-Group.

### Maximising value

A product that is sold has a value, a value that should ideally be utilised as efficiently and for as long as possible. One way is to share use of the product to get the very most out of it, another is to maintain the product's value so it can be reused.

Bilia has a long history of selling used cars, and we see this as a natural part of our efforts towards a more circular economy. The longer a car can be used by new owners, the greater the product's overall value. As well as selling used cars, Bilia also offers rental cars. Car rental enables people to use a car when needed. When multiple people use the car, the use becomes more efficient.

# Our work with the Agenda 2030

Bilia has reviewed the 17 Sustainable Development Goals and the 169 Targets in the 2030 Agenda, and has identified the ones of greatest relevance to the company's business. The following pages show how Bilia is contributing to nine of the SDGs and related targets in the 2030 Agenda.



## Goal 3. Good Health and Well-Being

Feeling good and enjoying good health is crucial to other areas too, such as the ability to earn a living or attend school. The basis for how we feel is influenced by our living conditions, our opportunities for welfare, and a fair society.



### 3.6 Halve the number of deaths from road traffic accidents

We contribute to traffic safety by servicing and repairing customers' cars. Through servicing, we can detect faults before they cause an accident. Bilia's mechanics take ongoing training to ensure they can deal with the latest models in the best way. In recent years we have also been using Fleetback, a communication tool that enables us to inform customers of any additional service and repair required to keep their vehicle as safe as possible.



### 3.9 Reduce the number of deaths and illnesses from hazardous chemicals and pollution

We apply the substitution principle by replacing hazardous chemicals with less hazardous substances, or by changing our working methods so that the product is no longer required. For example, we have tested a new paint line in Kungsbacka that contains lower volatile organic compounds than before, and we have been working with our suppliers to replace particularly hazardous chemicals. Also during the year a chemicals training programme was launched for workshop personnel, the aim being to increase knowledge of safe working methods that minimise the risk of ill health and environmental harm.



## Goal 5. Gender Equality

This goal aims to pave the way for women's participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. Working with gender equality is an effective way of combating

poverty and laying the foundation for peaceful communities.



### 5.1 End discrimination against women and girls

We are convinced that balanced gender distribution has a positive effect both on the work environment and on profitability. Bilia has core values and a culture that strive to ensure that women feel welcome and included. Everyone with management responsibility for employees works actively on inclusion and gender equality, identifying and actioning any problems immediately, and helping to promote the company's core values. We also want to demonstrate to women how interesting and stimulating it is to work in the automotive industry. Bilia does this by being visible and getting involved in different forums and contexts, such as an extra emphasis on making work placements attractive to young women, and issuing invitations to a panel discussion at the Nordea Open.



### 5.5 Ensure women's full participation in leadership and decision-making.

The target is for 30 per cent of all employees in the sales operation to be women. We have an enhanced recruitment policy in various professional groups, so that women with the right expertise shall always be called for an interview. If the final candidates have the same expertise, the woman will be selected. HR also supports managers continuously in competence-based recruitment, and in adapting job ads to encourage more women to apply.



## Goal 6. Clean Water and Sanitation

Access to clean water is fundamental to good human health and functioning food and energy production. A lack of water can therefore be a contributing factor in conflicts, both within and between nations. In the future, there is a higher risk of both lack of water, and less access to clean water.



### 6.3 Improve water quality and wastewater treatment, and increase reuse

Bilia's impact on water is related primarily to car washes. We work continuously to improve water quality by review-

ing our water treatment and restricting the use of environmentally hazardous chemicals in our facilities. Our ambition is only to use eco labelled chemicals, and we are working with existing suppliers to achieve this.



## Goal 7. Affordable and Clean Energy

Access to reliable, renewable, affordable energy is an important goal in addressing challenges such as poverty, climate change and inclusive growth. This is happening now as renewable energy solutions become cheaper, more reliable, and more efficient.



### 7.2 Increase the share of renewable energy in the global mix

Bilia can contribute by increasing energy efficiency and increasing the share of renewable energy on the market. Several projects have been initiated to produce renewable energy from solar cells. Today, several of Bilia's facilities have solar panels, and in 2023 they produced 1,032 kWh. Bilia in Norway has come further in this work and has a target of 20 per cent renewable energy by 2025. In addition, Bilia has started selling the E-Cube, an energy storage solution using reused car batteries. Combined with solar panels, for example, the E-Cube can store excess energy and thereby enable increased use of self-generated electricity.



## Goal 8. Decent Work and Economic Growth

Today, more than half of workers in the world are in insecure employment, often on low pay and with limited access to education and social insurance. Innovation, entrepreneurship and decent working conditions benefit sustainable economic growth that includes all of society.



### 8.8 Protect labour rights and promote safe and secure working environments for all workers

Proud, considerate employees are vital to Bilia's continued success and long-term sustainability. With Bilia's core values, we have everything in place to create a good work environment and manage any challenges and conflicts that may arise. We are working continuously to improve the physical and psychosocial work environment. To welcome young

people into working life, Bilia's vision is to offer the best student programme in the business. We do this via work placements, and by collaborating with automotive engineering schools in Sweden.



## Goal 11. Sustainable Cities and Communities

More than half the world's population lives in urban areas, and this is expected to increase to 70 per cent by 2050. One means of dealing with urbanisation sustainable is to increase the number of public EV charging stations, so that more people can use more sustainable forms of transport.



### 11.2 Provide access to sustainable transport systems for all

During the year, Bilia finished building two charging stations for electric trucks. We now have four in total: in Södertälje, Kista, Länna and Gällivare. There are also EV charging stations at most facilities, and the ones in Norrköping and Nyköping are available for public use.



### 11.5 Reduce the adverse environmental impact of cities

All car brands sold by Bilia have plans to offer partly or fully electrified cars in the future. By developing its collaboration with XPENG in Sweden during 2023, Bilia has been able to offer more electric car models. For heavier vehicles, electrification has been more of a challenge, but thanks to a cooperation with Mercedes-Benz, Bilia Trucks has been able to deliver the eEonic and the first eActros 300 truck in Sweden. The general agent also hopes to offer the hydrogen-fuelled GenH2 truck from 2027.



## Goal 12 Responsible Consumption and Production

The transition to sustainable consumption and production of goods and services is necessary to reduce the impact on the environment and human health. We can do this for instance by building a circular economy, with a focus on reducing, reusing and recycling.



### 12.2 Sustainable management and use of natural resources

We have a circular business model, which means that we strive to take care of the cars we sell and we encourage reuse. At Bilia customers can rent

a car, buy a used car, service their car to ensure it lasts longer, repair damages, and hand their car in for dismantling. All these services and products are key components in a circular economy and enable Bilia to help ensure better use of resources. We hope to be able to expand this part of the business through acquisitions and collaborations, as well as further initiatives related to rim repair and glass repairs.



### 12.6 Encourage companies to adopt sustainable practices and sustainability reporting

During 2023, work has been under way to meet the requirements of upcoming EU directives. A double materiality analysis based on CSRD requirements ahead of the 2025 Sustainability Report, along with systems for risk assessment, have been chosen to comply with upcoming CSDDD requirements on sustainable supply chains. In Norway, suppliers have already been risk-assessed for human rights in line with Transparency Act requirements. During the year, Bilia's Supplier Code of Conduct has also been sent to several suppliers, and to date around 70 per cent of central suppliers have signed and confirmed that they follow Bilia's requirements.



### 12.8 Ensure that people everywhere have information and awareness for sustainable lifestyles

This target is linked to Bilia's climate target to reduce customers' climate impact. We do this in our day-to-day work by talking with customers about their choice of vehicle, and through information on our website. During the year, we have explored what and how we should communicate the services that contribute to a lower climate impact. For instance, we conducted a life cycle analysis of our rim repair service to map its environmental impact, and also to identify environmental benefits as a renovated rim can replace production of a new one. In the next year, we plan to more clearly communicate which services connected with servicing can reduce fuel consumption, and thereby also climate impact.



## Goal 16 Peace, Justice and Strong Institutions

Peaceful communities and freedom from violence are both a goal

for and a means of achieving sustainable development. National government with responsible institutions, transparency and rule-of-law principles lay a foundation for sound societal governance, including development and combating corruption.



### 16.5 Substantially reduce corruption and bribery

National conflicts and un-ease could lead to Bilia being indirectly affected by delayed deliveries, higher prices or disruptions in the supply of materials. By combating bribery and corruption within Bilia, we hope to be able to benefit global peace or current conflicts, even though the impact of these actions might be minimal. We do this through internal processes and controls, especially internal audits and whistleblower systems.



## Goal 17 Partnerships for the Goals

The scope and ambition of the 2030 Agenda calls for global partnership between different areas of society. We need to mobilise economic resources, knowledge and eco-friendly technology between nations and industries in order to achieve the global SDGs.



### 17.16 Enhance the global partnership for sustainable development

Bilia is part of the knowledge exchange between the Swedish Association for Motor Retail Trades and Repairs, the Swedish Confederation of Transport Enterprises, NMC – The Swedish Association for Sustainable Business, as well as local players such as high schools. In May 2023, we also officially became a member of the UN Global Compact network. In addition, we contribute to knowledge development through participation in various research projects. In addition to ABSolEU, which focuses on recycling ABS plastic, during 2022–2023 we took part in a pilot study called The Circular Car, alongside RISE Research Institutes of Sweden and other actors. In autumn 2023, a subsequent three-year project was approved by Vinnova. The aim is to develop concepts and collaborations for a higher degree of utilisation and longer use of vehicles, where recirculation of products and materials is standard practice.

# Activities in 2023

## Circular business model

### Life cycle analysis of rim repair

Bilia has had a life cycle analysis (LCA) conducted of its rim repair service to investigate its environmental impact and potential environmental benefits. An LCA ensures the evaluation is robust, transparent and comparable. Data for the analysis was taken from Bilia's tyre operation in Jönköping, Sweden for 2022/23 and is based on a full renovation of a diamond-cut rim.

The results show that the repair process generates about 15 kg CO<sub>2</sub>e, while a newly produced rim from virgin material generates 177 kg CO<sub>2</sub>e over its entire life cycle. This means that renovating a rim saves 162 kg CO<sub>2</sub>e compared to producing a new one.

A part from reducing climate impact from a life cycle perspective, rim repair contributes to circularity by utilising products and materials that have already been produced. During 2024, Bilia will work to streamline and secure the rim repair process. We will start from the best practices in our various companies that offer rim repair.



### Norway's most modern car dismantling

In February 2023, Bilia and Bil1Din opened the doors to Norway's most modern car dismantling facility with a co-located repair workshop.

"For us at Bilia opening this facility is an important milestone, enabling us to help the industry evolve towards far greater sustainability. Having car dismantling and a repair and paint shop at the same facility creates some major, unique synergies. Røyken is also strategically located in relation to many of our dealers in Eastern Norway, which means nice, efficient logistics," says Frode Hebnes, MD of Bilia Norge AS.

Norway currently uses the lowest proportion of used spare parts in Scandinavia. With the car dismantling in Røyken, Bilia wants to drive a transition to more used parts and a more circular automotive industry. Bilia and Bil1Din have worked closely alongside insurance companies regarding this facility, and we can discern a distinct effect from modified insurance policies. As access to quality used spare parts increases, we are also seeing higher demand from workshops. Bil1Din is expected to dismantle 100,000 used spare parts a year from its two facilities in Trøndelag and Asker. The parts will be available not only to Bilia, but to all workshops in Norway.

## Climate care

### Sales of the award-winning E-Cube

In May, ECRIS, a Bilia company, delivered the first E-Cube energy storage solution to an external customer. The E-Cube was named Innovation of the Year 2021 by Jönköping County, and was purchased by Gislaveds Energi. The E-Cube will be used in connection with their energy farm. The farm will have 4,000 solar panels, hydrogen gas production and a hydrogen filling station for trucks. The E-Cube is normally used to store excess energy, but in this case it will be used to stabilise the power network, keeping it full of electricity and distributing it to the grid when required. In addition, the solution will also be used to transform the energy from the solar cells into hydrogen, which is made available to trucks in the hydrogen filling station. There is great interest in energy storage on the market, and we have a good foundation to meet this increased demand.

"We are essentially alone on the market in using recycled lithium-ion batteries from electric cars, and many of the batteries we use come from our car dismantling facility in Jönköping. There is strong demand, and at the moment our manufacturing and delivery are struggling to keep pace with our orders," says Magnus Ramfelt, MD of ECRIS.

### Information on electric vehicles

To support customers who are interested in electric cars, Bilia has launched an upgraded information page on bilia.se for electrically powered cars. The aim is to provide comprehensive, reliable information and guidance so that customers can make well-informed choices when buying an electric car.

Details include range, charging time and taxes. There are also special pages dedicated to different types of electric cars to enable comparison of characteristics and benefits. There is also specific information for company cars, with relevant information and advice for companies considering electric vehicles. Anyone interested in installing a charging box at home can go to a special page to see our range of charging boxes, along with handy tips.

In the past six months, more than 16,000 visitors have read about Bilia's electric cars, and the advice pages in turn have attracted about 5,000 new visitors. This is a great way for us to support our customers at an early stage of their purchasing journey.

### Collaboration for more sustainable transportation

In 2023, Bilia took another step towards sustainable transportation by including more electric vehicles in its product range. In addition to the several electric and hybrid cars that Bilia offers, we now also have Mercedes-Benz electric trucks.

In 2023, Bilia collaborated with an upfitter in the automotive industry to successfully deliver a customised solution. Through the collaboration, Bilia was able to deliver two eEconic vehicles adapted for situations where there are requirements for protective or warning vehicles equipped with TMA, i.e. energy-absorbing protection used mostly in road construction. The customised electric trucks will increase traffic safety by reducing noise and emission levels, while offering high performance and reliability.

This delivery is an important step towards promoting greener transportation and reducing the environmental impact of the automotive industry.





We have a circular business model that enables us to influence the car's life cycle from new car to dismantled car.

### Continued focus on renewable energy

Since the middle of February, the roof of Bilia's facility in Sisjön, Gothenburg has been covered by 1,250 solar panels. Together they will be able to provide an estimated 400 MWh a year, enough to power 20 houses for a year. The ECRIS energy solution, E-Cube, has also been installed.

"With ECRIS energy storage and software from Energy Director, we can ensure our energy flow is as efficient and profitable as possible," says Nina Lundgren, Facility Manager Stockholm.

The solar panels are expected to provide 20 per cent of the facility's total energy requirement. This would save SEK 600,000–800,000 a year in direct electricity costs. Bilia is planning to fit solar panels on more facilities in the future.

## Human care

### The big cycling event of the year

On 19 August, the Grenserittet cycling race was held, in which Bilia was participating for the third year in a row. It is a social event, and all employees in Sweden and Norway are invited to take part. Bilia was the sponsor and covered race participation, accommodation, food at the finish line, dinner, and after-bike in the evening.

An impressive 150 people from Bilia lined up at the start, from both Norway and Sweden. Contestants could choose between a 'long' route (36 km) and an 'extra long' one (80 km). Both distances finished at Fredriksten fortress in Halden, where finishers were met by cheering colleagues and could enjoy refreshments.



### 2,306 wheel changes for good causes

During the year, Bilia Norge had special wheel-change days, with all proceeds going to local organisations and sports teams. There were a total of 2,306 wheel changes, 457 more than in the previous fund raiser, and NOK 645,680 was donated to good causes.

Wheel-change days have become an important tradition for all of Bilia Norway, and are a chance to give something back to the local community. They're also a good way to work with local organisations, and cement contacts with new and existing customers. And for many of the causes, the money we donate helps to boost an otherwise meagre budget.

### Enhanced responsibility in the Norwegian supply chain

Bilia Norway has submitted its first report in line with the new Transparency Act, which came into force on 1 July 2022. It requires all large companies to report how they, their business partners and suppliers work to maintain decent working conditions, prevent corruption and address human rights violations.

With systems support, Bilia has analysed its suppliers in Norway and categorised them according to risk, and requested documentation from the companies deemed to be high or medium risk. The report published on bilia.no describes the risks and potential negative impacts on our operation. Based on this process, we can now improve internal routines, and build awareness about our responsibility as a major player on the Norwegian car market.

### BiliaPulsen launched

During the year, Bilia launched a new employee survey tool called BiliaPulsen. Pulse surveys are now conducted once a month rather than once a year, providing an immediate, ongoing insight into personnel's engagement and wellness. This enables us to adapt and improve more quickly. The survey touches on areas linked to leadership, engagement, the Bilia compass, job satisfaction, team spirit, the work situation and eNPS.

The tool's various functions allow secure anonymity. Results and trends in employees' wellness and engagement can be monitored in real time and are shown simultaneously to employees and managers. With this greater transparency and agility, we hope that all our co-workers feel that their thoughts and opinions can help to drive ongoing improvements in the workplace.

### Knowledge for a safer work environment

In recent years, Bilia has focused on boosting employees' knowledge in different aspects of the work environment. Several internal training courses were launched during the year, on topics including chemicals in the workshop, the updated work environment policy at Bilia Sweden, safe fuel handling and Bilia's Code of Conduct. Furthermore, since CPR training was launched in 2021, approximately 345 employees have completed the training. Most Bilia facilities now have defibrillators, and many employees feel more confident about taking swift action in the event of an emergency.

To supplement the training, targeted teaching has also been provided by the environmental and occupational safety function. During 2023, the focus has been on supporting managers with risk assessments and safety inspections, and following up on chemicals handling.

Greater knowledge means safer workplaces and better co-worker wellness at Bilia. It also enables us to identify best practices, which we can then spread throughout the organisation in our work on continuous improvement.

### The right PPE in the right place

Working with Würth, Bilia has developed a range of personal protective equipment covering all work tasks within Bilia. The range complements the general agents' PPE and is designed based on the particular risks in our operation. The aim is to create a safer, more secure work environment for everyone who works at Bilia.

Guidelines with pictures and descriptions of what signs each department should put up have been developed as support. This means that personnel can now easily see what kind of PPE is required for each work task.

## Sustainable Growth

### Bilia tops Norway's customer barometer

We are delighted to report that Bilia won its industry category in the 2023 Norwegian Customer Barometer (Norsk kundebarometer). We came fifth of all companies in Norway and were well ahead of other car dealers. The brands we sell, BMW, Volvo and Toyota, all came in the top ten.

"We have worked purposefully in the long term to achieve our vision, and this shows our efforts are paying off. The prize shows that customers value our services and the car brands we represent. While this is a small step down from joint fourth place last year, we will carry on working hard to maintain and improve our market position. This would not have been possible without the dedication and fine efforts of all our employees," says Frode Hebnes, MD Bilia Norge AS. Bilia is the link between car manufacturers and customers, and delivering a positive customer experience is crucial to our business. We will therefore continue putting our customers front and centre, striving always to exceed expectations and thereby consolidate Bilia's position as the best service company in the industry.



## Members of the Global Compact

During the year, Bilia became official members of the UN Global Compact, a global initiative and network that works for a sustainable future and the achievement of the Agenda 2030 goals. The UN Global Compact comprises ten guiding principles divided into four main categories: human rights, labor rights, environment, and anti-corruption. Bilia has worked according to the principles for several years and our Supplier Code of Conduct is based on these principles. The membership in the UN Global Compact allows us to continue our sustainability work as official members and continue to work for human rights, the environment, and good working conditions while also working against corruption. Being part of the UN Global Compact also means that we are part of a network together with other companies that both locally and globally work for sustainability on several fronts. Here we can have an exchange of knowledge that benefits several and can help us achieve a more sustainable development.

## Digitalisation journey with a customer focus

In 2023, Bilia has been working to offer a simplified, seamless customer experience from web to Bilia. One aspect was a major overhaul of our workshop pages at bilia.se to create better visibility on search engines and increase the number of digital bookings for our services. The initiative produced results, and after a few months views via search engines have increased by 64 per cent, traffic to the workshop pages by 60 per cent, and the number of bookings and queries about our services by 134 per cent.

Another initiative took place in Norway at the beginning of the year, with used cars being marketed on Facebook and Instagram. Using direct links to used cars on bilia.no prompted a uniquely high response. In about four months, we had 350,000 clicks which led customers to Bilia's used cars. Compared to the same period last year, there was a 200 per cent increase in used car page viewing on bilia.no.

# Bilia advocates for more women in the industry at the women's Nordea Open

The automotive industry has undergone dramatic changes in recent years in response to environmental and economic challenges. While the sector is undergoing rapid transformation with new services, skills and needs emerging, work on gender equality could still be quicker. If we only recruit from half the working-age population, we are missing out on important skills.

Bilia therefore brought together leading figures in the car industry to discuss how, together, we can speed up the process of attracting more women into the sector. Several factors were identified.

For example, we should expand recruitment processes and employ more people without experience in automotive – this will allow more women into our industry. We can do this by challenging the standardised recruitment requirements and removing industry experience as a plus wherever possible. We also need to make more of an effort to create an even more positive, inclusive corporate culture in which everyone thrives and feels welcome. The key is to ensure the necessary resources and adaptations are in place where the need exists.

The industry must work together to challenge and address myths and prejudices people have about the automotive sector. By working actively in schools, on social platforms and by highlighting prominent female role models, we can change perceptions of the industry and make it more attractive to more women. By regularly assessing and monitoring progress – as well as shortcomings – we can identify what works and what needs improving. Measurement lays the foundation for keeping market players responsible and continuing to drive change.



Finally, we need to ensure a work environment and job situation that promote both career and family life. This applies to both women and men, as we all have a life outside of work.

"At Bilia, we're passionate about change. We believe that an inclusive culture demands active effort, and that effort must permeate processes and policies in everything from recruitment to development and the work environment. Our ambition is to continue supporting each other in this work, so that the industry as a whole evolves. Having said that, discussion and collaboration within the industry are also needed. We have a shared possibility to establish an industry that reflects society and provides equal opportunities for everyone – and everyone is needed if we are to be successful in the transition towards the automotive industry of the future," says Elin Delvert, HR Director at Bilia.

## Climate data

Climate reporting is an important tool for identifying our impact on emissions according to the Greenhouse Gas Protocol (GHG). The annual reporting helps us to evaluate ourselves over time, both in total for the group and at the unit level. With new requirements, the expectations on Bilja to identify climate emissions and take responsibility for efforts to reduce them are increasing.

### Scope 1

In Norway, product changes have reduced the need for fuel in the painting process. The new products require lower heat and shorter drying time. In two plants, there has been a change of heating source from natural gas to district heating, which has had a positive impact on climate emissions.

### Scope 2

The lower amount of carbon dioxide emissions from consumed electricity is explained by more green electricity contracts. The higher amount of district heating is explained by a colder winter season.

### Scope 3

The 2023 reporting included four new categories: Purchased goods and services – Delivered vehicles, Employee commuting, Use of sold or leased goods – Delivered vehicles, and Waste management of sold goods. Previous years have not been calculated retroactively.

Purchased goods and services - Delivered vehicles includes calculations of climate emissions for the production of new cars that Bilja has purchased and delivered to customers. Vehicles where the customer enters into a leasing agreement at the time of purchase, or vehicles that are brokered by Bilja according to an agency agreement model are not included.

Use of sold product this year includes the climate emissions from the lifetime use of new cars that Bilja has purchased and delivered to customers during 2023.

Other purchases were based on statistics for centrally contracted suppliers. The possibility of reporting emissions for the category has been limited by suppliers' ability to deliver climate data and calculable statistics on the products and services purchased. This year's calculations include more suppliers and product types than in 2022.

Previously reported information for business travel has been recalculated for an operation in Western Europe.

### Plan going forward

Waste statistics are missing from some facilities in Norway. Due to limited data availability, it has not been possible to calculate climate emissions for the remaining lifetime of delivered used cars.

Tonnes CO <sub>2</sub> e	2023	2022	2021
<b>Scope 1</b>			
Internal consumption of vehicle fuel	4,976	5,257	6,322
Fuel for paint boxes	379	480	196
Fuel for own production of heat	510	776	1,188
Refrigerant, refilled	0	0	0
<b>Total</b>	<b>5,865</b>	<b>6,513</b>	<b>7,706</b>
<b>Scope 2</b>			
Consumption of electricity, market based	1,165	2,456	15,832
Consumption of district heating	1,985	1,761	1,933
<b>Total</b>	<b>3,150</b>	<b>4,217</b>	<b>17,765</b>
<b>Scope 3</b>			
Purchased goods and services – Delivered vehicles <sup>1)4)</sup>	276,352	—	
Purchased goods and services – Other purchases	44,078	43,003	
Fuel and energy related activities	2,571	2,297	
Purchased goods transport	6,834	2,028	
Waste	3,173	5,400	
Business trips – Transport and hotel	275	236	
Employee commuting <sup>4)</sup>	5,788	—	
Use of sold or leased goods – Delivered vehicles <sup>2)4)</sup>	355,650	—	
Use of sold or leased goods – Fuel and refrigerant	130,023	149,564	
Waste management of sold goods – Delivered vehicles <sup>3)4)</sup>	9,233	—	
<b>Total</b>	<b>833,976</b>	<b>202,528</b>	
<b>Total Scope 1-3</b>	<b>842,990</b>	<b>213,258</b>	

<sup>1)</sup> The source for the calculations is the fact sheets for life cycle assessment published by Green NCAP for Bilja's car brands. An average value per kilogram of vehicle has been calculated for each drive line. Source: European Life Cycle Assessment Results & Fact Sheets (greenncap.com).

<sup>2)</sup> The category includes emissions from fuel consumption during an assumed lifetime of 240,000 km. Average emissions in grams/km per drive line for model year 2022 have been obtained from the Swedish Transport Agency. Source: Statistics on carbon dioxide emissions 2022 - Swedish Transport Agency.

<sup>3)</sup> Based on the value of 0.5 tCO<sub>2</sub>e/vehicle.

<sup>4)</sup> Not reported for years before 2023.



Tonnes CO <sub>2</sub> e	2023		2022		2021	
	Location based	Market based	Location based	Market based	Location based	Market based
<b>Scope 2</b>						
Electricity	2,191	1,165	1,888	2,456	2,524	15,832
District heating	1,985	1,985	1,761	1,761	1,933	1,933
<b>Total</b>	<b>4,176</b>	<b>3,150</b>	<b>3,649</b>	<b>4,217</b>	<b>4,457</b>	<b>17,765</b>

## EU's green taxonomy

The Taxonomy Regulation, EU 2020/852, which came into force in July 2020 is a classification system that establishes criteria for when an economic activity should be considered environmentally sustainable. The Taxonomy is also a tool to help investors identify and compare environmentally sustainable investments in order to achieve the EU's climate goals and the objectives of the European Green Deal. This year a further four environmental objectives have been added to the EU Taxonomy's reporting requirements, which means that both the content and format of this report will change over time.

Bilia's operations consist primarily of sales of vehicles and accessories as well as service and maintenance of these products. Bilia's sales of new cars, accessories and spare parts are not covered by the activities that are classified as part of the Taxonomy. Bilia has assessed that sales of used cars, car rental, service and repairs in our workshops, renovation of car parts and dismantling of end-of-life cars to sell used car parts, production and sales of energy storage, management of properties owned by Bilia and vehicle financing are eligible under the Taxonomy. For a description of Bilia's Service Business and Car Business, see pages 22–29.

Using the definition of economic activity in the Taxonomy we have identified the following economic activities as eligible and material to our operations in 2023 in terms of one of the following: turnover, capital expenditures or operating costs.

- CCM 3.3 Manufacture of low carbon technologies for transport
- CCM 3.4 Manufacture of batteries (new)
- CCM 4.1 Electricity generation using solar photovoltaic technology (new)
- CCM 6.5 Transport by motorbikes, passenger cars and commercial vehicles
- CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (new)

The activities that Bilia deems to be eligible under the four new environmental objectives relate to transition to a circular economy (CE). We have identified the following economic activities as eligible and material:

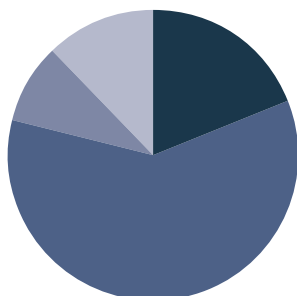
- CE 5.3 Preparation for re-use of end-of-life products and product components
- CE 5.4 Sale of second-hand goods

For complete Taxonomy reporting see Sustainability Notes page 123–134.



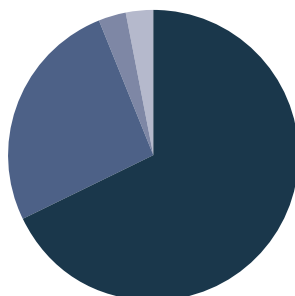
## Performance measures employees

DISTRIBUTION OF EMPLOYEES BY FUNCTION, %



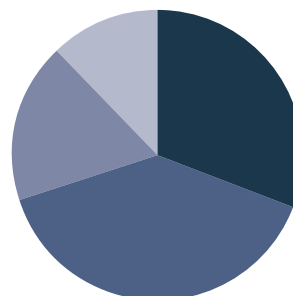
- Sales, 19
- Workshop, 60
- Spare parts, 9
- Administration, 12
- Fuel, 0

DISTRIBUTION OF EMPLOYEES BY COUNTRY, %



- Sweden 68
- Norway, 26
- Luxembourg, 3
- Belgium, 3

AGE STRUCTURE, EMPLOYEES, %



- ≤29 years, 31
- 30-49 years, 39
- 50-60 years, 18
- ≥61 years, 12

	2023	2022	2021
Average number of employees	4,476	4,195	4,385
Turnover per employee, KSEK	8,605	8,426	8,098
Value added per employee, KSEK	1,166	1,316	1,302
Profit before tax per employee, KSEK	260	477	417
Average age, years	41	40	40

# Corporate Governance Statement

**CORPORATE GOVERNANCE.** Bilia AB (publ) is a Swedish public limited liability company listed on Nasdaq Stockholm, Large Cap. The company applies the Swedish Corporate Governance Code and hereby submits its Corporate Governance Report for the year 2023.

The Group's corporate governance is, in addition to what is set out in Swedish law, based on the Swedish Corporate Governance Code (the Code), Nasdaq Stockholm AB's Rules for Issuers and the Swedish Securities Council's rulings on what constitutes good practice on the Swedish stock market. This report summarises how the corporate governance is structured and how it has been managed and developed within the Group during the 2023 financial year. Bilia complies with the rules of the Code and there were no deviations from the Code's rules in 2023.

## Corporate governance at Bilia

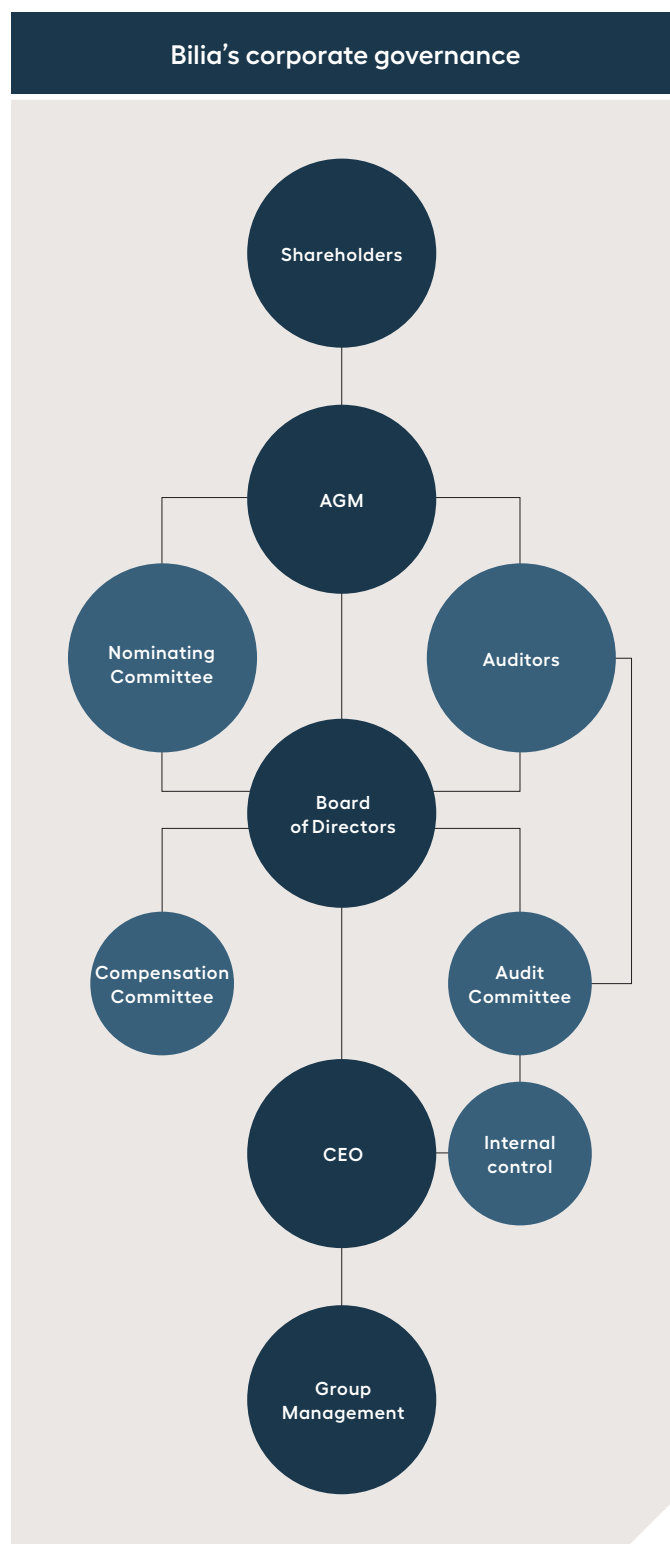
Good corporate governance is about ensuring on behalf of the shareholders that Bilia is managed in a sustainable and responsible way, and as efficiently as possible. Bilia strives for a clear division of responsibilities, for transparency towards the owners and the market as well as for efficient governance and control of the Group's operations to ensure that the Group fulfils its commitments towards shareholders, customers, employees, suppliers, credit providers and society. It also endeavours to ensure that the operations follow set targets, applicable legislation and other regulatory frameworks, both external and internal. External regulatory frameworks include the Swedish Companies Act, the Swedish Annual Accounts Act and other relevant laws, Nasdaq Stockholm's Rules for Issuers and the Code. Internal regulatory frameworks include the Articles of Association adopted at the Annual General Meeting, the rules of procedure for the Board of Directors and the instructions for the Managing Director, including instructions on financial reporting, and instructions for the Board Committees, policies and guidelines, and Bilia's Code of Conduct.

## Shareholders

At the end of 2023 Bilia had 40,034 shareholders. Bilia's largest shareholder was Investment AB Öresund, whose holding amounted to 10.2 per cent on 31 December 2023. The next-largest shareholders at year-end were Mats Qviberg, Anna Engebretsen and Eva Qviberg whose holdings amounted to 6.2, 5.2 and 4.8 per cent respectively. The proportion of institutional ownership amounted to 8.9 per cent (8.9) and the proportion of foreign ownership was 25.1 per cent (28.3).

## General meeting of shareholders

Shareholders' influence is exercised at the Annual General Meeting (AGM) and, where applicable, at Extraordinary General Meetings, which are Bilia's highest decision-making bodies. All shareholders who are registered in the share register at the record date before the meeting and who have registered their participation in the meeting before the deadline set out in the notice are entitled to participate in the meeting with full voting rights. Shareholders who are unable to attend in person may be represented through a proxy. Any shareholder



who would like an issue to be dealt with at a general meeting of shareholders must submit a written proposal to the Board in sufficient time so that the proposal can be included in the notice to attend the meeting.

## The 2023 AGM

The 2023 AGM was held on 26 April 2023. The board had decided that shareholders could exercise their right to vote at the AGM also by postal voting in accordance with the regulations in Bilia's articles of association. A total of 243 shareholders were represented at the meeting, who jointly represented 54.1 per cent of the number of shares and votes in the company.

The Chairman of the Board, Mats Qviberg, was elected chairman of the AGM. The minutes from the AGM can be found on Bilia's website, bilia.com. The AGM passed resolutions on the following, among other matters:

- adoption of the Parent Company and consolidated income statements and balance sheets for the 2022 financial year in the Annual Report,
- dividend in accordance with the Board proposal of SEK 8:80 per share for the 2022 financial year, allocated across four disbursements,
- granting discharge from liability for the Board's members and the Managing Director for the 2022 financial year,
- re-election of all Board members.
- re-election of Mats Qviberg and Jan Pettersson as Chairman of the Board and Deputy Chairman respectively,
- determining remuneration for the Board and auditors,
- re-election of PricewaterhouseCoopers AB as the company's auditor for the period up until the end of the 2024 AGM,
- approval of the Board's remuneration report,
- establishment of a long-term incentive programme in the form of a share savings programme for approximately 60 senior executives and other key personnel.
- authorisation for the Board to decide on acquisitions or transfers of the company's own shares on one or more occasions during the period up until the next AGM, but the shares may not correspond to more than 10 per cent of the total number of shares in the company.

## Nominating Committee

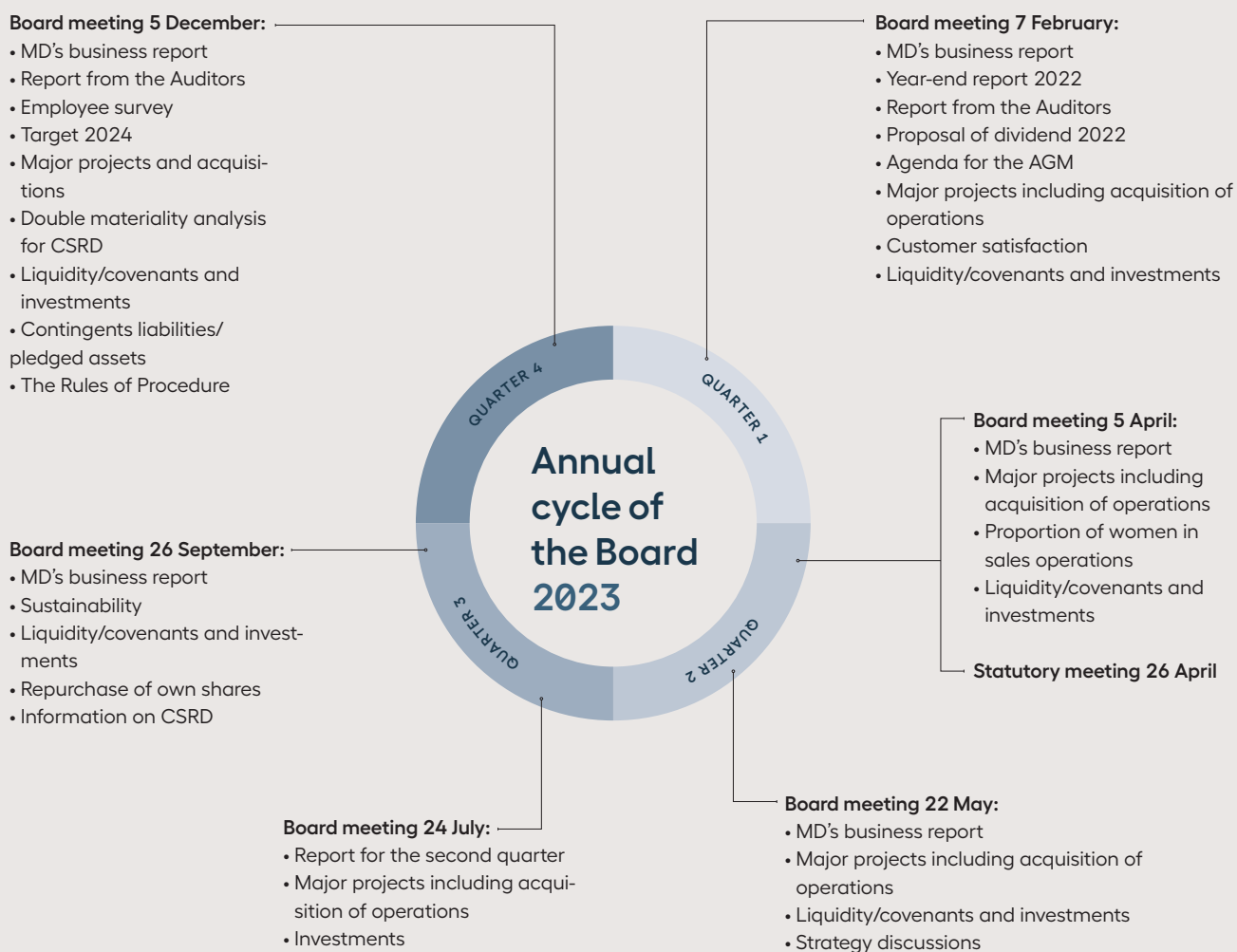
The Nominating Committee is tasked with submitting proposals ahead of the AGM on resolutions regarding the election of the Chairman at the AGM, the election of the Chairman and other members of the Board, remuneration for committee work, the election of auditors (where applicable), fees for auditors and changes in the procedure for appointing the Nominating Committee. In accordance with a resolution at Bilia's 2016 AGM, the Nominating Committee shall comprise Bilia's Chairman of the Board along with representatives of the two to four largest shareholders at the turn of the month before the Committee is appointed. Prior to the 2023 AGM, Bilia's Nominating Committee comprised Tim Floderus (Chairman of the Nominating Committee), representative of Investment AB Öresund, Mats Qviberg, in his capacity as Chairman of the Board of Bilia AB, Sofia Steinwall, representative of Anna Engebretsen with family and Emilie Westholm, representative of Folksam.

Every year the Nominating Committee evaluates the Board and its work. The Committee then prepares a proposal for a new Board and proposals for remuneration for the Board, proposals that are submitted in connection with the notice to attend the upcoming AGM. The Nominating Committee's motivating statement ahead of the 2023 AGM states that it applied rule 4.1 of the Code about diversity policy when drawing up its proposal for the Board. The aim of the policy is to ensure that the Board has a composition appropriate to the company's operations, phase of development and general circumstances that is characterised by diversity and breadth with regard to expertise, experience and background, in addition to which an even gender distribution should be striven for. The 2023 AGM decided to appoint Board members in accordance with the Nominating Committee's proposals, which means that eight members were elected, comprising three women and five men.

Bilia's Nominating Committee, prior to the 2024 AGM, comprises Anders Wennberg (Chairman of the Nominating Committee), representative of Investment AB Öresund, Mats Qviberg, in his capacity as Chairman of the Board of Bilia AB, Sofia Steinwall, representative of Anna Engebretsen with family, and Emilie Westholm, representative of Folksam.

## BOARD OF DIRECTORS

Board members	Attendance at Board meetings, %	Attendance at Committee meetings, %	Independent in relation to the company and the Group Management	Independent in relation to the company's major shareholders	Number of shares
<b>Elected board members</b>					
Mats Qviberg, Chairman	100	—	Yes	No	13,367,688
Jan Pettersson, Deputy Chairman	100	—	Yes	Yes	1,200,000
Ingrid Jonasson Blank	100	—	Yes	Yes	40,000
Gunnar Blomkvist	100	100	Yes	Yes	75,598
Anna Engebretsen	100	100	Yes	No	5,170,360
Nicklas Paulson	100	100	Yes	No	2,000
Jon Risfelt	100	100	Yes	Yes	26,790
Caroline af Ugglas	100	100	Yes	Yes	3,000
<b>Employee representation</b>					
Patrik Nordvall	100	—	Employee		504
Maria Finth Juhlin	100	—	Employee		—
Fredrik Säfsten	100	—	Employee		69
Isak Ekblom	86	—	Employee		—



## Auditors

Bilia's auditors are elected by the AGM. The auditor audits the annual accounts, accounting records and consolidated accounts as well as the Board of Director and Managing Director's administration in accordance with generally accepted auditing standards. After each financial year, the auditor submits an auditor's report for the Parent Company and an auditor's report for the Group to the AGM. At the 2023 AGM, the registered public audit firm PricewaterhouseCoopers AB was re-elected as the company's auditor, with Authorised Public Accountant Fredrik Göransson as the auditor in charge. The current mandate period runs up to the end of the 2024 AGM. The auditors report the findings of their audit to the Audit Committee and the Board. In addition to regular auditing assignment, PricewaterhouseCoopers AB assists with advisory and investigatory assignments. Such assignments are submitted in accordance with the rules decided by the Audit Committee for approving the nature and scope of the services as well as remuneration. The assignments conducted are not deemed to cause a conflict of interest. See Note 9 "Fees and cost reimbursement to auditors" for information on remuneration for auditors.

## Board of Directors

The Board of Directors' main duty is to be responsible for the company's organisation and the management of the company's business. The Board has to consider the interests of all shareholders in carrying out its duties. The Board is also responsible for ensuring that this Corporate Governance Report is prepared. The Articles of Association stipulate that the Board shall comprise at least seven and at most ten members. The Board members are elected annually at the AGM for the period up until the end of the next AGM. Employees are entitled to appoint two representatives and two deputies to the Board. In 2023, Bilia's Board comprised eight members elected by the AGM. The Managing Director and the CFO participate in the Board meetings, the latter also as secretary. Furthermore, other senior officers take part as required.

The Board of Directors' work is mainly governed by the Swedish Companies' Act, the Code and the Board's rules of procedure. The members of the committees are established annually at the Statutory meeting and The Rules of Procedure are established annually at the Board meeting in December. The current rules of procedure state that the Board should have at least five ordinary meetings between each AGM, including the Statutory meeting. The rules of procedure also set out the division of work and responsibilities between the Board of Directors, Chairman of the Board, the Board Committees and the Managing Director.

Mats Qviberg was re-elected Chairman of the Board at the 2023 AGM. The Chairman of the Board is responsible for managing and assigning the Board's work and for ensuring that this is done in an efficient, well-organised way. This entails, for example, ensuring that the Board fulfils its obligations, monitoring the operation's development and making sure that the Board always has the information it requires so that it can carry out its work while maintaining quality standards in accordance with the applicable rules and regulations. The Chairman of the Board does not take part in the operational management of the company.

The Code states that a majority of the members of the Board elected at the AGM must be independent of the company and its management, and at least two of these members must also be independent of the company's major shareholders. The Nominating Committee has judged that the Board composition of Bilia meets the requirements on independence set out in the Code. Individual Board members' share holdings, their independence in relation to the company, the executive management and the company's major shareholders are shown in the table on page 50. Other assignments in other companies are shown in the presentation of Board members on pages 54–55.

### The work of the Board in 2023

The Board of Directors held its Board meeting following election on 26 April 2023 and a total of seven Board meetings, including the statutory meeting, were held during the year. The Board dealt with standing items at its regular meetings that follow from the Board's rules of procedure, such as business situation, budget, annual accounts and interim reports. In addition, the Board dealt with overarching issues relating to corporate acquisitions and other investments, disposals, long-term strategies, financial issues, quality issues, compliance, internal control and risk management, organisation and structure. During the year, the Board devoted significant time to discussing the current economic situation, trends in the industry, such as changing sales channels and business models and electrification, as well as its impact on Bilia's operations today and in the future. The work of the Board was conducted in accordance with the illustration on page 51. In addition to the ordinary meetings the Board made six decisions per capsulam.

### Board subcommittees

#### Compensation Committee

In 2023, Bilia's Compensation Committee comprised the Board members Nicklas Paulson (Chairman), Anna Engebretsen and Gunnar Blomkvist. The Compensation Committee's members are independent in relation to the company and the executive management.

The Committee held five minuted meetings in 2023 and also had ongoing informal contact. The members' attendance at committee meetings is reported in the table on page 50. The Compensation Committee, which follows written instructions, is charged with drafting matters concerning remuneration principles as well as remuneration and other terms of employment for the Managing Director and other members of the Group Management. The Committee also prepares the Board's proposed guidelines on remuneration for senior officers, which the Board presents for a resolution at the general meeting of shareholders at least every four years. In addition, the Committee shall monitor and evaluate ongoing programmes and programmes completed during the year regarding variable remuneration for the Group Management

and the application of the guidelines on remuneration for senior officers decided on at the AGM.

#### Audit Committee

In 2023, Bilia's Audit Committee comprised the Board members Jon Risfelt (Chairman), Caroline af Ugglas and Gunnar Blomkvist. The Committee held five minuted meetings and also had informal contact between the meetings as necessary in 2023. The members' attendance at committee meetings is reported in the table on page 50. The company's auditors took part in all of the Audit Committee's meetings. The Committee and the auditors discussed and established the scope for the audit. The Audit Committee is a drafting body in contacts between the Board and the auditors, and continuously submits reports to the Board regarding its work. The Audit Committee follows written instructions and shall through its operations meet the requirements set out in the Swedish Companies Act and the EU's Audit Regulation. The Committee's duties include:

- monitoring the company's financial reporting and the effectiveness of the company's internal control and risk management, and ensuring that the Group's nine-month report and annual accounts are reviewed by the Group's auditors,
- staying informed about the audit of the annual accounts and consolidated accounts, and examining and monitoring the auditor's impartiality and independence,
- assisting with the preparation of proposals to the AGM on decisions on the election of auditors and fees regarding the audit.

The following matters were also discussed in 2023, among others: risk analysis for the Group's operations, insurance issues, IT security, impairment testing of intangible assets, acquisition of new operations, financing, internal control issues and observations from the external auditor's audit of Bilia.

### Evaluating the work of the Board

The Board's work is evaluated annually using a model that covers the following main areas:

- Board of Directors (roles, planning, functions)
- Board meetings
- Board material, information and reports
- Members of the Board
- Chairman of the Board
- Managing Director

The evaluation is performed by having the members carry out an anonymous assessment of the work of the Board by rating a number of areas/aspects, after which the results are compiled. This year's evaluation painted a positive overall picture of the work of the Board. The Board also evaluates the work of the Committees each year and other members remain satisfied with how the Committees manage their respective areas of responsibility. The result of the evaluation has been presented to and discussed in the Board and reported to the Nominating Committee by the Chairman of the Board. The evaluation forms the basis for the Nominating Committee's various proposals regarding the Board.

### Group Management

Per Avander is the Managing Director and CEO of Bilia and he leads Bilia's day-to-day operations. The Managing Director is responsible for implementing and ensuring implementation of the strategies, business plans and operational targets decided by the



Board of Directors. The Managing Director is also responsible for ensuring that the Board of Directors is given information and the necessary data to make decisions, for presenting reports at the Board meetings and for continuously informing the Board of Directors and Chairman of the Group and company's financial position and development.

The Managing Director is assisted by the Group Management, which comprises managers of business areas and functions. At the end of 2023 the Group Management comprised, in addition to the MD and CEO: Stefan Nordström (Deputy MD), Elin Delvert (HR and Environment, Health and Safety), Kristina Franzén (CFO and Sustainability), Frode Hebnes (MD, Bilia Norge AS), Carl Fredrik Ewetz (Investor Relations and M&A) Mathias Nilsson (MD, Bilia Personbilar AB), Anders Rydheimer (Business Development and Communication) and Anna Höglund (CIO and MD Motorit AB). The Group Management held seven meetings and a three days workshop in 2023. The meetings mainly focused on the Group's strategic and operational development as well as on results follow-up and quality issues.

### Central functions

There are central functions within Bilia for coordinating finance, sustainability HR, IT, legal, marketing and communication. These functions are responsible for developing applicable Group-wide strategies, priorities and action plans in their respective areas of responsibility and for driving, supporting and controlling development in the organisation on the basis of their respective expertise.

### The Board's report on internal control

It is limited to internal control and risk management relating to financial reporting and encompasses the entire Group. The

Board bears ultimate responsibility for ensuring that Bilia's internal control works satisfactorily and that adequate financial reports are presented. Under the Swedish Companies Act, the Board is responsible for Bilia's organisation and management. The Board is responsible for ensuring that Bilia's accounting, fund management and financial situation in general includes satisfactory controls. This responsibility cannot be delegated, rather it always rests ultimately with the Board.

Bilia's control environment is based on communicating clear guidelines to all subsidiaries to ensure that the same rules and policies are applied in the Group's companies and business areas and that the subsidiaries have the necessary tools to report back to Bilia AB in an accurate and uniform manner. The management performs a risk analysis which, following discussions in the Audit Committee and Board, determines, along with other considerations, the focus of the internal control.

### Internal control work

As a complement to managerial responsibility and other control procedures, Bilia has a function for risk management that includes internal control and internal audit work. The result of the audit is reported directly to Bilia's CFO and the Audit Committee. The audit plan is approved by the Audit Committee. The plan's effectiveness is assessed continuously throughout the year and any changes are approved by the Audit Committee.

The work to secure internal control is an ongoing process that is subject to constant review, follow-up and improvement.

Bilia's Code of Conduct applies to all employees of the Group and the Board members. The Code of Conduct can be found at [bilia.com](http://bilia.com).

## Board of Directors



### Mats Qviberg

► Born 1953. Chairman. Elected 2003.

**Education:** M.Sc. in Business Administration from the Stockholm School of Economics.

**Work experience:** SEB, Carnegie.

**Posts 2023:** Chairman of Investment AB Öresund.

**Number of shares:** 13,367,688 <sup>1)</sup>.



### Jan Petterson

► Born 1949. Deputy Chairman. Elected 2003.

**Education:** Degree in economics from Stockholm University.

**Work experience:** Active in the automotive industry, Kinnevik Group, MD of Toyota and Svenska Motor AB, MD and CEO, Bilia AB.

**Posts 2023:** Chairman of Active Driving AB and Trosta Park AB.

**Number of shares:** 1,200,000 <sup>2)</sup>.

<sup>1)</sup> With family.

<sup>2)</sup> 1,020,000 shares are endowment insurance and 180,000 are directly registered, with family.

A total of seven Board meetings were held during 2023; one statutory meeting, six ordinary meetings and six decisions made per capsulam.

Composition of the Board of Directors and all holdings in Bilia AB as of 31 December 2023. See also Group Note 8 "Employees, personnel costs and remunerations for senior officers".

### Auditors

PricewaterhouseCoopers AB was elected as the Group's public audit firm by the 2023 AGM for the period up until the 2024 AGM.

**Fredrik Göransson**, born 1973, Authorised Public Accountant. Auditor in charge at Bilia since 2021.



### Jon Risfelt

► Born 1961. Board member. Chairman of the Audit Committee. Elected 2003.

**Education:** CM.Eng. in Chemical Engineering, Royal Institute of Technology.

**Work experience:** Ericsson, SAS, American Express, Nyman & Shultz, Europolitan and Gambro Renal.

**Posts 2023:** Chairman of Knowit AB, CAB Group AB, Axentia Group Holding AB and SOS International AS. Member of the boards of Boule Diagnostics AB and Projektengagemang AB.

**Number of shares:** 26,790.



### Caroline af Ugglas

► Born 1958. Board member. Member of the Audit Committee. Elected 2022.

**Education:** Economic degree from Stockholm University.

**Work experience:** Deputy Managing Director at Svenskt Näringsliv and before that Head of Equities and Corporate Governance at Skandia Liv.

**Posts 2023:** Member of the board of Beijer Alma AB, Lifco AB, Investment AB Spiltan and Trapets AB.

**Number of shares:** 3,000.





### Ingrid Jonasson Blank

► Born 1962. Board member. Elected 2006.

**Education:** M.Sc. in Business Administration from the School of Business, Economics and Law in Gothenburg.

**Work experience:** Active in the ICA Group, most recently as deputy MD of ICA Sverige AB.

**Posts 2023:** Member of the board of Musti Group Oy, Kjell Group AB, Haypp Group Oy, Forenom Group Oy, Aim Apparel AB, Citygross AB, MEDS AB and Astrid Lindgren AB.  
**Number of shares:** 40,000.



### Gunnar Blomkvist

► Born 1955. Board member. Member of the Compensation and Audit Committees. Elected 2017.

**Education:** M.Sc. in Business Administration from the School of Business, Economics and Law in Gothenburg.

**Work experience:** Employed by Bilia AB, most recently as CFO.

**Posts 2023:** —  
**Number of shares:** 75,598.



### Anna Engebretsen

► Born 1982. Board member. Elected 2010.

**Education:** M.Sc. in Business and Economics, Norwegian School of Management in Oslo.

**Work experience:** OMD (Omnicom Media Group) and Skistar AB.

**Posts 2023:** Member of the boards of Investment AB Öresund, MQ MarQet AB and Stenhus Fastigheter i Norden AB.

**Number of shares:** 5,170,360 <sup>1)</sup>.



### Nicklas Paulson

► Born 1970. Board member. Chairman of the Compensation Committee. Elected 2018.

**Education:** M.Sc. in Business Administration from the Stockholm University.

**Work experience:** Carnegie, Alfred Berg, ABN AMRO and Swedbank.

**Posts 2023:** MD of Investment AB Öresund. Member of the board of Ovzon AB.  
**Number of shares:** 2,000.



### Isak Ekblom

► Born 1988. Employee representative. Elected 2016. Appointed by the LO locals in the Bilia Group.

**Education:** Auto body technician, Motorbranschens Tekniska Gymnasium.

**Work experience:** Employed by Bilia. Position of trust at IF Metall.

**Posts 2023:** Shop Steward for IF Metall Gothenburg. Member of the board of ABF Sydvästra Götaland.

**Number of shares:** —



### Patrik Nordvall

► Born 1967. Employee representative. Elected 2004. Appointed by the PTK locals in the Bilia Group.

**Education:** Process engineering studies and IHM Business School Senior.

**Work experience:** Employed by Bilia AB.

**Posts 2023:** Shop steward for Unionen at Bilia and Property management developer.

**Number of shares:** 504.



### Maria Finth Juhlin

► Born 1990. Deputy employee representative. Elected 2023. Appointed by the PTK locals in the Bilia Group.

**Education:** Automotive technical high school education.

**Work experience:** Employed by Bilia.

**Posts 2023:** Labor representative for Ledarna, Labor representative for Ledarna Club Stockholm.

**Number of shares:** —.



### Fredrik Säfsten

► Born 1977. Deputy employee representative. Elected 2023. Appointed by the LO locals in the Bilia Group.

**Education:** Automotive technical high school education.

**Work experience:** Employed by Bilia.

**Posts 2023:** Member of the board of IF Metall Stockholm, Elected official at Bilia Workshop Club Stockholm, and Elected official for Bilia LO clubs.

**Number of shares:** 69.

## Group Management



### Per Avander

► Born 1961. MD and CEO, Bilja AB.

**Education:** School of economics graduate.

**Work experience:** Active in banking 1981–83, automotive industry since 1983. MD of Din Bil Göteborg AB 1995–99, MD of Din Bil Stockholm Norr 1999–2001. Employed by Bilja since 2001. MD of Bilja AB since 2011.

**External posts 2023:** Member of the board of Volvofinans Bank AB and Svenskt Näringsliv.

**Number of shares:** 71,750.



### Stefan Nordström

► Born 1966. Deputy MD, Bilja AB.

**Education:** School of economics graduate, IFL.

**Work experience:** Employed by Bilja AB since 1986. Deputy MD of Bilja AB since 2016

**External posts 2023:** Member of the board of Svensk Finansservice AB.

**Number of shares:** 31,250.



### Anna Höglund

► Born 1979. CIO, MD, Motorit AB.

**Education:** Data economy, University of Borås, Data Communication, Information Technology & Consumer Behavior, University of Western Sydney, Leadership for growth, Business Region.

**Work experience:** Leading IT-positions at Anxious 2006–2010, Optidev 2010–2011 and Evry 2011–2014. Employed by Bilja since 2014. CIO, the Bilja Group and MD, Motorit AB since 2023.

**External posts 2023:** —  
**Number of shares:** 1,750.



### Mathias Nilsson

► Born 1971. MD, Bilja Personbilar AB.

**Education:** High school vehicle engineering, management training.

**Work experience:** Various positions at Din Bil 1989–2007, MD Möller Bil 2007–2011, senior regional and corporate management positions at Bilja since 2011. MD of Bilja Personbilar AB since 2016.

**External posts 2023:** —  
**Number of shares:** 3,000.

The Group Management 31 December 2023 consisted of 33 per cent women and 67 per cent men.

The Group Management's composition, external posts and holdings of shares are as of 31 December 2023.



### Elin Delvert

► Born 1971. HR and Environment, Health and Safety, Bilia AB.

**Education:** MBA from Uppsala University, HR studies at Stockholm University and University of Maryland.

**Work experience:** Senior HR positions at L-Soft 1999–2005, Newell Brands 2005–2006, Unibet 2006–2011, Telia Company 2011–2016, Stanley Black & Decker 2016–2018. Employed by Bilia as HR Director since 2018.

**External posts 2023:** Member of the board of MAF and the Swedish Confederation of Transport Enterprises  
**Number of shares:** 6,250.



### Carl Fredrik Ewetz

► Born 1976. Investor Relations and M&A, Bilia AB.

**Education:** BI Norwegian Business School graduate, law studies Lund University.

**Work experience:** Handelsbanken Equities UK 2002–2008, Handelsbanken Capital Markets UK 2009–2020, Employed by Bilia since 2022.

**External posts 2023:** —  
**Number of shares:** 3,625.



### Kristina Franzén

► Born 1966. CFO and Sustainability, Bilia AB.

**Education:** M.Sc. in Business Administration from Högskolan i Växjö. Executive MBA from the School of Business, Economics and Law in Gothenburg.

**Work experience:** PriceWaterhouse 1989–1993, Arthur Andersen 1993–1996, AB SKF 1996–2017. Employed by Bilia as CFO since 2017.

**External posts 2023:** —  
**Number of shares:** 13,250.



### Frode Hebnes

► Born 1972. MD, Bilia Norge AS, Norway.

**Education:** Graduate of Norwegian School of Marketing.

**Work experience:** Volvo Personbiler Norge 1997–2001, Volvo Car Corporation Göteborg 2001–2004, Volvo Personbiler Norge AS 2004–2006. Employed by Bilia Norge AS since 2006. MD since December 2008.

**External posts 2023:** Member of the boards of Expon AS, Expon Holding AS, My Private Label AS and Norges Bilbransjeforbund.  
**Number of shares:** 10,625.



### Anders Rydheimer

► Born 1976. Business Development and Communication, Bilia AB.

**Education:** MSc Technology Management and BSc Strategy and Management Control Systems, Lund University Faculty of Engineering and School of Economics and Management.

**Work experience:** International Management Trainee at Bilia 2002–2004, various management positions in the Bilia Group, Director of Communication since 2010. Director of Business Development since 2020.

**External posts 2023:** Member of the boards of Newsh AB and VH System AB.

**Number of shares:** 9,000.

# Financial information



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# Consolidated Statement of Income and Other Comprehensive Income

SEK M	Note	2023	2022
Net turnover	2, 3, 4, 5	38,514	35,345
Cost of goods sold	3, 5, 10, 18	-32,374	-29,287
<b>Gross profit</b>		<b>6,140</b>	<b>6,058</b>
Other operating income	6	46	415
Selling expenses	10	-3,868	-3,580
Administrative expenses	9, 10	-856	-748
Other operating expenses	7, 10	-45	-43
<b>Operating profit</b>	<b>4, 8, 27</b>	<b>1,416</b>	<b>2,102</b>
Financial income		15	4
Financial expenses		-360	-193
Profit from shares in associated companies	17	88	89
<b>Net financial items</b>	<b>11</b>	<b>-257</b>	<b>-100</b>
<b>Profit before tax</b>		<b>1,159</b>	<b>2,002</b>
Tax	12	-228	-380
<b>Net profit for the year</b>		<b>931</b>	<b>1,622</b>
<b>Other comprehensive income</b>			
<i>Items that can be reclassified to profit or loss</i>			
Translation differences attributable to foreign operations		-93	90
Change in fair value of cash flow hedges		-57	62
Tax effect on change in fair value of cash flow hedges		12	-13
<b>Other comprehensive income after tax</b>		<b>-138</b>	<b>139</b>
<b>Comprehensive income for the year</b>		<b>793</b>	<b>1,761</b>
<b>Net profit for the year attributable to:</b>			
- Parent Company's shareholders		931	1,622
- Non-controlling interests		0	0
<b>Comprehensive income for the year attributable to:</b>			
- Parent Company's shareholders		793	1,761
- Non-controlling interests		0	0
Basic earnings per share, SEK	13	10.12	17.43
Diluted earnings per share, SEK	13	10.10	17.41

## Comments on Consolidated Statement of Income and Other Comprehensive Income

### Net turnover

Net turnover amounted to SEK 38,514 M (35,345). Adjusted for comparable operations and exchange rate fluctuations, net turnover increased by 6 per cent compared with last year. Exchange rate fluctuations had no significant impact on net turnover compared with last year.

Net turnover in the Service Business increased by 10 per cent and amounted to SEK 8,865 M (8,093). The organic growth was 10 per cent. In Norway the organic growth was 7 per cent and in Sweden it was 9 per cent while in Western Europe it was as much as 27 per cent.

Net turnover in the Car Business increased by 10 per cent to a total of SEK 30,632 M (27,913). Net turnover, for comparable operations and exchange rates, increased by 6 per cent. In Sweden adjusted turnover increased by 12 per cent, in Norway it decreased by 9 per cent and in Western Europe it increased by 25 per cent. Income from cars sold as leasing with repurchase agreements amounted to SEK 341 M (353) and revenues from finance companies for the mediation of financing amounted to SEK 246 M (261).

Net turnover in the Fuel Business decreased by 13 per cent to a total of SEK 1,129 M (1,305). The entire decrease was attributable to Sweden.

### Operating profit

Operating profit for the Group decreased by SEK 686 M or 32 per cent compared to previous year and amounted to SEK 1,416 M (2,102). The margin amounted to 3.7 per cent (5.9). The operating profit previous year was positively affected by gains from divestment of operations of SEK 368 M.

Operational earnings decreased by 15 per cent and amounted to total SEK 1,623 M (1,906), the margin amounted to 4.2 per cent (5.4).

Results analysis, SEK M	2023	2022
<b>Operational earnings</b>	<b>1,623</b>	<b>1,906</b>
Result from sale of operations	—	368
Structural costs etc.	-21	-9
Acquisition-related costs and value adjustments	—	-5
Amortisation/impairment losses of surplus values	-186	-158
<b>Operating profit</b>	<b>1,416</b>	<b>2,102</b>

Result from sale of operations previous year refers to divestment of Volvo and Renault facilities in Sweden and Norway.

Operational earnings in the Swedish operation totalled SEK 1,365 M (1,304) with a margin of 5.5 per cent (6.2). In Norway earnings amounted to SEK 177 M (547) with a margin of 1.8 per cent (4.8). In Western Europe earnings amounted to SEK 228 M (154) with a margin of 5.6 per cent (5.0).

Operating result for the Parent Company totalled SEK -162 M (-101) compared to previous year the result was affected by central marketing cost and revaluation of endowment policies for pensions.

Operational earnings for the Service Business amounted to SEK 1,097 M (1,161), a decrease of 6 per cent. The margin for the Service Business amounted to 12.4 per cent (14.3).

Operational earnings for the Car Business amounted to SEK 652 M (823). The profit from sales of new cars amounted to SEK 300 M (411) and used cars amounted to SEK 352 M (412). The Car Business' margin was 2.1 per cent (2.9). Deliveries of new cars and used cars, adjusted for comparable units, was 1 per cent and 5 per cent higher than the previous year respectively. Order intake for new cars adjusted for acquired and divested operations decreased by 37 per cent. The order backlog for new cars amounted to 14,262 cars (26,325) at year-end.

Operational earnings for the Fuel Business totalled SEK 21 M (21).

### Net financial items

Net financial items amounted to SEK -257 M (-100). The higher financial costs were explained by higher interest levels and higher utilisation of credit facilities.

### Tax for the year

Tax for the year amounted to SEK -228 M (-380), and the effective tax rate was 20 per cent (19).

### Profit for the year

Profit for the year totalled SEK 931 M (1,622). This equates to earnings per share of SEK 10.12 (17.43). The profit margin was 2.4 per cent (4.6).

# Consolidated Statement of Financial Position

SEK M	Note	31/12/23	31/12/22
<b>Assets</b>	5, 25, 28		
<b>Non-current assets</b>			
<b>Intangible assets</b>	14		
Intellectual property		972	1,157
Goodwill		1,496	1,520
<b>Total intangible assets</b>		<b>2,468</b>	<b>2,677</b>
<b>Property, plant and equipment</b>	15		
Land and buildings		1,126	1,135
Construction in progress		183	53
Equipment, tools, fixtures and fittings		660	596
Leased vehicles		2,515	2,390
Right-of-use assets	16	3,960	3,855
<b>Total property, plant and equipment</b>		<b>8,443</b>	<b>8,029</b>
Interests in associated companies	17	665	590
Non-current interest-bearing assets	25	50	71
Other financial assets		12	39
Deferred tax assets	12	150	172
<b>Total non-current assets</b>		<b>11,788</b>	<b>11,578</b>
<b>Current assets</b>			
Current interest-bearing assets	25	26	28
Inventories	18	4,789	5,247
Current tax assets	12	52	104
Trade receivables	26	1,686	1,777
Prepaid expenses and accrued income	19	507	510
Other receivables	26	282	301
Cash and cash equivalents	26, 31	264	456
<b>Total current assets</b>		<b>7,607</b>	<b>8,423</b>
<b>Total assets</b>	4	<b>19,395</b>	<b>20,001</b>



# Consolidated Statement of Financial Position

SEK M	Note	31/12/23	31/12/22
<b>Equity and liabilities</b>	5, 25, 28		
<b>Equity</b>			
Share capital		257	257
Other contributed capital		167	167
Reserves		9	147
Retained earnings including net profit for the year		4,408	4,316
<b>Equity attributable to parent company share holders</b>		<b>4,841</b>	<b>4,887</b>
Equity attributable to non-controlling interests		0	0
<b>Total equity</b>		<b>4,841</b>	<b>4,887</b>
<b>Non-current liabilities</b>			
Bond issue	20, 26	1,295	498
Non-current interest-bearing liabilities	20, 26	3,814	3,576
Other non-current liabilities	23	1,213	1,369
Other provisions	22	147	181
Deferred tax liabilities	12	670	722
<b>Total non-current liabilities</b>		<b>7,139</b>	<b>6,346</b>
<b>Current liabilities</b>			
Bond issue	20, 26	—	800
Current interest-bearing liabilities	20, 26	2,580	2,065
Trade payables	26	1,748	2,511
Current tax liabilities		63	218
Other liabilities	23, 26	1,591	1,337
Accrued expenses and deferred income	24	1,307	1,712
Other provisions	22	126	125
<b>Total current liabilities</b>		<b>7,415</b>	<b>8,768</b>
<b>Total liabilities</b>		<b>14,554</b>	<b>15,114</b>
<b>Total equity and liabilities</b>	4	<b>19,395</b>	<b>20,001</b>

Pledged assets and contingent liabilities for the Group, see Note 29.

## Comments on the Consolidated Statement of Financial Position

### Financial position

The consolidated balance sheet total decreased by SEK 606 M and amounted to SEK 19,395 M (20,001). The decrease was mainly attributable to inventories and other current assets.

### Financing

Net debt increased during the year by SEK 923 M and amounted to SEK 6,689 M (5,766). Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 2,443 M, an increase of SEK 657 M since December 2022. The ratio of net debt to EBITDA excluding IFRS 16 was 1.3 times compared with 0.8 times previous year.

At year-end 2023, Bilja utilised SEK 1,135 M (644 M) of the available credit of SEK 2,300 M with the banks (Nordea and DNB). During June 2023, outstanding bond loans of SEK 800 M with regular maturity in October 2023 were renewed with a maturity of 5 years

### Equity

Equity decreased by SEK 46 M during the year and amounted to SEK 4,841 M. Dividend in 2023 amounted to SEK 809 M, of which SEK 607 M was paid to the shareholders in 2023 and SEK 202 M at the beginning of January 2024. The total number of own shares on 31 December 2023 was 4,315,709.

Details of changes in equity are referred to the Consolidated Statement of Changes in Equity.

### Performance measures

Return on capital employed amounted to 12.5 per cent (21.5). Return on equity amounted to 23.2 per cent (36.2). The equity/assets ratio amounted to 25.0 per cent (24.4). Equity per share before dilution amounted to SEK 53 (53) based on 91,984,243 outstanding shares (91,984,243).

# Consolidated Statement of Changes in Equity

SEK M	Attributable to parent company shareholders						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings incl. net profit for the year	Total			
<b>Opening equity 1 Jan. 2022</b>	<b>257</b>	<b>167</b>	<b>8</b>	<b>3,985</b>	<b>4,417</b>	<b>—</b>	<b>4,417</b>	
<b>Comprehensive income/loss for the year</b>								
Net profit for the year	—	—	—	1,622	1,622	0	1,622	
Other comprehensive income/loss after tax	—	—	139	—	139	0	139	
<b>Comprehensive income/loss for the year</b>	<b>—</b>	<b>—</b>	<b>139</b>	<b>1,622</b>	<b>1,761</b>	<b>0</b>	<b>1,761</b>	
<b>Transactions with the Group's owners</b>								
Incentive	—	—	—	6	6	—	6	
Buy-back of own shares	—	—	—	-525	-525	—	-525	
Revaluation of put option	—	—	—	-32	-32	—	-32	
Dividend (SEK 8.00 per share)	—	—	—	-740	-740	—	-740	
<b>Total transactions with the Group's owners</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-1,291</b>	<b>-1,291</b>	<b>—</b>	<b>-1,291</b>	
<b>Closing equity 31 Dec. 2022</b>	<b>257</b>	<b>167</b>	<b>147</b>	<b>4,316</b>	<b>4,887</b>	<b>0</b>	<b>4,887</b>	

<b>Opening equity 1 Jan. 2023</b>	<b>257</b>	<b>167</b>	<b>147</b>	<b>4,316</b>	<b>4,887</b>	<b>0</b>	<b>4,887</b>
<b>Comprehensive income/loss for the year</b>							
Net profit for the year	—	—	—	931	931	0	931
Other comprehensive income/loss after tax	—	—	-138	—	-138	0	-138
<b>Comprehensive income/loss for the year</b>	<b>—</b>	<b>—</b>	<b>-138</b>	<b>931</b>	<b>793</b>	<b>0</b>	<b>793</b>
<b>Transactions with the Group's owners</b>							
Incentive	—	—	—	2	2	—	2
Revaluation of put option	—	—	—	-32	-32	—	-32
Dividend (SEK 8.80 per share)	—	—	—	-809	-809	—	-809
<b>Total transactions with the Group's owners</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-839</b>	<b>-839</b>	<b>—</b>	<b>-839</b>
<b>Closing equity 31 Dec. 2023</b>	<b>257</b>	<b>167</b>	<b>9</b>	<b>4,408</b>	<b>4,841</b>	<b>0</b>	<b>4,841</b>

## Comments on the Consolidated Statement of Changes in Equity

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### Share capital

The number of issued shares amounted to 96,299,952. The total holding of own shares as of 31 December 2023 was 4,315,709 shares.

### Other contributed capital

When shares are issued at a premium, i.e. when the price paid for the shares is more than their quotient value, an amount corresponding to the amount obtained in excess of the shares' quotient value shall be posted to "Other contributed capital".

### Reserves

Translation reserve includes all translation differences that arise when translating the financial statements of foreign entities that have prepared their financial statements in another currency than the currency in which the consolidated financial statements are presented. Hedging reserve refers to amounts relating to cash flow hedges.

### Retained earnings including net profit for the year

Retained earnings including net profit for the year includes earnings in the Parent Company and its subsidiaries.

### Buy-back of own shares

Acquisition of own shares is recognised as a deduction from equity. Any transaction costs are recognised directly in equity.

### Revaluation of put option

Put options issued for shares held by parties without a controlling interest are recognised as a financial liability equivalent to the present value of the estimated exercise price.

### Dividends

Dividends are recognised as a liability after the AGM has approved the dividend.

# Consolidated Statement of Cash Flows

SEK M	Note	2023	2022
<b>Operating activities</b>	31		
Profit before tax		1,159	2,002
Depreciation/amortisation and impairment losses		1,407	1,353
Other items not affecting cash		-179	-492
Tax paid		-380	-491
<b>Cash flow from operating activities before change in working capital</b>		<b>2,007</b>	<b>2,372</b>
Change in inventories		274	-1,350
Change in operating receivables		169	-658
Change in operating liabilities		-859	312
<b>Cash flow from operating activities</b>		<b>1,591</b>	<b>676</b>
<b>Investing activities</b>			
Acquisition of non-current assets (intangible and tangible)		-520	-390
Disposal of non-current assets (intangible and tangible)		41	19
Acquisition of leased vehicles		-1,569	-1,148
Disposal of leased vehicles		1,084	1,188
<b>Operating cash flow</b>		<b>627</b>	<b>345</b>
Investment in financial assets		-2	-1
Disposal of financial assets		23	3
Acquisition of operations		-29	-811
Disposal of operations		—	797
<b>Cash flow from investing activities</b>		<b>-972</b>	<b>-343</b>
<b>Financing activities</b>			
Borrowings		840	111
Repayment of loans		-842	0
Repayment of lease liabilities		-538	-618
Net change in short-term credit facilities		521	935
Buy-back of own shares		—	-525
Dividend paid to Parent Company's shareholders		-791	-556
<b>Cash flow from financing activities</b>		<b>-810</b>	<b>-653</b>
<b>Change in cash and cash equivalents, excluding translation differences</b>		<b>-191</b>	<b>-320</b>
Exchange difference in cash and cash equivalents		-1	22
<b>Change in cash and cash equivalents</b>		<b>-192</b>	<b>-298</b>
Cash and cash equivalents at start of the year		456	754
Cash and cash equivalents at year-end		264	456

## Comments on the Consolidated Statement of Cash Flows

### Operating activities

Cash flow from operating activities amounted to SEK 1,591 M (676). The change was mainly attributable to decreased operating capital, mainly inventories and operating receivables, which contributed to the cash flow with SEK 443 M compared to negative impact previous year of SEK –2,008 M. Profit before tax decreased by SEK 843 M and depreciation/amortisation increased by SEK 54 M.

### Investing activities

Acquisitions and disposals of non-current assets and lease vehicles amounted to SEK –964 M (–331). Acquisition of operations amounted to SEK –29 M (–811) and disposal of operations to SEK 0 M (797).

### Operating cash flow

Operating cash flow amounted to SEK 627 M (345).

### Financing activities

Cash flow from financing activities amounted to SEK –810 M (–653). Borrowing, repayment of loans and net change in short-term credit facilities totalled SEK 519 M (1,046). Repayment of leasing liabilities totalled SEK –538 M (–618). Buy-back of own shares totalled SEK 0 M (–525). Dividend paid to shareholders amounted to SEK –791 M (556).

### Net debt

Net debt increased by SEK 923 M, amounting to SEK 6,689 M (5,766). Net debt, excluding IFRS 16 increased by SEK 657 M and amounted to SEK 2,443 M (1,786).

At year-end, SEK 1,135 M (644) of Bilia's credit with the banks (Nordea and DNB) was utilised. The credit limit with Nordea and DNB was at the end of 2023 SEK 2,300 M and matures in March 2025. During June 2023, outstanding bond loans of SEK 800 M with regular maturity in October 2023 were renewed with a maturity of 5 years

### Specification of interest-bearing net debt/receivable:

SEK M	2023	2022
Current interest-bearing liabilities	1,934	2,261
Non-current interest-bearing liabilities	1,515	700
Lease liabilities IFRS 16	4,246	3,980
Cash and cash equivalents	–264	–456
Interest-bearing assets	–76	–129
Interests in associated companies	–665	–590
<b>Net debt at end of year</b>	<b>6,689</b>	<b>5,766</b>
<b>Net debt at end of year, excluding IFRS 16</b>	<b>2,443</b>	<b>1,786</b>

### Ratio of net debt to EBITDA:

SEK M	2023	2022
Operating profit	1,416	2,102
Result from sale of operations, structural costs, acquisition costs and impairment losses	21	–353
Total depreciation and amortisation	1,404	1,311
– depreciation of leased vehicles with repurchase agreements	–288	–301
<b>EBITDA</b>	<b>2,552</b>	<b>2,759</b>
<b>Net debt to EBITDA ratio, times</b>	<b>2.6</b>	<b>2.1</b>
Operating profit excluding IFRS 16	1,337	2,031
Result from sale of operations, structural costs, acquisition costs and impairment losses	21	–353
Total depreciation and amortisation	1,404	1,311
– depreciation of leased vehicles with repurchase agreements	–288	–301
– depreciation of right-of-use assets	–585	–531
<b>EBITDA excluding IFRS 16</b>	<b>1,888</b>	<b>2,157</b>
<b>Net debt to EBITDA ratio, excluding IFRS 16, times</b>	<b>1.3</b>	<b>0.8</b>

# Notes to the Consolidated Financial Statements

Amounts in SEK M unless otherwise stated.

## Note 1 Key accounting principles

The consolidated accounts for the financial year 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Group accounting policies have been consistently applied to all periods presented in the consolidated financial statements, unless otherwise stated below.

The annual accounts and consolidated accounts were approved for publication by the Board of Directors and Managing Director on 13 March 2024. The Consolidated Statement of Income and Other Comprehensive Income and the Parent Company's Income Statement and Balance Sheet will be subject to adoption at the AGM on 24 April 2024.

### Valuation criteria applied in the preparation of Parent Company and consolidated financial statements

Assets and liabilities are recognised at cost, except for certain financial assets and liabilities, which are measured at fair value. Financial assets and liabilities that are measured at fair value consist of derivative instruments measured at fair value. Changes in fair value are accounted for in other comprehensive income when the derivatives fulfil the requirements for hedge accounting. In other cases, the change in fair value is reported through profit or loss.

### Functional currency and presentation currency

The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish kronor.

### Revised accounting policies

There are no revised accounting policies from 1 January 2023. New or revised standards that has not yet come into effect are not expected to have any material effect on the Group's financial statements.

### Alternative performance measures

Bilia applies the guidelines from the European Securities and Markets Authority (ESMA) concerning alternative performance measures (APMs). Even though these performance measures are not defined or specified by IFRS, Bilia believes that they provide valuable information to investors but also for Bilia's management as a complement to IFRS for better assessing Bilia's performance. Definitions and performance measures in this report are shown on page 140. Reconciliation of performance measures can be found at [bilia.com/investors/financial-information](https://bilia.com/investors/financial-information).

### Consolidation principles

The consolidated accounts include the Parent Company, subsidiaries and associated companies.

"Subsidiaries" refers to companies in which Bilia owns more than 50 per cent of the voting power or over which it otherwise exercises a controlling influence.

"Associated companies" refers to companies over which Bilia has a significant influence, usually when Bilia's holding corresponds to more than 20 per cent but less than 50 per cent of the voting power. Holdings in associated companies are reported according to the equity method.

### Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other fair value adjustments on consolidation, are translated to Swedish kronor at the rate in effect on the balance sheet date. Income and expenses in foreign operations are translated into Swedish kronor at an average rate which is an approximation of the rates in effect at the time of each transaction. Translation differences that arise when translating the accounts of foreign operations are recognised in other comprehensive income and accumulated in reserves within equity.

On disposal of a foreign operation, the accumulated translation differences attributable to the operation are realised, whereby they are reclassified from the translation reserve in equity to profit or loss for the year.

## Assessments and estimates in the financial statements

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates as well as assumptions that influence the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assessments.

The estimates and assumptions are regularly reviewed. Changes in estimates are recognised in the period in which the

change is made if the change affects only that period, or in the period in which the change is made and in future periods if the change affects both the current and future periods.

Assessments made by management in the application of IFRS that have a significant impact on the financial statements and estimates made, may also entail significant adjustments in subsequent years' financial statements. The table below shows in which notes management's assessments and estimates are presented.

Source of uncertainty	Note	
Revenue from cars sold with repurchase agreements	2, 15, 23	Revenue, Property, plant and equipment, Other liabilities
Customer relations	14	Intangible assets
Goodwill	14	Intangible assets
Leases	15, 16, 23, 24, 27	Property, plant and equipment, Right-of-use-assets, Other liabilities, Accrued expenses and deferred income, Leases
Valuation of used cars	18	Inventories
Pensions	21	Pensions
Changed conditions	22	Provisions
Service subscriptions	23	Other liabilities

## Note 2 Revenue

### ► Accounting principle

Bilia applies IFRS 15 Revenue from Contracts with Customers

Revenue in the normal course of the business consists of sale of goods or services. Service revenue are defined as business activities that do not include physical products or where the content of physical products is minor compared to the total business activity. Products that are not included in a service agreement are reported as separate performance obligations and classified as revenues from products. Revenue from the sale of goods is recognised at a point in time when the control has been transferred to the purchaser.

### Sale of goods

Revenue from the sale of goods is recognised at a point in time when the control over goods or a service has been transferred to the customer. The revenue is recognised at the fair value of what has been received or is expected to be received. Revenue is not recognised if it is probable that the economic benefits will not flow to the Group.

In cases where the sale of a product involves that the control of goods remains with Bilia and is combined with a future repurchase commitment at a beforehand guaranteed residual value (repurchase agreement), the transaction is reported as an operating lease. The revenue from the transaction is not recognised at the time of sale, but is allocated on a straight-line basis from the time of sale to the time of repurchase. Up until the time of repurchase, this sale is recognised as other liabilities, "liability pertaining to cars sold with repurchase agreements", and the gross profit is recognised as deferred income.

In some cases, Bilia acts as an agent when selling new cars, which means that invoicing to the end customer is done directly by the importer and that Bilia receives a commission for the brokered transaction.

### Sale of services

Revenue from services is recognised as a service revenue either at a point in time or over time. In those agreements where the service is delivered to the customer over time, the revenue is accounted for over the duration of the contract. Revenue is not recognised if it is probable that the economic benefits will not flow to the Group. Revenue from the rendering of services is recognised in profit or loss for the year based on the stage of completion on the balance sheet date. The stage of completion is determined by an assessment of services rendered and material employed at the balance sheet date. Rendering of services mainly include service subscriptions and tyre hotels.

### Revenue from finance brokering

Revenue from finance brokering is recognised on a straight-line basis during the lease period, since the service is received over the lease period.

### Leasing of cars

Revenue from leased vehicles is recognised on a straight-line basis during the lease period.

### Contract liabilities

Revenue pertaining to cars sold with repurchase agreements, service subscriptions and tyre hotels are recognised as contract liabilities until the control of the service has been transferred to the customer. See Note 24 "Accrued expenses and deferred income". Based on active service subscriptions, future estimated turnover during the contract period of 36 months is around SEK 415 M.

### Important accounting estimates and judgements

#### *Revenue from cars sold with repurchase agreements*

When a car is sold with a repurchase agreement, Bilia undertakes to take back the car at a pre-guaranteed residual value. These agreements are recognised as operating leases. The agreements entail that Bilia has a residual value risk and that Bilia may in the future be forced to dispose used cars at a loss if the net realisable value of these cars is lower than had been foreseen when the agreement was entered into. Estimates are made regularly of a future net realisable value for these vehicles. If the residual value is higher than the net realisable value, this is adjusted by impairment of the value of the assets to the extent the shortfall cannot be offset by future unrealised revenue. These vehicles are recognised as leased vehicles, see Note 15 "Property, plant and equipment," and as liability, see Note 23 "Other liabilities". Future unrealised gross profit pertaining to cars sold with repurchasing agreements amounted at year-end to SEK 50 M (75), see Note 24 "Accrued expenses and deferred income".

Net turnover <sup>1)</sup>	2023	2022
Workshop	3,607	3,360
Spare parts	4,557	4,174
Car dismantling and other	701	559
<b>Total Service Business</b>	<b>8,865</b>	<b>8,093</b>
Sale of goods	29,671	26,964
Revenue from cars sold with repurchase agreements and rental cars	566	557
Revenue as agent in car business	149	131
Revenue from finance brokering	246	261
<b>Total Car Business</b>	<b>30,632</b>	<b>27,913</b>
Fuel	1,129	1,305
<b>Total Fuel Business</b>	<b>1,129</b>	<b>1,305</b>
Rental income	558	458
IT and training services	231	225
Eliminations	-2,901	-2,649
<b>Total</b>	<b>38,514</b>	<b>35,345</b>

<sup>1)</sup> Net turnover for Workshop, Revenue from cars sold with repurchase agreements, Revenue from finance brokering and Rental income include revenue that is recognised over time.



## Note 3 Income from supplementary services in the Car Business

Income from supplementary services in the Car Business consists of finance brokering and cars sold with repurchase agreements.

Finance brokering consists of long-term leases, hire-purchase contracts, current net return on financial contracts and revenue from finance brokering that have been transferred to finance companies. This financing is aimed at Bilias customers.

	2023	2022
Revenue for cars sold with repurchase agreements	341	353
Revenue from finance brokering	246	261
Amortisation on cars sold with repurchase agreements	-288	-300
Impairment on cars sold with repurchase agreements	-6	0
Other	2	-13
<b>Total</b>	<b>295</b>	<b>301</b>
Of which:		
Income from finance brokering and other	240	248
Income from cars sold with repurchase agreements	55	53
<b>Total</b>	<b>295</b>	<b>301</b>

## Note 4 Operating segments

### ▶ Accounting principle

Bilia applies IFRS 8 Operating Segments in accounting for operating segments.

The Group's operations are organised in such a manner that the Group Management can review the operational earnings generated by the Group's different products and services. Each operating segment has a manager who is responsible for its day-to-day operations and who regularly reports the outcome of the segment's performance and its need of resources to the country manager, who is in turn a member of the Group Management. Since the Group Management reviews the operating results and makes decisions about resource allocation based on the products and services provided by the Group, these products and services constitute the Group's operating segments.

The Group's internal reporting is structured so that the Group Management can review the performance and earnings of all products and services. It is on the basis of this internal reporting that the Group's segments have been identified. The identified operating segments coincide with the reportable segments.

The following seven operating segments have been identified:

### Service

- Sweden
- Norway
- Western Europe

Service includes products and services within workshop and spare parts as well as store sales. Internal sales from the Service Business to the Car Business mainly refers to services related to preparations before deliveries of new cars to customers.

### Car

- Sweden
- Norway
- Western Europe

Car includes sales of new and used cars, transport vehicles and trucks as well as supplementary services such as financing and insurance.

### Fuel

Fuel includes sales of petrol, diesel, ethanol, compressed gas and car washes. The Fuel Business is monitored for the Group as a whole.

The Parent Company Bilia AB is responsible for the Group's management, strategic planning, legal, purchasing, public relations, business development, marketing, HR, real estate activities, accounting and financing, mainly for companies in the Group. The Parent Company is accounted for under "Segment reconciliation".

Intra-Group transactions consist primarily of lending, interest, property and IT activities. Other transactions between Group companies are of a marginal scope. Internal prices between the different segments of the Group are set based on the assumption of arm's length transactions between parties that are independent of each other, knowledgeable and willing to execute transactions. Interest rates are based on Bilia AB's borrowing rate at any given time plus a small margin.

The segment's operational earnings include directly attributable items and items that can be allocated among the segments in a reasonable and reliable manner. Segment reconciliation consists of general administrative expenses where all items are attributable to the Parent Company.

The segments' investments in property, plant and equipment and intangible assets include all investments except investments in expendable equipment and equipment of minor value.

Note 4 cont'd.

## Group's operating segments

	Service		Car		Fuel		Segment reconciliation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Net turnover</b>										
External sales	6,724	6,098	30,632	27,913	1,129	1,305	29	29	38,514	35,345
Internal sales	2,141	1,995	—	—	—	—	-2,141	-1,995	—	—
<b>Total net turnover</b>	<b>8,865</b>	<b>8,093</b>	<b>30,632</b>	<b>27,913</b>	<b>1,129</b>	<b>1,305</b>	<b>-2,112</b>	<b>-1,966</b>	<b>38,514</b>	<b>35,345</b>
Depreciation/amortisation	-551	-502	-778	-738	-5	-5	-70	-66	-1,404	-1,311
Operational earnings/Operating profit	1,097	1,161	652	823	21	21	-354	97	1,416	2,102
Interest income									15	4
Interest expenses									-360	-193
Profit from shares in associated companies	—	—	88	89	—	—	—	—	88	89
<b>Profit before tax</b>									<b>1,159</b>	<b>2,002</b>
Tax expense for the year									-228	-380
<b>Net profit for the year</b>									<b>931</b>	<b>1,622</b>
<b>Revenue and cost items that affect the comparability of the Group's operating profit:</b>										
- Result from sale of operations	—	103	—	215	—	50	—	—	—	368
- Structural costs etc.	-10	-8	-5	1	-2	—	-4	-2	-21	-9
- Acquisition-related costs and value adjustments	—	-4	—	-1	—	—	—	—	—	-5
- Amortisation/impairment losses of surplus values	-94	-78	-92	-80	—	—	—	—	-186	-158
<b>Total</b>	<b>-104</b>	<b>13</b>	<b>-97</b>	<b>135</b>	<b>-2</b>	<b>50</b>	<b>-4</b>	<b>-2</b>	<b>-207</b>	<b>196</b>
<b>Assets</b>										
Interests in associated companies	—	—	665	590	—	—	—	—	665	590
Deferred tax assets									150	172
Other assets									18,580	19,239
<b>Total assets</b>	<b>—</b>	<b>—</b>	<b>665</b>	<b>590</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19,395</b>	<b>20,001</b>
Investments in non-current assets	378	240	1,540	1,209	4	3	167	86	2,089	1,538
<b>Liabilities</b>										
Equity									4,841	4,887
Liabilities									14,554	15,114
<b>Total liabilities and equity</b>									<b>19,395</b>	<b>20,001</b>

	Revenue from external customers		Non-current assets	
	2023	2022	2023	2022
<b>Geographical segments</b>				
Sweden	24,682	20,931	8,663	8,352
Norway	9,763	11,368	2,128	2,131
Germany	—	61	9	8
Luxembourg	1,957	1,272	610	654
Belgium	2,112	1,713	229	261
<b>Total</b>	<b>38,514</b>	<b>35,345</b>	<b>11,639</b>	<b>11,406</b>

	Service							
	Sweden		Norway		Western Europe		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Net turnover</b>								
External sales	4,583	4,155	1,588	1,553	553	390	6,724	6,098
Internal sales	1,462	1,208	594	701	85	86	2,141	1,995
<b>Total net turnover</b>	<b>6,045</b>	<b>5,363</b>	<b>2,182</b>	<b>2,254</b>	<b>638</b>	<b>476</b>	<b>8,865</b>	<b>8,093</b>
Depreciation/amortisation	-360	-306	-140	-146	-51	-50	-551	-502
Operational earnings	876	879	138	227	83	55	1,097	1,161
<b>Revenue and cost items that affect the comparability of the Group's operating profit:</b>								
- Result from sale of operations	—	55	—	48	—	—	—	103
- Structural costs etc.	-5	-12	-4	5	-1	-1	-10	-8
- Acquisition-related costs and value adjustments	—	-2	—	-2	—	—	—	-4
- Amortisation/impairment losses of surplus values	-46	-36	-21	-19	-27	-23	-94	-78
<b>Total</b>	<b>-51</b>	<b>5</b>	<b>-25</b>	<b>32</b>	<b>-28</b>	<b>-24</b>	<b>-104</b>	<b>13</b>
Investments in non-current assets	147	61	224	147	7	32	378	240

	Car							
	Sweden		Norway		Western Europe		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Net turnover</b>								
External sales	18,941	15,442	8,175	9,815	3,516	2,656	30,632	27,913
Internal sales	—	—	—	—	—	—	—	—
<b>Total net turnover</b>	<b>18,941</b>	<b>15,442</b>	<b>8,175</b>	<b>9,815</b>	<b>3,516</b>	<b>2,656</b>	<b>30,632</b>	<b>27,913</b>
Depreciation/amortisation	-530	-502	-203	-187	-45	-49	-778	-738
Operational earnings	468	404	39	320	145	99	652	823
Profit from shares in associated companies	88	89	—	—	—	—	88	89
<b>Revenue and cost items that affect the comparability of the Group's operating profit:</b>								
- Result from sale of operations	—	167	—	48	—	—	—	215
- Structural costs etc.	-1	-3	-4	4	—	—	-5	1
- Acquisition-related costs and value adjustments	—	-1	—	-1	—	1	—	-1
- Amortisation/impairment losses of surplus values	-50	-37	-19	-20	-23	-23	-92	-80
<b>Total</b>	<b>-51</b>	<b>126</b>	<b>-23</b>	<b>31</b>	<b>-23</b>	<b>-22</b>	<b>-97</b>	<b>135</b>
Interests in associated companies	665	590	—	—	—	—	665	590
Investments in non-current assets	1,016	977	472	170	52	61	1,540	1,209

## Note 5 Business combinations and divestments

### ► Accounting principle

Bilia applies IFRS 3 Business Combinations in accounting for acquisitions.

All acquisitions are accounted for by the acquisition method. The acquisition method entails that acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. Put options issued for shares held by parties without a controlling interest are recognised as a financial liability equivalent to the present value of the estimated exercise price. Bilia has opted to apply the principles of the Anticipated Acquisition Method when recognising the liability. Under this method, a non-controlling interest is not recognised in the Group's total equity, but is instead replaced by a liability to the holder of the non-controlling interest equivalent to the present value of the estimated exercise price for the shares according to the put option.

### Effects of acquisitions in 2023

On 1 November Bilia acquired the operations in Bilcentergruppen Sörmland AB, which conducts sales and service operations for Mercedes-Benz cars and transport vehicles.

The acquired operation had a turnover of approximately SEK 100 M in 2022. The number of employees was 24 at the end of 2022. During 2023 the operation contributed with around SEK 21 M in turnover and SEK 0 M in operating profit.

The purchase consideration amounted to SEK 21 M, which was also the net effect on cash and cash equivalents. Acquired customer relations of SEK 14 M are reported as intangible assets and are amortised over 10 years.

Disclosure about the net assets of the acquired business at the time of acquisition is not deemed material. The acquisition analyse is preliminary pending final completion of the financial statements for the day of taking possession.

### Effects of acquisitions in 2022

#### AS Insignia

On 1 June Bilia acquired AS Insignia in Norway, which conducts sales and service operations for the car brands Jaguar, Land Rover and Morgan.

The acquired operation had a turnover of approximately NOK 450 M for 2021 and reported an operating loss of NOK 5 M. During 2022 the operation contributed with around NOK 170 M in turnover and with around NOK 3 M in operating loss. The number of employees is 43 people.

Acquisition-related expenses attributable to the acquisition amounted to NOK 1 M and relate to fees to consultants in connection with due diligence and have been reported as other operating expenses. Acquired customer relations and distribution rights of NOK 13 M respectively NOK 22 M are reported as intangible assets and are amortised over 10 respectively 5 years.

#### Bil1Din Holding AS

On 1 July Bilia acquired 50.1 per cent of Bil1Din Holding AS in Norway which conducts car dismantling operations. Bilia has committed to buy another 49.9 per cent of the shares. The obligation is recognised as a financial liability, which replaces the item Non-controlling interests within equity.

The business acquired reported a turnover of about NOK 55 M for 2021, with an operating margin of 1.7 per cent. During 2022 the operation contributed with around NOK 32 M in turnover and with around NOK 1 M in operating loss. The number of employees is about 30 people.

Acquisition-related expenses attributable to the acquisition amounted to NOK 1 M and relate to fees to consultants in connection with due diligence and have been reported as other operating expenses. Reported goodwill amounts to NOK 49 M.

#### M Bilar Group AB

On 1 November Bilia acquired M Bilar Group AB, which conducts sales and service operations for the car brands BMW and MINI.

The acquired operation had a turnover of approximately SEK 1,3 Bn for 2021 with an average operating margin for the past three years of 4.5 per cent. During 2022 the operation contributed with around SEK 250 M in turnover and with around SEK 10 M in operating profit. The number of employees was 101 people by the end of 2021.

Acquisition-related expenses attributable to the acquisition amounted to SEK 1 M and relate to fees to consultants in connection with due diligence and have been reported as other operating expenses. Acquired customer relations of SEK 141 M are reported as intangible assets and are amortised over 10 years. Acquired goodwill amounts to SEK 147 M.

#### Söderbergs Personbilar i Norrköping AB

On 15 December Bilia acquired Söderbergs Personbilar i Norrköping AB, which conducts sales and service operations for the car brands Volkswagen, Audi, Skoda, Seat and Cupra cars as well as Volkswagen transport vehicles.

The acquired operation had a turnover of approximately SEK 1 Bn for 2021 and reported an operating margin of 3.3 per cent. The operation did not contribute with any turnover or operating result in 2022. The number of employees was 210 people by the end of 2021.

Acquisition-related expenses attributable to the acquisition amounted to SEK 1 M and relate to fees to consultants in connection with due diligence and have been reported as other operating expenses. Acquired customer relations and distribution rights of SEK 52 M respectively SEK 37 M are reported as intangible assets and are amortised over 10 respectively 5 years. Acquired goodwill amounts to SEK 86 M.

#### Other acquisitions during the year

The acquisitions of LB's Lastbilar AB, Kokstad Autosenter AS, DäckAtt AB, Hellgrens Lastvagnsservice AB, Skellefteå Billackering AB and Holmgrens Truck-Motor AB have not had any significant impact on the Group's financial position.

#### The combined net assets of the acquired operations at the time of acquisition:

Intangible assets including customer relations and distribution rights	290
Property, plant and equipment	570
Financial assets	91
Deferred tax asset	3
Inventories	450
Trade receivables and other receivables	324
Cash and cash equivalents	33
Interest-bearing liabilities	-448
Trade payables and other liabilities	-685
Deferred tax liability	-100
<b>Net identifiable assets and liabilities</b>	<b>528</b>
Consolidated goodwill	315
<b>Net identifiable assets and liabilities, including goodwill</b>	<b>843</b>
Purchase consideration paid	-843
Less: Cash and cash equivalents in acquired operation	32
<b>Net effect on cash and cash equivalents</b>	<b>-811</b>

#### Effects of divestments 2022

During the year, eleven facilities in Sweden that conduct sales of new cars, used cars and service operations for Volvo and Renault, as well as three facilities in Norway that conduct sales of new cars, used cars and service operations for Volvo, were divested. On 1 February, four facilities in Skaraborg were sold to Bröderna Brandt Personbilar AB. On 1 May, five facilities in Bergslagen were sold to Bilkompaniet i Dalarna AB. On 1 June, a facility in Stenungsund was sold to Stendahls Bil AB. On 30 September, a facility in Uppsala was sold to Bilbolaget Invest Sundsvall AB. On 1 July, three facilities in Oslo were sold to Volvo Car Stor-Oslo AS. The divested operations have reported a turnover in the region of SEK 4 Bn and an operating profit of approximately SEK 325 M yearly for the past two years. The divestments resulted in a profit of SEK 368 M, which is reported as "Other operating income".

On 1 February, Bilia sold the remaining four BMW and MINI facilities in Germany to Autohaus Krah + Enders GmbH & Co. KG. The operation that was divested in Germany has reported a turnover of approximately SEK 800 M and an operational loss of approximately SEK 30 M yearly for the past two years. The sale resulted in a loss of approximately SEK 30 M, which was reported in 2021 as an impairment of net assets when the transfer agreement was entered into.

#### The combined net assets of the divested operations at the time of acquisition:

Intangible assets	9
Property, plant and equipment	472
Inventories	393
Trade receivables and other receivables	23
Interest-bearing liabilities	-196
Trade payables and other liabilities	-277
<b>Net identifiable assets and liabilities</b>	<b>424</b>
Purchase consideration	804
Less: Purchase consideration not yet received	-7
<b>Net effect on cash and cash equivalents</b>	<b>797</b>

## Note 6 Other operating income

	2023	2022
Gain on disposal of non-current assets	3	13
Gain from sale of operation, other	—	368
Reimbursement of previously paid health insurance	0	10
Electricity support	20	—
Other	22	24
<b>Total</b>	<b>46</b>	<b>415</b>

Profit from the sale of operations refers to the disposal of Volvo and Renault facilities in Sweden and Norway.

## Note 7 Other operating expenses

	2023	2022
Structural costs	-21	-9
Acquisition-related costs and value adjustments	—	-5
Other	-24	-29
<b>Total</b>	<b>-45</b>	<b>-43</b>

## Note 8 Employees, personnel costs and remunerations for senior officers

### Accounting principle

Bilia applies IAS 19 Employee Benefits in accounting for benefits to employees and IFRS 2 Share-based payment.

### Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognised as a cost when the related services have been rendered.

### Termination benefits

A cost for benefits in conjunction with termination of personnel is only recognised if the company is demonstrably committed by a formal detailed plan to terminate an employment before the normal retirement date, without a realistic possibility of withdrawal.

### Share-based payment

Recognition of share-based payment programmes paid through equity instruments entails the fair value of the instrument at the dividend date being recognised in the income statement as a cost over the vesting period, with a corresponding adjustment of equity. At the end of each vesting period, an estimate is made of the expected number of allocated shares and the effect of any change in previous estimates are recognised in the income statement with a corresponding adjustment of equity. In addition, during the term of the programme, a provision is made for estimated social security costs relating to the share programme. Estimates of social security costs are based on the value of the shares at the estimation date. Final social security costs are calculated at the allocation date. The share price at the allocation date is used as the basis for the valuation of the shares allotted the participants in the programme.

Costs for remunerations to employees	2023	2022
Wages, salaries and other remunerations	2,640	2,674
Pension costs <sup>1)</sup>	252	230
Social security contributions	703	709
<b>Total</b>	<b>3,595</b>	<b>3,613</b>

<sup>1)</sup> For further information see Note 21 "Pensions".

Average number of employees	2023			2022		
	Women	Men	Total	Women	Men	Total
<b>Parent Company</b>						
Sweden	162	91	253	163	90	253
<b>Total in Parent Company</b>	<b>162</b>	<b>91</b>	<b>253</b>	<b>163</b>	<b>90</b>	<b>253</b>
<b>Subsidiaries</b>						
Sweden	270	2,416	2,686	245	2,227	2,472
Norway	174	1,036	1,210	148	1,023	1,171
Germany	—	—	—	1	—	1
Luxembourg	25	138	163	21	130	151
Belgium	31	133	164	27	120	147
<b>Total in subsidiaries</b>	<b>500</b>	<b>3,723</b>	<b>4,223</b>	<b>442</b>	<b>3,500</b>	<b>3,942</b>
<b>Group total</b>	<b>662</b>	<b>3,814</b>	<b>4,476</b>	<b>605</b>	<b>3,590</b>	<b>4,195</b>

The Group Management consists of three women (three) and six men (six), 33 per cent women.

The Board of Directors consists of three women (three) and five men (five), 38 per cent women, who are elected by the AGM. In addition there are four employee representatives, one woman and three men, two of whom are deputies.

## Wages, salaries and other remunerations broken down between senior officers and other employees, plus social security contributions in the Parent Company

Parent Company	2023			2022		
	Senior officers (18 persons)	Other employees	Total	Senior officers (17 persons)	Other employees	Total
Wages, salaries and other remunerations	25	152	177	33	145	178
(of which bonus etc.)	(4)	(7)	(11)	(8)	(5)	(13)
(of which incentive program)	(—)	(—)	(—)	(4)	(0)	(4)
Social security contributions	16	83	99	15	62	77
(of which pension costs)	(7)	(34)	(41)	(-3)	(24)	(21)

Senior officers include Bilia AB's Board of Directors, 12 persons, including two deputies, MD, Deputy MD, CFO, Investor Relations and M&A, HR and Business Development and Communication. Pension costs include the effect of revaluations of endowment insurance.

## Wages, salaries and other remunerations, pension costs and pension obligations for senior officers in the Group

	2023	2022
	Senior officers (21 persons)	Senior officers (20 persons)
Wages, salaries and other remunerations	32	40
(of which bonus etc.)	(6)	(9)
(of which share related remunerations from incentive programme)	(—)	(6)
Pension costs	9	-1
Pension obligations	295	262

Senior officers includes Bilia AB's Board of Directors, 12 persons, including two deputies, together with Group Management consisting of nine persons. Pension costs include the effect of revaluations of endowment insurance. Pension obligations also includes former senior officers.

### Remuneration to senior officers

The Annual General Meeting approved the payment of fees to the Board of Directors and subcommittee members. Fees are payable to the chairman and members of the Audit Committee and Compensation Committee for 2023. The AGM further decides on guidelines for remuneration to senior officers.

The Board of Directors has appointed the Compensation Committee to propose compensation terms for the MD and other senior officers in the Group Management. By "other members of the Group Management" is meant the Deputy MD, CFO, CIO, Investor Relations and M&A (from 1 December 2022), HR and Business Development and Communication of Bilia AB, MD of Bilia Personbilar AB, and MD of Bilia Norge AS.

## Wages, salaries and other remunerations to senior officers, SEK '000

Parent Company 2023	Director's fee/ Basic salary (excl. social sec. contr.)	Bonus	Pension costs	Share related remunerations	Other benefits	Total	Pension obligations
Chairman (Mats Qviberg)	460	—	—	—	—	460	—
Board members (7) <sup>1)</sup>	2,170	—	—	—	—	2,170	—
Audit and Compensation Committee (5)	420	—	—	—	—	420	—
<i>Employee representatives:</i>							
Appointed (2)	76	—	—	—	—	76	—
Deputies (2)	46	—	—	—	—	46	—
MD, Per Avander	6,168	1,908	2,818	—	203	11,097	26,488
Other senior officers (5)	10,858	2,508	3,927	—	631	17,924	8,830
Former senior officers	—	—	—	—	—	—	249,674
<b>Total</b>	<b>20,198</b>	<b>4,416</b>	<b>6,745</b>	<b>—</b>	<b>834</b>	<b>32,193</b>	<b>284,992</b>

<sup>1)</sup> Anna Engebretsen, Caroline af Ugglas, Ingrid Jonasson Blank, Gunnar Blomkvist, Jon Risfelt, Jan Pettersson and Nicklas Paulson. Five of the members are also members of the Audit and Compensation Committees.

Pension costs include the effect of revaluations of endowment insurance.

**Wages, salaries and other remunerations to senior officers, SEK '000**

Parent Company 2022	Director's fee/ Basic salary (excl. social sec. contr.)	Bonus	Pension costs	Share related remunera- tions	Other benefits	Total	Pension obligations
Chairman (Mats Qviberg)	440	—	—	—	—	440	—
Board members (7) <sup>1)</sup>	2,060	—	—	—	—	2,060	—
Audit and Compensation Committee (5)	400	—	—	—	—	400	—
<b>Employee representatives:</b>							
Appointed (2)	76	—	—	—	—	76	—
Deputies (2)	46	—	—	—	—	46	—
MD, Per Avander	5,975	3,135	3,056	—	197	12,363	22,788
Other senior officers (4)	8,993	3,672	3,757	—	475	16,897	7,257
Former senior officers	—	—	—	—	—	—	224,169
<b>Total</b>	<b>17,990</b>	<b>6,807</b>	<b>6,813</b>	<b>—</b>	<b>672</b>	<b>32,282</b>	<b>254,214</b>

<sup>1)</sup> Anna Engebretsen, Caroline af Ugglas, Ingrid Jonasson Blank, Gunnar Blomkvist, Jon Risfelt, Jan Pettersson and Nicklas Paulson. Five of the members are also members of the Audit and Compensation Committees.

Pension costs include the effect of revaluations of endowment insurance.

The Chairman of the Board has not received any other remuneration aside from his director's fee. A fee of SEK 285,000 (270,000) was paid to each of the other Board members, except for the Deputy Chairman, who received SEK 460,000 (440,000). Altogether, fees totalling SEK 2,630,000 (2,500,000) were paid to the Board members elected by the AGM, in accordance with the decision of the 2023 AGM. The AGM further decided that Audit Committee Chairman Jon Risfelt should receive a fee of SEK 160,000 (150,000) and that other members of the Audit Committee (Caroline af Ugglas and Gunnar Blomkvist) should receive SEK 80,000 each, for a total of SEK 160,000 (150,000). It was decided that the chairman of the Compensation Committee (Nicklas Paulson) should receive SEK 50,000 (50,000), while the other members of the Compensation Committee (Anna Engebretsen and Gunnar Blomkvist) should receive SEK 25,000 each, for a total of SEK 50,000 (50,000). Fees totalling SEK 122,000 (122,000) were paid to the employee representatives on the Board. Altogether, the total fees paid to the Board members amounted to SEK 3,172,000 (3,022,000).

Bonus for the MD, CFO and CIO was based on the Group's profit and customer satisfaction and for CFO also on turnover on equity employed. Bonus for the Deputy MD was based on the Group's profit, customer satisfaction and turnover of operating capital. Bonus for the HR Director and Director of Business Development and Communication was based on the Group's profit and customer satisfaction. Bonus for the MD of Bilia Norge AS was based on Group's profit, profit of the Norwegian operation, customer satisfaction and turnover of operating capital. Bonus for the MD of Bilia Personbilar AB was based on Group's profit, profit of the Swedish operation, customer satisfaction, turnover of operating capital and used cars. The bonus for 2023 for the MD and other senior officers was maximised at 55 and 50 per cent respectively of the individual's basic salary.

Other benefits pertained mainly to share-related payments from long-term incentive programmes and company cars.

**Incentive programme**

The AGM 2021 as well as 2023 resolved to establish long-term incentive programmes in the form of a share savings plan.

The programmes were aimed at some 60 officers and other key persons in the Bilia Group. In order to participate in the programme, the participant must have made a private investment by acquiring shares in Bilia AB (publ), savings shares of at least SEK 25,000. For each savings share held within the framework of the programme, the participant can receive at most three respective four and a half performance shares gratuitously from Bilia if the targets established by the Board of Directors are met. In order to be allotted performance shares, the participant must retain his/her original savings shares throughout the duration of the programme and must still be employed by the Bilia Group at this point in time. The maximum number of performance shares as in the programme start can be allotted to the participants in the programme amounts to 150,000 and 242,000 shares respectively.

**Pensions**

The MD's occupational pension consists of a defined-premium pension, which means that Bilia undertakes to pay premiums to an insurance company and that the employee can determine how the insurance is designed and managed. Pension becomes payable at the age of 65 years. The pension agreement states that the employee's pension premium shall amount to 35 per cent of his pensionable salary. The pensionable salary consists of the monthly salary multiplied by 12.2 plus the bonus paid for the previous year. Pension is payable in an amount corresponding to the value of the insurance. An increase in value increases the employee's pension while a decrease in value reduces the employee's pension. The above premiums will be paid as long as Per Avander is employed as MD of the company.

The Deputy MD's occupational pension consists of a defined-premium pension, which means that Bilia undertakes to pay premiums to an insurance company and that the employee can determine how the insurance is designed and managed. Pension becomes payable at the age of 65 years. The pension agreement states that the employee's pension premium shall amount to 32 per cent of his pensionable salary. The pensionable salary consists of the monthly salary multiplied by 12.2 plus the bonus paid for the previous year. Pension is payable in an amount corresponding to the value of the insurance. An increase in value increases the employee's pen-



sion while a decrease in value reduces the employee's pension.

The CFO and other senior officers in Sweden follow the ITP plan and have a supplementary old-age pension. Pension premium for supplementary old-age pension is paid in an amount corresponding to 20 per cent of the pensionable salary in excess of 30 income base amounts. The pensionable salary consists of the monthly salary multiplied by 12.2 plus an average of the past three years' bonuses.

A pension premium amounting to 6.9 per cent of the pensionable salary is paid for the MD of the Norwegian company Bilia Norge AS.

Board members Jan Pettersson and Gunnar Blomkvist hold an accrued pension that is reported as a pension obligation to former senior officers in the tables above. These pension obligations have been secured through an endowment insurances.

### Severance pay

The employment contracts of the MD and other members of the Group Management contain special rules governing termination by the company. MD is entitled to 12 months' salary, less any salary received by the employee from other service. Two members in the Group Management are entitled to 24 months' salary, less any salary received by the employee from other service during the last 12 months. These two are, in the event of significant changes in the company's ownership structure that affect the premises or content of their jobs, also entitled to terminate their own employment with the right to 24 months' salary, less any salary received by the employee from other service during the last 12 months.

For information on post-employment employee benefits and share-based employee benefits, see Note 21 "Pensions" and Note 30 "Related parties".

## Note 9 Fees and cost reimbursement to auditors

	2023	2022
<b>PwC</b>		
Audit assignment	-15	-8
Audit activities other than the auditing assignment	0	0
Tax advice	0	—
Other assignments	—	—

During the financial year 2023 SEK 7 M (5) was paid in fees to the audit company PricewaterhouseCoopers AB in Sweden for the audit assignment and SEK 0 M (0) for other services.

By audit assignment is meant statutory audit of the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director, plus auditing and other examination as agreed-on or contracted. This includes other tasks that are incumbent upon the company's auditor to perform plus advice or other assistance arising from observations in connection with such auditing or performance of such other tasks. All else is classified as Audit activities other than the auditing assignment, Tax advice and Other assignments.

## Note 10 Operating expenses classified by nature of expense

	2023	2022
Merchandise	-31,263	-28,585
Other external expenses	-632	-131
Personnel costs	-3,796	-3,546
Depreciation/amortisation	-1,404	-1,311
Impairment losses	-3	-42
Other operating expenses	-45	-43
<b>Total</b>	<b>-37,144</b>	<b>-33,658</b>

## Note 11 Net financial items

### Accounting principle

Bilia applies IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 23 Borrowing Costs, IAS 28 Investments in Associates and Joint Ventures, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IFRS 9 Financial Instruments in accounting for financial income and expenses and IFRS 16 Leases.

Financial income consists of interest income on invested funds, dividend income, gain on disposal of available-for-sale financial assets plus realised and unrealised gains on hedging instruments.

Interest income on financial instruments is recognised according to the effective interest method. Dividend income is recognised when the right to receive dividend has been established. The gain or loss from sale of a financial instrument is recognised when the economic risks and rewards incidental to ownership have been transferred to the purchaser and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans and financial lease liabilities, the effect of reversal of present value calculation of provisions, impairment of financial assets plus realised and unrealised losses on hedging instruments. Borrowing costs are recognised in profit or loss with application of the effective interest method, except to the extent they are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, in which case they are included in the cost of the assets.

Exchange gains and losses are offset.

	2023	2022
Interest income	14	4
Exchange gains	1	0
<b>Financial income</b>	<b>15</b>	<b>4</b>
Interest expenses	-207	-68
Interest expenses IFRS 16	-144	-107
Exchange losses	-9	-18
<b>Financial expenses</b>	<b>-360</b>	<b>-193</b>
<b>Profit from shares in associated companies</b>	<b>88</b>	<b>89</b>
<b>Net financial items</b>	<b>-257</b>	<b>-100</b>

## Note 12 Taxes

### ► Accounting principle

Bilia applies IAS 12 Income Taxes in accounting for taxes.

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss for the year except when the underlying transaction is recognised directly in other comprehensive income or in equity, whereby the associated tax effect is recognised in other comprehensive income or equity.

### Recognised in the Statement of Income and Other Comprehensive Income

	2023	2022
<b>Current tax expense (-)/tax income (+)</b>		
Tax expense/income for the year	-276	-380
Adjustment of tax attributable to previous years	29	0
<b>Total current tax</b>	<b>-247</b>	<b>-380</b>
<b>Deferred tax expense (-)/tax income (+)</b>		
Deferred tax pertaining to temporary differences	36	37
Deferred tax pertaining to appropriations	-17	-37
<b>Total deferred tax</b>	<b>19</b>	<b>0</b>
<b>Total tax expense recognised</b>	<b>-228</b>	<b>-380</b>

	2023		2022	
	Amount	%	Amount	%
<b>Reconciliation of effective tax</b>				
Profit before tax	1,152		2,002	
Tax according to tax rate applicable to Parent Company	-237	20.6	-413	20.6
Effect of foreign tax rates	-11	1.0	-12	0.6
Tax effect of non-deductible expenses	-11	0.9	-27	1.4
Tax effect of non-taxable revenues	36	-3.1	68	-3.4
Tax effect of changed tax rate	-2	0.2	-2	0.1
Tax effect from acquired equipment	—	—	6	-0.3
Increase deficit deduction without capitalisation	0	0.0	-2	0.1
Standard interest on tax allocation reserve	-7	0.6	-1	0.1
Direct deduction, buildings	3	-0.3	4	-0.2
<b>Effective tax recognised</b>	<b>-228</b>	<b>19.8</b>	<b>-380</b>	<b>19.0</b>

Current tax assets amount to SEK 52 M (104) and represent the recoverable amount of current tax on the net profit for the year.

Tax attributable to Other Comprehensive Income	2023			2022		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Translation differences attributable to foreign operations	-93	—	-93	90	—	90
Change in fair value of cash flow hedges	-57	12	-45	62	-13	49
<b>Other comprehensive income/loss</b>	<b>-150</b>	<b>12</b>	<b>-138</b>	<b>152</b>	<b>-13</b>	<b>139</b>

### Recognised in Statement of Financial Position

Deferred tax assets and liabilities	Deferred tax asset		Deferred tax liability		Net	
	2023	2022	2023	2022	2023	2022
<b>Deferred tax assets and liabilities recognised</b>						
<i>Deferred tax assets and liabilities are attributable to the following:</i>						
Right-of-use assets	922	887	881	858	41	29
Other non-current assets	2	10	269	315	-266	-305
Inventories	15	24	0	8	15	16
Operating receivables	1	1	1	13	0	-12
Untaxed reserves	—	—	399	388	-399	-388
Pension provisions	76	68	—	—	76	68
Other provisions	18	35	—	—	18	35
Operating liabilities	6	6	0	0	6	6
Tax-loss carryforwards	0	1	—	—	0	1
Other	0	1	8	—	-8	0
<b>Tax assets/liabilities</b>	<b>1,041</b>	<b>1,032</b>	<b>1,558</b>	<b>1,581</b>	<b>-517</b>	<b>-550</b>

Change in deferred tax	Balance as per 1 Jan. 2023	Recognised in profit or loss for the year	Recognised in equity	Acquisition/disposal of operations	Balance as per 31 Dec. 2023
Right-of-use assets	29	12	—	—	41
Other non-current assets	-305	39	—	—	-266
Inventories	16	-1	—	—	15
Operating receivables	-12	0	12	—	0
Untaxed reserves	-388	-11	—	—	-399
Pension provisions	68	8	—	—	76
Other provisions	35	-18	—	—	18
Operating liabilities	6	0	—	—	6
Tax-loss carryforwards	1	-1	—	—	0
Other	0	-8	—	—	-8
Translation difference for the year	0	-1	0	—	-1
<b>Tax assets/liabilities</b>	<b>-550</b>	<b>19</b>	<b>12</b>	<b>—</b>	<b>-517</b>

Note 12 cont'd.

Change in deferred tax	Balance as per 1 Jan. 2022	Recognised in profit or loss for the year	Recognised in equity	Acquisition/ disposal of operations	Balance as per 31 Dec. 2022
Right-of-use assets net	20	9	—	—	29
Other non-current assets	-287	45	—	-63	-305
Inventories	13	3	—	—	16
Operating receivables	1	0	-13	—	-12
Untaxed reserves	-320	-37	—	-31	-388
Pension provisions	80	-12	—	—	68
Other provisions	44	-1	—	-8	35
Operating liabilities	13	-7	—	—	6
Tax-loss carryforwards	1	0	—	—	1
Translation difference for the year	0	0	0	—	0
<b>Tax assets/liabilities</b>	<b>-435</b>	<b>0</b>	<b>-13</b>	<b>-100</b>	<b>-550</b>

## Note 13 Earnings per share

### ► Accounting principle

Bilia applies IAS 33 Earnings Per Share in accounting for earnings per share.

Calculation of earnings per share is based on the consolidated net profit for the year attributable to the Parent Company's owners and on the weighted average number of shares outstanding during the year. In the calculation of diluted earnings per share, the earnings figure and the average number of shares are adjusted to take into account the diluting effects of potential ordinary shares.

The calculation of earnings per share for 2023 is based on the net profit for the year attributable to the Parent Company's ordinary shareholders, amounting to SEK 931 M (1,622), and on a weighted average number of shares outstanding.

During 2023, the weighted average number of shares was 91,984,243 (93,017,114) and the effect of outstanding incentive programmes amounted to 203,685 shares (109,134).

	2023	2022
Basic earnings per share, SEK	10.12	17.43
Diluted earnings per share, SEK	10.10	17.41
Net profit for the year attributable to the parent company's ordinary shareholder, SEK M	931	1,622
Weighted average number of outstanding ordinary shares, thousands	91,984	93,017
Effect of outstanding incentive programme, thousands	204	109
Weighted average number of outstanding ordinary shares after dilution, thousands	92,188	93,126

## Note 14 Intangible assets

### ▶ Accounting principle

Bilia applies IAS 38 Intangible Assets in accounting for intangible assets.

### Software

Expenditures for internally developed software and improved business management systems are recognised as an asset in the Statement of Financial Position if the software is technically useful, if Bilia has sufficient resources to complete development and thereafter intends to use the intangible asset.

### Customer relations

Customer relations that have been acquired via business combinations are recognised at fair value, which is equivalent to the cost calculated by cash flow valuation at the acquisition date. Carrying amount consists of acquisition value less accumulated amortisation and any impairment losses.

### Distribution rights

Distribution rights that have been acquired through business combinations are recognised at fair value, which is equivalent to the cost calculated by cash flow valuation at the acquisition date. Carrying amount consist of acquisition value less accumulated amortisation and any impairment losses.

### Goodwill

Goodwill represents the difference between the cost of the business combination and the fair value of identifiable assets, assumed liabilities and contingent liabilities. Goodwill includes expected future profits from existing operations and expected synergies resulting from the acquisition.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is subjected to annual impairment testing.

In the case of business combinations where the cost is less than the net value of identifiable assets, assumed liabilities and contingent liabilities, the difference is recognised directly in profit or loss.

### Subsequent expenditures

Subsequent expenditures for capitalised intangible assets are only recognised as an asset in the Statement of Financial Position when they increase the future economic benefits for the specific asset to which they are attributable. All other expenditures are recognised as expenses when they are incurred.

### Amortisation

Amortisation is recognised in profit or loss for the year on a straight-line basis over the calculated useful lives of intangible assets, unless these useful lives are indefinite. Goodwill with an indefinite useful life is impairment tested annually or as soon as there are indications that the asset in question has declined in value. Amortisable intangible assets are amortised from the date they are available for use. Amortisation period is based on expected useful life considering historic experience and valid agreement.

Estimated useful lives:

- Software 3–10 years
- Customer relations 10 years
- Distribution rights 5–10 years

### Impairment testing of intangible assets

Bilia applies IAS 36 Impairment of Assets in accounting for impairment.

The carrying amounts are tested at every balance sheet date for any indication of impairment. If such an indication exists, the asset's recoverable amount is calculated.

In the case of goodwill and other intangible assets that are not yet ready for use, the recoverable amount is calculated at least annually. An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. An impairment loss is recognised in profit or loss for the year.

Impairment of assets attributable to a cash-generating unit is first allocated to goodwill. Then a pro rata impairment loss is recognised for the other assets included in the unit.

The recoverable amount is the higher of an asset's fair value less selling costs and its value in use. When calculating the value in use, future cash flows are discounted by a discount rate that takes into account the risk-free interest rate and the risk associated with the specific asset.

An impairment loss is reversed if there is an indication that the impairment no longer exists and there has been a change in the estimates used to determine the recoverable amount. Impairment losses relating to goodwill are never reversed, however. An impairment loss is only reversed to the extent the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less amortisation where applicable, if no impairment loss had been recognised.

### Important accounting estimates and judgements

#### *Impairment testing of goodwill*

Goodwill is impairment tested at least annually. Impairment testing is based on 3-year forecasts for the cash-generating units in question. For important assumptions per cash-generating unit, see the following pages.

Note 14 cont'd.

	Software, internally developed		Software, acquired		Customer relations	
	2023	2022	2023	2022	2023	2022
<b>Accumulated costs</b>						
At start of year	31	37	141	140	1,667	1,380
Business combinations	—	—	—	—	14	230
Purchases	—	—	25	22	—	—
Disposals and retirements	—	-4	—	-23	—	—
Reclassifications	—	-2	—	2	—	5
Translation differences for the year	—	—	—	—	-33	52
	<b>31</b>	<b>31</b>	<b>166</b>	<b>141</b>	<b>1,648</b>	<b>1,667</b>
<b>Accumulated amortisation and impairment losses</b>						
At start of year	-28	-29	-101	-101	-669	-499
Business combinations	—	—	—	—	—	—
Disposals and retirements	—	4	—	19	—	—
Reclassifications	—	2	—	-2	—	-5
Amortisation for the year	-2	-5	-20	-17	-157	-138
Translation differences for the year	—	—	—	—	19	-27
	<b>-30</b>	<b>-28</b>	<b>-121</b>	<b>-101</b>	<b>-807</b>	<b>-669</b>
<b>Carrying amount at year-end</b>	<b>1</b>	<b>3</b>	<b>45</b>	<b>40</b>	<b>841</b>	<b>998</b>

### Amortisation and impairment losses

Amortisation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Software, internally developed		Software, acquired		Customer relations	
	2023	2022	2023	2022	2023	2022
Cost of goods sold	-2	-5	-20	-17	-157	-138

No impairment losses have been made during the year and the previous year.

	Distribution rights		Total intellectual property		Goodwill	
	2023	2022	2023	2022	2023	2022
<b>Accumulated costs</b>						
At start of year	164	103	2,003	1,660	1,523	1,213
Business combinations	—	60	14	290	1	316
Purchases	—	—	25	22	—	—
Disposals and retirements	—	—	—	-27	4	-46
Reclassifications	—	—	—	5	—	—
Translation differences for the year	-3	1	-36	53	-27	40
	<b>161</b>	<b>164</b>	<b>2,006</b>	<b>2,003</b>	<b>1,501</b>	<b>1,523</b>
<b>Accumulated amortisation and impairment losses</b>						
At start of year	-48	-28	-846	-657	-3	-38
Business combinations	—	—	—	—	—	—
Disposals and retirements	—	—	—	23	-4	37
Reclassifications	—	—	—	-5	—	—
Amortisation for the year	-29	-20	-209	-180	—	—
Impairment for the year	—	—	—	—	—	—
Translation differences for the year	1	—	21	-27	2	-2
	<b>-76</b>	<b>-48</b>	<b>-1,034</b>	<b>-846</b>	<b>-5</b>	<b>-3</b>
<b>Carrying amount at year-end</b>	<b>85</b>	<b>116</b>	<b>972</b>	<b>1,157</b>	<b>1,496</b>	<b>1,520</b>

## Amortisation and impairment losses

Amortisation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Distribution rights		Total intellectual property		Goodwill	
	2023	2022	2023	2022	2023	2022
Cost of goods sold	-29	-20	-209	-180	—	—

No impairment losses have been made during the year and the previous year.

## Impairment tests for cash-generating units containing assets with an indefinite useful life (goodwill)

The following cash-generating units have carrying amounts for goodwill:

	2023	2022
Bilia Personbilar AB	63	63
Bilia BMU AB	78	78
Bilia Center AB	43	43
Bilia Center Metro AB	84	84
Allbildelar Försäljning i Huddinge AB	8	8
Bilia Center Auto AB	118	118
Bilia Ferdinand Syd AB	150	150
City Däck Öresund AB	15	15
M Bilar Group AB	147	147
Bilia Söderbergs Bil AB	86	86
<b>Total Sweden</b>	<b>792</b>	<b>792</b>
Bilia Norge AS	89	95
Toyota Bilia AS	191	204
Kokstad Autosenter AS	16	17
Bil1Din Holding AS	49	52
<b>Total Norway</b>	<b>345</b>	<b>368</b>
Bilia Luxembourg SARL	155	155
Bilia Arlon SA	103	104
Bilia Holding Flanders NV	94	94
Bilia Holding S.à r.l.	7	7
<b>Total Western Europe</b>	<b>359</b>	<b>360</b>
<b>Total the Group</b>	<b>1,496</b>	<b>1,520</b>

### Sweden

Impairment testing for operations in Sweden was based on calculation of the value in use.

The important assumptions in the 3-year forecast and the methods used to calculate values are as follows:

#### Market share and growth

Demand for new cars has historically followed the business cycle, while demand for service and repair work has been more stable. The market for new cars was assumed to be on a lower level compared with 2023. The forecast agrees with previous experiences and external information sources.

#### Prices

Prices have been assumed to increase in accordance with long-term inflation targets.

#### Personnel costs

The forecast for personnel costs is based on some increase in real wages and planned efficiency improvements in the operations. The forecast agrees with previous experiences and external information sources.

#### Assumptions for estimating values:

Per cent	Annual growth		Discount rate before tax	
	2023	2022	2023	2022
Bilia Personbilar AB	2.0	2.0	9.74	8.34
Bilia BMU AB	2.0	2.0	9.88	8.34
Bilia Center AB	2.0	2.0	9.78	8.40
Bilia Center Metro AB	2.0	2.0	9.82	8.36
Allbildelar Försäljning i Huddinge AB	2.0	2.0	9.83	8.47
Bilia Center Auto AB	2.0	2.0	9.87	8.36
Bilia Ferdinand Syd AB	2.0	2.0	9.85	8.43
City Däck Öresund AB	2.0	2.0	9.63	8.37
M Bilar Group AB	2.0	2.0	9.96	8.34
Bilia Söderbergs Bil AB	2.0	2.0	9.79	8.36

The recoverable amount for all operations in Sweden exceeds the carrying amount.

Management judges that plausible changes in margins in car sales, demand for service and repair work and the discount rate would not have such great effects that they would reduce the recoverable amount to a value lower than the carrying amount.

Note 14 cont'd.

## Norway

Impairment testing for operations in Norway was based on calculation of the value in use.

The important assumptions in the 3-year forecast and the methods used to calculate values are as follows:

### Market share and growth

Demand for new cars has historically followed the business cycle, while demand for service and repair work has been more stable. The market for new cars was assumed to be on the same level compared with 2023. The forecast agrees with previous experiences and external information sources.

### Prices

Prices have been assumed to increase in accordance with long-term inflation targets.

### Personnel costs

The forecast for personnel costs is based on some increase in real wages and planned efficiency improvements in the operations. The forecast agrees with previous experiences and external information sources.

### Assumptions for estimating values:

Per cent	Annual growth		Discount rate before tax	
	2023	2022	2023	2022
Bilia Norge AS	2.0	2.0	10.86	9.20
Toyota Bilia AS	2.0	2.0	10.84	9.14
Kokstad Autosenter AS	2.0	2.0	11.01	9.22
Bil1Din Holding AB	2.0	2.0	10.94	9.12

The recoverable amount for all operations in Norway exceeds the carrying amount by a good margin.

Management judges that plausible changes in margins in car sales, demand for service and repair work and the discount rate would not have such great effects that they would reduce the recoverable amount to a value lower than the carrying amount.

## Western Europe

Impairment testing for operations in Western Europe was based on calculation of the value in use.

The important assumptions in the 3-year forecast and the methods used to calculate values are as follows:

### Market share and growth

Demand for new cars has historically followed the business cycle, while demand for service and repair work has been more stable. The market for new cars was assumed to be on the same level compared with 2023. The forecast agrees with previous experiences and external information sources.

### Prices

Prices have been assumed to increase in accordance with long-term inflation targets.

### Personnel costs

The forecast for personnel costs is based on some increase in real wages and planned efficiency improvements in the operations. The forecast agrees with previous experiences and external information sources.

### Assumptions for estimating values:

Per cent	Annual growth		Discount rate before tax	
	2023	2022	2023	2022
Bilia Luxembourg SARL	2.0	2.0	10.65	8.97
Bilia Arlon SA	2.0	2.0	11.46	8.97
Bilia Holding Flanders NV	2.0	2.0	11.52	9.00

The recoverable amount for operations in Luxembourg and Belgium exceeds the carrying amount by a good margin.

Management judges that plausible changes in margins in car sales, demand for service and repair work and the discount rate would not have such great effects that they would reduce the recoverable amount for operations in Luxembourg and Belgium to a value lower than the carrying amount.



## Note 15 Property, plant and equipment

### ▶ Accounting principle

Bilia applies IAS 16 Property, Plant and Equipment in accounting for property, plant and equipment.

### Owned assets

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses. The cost includes the purchase price plus expenses directly attributable to the asset for bringing the asset to its location and to working condition for its intended use.

### Leased assets

#### Lessor

Assets that are leased out under operating leases are recognised as property, plant and equipment. These assets consist of owned and rented cars that are leased out under operating leases, as well as cars sold combined with a future repurchase commitment at a guaranteed residual value. These assets are classified as Leased vehicles. See Note 2 "Revenue", Revenue from cars sold with repurchase agreements.

### Principles of depreciation

Depreciation is conducted on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

Estimated useful lives:

- Equipment for IT operations 3 years
- Land and buildings 5–50 years
- Equipment, tools, fixtures and fittings 3–10 years
- Leased vehicles 1–4 years <sup>1)</sup>

An annual assessment is made of an asset's residual value and useful life.

<sup>1)</sup> Leased vehicles are written down to an expected residual value at the end of the lease period.

### Impairment losses

For an explanation of the accounting principle for impairment losses, see Note 14 "Intangible assets".

### Important accounting estimates and judgements

See Note 2 "Revenue" from cars sold with repurchase agreements.

Note 15 cont'd.

	Land and buildings		Construction in progress	
	2023	2022	2023	2022
<b>Accumulated costs</b>				
At start of year	1,751	1,590	53	26
Business combinations	—	55	—	—
Purchases	117	184	146	64
Divestment of operations	—	-126	—	—
Disposals and retirements	-54	-8	-1	-12
Reclassifications	6	20	-14	-25
Translation differences for the year	-20	36	-1	0
	<b>1,800</b>	<b>1,751</b>	<b>183</b>	<b>53</b>
<b>Accumulated depreciation and impairment losses</b>				
At start of year	-616	-580	—	—
Business combinations	—	-38	—	—
Divestment of operations	—	80	—	—
Disposals and retirements	17	7	—	—
Reclassifications	2	2	—	—
Depreciation for the year	-84	-74	—	—
Translation differences for the year	6	-13	—	—
	<b>-675</b>	<b>-616</b>	<b>—</b>	<b>—</b>
<b>Carrying amount at year-end</b>	<b>1,126</b>	<b>1,135</b>	<b>183</b>	<b>53</b>

### Depreciation and impairment losses

Depreciation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Land and buildings		Construction in progress	
	2023	2022	2023	2022
Cost of goods sold	-32	-28	—	—
Selling expenses	-51	-44	—	—
Administrative expenses	-1	-2	—	—
<b>Total</b>	<b>-84</b>	<b>-74</b>	<b>—</b>	<b>—</b>

No impairment losses have been made during the year and the previous year.

	Equipment, tools, fixtures and fittings		Leased vehicles	
	2023	2022	2023	2022
<b>Accumulated costs</b>				
At start of year	1,636	1,669	3,117	3,526
Business combinations	6	110	—	177
Purchases	268	120	1,580	1,145
Divestment of operations	—	-149	—	-276
Disposals and retirements	-199	-138	1,550	-1,490
Reclassifications	2	-1	-27	2
Translation differences for the year	-36	25	-50	33
	<b>1,678</b>	<b>1,635</b>	<b>3,070</b>	<b>3,117</b>
<b>Accumulated depreciation</b>				
At start of year	-1,040	-1,050	-721	-669
Business combinations	0	-93	—	-18
Divestment of operations	—	103	—	92
Disposals and retirements	145	136	519	268
Depreciation for the year	-145	-140	-384	-388
Reclassifications	3	19	26	0
Translation differences for the year	23	-15	13	-6
	<b>-1,014</b>	<b>-1,040</b>	<b>-547</b>	<b>-721</b>
<b>Accumulated impairment losses</b>				
At start of year	—	-9	-6	-6
Disposals and retirements	0	9	3	—
Impairment losses for the year	-4	—	-6	—
	<b>-4</b>	<b>—</b>	<b>-9</b>	<b>-6</b>
<b>Carrying amount at year-end</b>	<b>660</b>	<b>596</b>	<b>2,515</b>	<b>2,390</b>

### Depreciation and impairment losses

Depreciation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Equipment, tools, fixtures and fittings		Leased vehicles	
	2023	2022	2023	2022
Cost of goods sold	-60	-56	-384	-388
Selling expenses	-41	-34	—	—
Administrative expenses	-44	-50	—	—
<b>Total</b>	<b>-145</b>	<b>-140</b>	<b>-384</b>	<b>-388</b>

Impairment losses are included on the following lines in the Statement of Income and Other Comprehensive Income:

	Equipment, tools, fixtures and fittings		Leased vehicles	
	2023	2022	2023	2022
Cost of goods sold	—	—	-6	—
Other expenses	-4	—	—	—

## Note 16 Right-of-use assets

### Accounting principle

Bilia applies IFRS 16 Leases in accounting for right-of-use assets.

### Calculation of right-of-use assets

Right-of-use assets and lease liabilities have been accounted for based on the present value of all future lease fees for leases with a longer lease period than 12 months. The leases relates primarily to rental agreements for buildings. Simplification rules are applied which mean that the Group has;

- Applied the same discount rate for leases with similar conditions and
- Excluded leases with low value or a lease period shorter than 12 months

### Principles of depreciation

Depreciations is conducted straight-line over the lease period for the right-of-use assets and are reported as a cost of goods sold, selling expenses and administrative expenses in the Statement of Income and Other Comprehensive Income. The average depreciation period was 8 years.

### Purchases and disposals and retirements

Purchases includes the discounted present value of lease fees for new leases during the year and additional amounts for right-of-use assets related to current lease due to an assessment of utilisation of extension options. Disposals include terminated leases during the year.

### Important accounting estimates and judgements

Assessments and judgments for exercise of extension option of leases can have a significant impact on the amount of the right-of-use asset.

### Other

Other includes for example changes of the right-of-use assets related to index upgrades etc.

For a description of lease liabilities related to the right-of-use assets see Note 20 "Interest bearing liabilities" and Note 27 "Leases".

### Right-of-use assets

	2023	2022
<b>Accumulated costs</b>		
At start of year	5,336	5,068
Business combinations	—	377
Purchases	379	392
Divestment of operations	—	-549
Terminated contracts	-134	-160
Other	363	135
Translation differences for the year	-89	73
	<b>5,856</b>	<b>5,336</b>
<b>Accumulated depreciation</b>		
At start of year	-1,481	-1,382
Depreciation of the year	-585	-531
Divestment of operations	—	354
Terminated contracts	134	103
Translation differences for the year	36	-25
	<b>-1,896</b>	<b>-1,481</b>
<b>Carrying amount at year-end</b>	<b>3,960</b>	<b>3,855</b>

### Depreciation and impairment losses

Depreciation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Right-of-use assets	
	2023	2022
Cost of goods sold	-220	-203
Selling expenses	-356	-315
Administrative expenses	-10	-13
<b>Total</b>	<b>-585</b>	<b>-531</b>

No impairment losses have been recognised.

## Note 17 Interests in associated companies

### Accounting principle

Bilia applies IAS 28 Investments in Associates and Joint Ventures in accounting for interests in associated companies.

Associated companies are those companies in which the Group has a significant, but not a controlling, influence. This is normally acquired through share holdings with between 20 and 50 per cent of the votes.

	2023	2022
<b>Carrying amount at start of year</b>	<b>590</b>	<b>524</b>
Profit from shares in associated companies	88	89
Dividend received from associated companies	-13	-23
<b>Carrying amount at year-end</b>	<b>665</b>	<b>590</b>

Bilia has less than a 20 per cent stake in the company, but because Bilia has owner representation on the Board of Directors and participates in the work with strategic matters, and because significant connections exist with the operations of this company, significant influence is judged to exist, so the holding is classified as an associated company. Bilia's direct and indirect holdings in AB Volverkinvest amount to 20.6 per cent (20.6). AB Volverkinvest owns 50 per cent of Volvofinans Bank AB. The main function of AB Volverkinvest is to own and manage shares in Volvofinans Bank AB on behalf of the Volvo dealers.

The associated company's revenue, profit, assets and liabilities are specified below.

	Volvofinans Bank AB <sup>1)</sup>	
	2023	2022
Operating revenue	7,735	7,108
Profit/loss before appropriations and tax	1,021	717
Current assets	1,254	1,060
Lending	22,817	23,128
Non-current assets	24,770	20,861
Current liabilities	4,411	3,313
Borrowing	36,812	35,189
Non-current liabilities	1,319	947
<b>Net assets</b>	<b>6,299</b>	<b>5,600</b>
Dividend to AB Volverkinvest	154	131
<b>Total net assets before dividend <sup>2)</sup></b>	<b>6,453</b>	<b>5,731</b>

<sup>1)</sup> The data for the associate relate to the accounting period from 1 October 2022 to 30 September 2023 (1 October 2021 to 30 September 2022). Later information about the associate is not available in the preparation of the Bilia Group's financial statements. This year's dividend from Volvofinans Bank AB to AB Volverkinvest, not yet distributed to Bilia, has been included in the calculation of group values.

<sup>2)</sup> The amount refers to equity including equity in untaxed reserves.

## Note 18 Inventories

### ▶ Accounting principle

Bilia applies IAS 2 Inventories in accounting for inventories.

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is calculated by applying the first-in, first-out (FIFO) method and includes expenditures incurred in purchasing the inventory assets and bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The company can reduce its risks and tied-up capital by purchasing cars on commission or consignment from certain

of Bilia's main suppliers. These cars are not recognised in inventories. In cases where a new car cannot be sold, Bilia can return it to the supplier, and a charge is paid to the supplier during the time the car is kept at Bilia.

### Important accounting estimates and judgements

#### Valuation of used cars

Used cars are valued at the lower of their cost and net realisable value. Net realisable value is determined from current internal and external market data and is defined as the estimated selling price less direct selling expenses. In periods of large fluctuations in demand the actual sales value may deviate from the estimated value. Used cars are included in the line item "Inventories".

The cost of goods sold, in the Consolidated Statement of Income and Other Comprehensive Income, includes write-down of new cars by SEK 3 M (1) used cars by SEK 0 M (24) and spare parts by SEK 7 M (1).

The item "Inventories" consists of:

	2023	2022
New cars	1,653	1,667
Used cars	1,861	2,194
Demonstration cars	800	890
Spare parts	476	476
Other	0	20
<b>Total</b>	<b>4,789</b>	<b>5,247</b>

Of which impairment of inventories in the Consolidated Statement of Financial Position:

	2023	2022
New cars	20	11
Used cars	45	89
Spare parts	19	17
<b>Total</b>	<b>84</b>	<b>117</b>

## Note 19 Prepaid expenses and accrued income

	2023	2022
Bonus to be received from suppliers	133	178
Prepaid expenses	265	203
Accrued income	109	129
<b>Total</b>	<b>507</b>	<b>510</b>

## Note 20 Interest-bearing liabilities

### Accounting principle

Bilia applies IFRS 9 Financial Instruments in accounting for financial instruments. Bilia applies IFRS 16 Leases. For an explanation of the accounting principle, see Note 25 "Financial instruments".

The note contains information on Bilia's contractual terms regarding interest-bearing liabilities. For more information on Bilia's exposure to interest rate risk and risk of exchange rate changes, see Note 26 "Financial risks and risk management".

	2023	2022
<b>Non-current liabilities</b>		
Bank loans	13	28
Bond issue <sup>1)</sup>	1,295	498
Personnel fund	5	5
Lease liabilities	3,791	3,529
Other loans	5	14
	<b>5,109</b>	<b>4,074</b>
<b>Current liabilities</b>		
Bond issue <sup>1)</sup>	—	800
Current portion of bank loans	1,762	1,328
Current portion of lease liabilities	818	737
	<b>2,580</b>	<b>2,865</b>
<b>Total</b>	<b>7,689</b>	<b>6,939</b>

<sup>1)</sup> In the Consolidated Statement of Financial Position, the bond issue amounts to SEK 1,295 M (1,298), calculated according to the effective interest method. In calculating key figures, SEK 1,300 M (1,300) is used without the net effect of the effective interest rate, which amounts to SEK -5 M (-2).

## Note 21 Pensions

### Accounting principle

Bilia applies IAS 19 Employee Benefits in accounting for pensions.

Only defined-contribution pension plans exist in the Group. Pension plans classified as defined-contribution plans are those where the company's obligation is limited to the contributions the company has undertaken to pay. In such cases, the size of the employee's pension is dependent on the contributions paid by the company to the plan or to an insurance company and the return on capital yielded by the contributions. Consequently, it is the employee who bears the actuarial risk (that the pension payment will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected payments). The company's obligations with regard to payments to defined-contribution plans are recognised as a cost in profit or loss for the year as they are earned by the employee's performance of services for the company during a period.

### Sweden

Obligations for old-age pension and family pension for salaried employees are secured by insurance in Alecta.

According to a statement by the Swedish Financial Reporting Board, UFR 10, insurance via Alecta is a multi-employer defined-benefit plan. Bilia has not had access to information that makes it possible to account for this plan as a defined-benefit plan. The ITP pension plan that is secured via insurance in Alecta is therefore accounted for as a defined-contribution plan, but with supplementary information.

### Norway

The employees are covered by defined-contribution pension plans.

### Germany

In Germany, all employees are covered solely by defined-contribution pension plans.

### Luxembourg and Belgium

The employees are not covered by any pension plan.

## Financing

Obligations for old-age pension and family pension for salaried employees in Sweden are secured by insurance in Alecta. The premium for the defined-benefit old-age and family pension is individually calculated and is dependent on such factors as salary, accrued pension and expected remaining working life.

The collective funding ratio is the market value of Alecta's assets as a percentage of their insurance obligations calculated according to Alecta's actuarial methods and assumptions, which do not agree with IAS 19. The collective funding ratio should normally be permitted to vary between 125 and 155 per cent. If Alecta's collective funding ratio falls short of 125 per cent or exceeds 155 per cent, measures shall be adopted so that the collective funding ratio returns to the normal range. When the funding ratio is low, one possible measure is to raise the agreed-on price for new policies and benefit increases. When the funding ratio is high, one possible measure is to reduce premiums. At year-end 2023, Alecta's surplus in the form of the collective funding ratio <sup>1)</sup> amounted to 158 per cent (172).

<sup>1)</sup> Alecta publishes figures on its collective funding ratio on its website.

## Costs for defined-contribution plans

In Sweden the Group has defined-contribution pension plans for workers that are paid for entirely by Bilia.

In other countries there are defined-contribution plans that are paid for in part by Bilia and in part by contributions paid by the employees. Payments are made to these plans on a regular basis in accordance with the rules in each plan.

	2023	2022
Costs for the year for defined-contribution plans <sup>2)</sup>	228	224

<sup>2)</sup> Of which SEK 64 M (71) pertaining to ITP plan funded in Alecta.

Costs for defined-contribution plans in 2024 amounts to SEK 225 M, of which Alecta SEK 68 M.

## Note 22 Provisions

### ► Accounting principle

Bilia applies IAS 37 Provisions, Contingent Liabilities and Contingent Assets in accounting for provisions.

### Warranty obligations

A provision for warranties is recognised when the underlying products or services have been sold. The provision is based on historical data on warranties and the weighting of all possible outcomes in relation to their associated probabilities.

### Restoration costs

A provision for restoration costs regarding Bilia's fuelling stations is recognised when the Group estimates that it is more likely than not that a fuelling station will require site remediation. A provision of SEK 1 M per fuelling station has been made and total provision amounted to SEK 8 M (9).

### Put option

Pertains to the acquisitions of Philippe Emond SA, Belgium and Bil1Din Holding AS, Norway, where Bilia has liabilities calculated on the future exercise price in the issued put option held by non-controlling interests. The put options are recognised as financial liabilities, according to IAS 32, but are classified as provisions in the Consolidated Statement of Financial Position. Valuation is made in accordance with IFRS 3 and IFRS 9 and is reported in equity. The carrying amount is deemed to reflect fair value. The issued put options corresponds to a 10 per cent ownership in Bilia Holding S.à r.l., Luxembourg and a 49 per cent ownership in Bil1Din Holding AS, Norway.

### Structural cost

Provisions are made when there is a formal or informal obligation regarding the restructuring of the business and when it's possible to estimate the costs.

#### Important estimates and assessments

Assessment regarding provisions is made based on currently available information. If other assumptions are made or the conditions should change, the actual outcome may differ from the assessment made, which could have a significant impact on Bilia's results and financial position.

	Non-current		Current	
	2023	2022	2023	2022
Structural costs	—	—	6	11
Warranty obligations	33	43	1	6
Restoration costs	8	8	—	1
Put option	40	42	119	85
Other	66	88	—	22
<b>Total</b>	<b>147</b>	<b>181</b>	<b>126</b>	<b>125</b>

	Structural costs		Warranty obligations		Restoration costs		Put option		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Carrying amount at start of year</b>	11	60	49	48	9	19	127	52	110	113	306	292
Business combinations	—	—	—	5	—	—	—	42	—	8	—	55
Provisions made during the year	—	8	4	0	—	0	35	33	—	4	39	45
Amounts utilised during the year	-5	-39	-17	-5	—	-9	—	—	-38	—	-60	-53
Unutilised amounts reversed during the year	—	-20	—	—	-1	-1	—	—	—	-18	-1	-39
Translation differences	—	2	-2	1	0	0	-3	0	-6	3	-11	6
<b>Carrying amount at year-end</b>	<b>6</b>	<b>11</b>	<b>34</b>	<b>49</b>	<b>8</b>	<b>9</b>	<b>159</b>	<b>127</b>	<b>66</b>	<b>110</b>	<b>273</b>	<b>306</b>

## Note 23 Other liabilities

### ▶ Accounting principle

For the accounting principle regarding “Liability pertaining to cars sold with repurchase agreements,” see Note 2 “Revenue”.

For the accounting principle regarding “Derivatives,” see Note 25 “Financial instruments”.

### Important accounting estimates and judgements

See Note 2 “Revenue” regarding Repurchase agreements and Service subscriptions.

	2023	2022
<b>Other non-current liabilities</b>		
Liability pertaining to cars sold with repurchase agreements	1,213	1,369
<b>Total</b>	<b>1,213</b>	<b>1,369</b>
<b>Other current liabilities</b>		
Liability pertaining to cars sold with repurchase agreements	917	654
Decided but not yet paid dividend	203	184
VAT	213	103
Other	258	396
<b>Total</b>	<b>1,591</b>	<b>1,337</b>

## Note 24 Accrued expenses and deferred income

### Important accounting estimates and judgements

See Note 2 “Revenue” regarding Repurchase agreements and Service subscriptions.

	2023	2022
Accrued wages and salaries	466	523
Accrued social security contributions	306	290
Accrued interest	16	11
Future unrealised gross profit pertaining to cars sold with repurchase agreements	50	75
Deferred bonus from suppliers	13	24
Accrual of service subscriptions	96	119
Other accrued expenses	337	364
Other deferred income	23	306
<b>Total</b>	<b>1,307</b>	<b>1,712</b>

## Note 25 Financial instruments

### ▶ Accounting principle

For the accounting principle regarding financial instruments, Bilia applies IAS 32 Financial Instruments: Presentation, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 13 Fair Value Measurement and IFRS 16 Leases.

Financial instruments that are recognised in the Statement of Financial Position include, on the asset side, cash and cash equivalents, loans receivables, trade receivables, financial investments and derivatives with positive fair value. On the liability side they include trade payables, loans payable and derivatives with negative fair value.

### Classification of financial instruments

All financial instruments are initially measured at their respective fair values plus transaction costs, apart from financial instruments that are measured at fair value through the Statement of Income and Other Comprehensive Income on an ongoing basis. With these assets, transaction costs are recognised as expenses on an ongoing basis.

#### Interest-bearing financial instruments

The classification and measurement of interest-bearing financial assets depends on the purpose of the financial asset. Interest-bearing financial assets are measured at either:

- Amortised cost.
- Fair value in other comprehensive income.
- Fair value through profit or loss.

This category is comprised of hire-purchase receivables, accounts receivable and other receivables. Assets in this category are measured at amortised cost. All interest-bearing assets are held to obtain ongoing payments in the form of repayments and interest. For this reason, all interest-bearing assets are recognised and measured at their respective amortised cost in accordance with the effective interest rate method. Amortised cost is determined based on the effective interest rate calculated at the time of acquisition. Interest income is recognised in net financial items in the Statement of Income and Other Comprehensive Income. Any capital gains or losses arising when these assets are derecognised are recognised as other income and expenses. Bilia recognises the following interest-bearing assets in its Statement of Financial Position:

- Cash and cash equivalents consist of cash on hand and demand deposits at banks and similar institutions, as well as short-term, highly liquid investments.
- Short-term investments have been classified as cash and cash equivalents based on the fact that they carry a negligible risk of value fluctuations, they can easily be converted to cash and they have a maturity of not more than three months from their date of acquisition.
- Trade receivables.
- Lease receivables, short- and long-term.
- Other long-term receivables.



Assets with a short duration are not discounted. Impairment losses are reversed if the previous reasons for write-down no longer apply and full payment is expected to be received from the customer.

#### *Equity instruments*

All equity instruments are entered at their respective fair values in the Statement of Income and Other Comprehensive Income as other income and expenses. Bilja has unlisted shares and tenant-owner agreements that belong to this category of financial assets.

#### *Derivative instruments*

Financial derivatives are held only to manage the financial risks to which Bilja is exposed, see Note 26 "Financial risks and risk management". Bilja has financial derivative instruments partly in the form of currency hedging instruments (currency swaps) which are used to secure future currency flows and partly in the form of electricity hedging derivatives which are used to even out price fluctuations in electricity. All the currency hedging derivatives are measured at their respective fair value in financial income or financial costs, while all electricity hedging derivatives are measured at their respective fair value over Other Comprehensive Income. The electricity hedging derivatives qualify for hedge accounting and meet the requirements for effectiveness.

#### **Impairment of financial assets**

For all interest-bearing financial instruments, including accounts receivable and lease receivables, a credit risk reserve is booked, and this is based on the future expected losses applicable to the individual assets. For trade receivable, the credit risk reserve is calculated based on the asset's anticipated loss over the total life of the asset.

#### **Other financial liabilities**

Loans, including debenture loans, and other financial liabilities, for example trade payables, belong to this category. The liabilities are measured at amortised cost.

In October 2020 Bilja issued an unsecured bond worth SEK 500 M. The bond carries a variable interest rate of STIBOR (3 months) plus 170 basis points and matures in October 2025.

In June 2023 Bilja issued an unsecured bond worth SEK 800 M. The bond carries a variable interest rate of STIBOR (3 months) plus 275 basis points and matures in June 2028.

The total outstanding amount as of 31 December 2023 amounts to SEK 1,300 M.

Information on how fair value has been determined for the financial instruments that are measured at fair value in the Statement of Financial Position is disclosed below. Fair value is determined on the basis of the following three levels:

Level 1: according to prices quoted on an active market for the same instrument.

Level 2: based on directly or indirectly observable market inputs other than those included in level 1.

Level 3: based on inputs that are not observable on the market.

	2023	2022
<i>Level 2</i>		
Asset regarding currency swaps valued through profit and loss	—	1
Asset regarding cash flow hedges valued through comprehensive income	5	62
Debt regarding currency swaps valued through profit and loss	6	—
<i>Level 3</i>		
Debt regarding put option is valued in equity	159	127

Note 25 cont'd.

Fair value and carrying amount for financial instruments and categorisation are presented below:

	Note	2023		2022	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets measured at fair value through profit and loss</b>					
Currency swaps		—	—	1	1
<b>Assets measured at fair value through comprehensive income</b>					
Cash flow hedges		5	5	62	62
<b>Assets measured at amortised cost</b>					
Interest-bearing receivables		50	50	99	99
Trade receivables	26	1,686	1,686	1,777	1,777
Other receivables		204	204	218	218
Cash and cash equivalents	31	264	264	456	456
<b>Financial investments measured at fair value</b>					
Shares and interests		7	7	5	5
Housing cooperative units		5	5	5	5
<b>Debts measured at fair value through profit and loss</b>					
Currency swaps		6	6	—	—
<b>Debts measured at fair value</b>					
Provision put option	22	159	159	127	127
<b>Debts measured at amortised cost</b>					
Bond issue	20	1,295	1,295	1,298	1,298
Lease liabilities	20	4,608	4,608	4,266	4,266
Non-current interest-bearing liabilities	20	23	23	47	47
Current interest-bearing liabilities	20	1,762	1,762	1,328	1,328
Trade payables		1,748	1,748	2,511	2,511
Accrued interest	24	16	16	11	11

## Fair Value Measurement

The following summarises the most important methods and assumptions that have been used to establish the fair value of the financial instruments in the above table.

### Financial instruments measured at fair value

#### Currency swaps and cash flow hedges

For currency swaps and cash flow hedges relating to electricity derivatives, the fair value is determined on the basis of market rates. If such rates are not available, the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be obtained on the balance sheet date for the remaining contract period.

#### Financial investments measured at fair value

Bilia's holdings in this category consist of unlisted share holdings, housing cooperative units and deposits. Based on the limited value of these assets, an assessment has been made that the fair value does not deviate significantly from the acquisition value.

### Debts measured at fair value

Bilia reports the issued put option at fair value based on future exercise price.

### Financial instruments that are not measured at fair value

#### Interest-bearing liabilities and lease liabilities

Fair value is largely equivalent to carrying amount, since the interest rate on outstanding liabilities is variable.

#### Hire-purchase receivables

Fair value essentially corresponds to carrying amount, since the interest rate on outstanding receivables is variable.

#### Trade receivables and trade payables

In the case of trade receivables and trade payables with a remaining life of less than one year, the carrying amount is deemed to reflect fair value. For trade receivables and trade payable with a maturity exceeding one year, the carrying amount is considered to reflect fair value as floating interest is charged on outstanding receivables and payables, respectively.

## Note 26 Financial risks and risk management

### ▶ Accounting principle

Bilia applies IFRS 7 Financial Instruments: Disclosures and IFRS 13 Fair Value Measurement in accounting for financial risks and risk management.

### General

The main purpose of Bilia is to sell new and used cars, and in conjunction with this also supply workshop services, spare parts, accessories and fuel.

The financing operation in Bilia encompasses the following:

- financing of the Group with loans and other operating liabilities
- analysis, measurement and management of currency risks, interest rate risks and operating risks
- administration of group accounts and internal bank function
- oversight of credit granting by the subsidiaries
- payment procedures and cash management
- control, monitoring and reporting of the outcome of the financing operation.

### Goals of the financing operation

The goals of Bilia's financing operation are to:

- ensure that the Group has access to the requisite loan financing
- secure the best possible terms for lending and investing
- ensure that credit risks, interest rate risks, liquidity risks, currency risks and operating risks are always kept within the limits stipulated in Bilia's financing policy.

### Organisation and division of responsibilities

#### The Parent Company

The MD of Bilia AB is responsible for all financial activities in the Group and shall ensure that they are conducted in accordance with the finance policy adopted by the Board of Directors. The CFO is the head of the Finance Department and is responsible for ensuring that financing activities throughout Bilia are conducted in accordance with Bilia's policies, rules and instructions. The parent company's Finance Department has an internal bank function that serve all group companies.

The overall objective of the finance function is to provide cost-effective financing and to minimise the negative effects of currency fluctuations on the Group's earnings.

All investments of temporary excess liquidity must have high liquidity and low credit risk. Investments may be made in instruments and with counterparts approved by the MD of Bilia AB.

#### Subsidiaries

The MD of each subsidiary is responsible for ensuring that the granting of credit by the company takes place in accordance with a adopted credit policy and that financing activities are otherwise conducted in accordance with the guidelines set forth in special instructions from the parent company.

### Financial receivables

The Group's current financial assets consist for the most part of SEK 1,686 M (1,777) in trade receivables.

### Capital management

The Group's equity, which is defined as total reported equity, amounted at year-end to SEK 4,841 M (4,887). Return on equity amounted to 23.2 per cent (36.2).

The 2023 AGM gave the Board of Directors a mandate to resolve to acquire Bilia shares equivalent to no more than 10 per cent of the total number of shares.

Bilia's dividend policy prescribes that at least 50 per cent of the net profit for the year be distributed to the shareholders. In 2023 dividend of SEK 8.80 per share was paid, which corresponded to 50 per cent of earnings for 2022.

### Financing agreements

Connected to the financing agreement there are covenants regarding the ratio of EBITDA in relation to the net financial items, net debt to EBITDA and bank loans in relation to the sum of fixtures and fittings, interests in associated companies, inventories and net trade receivables. The lender is contractually entitled to cancel the agreement for renegotiation or termination if the above requirements are not met. As of 31 December 2023, all conditions were met by a good margin.

### Financial risks and risk limitation

Bilia is exposed through its business operations to various kinds of financial risks.

By financial risks is meant fluctuations in Bilia's earnings and cash flow as a result of changes in exchange rates, interest rates, electricity prices, refinancing risks and credit risks. Bilia's finance policy for managing financial risks has been formulated by the Board of Directors and comprises a framework of guidelines and rules in the form of risk mandates and limits for the financing activities.

The various financial risks to which Bilia is exposed are described below.

### Liquidity risk

By liquidity risk, also called financing risk, is meant the risk that financing cannot be obtained at all, or only at excessively inflated costs, due to disruptions in the financial system. According to Bilia's finance policy at least 50 per cent of the lines of credit shall have a remaining maturity of at least one year. An agreement was signed in February 2023 for lines of credit of SEK 800 M in addition to the existing SEK 1,500 M. The total agreed SEK 2,300 M runs until March 2025. Bilia's financial liabilities amounted to SEK 9,452 M (9,686) at year-end, and the maturity structure of the debt is shown in the table Maturity structure – Financial liabilities.

Liquidity reserve	Total amount	Utilised	Available
Credit facilities and loans at DNB and Nordea	2,300	1,135	1,165
Available cash and cash equivalents			264
<b>Total</b>			<b>1,429</b>

## Maturity structure – Financial liabilities

The following table shows the maturity structure of the financial liabilities on the balance sheet date, undiscounted cash flows.

Financial liabilities	<1 year	1–5 years	>5 years	Total amount
Bond issue	83	1,479	—	1,562
Lease liabilities	840	2,356	2,194	5,390
Borrowing debts	1,522	4	12	1,538
Trade payables	1,604	—	—	1,604
Other financial liabilities	1	4	7	11
<b>Total</b>	<b>4,050</b>	<b>3,843</b>	<b>2,213</b>	<b>10,105</b>

## Market risk

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate due to changes in market prices. The market risks that affect the Group the most are interest rate risks and currency risks.

Bilia's goal is to manage and control market risks within established parameters while simultaneously optimising the result of the risk-taking within given limits. The parameters are set for the purpose of ensuring that the market risks will, in the short term (6–12 months), only have a marginal effect on Bilia's earnings and position. In the longer term, however, lasting changes in exchange rates and interest rates will have an impact on the consolidated profit.

### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will vary due to changes in market rates. Interest rate risk can consist of change in fair value and changes in cash flow. A significant factor influencing interest rate risk is the fixed interest rate period.

A short average fixed interest rate period in Bilia's loan portfolio means that large interest rate changes affect earnings almost immediately.

A long fixed interest rate period, on the other hand, means that the financing cost may fall out of step with the general price and inflation trend and therefore deviate significantly from the current cost of financing generally applicable in the sector. Bilia's assets are primarily of a current nature. The goal of the finance policy is to minimise the effects of an interest rate change.

At the balance sheet date, Bilia had the following interest rate profile on its financial instruments:

Carrying amounts with variable interest	2023	2022
Financial assets	264	456
Financial liabilities	7,693	6,939

### Sensitivity analysis

As of 31 December 2023, a general increase in the interest rate by 1 percentage point is expected to decrease the Group's profit before tax by SEK 67 M (58).

### Currency risk

Bilia is exposed to different types of currency risks. The foremost exposure comes from currency fluctuations on translation of the assets and liabilities of foreign subsidiaries to the parent company's functional currency, called translation exposure.

Derivative instruments such as interest rate swaps and forward exchange contracts are used to control Bilia's currency risk. They may only be used by the parent company's Finance Department or under its control and only to meet the requirements on minimising risk in a cost-effective manner as prescribed by the finance policy.

### Subsidiaries

All companies in Bilia are restricted in their sales to their home market and products are purchased in the local currency. Financing in the subsidiaries is in local currency and therefore no currency risk arises at the subsidiary level. In cases where currency risk nevertheless arises, it must be hedged, provided the currency risk on each occasion is not deemed marginal.

Currency swaps are used to eliminate exchange rate risks that arise in conjunction with the offsetting of bank balances in different currencies.

The table below shows outstanding holdings of currency swaps where Bilia has sold currency against SEK.

Currency swaps	2023		2022	
	Currency	SEK	Currency	SEK
NOK	-400	393	-550	581
EUR	-28	307	-37	410

Currency swaps fall due mainly within a month of the balance sheet date.

### Transaction exposure

Transaction exposure is limited by the fact that all sales and purchases take place in the local currency.

### Translation exposure

Foreign net assets in Bilia are denominated in the following currencies:

Currency	2023		2022	
	Amount	%	Amount	%
NOK	1,060	62	1,116	67
EUR	643	38	538	33

Bilia has a policy of not hedging translation exposures in foreign currencies.

### Sensitivity analysis

If the Norwegian krone and the euro were strengthened by 10 per cent against the Swedish krona, the pre-tax profit on translation of foreign subsidiaries would be improved by SEK 18 M (55) against the Norwegian krone and SEK 23 M (16) against the Euro.

### Price risks in costs for electricity

To hedge electricity costs, Bilia has decided to use electricity derivatives to even out price variations on the electricity market. Bilia hedges gradually up to five years and builds up the volume of electricity contracts for each delivery date.

The hedges meet the requirements for efficiency, which means that all changes due to price changes are reported in other comprehensive income. The forward contracts used to hedge forecasted electricity purchases are classified as cash flow hedges.

The of electricity derivatives at year end amounted to SEK 5 M (62), of which SEK 7 M matures within 12 months, SEK –1 M matures in 24 months, SEK –1 M matures after 36 months and the remaining thereafter. The fair value of derivatives used for hedging price fluctuations in electricity price amounted net after tax to SEK 4 M (49). Of this, SEK 7 M is reported in the balance sheet as current receivables and SEK 2 M as other non-current liabilities.

## Credit risk

### Financial activities

Financial risk management entails an exposure to credit risks. These are mainly counterparty risks associated with receivables from banks and other counterparties that arise in connection with purchases of derivative instruments.

By counterparty risk is meant the risk that the counterparty to an agreement will default on its financial obligations. Financial agreements may only be entered into with counterparties approved by the MD of Bilia AB.

### Trade receivables

The risk that Bilia's customers will default on their obligations, in other words that payment will not be received for

trade receivables before entering a transaction, constitutes a customer credit risk. Credit checks are run on Bilia's customers, whereby information on the customers' financial status is requested from different credit agencies. Bilia has established a credit policy for handling customer credits. The policy stipulates decision levels for different credit limits and how credits and doubtful debts are to be rated.

In this context, credit is equated with liability for customers' solvency that may remain after the credit has been taken over by a credit institution.

The maximum exposure to credit risk is shown by the carrying amount for the financial asset in question in the table below. For concentration of credit risk, see below.

As far as provision for doubtful receivables is concerned, an overall assessment is made of future payments together with credit history experience of losses on similar receivables. Most of the outstanding trade receivables are customers previously known to the Group with good credit ratings.

Trade receivables gross are recognised after taking into account realised bad debt losses, which amounted to SEK 3 M (6). Impairment loss for the year amounts to SEK 2 M (12).

	2023		2022	
	Gross	Impairment	Gross	Impairment
<b>Age analysis, trade receivables</b>				
Trade receivables not due	1,043	0	1,170	—
Overdue trade receivables 0–30 days	488	0	335	—
Overdue trade receivables 31–90 days	129	0	170	–2
Overdue trade receivables 91–180 days	25	–6	74	–12
Overdue trade receivables 181–360 days	15	–4	38	–4
Overdue trade receivables > 360 days	3	–6	14	–6
<b>Total</b>	<b>1,703</b>	<b>–17</b>	<b>1,801</b>	<b>–24</b>

Bilia's hire-purchase receivables amounts SEK 68 M (90). Bilia has reservation of title on cars sold equivalent to the market value, which is judged to be on a level with outstanding hire-purchase receivables.

## Recourse liabilities

Bilia has a repurchase commitment if lessees or borrowers default on their payment obligations for cars financed by Volvofinans Bank AB and brokered by Bilia. Bilia receives revenue for cars brokered to Volvofinans Bank AB. The revenue

is received for the most part continuously over the term of the contracts, and unrecognised revenue attributable to financing with recourse liabilities not due amounts to SEK 117 M (130). Credit losses for financing with recourse liabilities have historically been on a very low level.

	2023		2022	
	Gross	Impairment	Gross	Impairment
<b>Age analysis, recourse liabilities</b>				
Recourse liabilities not due	4,142	—	4,664	—
Overdue recourse liabilities 0–30 days	6	—	6	—
Overdue recourse liabilities 31–90 days	1	—	1	—
<b>Total</b>	<b>4,150</b>	<b>—</b>	<b>4,671</b>	<b>—</b>

## Concentration of credit risk

The three largest customers account for 30.4 per cent (16.9) of the trade receivables. The customers are primarily finance

companies as Bilia's business model includes brokering leasing agreements. The credit risk among these customers is judged to be low.

	2023		2022	
	Trade receivables	Recourse liabilities	Trade receivables	Recourse liabilities
<b>Allowance for credit risk</b>				
Opening balance	–24	—	–15	—
Reversal of previous impairment losses	8	—	3	—
Impairment losses for the year	–2	—	–12	—
Translation difference	0	—	0	—
<b>Closing balance</b>	<b>–17</b>	<b>—</b>	<b>–24</b>	<b>—</b>

## Note 27 Leases

### ▶ Accounting principle

Bilia applies IFRS 16 Leases in accounting for leases.

### Lessee

Leases are accounted for as an asset and a lease liability based on the future present value of all lease fees until the lease period comes to an end.

Leased assets are mainly facilities used for sales and service of cars. In some cases, lease payments are fixed for periods of three months based on applicable IBOR. In other cases, lease payments are linked to a portion of the consumer price index or similar index. Leases can be extended in most cases. An assessment and judgement about the likelihood of an extension of the lease using an extension option is made continuously.

Lease liabilities are specified as current and non current:

Lease liabilities	2023	2022
Current	818	737
Non current	3,791	3,529
<b>Total</b>	<b>4,608</b>	<b>4,266</b>

The assets are depreciated on a straight-line basis over the lease period and is accounted for as cost of goods sold, selling expenses and administrative expenses. An interest expense is calculated based on the lease liability and included as financial expense.

Specification of costs for leases	2023	2022
Depreciation	-605	-531
Interest expense on lease liabilities	-162	-116
Income from sublets of right-of-use assets	6	8
Short-term lease and leases of low value	-24	-13
<b>Consolidated statement of Income</b>	<b>-785</b>	<b>-652</b>

Cash flow below includes all leases, both cash flow leases accounted for as lease liabilities and cash flow for short term lease and lease of low value.

Reported Cash Flow	2023	2022
Cash flow related to leases	-714	-685

### Lessor

Revenue pertaining to operating leases is recognised in profit or loss for the year on a straight-line basis over the lease period.

Assets that are leased out under operating leases are recognised as property, plant and equipment and classified as Leased vehicles see Note 15 "Property, plant and equipment". These assets consist of:

- owned cars that are leased out under operating leases
- cars rented via finance leases that are leased out under operating leases
- sold cars combined with a future repurchase commitment at a guaranteed residual value

	2023	2022
Lease income for the year	422	404
<b>Total lease income for the year</b>	<b>422</b>	<b>404</b>
<b>Future lease income</b>		
Within one year	365	343
Between one and five years	146	147
Later than five years	—	0
<b>Total</b>	<b>510</b>	<b>490</b>

A cost of SEK 23 M (20) is recognised for repairs and maintenance of leased cars and facilities.

## Note 28 Capital commitments

The Group has concluded agreements to acquire SEK 155 M (188) worth of intangible non-current assets and property, plant and equipment. These commitments are mainly expected to be settled during the following financial year.

## Note 29 Pledged assets and contingent liabilities

### ▶ Accounting principle

Bilia applies IAS 37 Provisions, Contingent Liabilities and Contingent Assets in accounting for pledged assets and contingent liabilities.

Pledged assets	2023	2022
<b>For own liabilities and provisions</b>		
Floating charges	657	589
Leased vehicles and hire-purchase receivables	404	362
<b>Pledged assets</b>		
- Endowment policies	295	264
- Inventories	255	814
<b>Total</b>	<b>1,612</b>	<b>2,029</b>

Contingent liabilities	2023	2022
Surety	—	1
Pension obligations in addition to those accounted for as liabilities and provisions	299	264
Recourse liabilities	4,226	4,671
<b>Total</b>	<b>4,525</b>	<b>4,936</b>

### Recourse liabilities

Bilia has a repurchase commitment if lessees or borrowers default on their payment obligations for cars financed by Volvofinans Bank AB and brokered by Bilia. Bilia receives a commission for cars brokered to Volvofinans Bank AB. The commission is received for the most part continuously over the term of the contract, and non-revenue commission attributable to financing with recourse liabilities not due amounts to SEK 117 M (130). Credit losses for financing with recourse liabilities have historically been on a very low level.

## Note 30 Related parties

### ▶ Accounting principle

Bilia applies IAS 24 Related Party Disclosures in accounting for related parties.

Key management personnel consist of Board members, the MD and other senior officers. Disclosures regarding wages, salaries, options and other remunerations to key management personnel are presented in Note 8 "Employees, personnel costs and remunerations for senior officers".

Other transactions are reported in the table below.

Board members Mats Qviberg and Anna Engebretsen and their close family members control, directly and indirectly via Investment AB Öresund, approximately 29 per cent (29) of the votes in the company. Board member Nicklas Paulson is MD in Investment AB Öresund.

Related party transactions	2023	2022
Sales of goods and services to associated companies	762	547
Purchases of goods and services from associated companies	363	338
Commissions/ interest/ dividend from associated companies	98	120
Outstanding receivables from associated companies	44	41
Outstanding debt to associated companies	21	31
Contingent liabilities for associated companies	4,150	4,671
Sales of goods and services to key persons	2	0
Purchases of goods and services from key persons	1	0

Transactions with key management personnel are priced on market terms.

## Note 31 Cash and cash equivalents and specifications for cash flows

### ▶ Accounting principle

Bilia applies IAS 7 Statement of Cash Flows in accounting for cash flows.

	2023	2022
<b>The following items are included in cash and cash equivalents</b>		
Cash on hand and demand deposits	234	439
Cash on hand	1	11
Short-term investments, equivalent to cash	30	6
<b>Total according to Statement of Cash Flows</b>	<b>264</b>	<b>456</b>
<b>Interest paid and received</b>	<b>2023</b>	<b>2022</b>
Interest received	14	4
Interest paid	-346	-188
<b>Total</b>	<b>-332</b>	<b>-184</b>
<b>Depreciation/amortisation and impairment losses</b>	<b>2023</b>	<b>2022</b>
Depreciation/amortisation	1,404	1,311
Impairment losses	3	42
<b>Total</b>	<b>1,407</b>	<b>1,353</b>
<b>Other items not affecting cash</b>	<b>2023</b>	<b>2022</b>
Capital gain on sales of property, plant and equipment	3	-372
Profit from shares in associated companies	-75	-67
Revaluation of put option	-32	-32
Other provisions	-33	7
Other	-42	-28
<b>Total</b>	<b>-179</b>	<b>-492</b>

**Reconciliation of liabilities deriving from financing activities**

	Opening liabilities 2023	Cash Flows	Non-cash adjustments			Closing liabilities 2023
			Acquisition of subsidiaries	Other changes net	Exchange rate differences	
Other loans	1,368	520	—	-138	27	1,776
Personnel fund	5	—	—	—	—	5
Bond issue	1,300	—	—	—	—	1,300
Lease liabilities	4,266	-538	—	823	57	4,608
<b>Total liabilities deriving from financing activities</b>	<b>6,939</b>	<b>-18</b>	<b>—</b>	<b>685</b>	<b>84</b>	<b>7,689</b>

	Opening liabilities 2022	Cash Flows	Non-cash adjustments			Closing liabilities 2022
			Acquisition of subsidiaries	Other changes net	Exchange rate differences	
Other loans	283	1,046	72	24	-57	1,368
Personnel fund	5	—	—	—	—	5
Bond issue	1,300	—	—	—	—	1,300
Lease liabilities	3,942	-618	376	644	-78	4,266
<b>Total liabilities deriving from financing activities</b>	<b>5,530</b>	<b>428</b>	<b>448</b>	<b>668</b>	<b>-135</b>	<b>6,939</b>

**Note 32 Events after the balance sheet date****▶ Accounting principle**

Bilia applies IAS 10 Events After the Reporting Period in accounting for events after the balance sheet date.

On 23 February 2024 Bilia reached an agreement to acquire Bil AB Ove Olofsson and Olofsson Däckcenter AB in Stockholm. The business is conducted in five facilities, of which four facilities in Haninge and one facility in Nacka. Bil AB Ove Olofsson is a dealer of Volkswagen, Audi, Skoda, Seat and Cupra cars as well as Volkswagen transport vehicles with associated sales of used cars and service operations with associated tire operations in Olofsson Däckcenter AB.

The agreement is conditional on approval from the Swedish Competition Authority. The deal is expected to take place on April 2, 2024. During the business year 2023, the operations turnover amounted to approximately SEK 1.3 Bn, with an operating margin of 3.2 percent. The number of employees were 165 at the end of 2023. The capital employed plus agreed surplus values amounts to approximately SEK 200 M.

On 23 February 2024, the remaining 10 per cent of the shares in Bilia Holding S.à r.l., Luxembourg were acquired by settling the provision for issued put option recognised in Note 22 "Provisions".

**Note 33 Information about the Parent Company**

Bilia AB (publ) is a Swedish-registered limited company domiciled in Gothenburg. The Parent Company's shares are registered on Nasdaq Stockholm.

The postal address to the head office is:

Bilia AB (publ)  
Box 9003  
SE-400 91 Gothenburg, Sweden

Visiting address: Norra Långebergsgatan 3, Västra Frölunda  
Telephone: +46 10 497 70 00  
bilia.com  
Corporate ID No.: 556112-5690

The consolidated accounts for 2023 comprise the Parent Company and its subsidiaries, together called the Group. The Group also includes holding in associated company. Bilia is a car dealer with service workshops located in the operating countries Sweden, Norway, Luxembourg and Belgium.



# Income Statement for the Parent Company

SEK M	Note	2023	2022
Net turnover	2	781	687
Administrative expenses	3, 4	-943	-788
<b>Operating result</b>	20	<b>-162</b>	<b>-101</b>
<b>Result from financial items</b>			
Profit from shares in Group companies	5	-10	357
Other interest income and similar line items	5	131	54
Interest expenses and similar line items	5	-169	-63
<b>Profit after financial items</b>		<b>-209</b>	<b>247</b>
Appropriations	6	980	1,048
<b>Profit before tax</b>		<b>771</b>	<b>1,295</b>
Tax	7	-160	-207
<b>Net profit for the year <sup>1)</sup></b>		<b>611</b>	<b>1,088</b>

<sup>1)</sup> Net profit for the year coincides with comprehensive income for the year.

# Balance Sheet for the Parent Company

SEK M	Note	31/12/23	31/12/22
<b>Assets</b>	18, 21		
<b>Non-current assets</b>			
<b>Intangible assets</b>	8		
Intellectual property		0	0
<b>Total intangible assets</b>		<b>0</b>	<b>0</b>
<b>Property, plant and equipment</b>	9		
Buildings		136	142
Construction in progress		103	42
Equipment, tools, fixtures and fittings		7	9
<b>Total property, plant and equipment</b>		<b>246</b>	<b>193</b>
<b>Long-term investments</b>			
Shares in Group companies	10	3,140	3,136
Other securities held as non-current assets	11	1	1
Receivables from Group companies	22, 23	447	—
Deferred tax asset	7	75	68
<b>Total long-term investments</b>		<b>3,663</b>	<b>3,205</b>
<b>Total non-current assets</b>		<b>3,908</b>	<b>3,398</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Trade receivables		0	3
Tax receivables		2	—
Receivables from Group companies	23	3,083	2,145
Other receivables		54	56
Prepaid expenses and accrued income		139	130
<b>Total current receivables</b>		<b>3,279</b>	<b>2,334</b>
Cash on hand and demand deposits		1	65
<b>Total current assets</b>		<b>3,280</b>	<b>2,399</b>
<b>Total assets</b>		<b>7,188</b>	<b>5,797</b>

# Balance Sheet for the Parent Company

SEK M	Note	31/12/23	31/12/22
<b>Equity and liabilities</b>	18, 21		
<b>Equity</b>	12		
<b>Restricted equity</b>			
Share capital (96,299,952 shares)		257	257
Statutory reserve		47	47
<b>Total restricted equity</b>		<b>304</b>	<b>304</b>
<b>Non-restricted equity</b>			
Share premium reserve		167	167
Retained earnings		134	-146
Net profit for the year		611	1,088
<b>Total non-restricted equity</b>		<b>912</b>	<b>1,109</b>
<b>Total equity</b>		<b>1,216</b>	<b>1,413</b>
<b>Untaxed reserves</b>	13	<b>1,553</b>	<b>1,418</b>
<b>Provisions</b>			
Deferred tax liability	7	9	10
<b>Total provisions</b>		<b>9</b>	<b>10</b>
<b>Non-current liabilities</b>			
Bond issue	16, 19	1,295	498
Liabilities to Group companies	16, 19, 23	447	—
Other liabilities	16, 19	139	156
<b>Total non-current liabilities</b>		<b>1,881</b>	<b>654</b>
<b>Current liabilities</b>			
Trade payables	19	141	115
Bond issue	16, 19	—	800
Short-term interest-bearing liabilities	16, 19	1,136	703
Current tax liability		—	58
Liabilities to Group companies	23	816	240
Other liabilities		222	191
Accrued expenses and deferred income	17	214	195
<b>Total current liabilities</b>		<b>2,529</b>	<b>2,302</b>
<b>Total equity and liabilities</b>		<b>7,188</b>	<b>5,797</b>

Pledged assets and contingent liabilities for the Parent Company, see Note 22.

# Statement of Changes in Equity for the Parent Company

SEK M	Restricted equity		Non-restricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Net profit for the year	
<b>Opening equity 1 Jan. 2022</b>	<b>257</b>	<b>47</b>	<b>167</b>	<b>349</b>	<b>762</b>	<b>1,582</b>
Reposting of last year's profit	—	—	—	762	-762	—
Dividend (SEK 8.00 per share)	—	—	—	-740	—	-740
Buy-back of own shares	—	—	—	-525	—	-525
Incentive programme	—	—	—	6	—	6
Net profit for the year	—	—	—	—	1,088	1,088
<b>Closing equity 31 Dec. 2022</b>	<b>257</b>	<b>47</b>	<b>167</b>	<b>-146</b>	<b>1,088</b>	<b>1,413</b>

<b>Opening equity 1 Jan. 2023</b>	<b>257</b>	<b>47</b>	<b>167</b>	<b>-146</b>	<b>1,088</b>	<b>1,413</b>
Reposting of last year's profit	—	—	—	1,088	-1,088	—
Dividend (SEK 8.80 per share)	—	—	—	-809	—	-809
Incentive programme	—	—	—	2	—	2
Net profit for the year	—	—	—	—	611	611
<b>Closing equity 31 Dec. 2023</b>	<b>257</b>	<b>47</b>	<b>167</b>	<b>134</b>	<b>611</b>	<b>1,216</b>

# Cash Flow Statement for the Parent Company

SEK M	Note	2023	2022
<b>Operating activities</b>	24		
Profit after financial items		-209	247
Other items not affecting cash		41	55
Tax paid		-228	-203
<b>Cash flow from operating activities before change in working capital</b>		<b>-397</b>	<b>99</b>
Change in operating receivables		-942	-678
Change in operating liabilities		579	-173
<b>Cash flow from operating activities</b>		<b>-762</b>	<b>-752</b>
<b>Investing activities</b>			
Acquisition of non-current assets (intangible and tangible)		-80	-13
<i>Operating cash flow</i>		<b>-842</b>	<b>-765</b>
Submitted shareholder contributions		-10	—
Investments in financial assets		—	-7
Acquisition of subsidiaries		-3	-726
<b>Cash flow from investing activities</b>		<b>-93</b>	<b>-732</b>
<b>Financing activities</b>			
Borrowings		800	—
Repayment of loans		-800	—
Net change in short credit facility		150	846
Buy-back of own shares		—	-525
Dividend paid		-607	-556
Group contributions received		1,248	1,224
<b>Cash flow from financing activities</b>		<b>791</b>	<b>989</b>
<b>Change in cash and cash equivalents</b>		<b>-64</b>	<b>-494</b>
Cash and cash equivalents at start of year		65	559
Cash and cash equivalents at year-end		1	65

# Notes to the Parent Company Financial Statements

Amounts in SEK M unless otherwise stated.

## Note 1 Key accounting principles

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The statements regarding listed companies issued by the Swedish Financial Reporting Board are also applied. Under RFR 2, the Parent Company shall, in preparing the annual accounts for the legal entity, apply all IFRS's and statements adopted by the EU whenever this is possible within the framework of the Annual Accounts Act and the Act on Safeguarding of Pension Obligations, while taking account of the relationship between accounting and taxation. The recommendation stipulates which exceptions and additions shall be made to the IFRSs.

The Parent Company applies the same accounting principles as the Group, except in the cases described below.

The Parent Company's accounting principles have been applied consistently to all periods presented in the Parent Company's financial statements.

### Presentation and formats

An Income Statement is presented for the Parent Company where a Consolidated Statement of Income and Other Comprehensive Income is presented for the Group. Furthermore, the designations Balance Sheet and Cash Flow Statement are used for the Parent Company for those statements which in the Group are entitled Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows, respectively. The Income Statement and the Balance Sheet for the Parent Company follow the formats stipulated in the Annual Accounts Act, while the Consolidated Statement of Income and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences in the Parent Company's Income Statement and Balance Sheet, compared with the consolidated statements, consist mainly of reporting of equity and the occurrence of provisions as a separate heading in the Balance Sheet.

### Subsidiaries

Interests in subsidiaries are accounted for in the Parent Company according to the cost method. This means that transaction costs are included in the carrying amount of holdings in subsidiaries.

Contingent considerations are measured based on the probability that the purchase consideration will be paid. Any changes in the provision are added to the cost.

### Revenue

#### Rental income

The Parent Company rents most of the properties in the Swedish part of the Group. The rents are further invoiced to the subsidiaries. Rental income and costs are recognised gross in the Parent Company in the period to which they are attributable.

#### Anticipated dividends

Anticipated dividend from a subsidiary is recognised in cases where the Parent Company alone is entitled to determine the size of the dividend and the Parent Company has made a decision on the size of the dividend before the Parent Company has published its financial statements.

### Financial guarantees

The Parent Company's financial guarantee contracts consist mainly of guarantees for the benefit of Group companies. Financial guarantees require the company to reimburse the holder of a debt instrument for losses the latter incurs due to the fact that a stipulated debtor fails to make payment when due under the terms of the contract. In accounting for financial guarantee contracts, the Parent Company applies an exemption rule allowed by the Swedish Financial Reporting Board, compared with the rules in IAS 39. The exemption rule pertains to financial guarantee contracts issued for the benefit of subsidiaries. The Parent Company recognises financial guarantee contracts as provision in the Balance Sheet when the company has an obligation and an outflow of resources will probably be required to settle the obligation.

### Leased assets

In the Parent Company, all leases are accounted for in accordance with the rules for operating leases.

### Financial instruments

The parent company applies the exception rules in IFRS 9, which means that financial instruments are valued at acquisition value. Bilia does not apply hedge accounting in the parent company.

### Taxes

In the Parent Company, in contrast to the Group, untaxed reserves are recognised without being divided into equity and deferred tax liability. In a similar manner, in the Parent Company Income Statement, no reallocation of appropriations is made to deferred tax expense.

### Group contributions and shareholder contributions

Shareholder contributions paid are capitalised in shares and interests, to the extent impairment loss is not recognised.

Group contributions paid and received are recognised as appropriations.

## Note 2 Allocation of revenue

	2023	2022
<b>Net turnover/function</b>		
Rental income	496	409
IT and educational services	8	8
Other	277	270
<b>Total</b>	<b>781</b>	<b>687</b>

## Note 3 Employees and personnel costs

Information regarding the Parent Company's employees and personnel costs is furnished in the Group's Note 8 "Employees, personnel costs and remunerations for senior officers."

## Note 4 Fees and cost reimbursement to auditors

SEK M	2023	2022
<b>PwC</b>		
Auditing assignment	-2	-1
Auditing activities other than the auditing assignment	0	0
Tax advice	—	—
Other assignments	—	—

By "Auditing assignment" is meant statutory audit of the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director, plus auditing and other examination as agreed-on or contracted. This includes other tasks that are incumbent upon the company's auditor to perform plus advice or other assistance arising from observations in connection with such auditing or performance of such other tasks. All else is classified as "Auditing activities other than the auditing assignment", "Tax advice" and "Other assignments".

## Note 5 Net financial items

	2023	2022
<b>Result from investments in Group companies</b>		
Result from shares in Group companies	0	11
Dividend	—	368
Impairment losses	-10	-22
<b>Total</b>	<b>-10</b>	<b>357</b>
<b>Interest income and similar line items</b>		
Interest income from Group companies	130	53
Interest income, other	1	1
<b>Total</b>	<b>131</b>	<b>54</b>
<b>Interest expenses and similar line items</b>		
Interest expenses from Group companies	-28	-5
Interest expenses, other	-133	-41
Exchange losses	-8	-17
<b>Total</b>	<b>-169</b>	<b>-63</b>

## Note 6 Appropriations

	2023	2022
<i>Difference between recognised depreciation/amortisation and depreciation/amortisation according to plan:</i>		
Intellectual property	—	0
Building equipment	0	0
Equipment, tools, fixtures and fittings	3	1
<i>Tax allocation reserves:</i>		
Reversal of tax allocation reserve, allocated financial year 2016	—	115
Provision to tax allocation reserve, allocated financial year 2022	—	-316
Reversal of tax allocation reserve, allocated financial year 2017	135	—
Provision to tax allocation reserve, allocated financial year 2023	-273	—
<i>Group contributions:</i>		
Group contributions received	1,160	1,278
Group contributions paid	-45	-30
<b>Total</b>	<b>980</b>	<b>1,048</b>

## Note 7 Taxes

### Recognised in the Income Statement

	2023	2022
<b>Current tax expense (-)/tax income (+)</b>		
Tax expense/income for the year	-169	-194
Adjustment of tax attributable to previous years	1	0
<b>Total current tax</b>	<b>-168</b>	<b>-194</b>
<b>Deferred tax expense (-)/tax income (+)</b>		
Deferred tax pertaining to temporary differences	8	-13
<b>Total deferred tax</b>	<b>8</b>	<b>-13</b>
<b>Total tax expense recognised</b>	<b>-160</b>	<b>-207</b>

	2023		2022	
	Amount	%	Amount	%
<b>Reconciliation of effective tax</b>				
Profit before tax	771		1,295	
Tax according to applicable tax rate	-159	20.6	-267	20.6
Tax effect attributable to impairment of group companies	-2	0.3	-5	0.4
Tax effect of non-deductible expenses	-5	0.6	-15	1.2
Tax effect of non-taxable revenues	10	-1.3	0	0.0
Tax effect of non-taxable dividends from group companies	—	—	76	-5.9
Tax effect of changed tax rate	-2	0.3	-1	0.1
Tax effect on acquired equipment	—	—	2	-0.2
Standard interest on tax allocation reserve	-5	0.6	-1	0.1
Direct deduction, buildings	2	-0.3	4	-0.3
<b>Effective tax recognised</b>	<b>-160</b>	<b>20.8</b>	<b>-207</b>	<b>16.0</b>

### Recognised in the Balance Sheet

	Deferred tax asset		Deferred tax liability		Net	
	2023	2022	2023	2022	2023	2022
<b>Deferred tax assets and liabilities</b>						
<b>Deferred tax assets and liabilities recognised</b>						
<i>Deferred tax assets and liabilities are attributable to the following:</i>						
Building	1	—	9	10	-8	-10
Pension provisions	73	66	—	—	73	66
Restructuring costs	1	2	—	—	1	2
<b>Tax assets/liabilities</b>	<b>75</b>	<b>68</b>	<b>9</b>	<b>10</b>	<b>66</b>	<b>58</b>

The change in the Parent Company between the years has been recognised as deferred tax expense/income in the Income Statement.



## Note 8 Intangible assets

	Software, internally developed		Software, acquired		Total intellectual property	
	2023	2022	2023	2022	2023	2022
<b>Accumulated costs</b>						
At start of year	1	5	8	17	9	22
Reclassifications	—	-2	—	2	—	—
Retirements	—	-2	—	-11	—	-14
	<b>1</b>	<b>1</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</b>
<b>Accumulated amortisation</b>						
At start of year	0	-4	-8	-17	-8	-21
Reclassifications	—	2	—	-2	—	—
Retirements	—	2	—	11	—	14
Amortisation for the year	—	—	—	—	—	—
	<b>0</b>	<b>0</b>	<b>-8</b>	<b>-8</b>	<b>-8</b>	<b>-7</b>
<b>Accumulated impairment losses</b>						
At start of year	-1	-1	0	0	-1	-1
	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
<b>Carrying amount at year-end</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Amortisation and impairment losses

Amortisation is included on the following lines in the Income Statement:

	Software, internally developed		Software, acquired		Total intellectual property	
	2023	2022	2023	2022	2023	2022
Administrative expenses	—	—	—	—	—	—

## Note 9 Property, plant and equipment

	Buildings		Construction in progress		Equipment, tools, fixtures and fittings	
	2023	2022	2023	2022	2023	2022
<b>Accumulated costs</b>						
At start of year	239	281	42	9	15	17
Purchases	19	2	61	43	0	0
Disposals and retirements	—	-50	—	-3	—	-3
Reclassifications	—	6	—	-7	—	1
	<b>258</b>	<b>239</b>	<b>103</b>	<b>42</b>	<b>15</b>	<b>15</b>
<b>Accumulated depreciation</b>						
At start of year	-97	-94	—	—	-6	-6
Disposals and retirements	—	21	—	—	—	2
Depreciation for the year	-25	-24	—	—	-2	-2
	<b>-122</b>	<b>-97</b>	<b>—</b>	<b>—</b>	<b>-8</b>	<b>-6</b>
<b>Carrying amount at year-end</b>	<b>136</b>	<b>142</b>	<b>103</b>	<b>42</b>	<b>7</b>	<b>9</b>

### Depreciation and impairment losses

Depreciation is included on the following lines in the Income Statement:

	Buildings		Construction in progress		Equipment, tools, fixtures and fittings	
	2023	2022	2023	2022	2023	2022
Administrative expenses	-25	-24	—	—	-2	-2

## Note 10 Shares in Group companies

### Specification of Bilia AB's and the Group's holdings of shares in Group companies

Subsidiaries	Country	Corporate ID no.	Domicile	Number of shares	Stake in %	Carrying amount	
						2023	2022
Bilia Ferdinand Syd AB	Sweden	556650-2075	Malmö	10	100	444	444
M Bilar Group AB	Sweden	556203-5583	Västerås	10,000	100	365	364
Bilia Holding S.à r.l.	Luxembourg	B204406	Luxembourg	30,211	90	364	364
.Bilia Luxembourg SARL	Luxembourg	B204743	Luxembourg				
.Bilia Arlon SA	Belgium	0412 804 284	Arlon				
Bilia Personbilar AB	Sweden	556063-1086	Gothenburg	1,000,000	100	310	310
.EBD Scandinavia AB	Sweden	559003-6207	Stockholm				
Bilia Söderbergs Bil AB	Sweden	556150-9224	Norrköping	3,000	100	284	284
Bilia Center Auto AB	Sweden	559082-3851	Stockholm	300,000	100	259	259
.Holmgrens Truck-Motor AB	Sweden	556254-0293	Gällivare				
Bilia Norge AS	Norway	976 023 188	Oslo	150,000	100	197	197
.Toyota Bilias AS	Norway	980 648 915	Trondheim				
.Jensen & Scheele Bil AS	Norway	960 968 727	Halden				
.Felgteknikk Norge AS	Norway	999 080 480	Råde				
.AS Insignia	Norway	979 474 075	Oslo				
.Kokstad Autosenter AS	Norway	911 577 313	Bergen				
.Kokstad Autosenter Bilutleie AS	Norway	925 148 253	Bergen				
.Johan Follestadsvei 19 AS	Norway	921 397 216	Oslo				
.Bil1Din Holding AS	Norway	929 264 924	Skage i Namdalen				
.Norwegian Mobility Import AS	Norway	931 541 471	Oslo				
.Bilia X AS	Norway	932 058 936	Oslo				
Bilia Center Metro AB	Sweden	556656-0925	Gothenburg	10,000	100	184	184
ECRIS AB	Sweden	556484-6334	Gothenburg	11,000	100	85	85
Bilia Center AB	Sweden	556083-0084	Gothenburg	500	100	85	85
Autohaus Bilias GmbH & Co. KG	Germany	HRA 3167	Nidda	1	100	82	82
.Autohaus Bilias Verwaltungs GmbH	Germany	HRB 6551	Nidda				
Riddersbergs Fastighets AB	Sweden	556902-1479	Gothenburg	500	100	79	79
Fastighetsbolaget Ellipsvägen 4 AB	Sweden	556052-1956	Huddinge	1,000	100	61	61
City Däck Öresund AB	Sweden	556884-0598	Malmö	505	100	56	56
Jönköpings Bildemontering AB	Sweden	556144-3614	Gothenburg	2,000	100	54	54
Allbildelar Försäljning i Huddinge AB	Sweden	556355-3378	Gothenburg	3,000	100	40	40
Fastighetsbolaget Brunnsvägen 35 AB	Sweden	556035-5322	Södertälje	2,400	100	35	35
Fastighetsbolaget Returen 3 Norrköping AB	Sweden	556508-0875	Norrköping	2,400	100	32	32
Ferdinand fastigheter i Malmö AB	Sweden	559049-6690	Gothenburg	500	100	29	29
Söderberg Finans AB	Sweden	556898-4602	Norrköping	5,000	100	20	20
Motorit AB	Sweden	556054-6573	Gothenburg	160,000	100	19	19
Fastighetsbolaget Eskilstuna Navaren 7 AB	Sweden	556457-6949	Eskilstuna	4,000	100	17	17
Allbildelar i Huddinge AB	Sweden	556164-2710	Huddinge	1,300	100	12	12
Bastborren Fastighets AB	Sweden	556229-8447	Västerås	1,000	100	9	9
Ferdinand fastigheter i Helsingborg AB	Sweden	559095-4094	Gothenburg	500	100	8	8
Dalskogen fastighets AB i Lysekil	Sweden	556972-6788	Uddevalla	50,000	100	4	4
Fastighets AB Strängnäs Graniten 4	Sweden	559040-7846	Strängnäs	1,000	100	2	2
Bilia BMU AB	Sweden	556046-5659	Gothenburg	10,000	100	2	2
Bilia Holding Flanders NV	Belgium	0700 639 017	Lochristi	2,460	100	1	1
.Bilia Verstraeten NV	Belgium	0448 629 354	Lochristi				
.Gent Store by Bilias Verstraeten BVBA	Belgium	0806 943 493	Gent				
Bilia Outlet AB	Sweden	556059-0803	Gothenburg	1,000	100	0	0
Fastighetsbolaget Uppställningen AB	Sweden	559220-3144	Stockholm	500	100	0	0
Bilia X AB	Sweden	559363-5419	Gothenburg	25,000	100	0	0
Bilia 123 AB	Sweden	559428-2948	Stockholm	25,000	100	0	—
Bilia 101224 AB	Sweden	559447-2952	Sundsvall	2,000	100	2	—
Bilia 101189 AB	Sweden	559441-4830	Gothenburg	1,000	100	0	—
Bilia 456 AS	Norway	931 752 367	Oslo	3,000	100	0	—
<b>Carrying amount</b>						<b>3,139</b>	<b>3,136</b>

## Change in holdings of shares in Group companies

	2023	2022
<b>Accumulated costs</b>		
At start of year	5,143	4,409
Acquisitions	3	734
Shareholder contribution	10	—
	<b>5,156</b>	<b>5,143</b>
<b>Accumulated impairment losses</b>		
At start of year	-2,397	-2,375
Impairment loss for the year	-10	-22
	<b>-2,407</b>	<b>-2,397</b>
<b>Accumulated revaluation gains</b>		
At start of year	390	390
	<b>390</b>	<b>390</b>
<b>Carrying amount at year-end</b>	<b>3,139</b>	<b>3,136</b>

Based on paragraph 264 b HGB (German Commercial Code) Autohaus Bilia GmbH & Co KG, Nidda, Germany is liberated from the obligation to prepare financial statements and management report based on German accounting rules for limited companies. Additionally, it is not necessary to audit and publish the financial statements according to paragraph 264 b HGB.

## Note 11 Other securities held as non-current assets

	2023	2022
<b>Accumulated costs</b>		
At start of year	8	8
	<b>8</b>	<b>8</b>
<b>Accumulated impairment losses</b>		
At start of year	-7	-7
	<b>-7</b>	<b>-7</b>
<b>Carrying amount at year-end</b>	<b>1</b>	<b>1</b>

## Note 12 Equity

### Share capital and premium

Thousands of shares	Ordinary shares	
	2023	2022
Issued on 1 January	96,300	102,800
Withdrawal of shares	—	-6,500
<b>Issued on 31 December</b>	<b>96,300</b>	<b>96,300</b>

As of 31 December 2023, the registered share capital comprised 96,299,952 ordinary shares (96,299,952).

Holder of ordinary shares are entitled to a dividend that is established from year to year, and their share holding entitles them to exercise one vote per share at the AGM. All shares have the same right to Bilia's remaining net assets.

## Proposed distribution of profits

The Board of Directors proposes that the earnings available for distribution, SEK 912,316,665, be disposed of as follows:

Cash dividend, SEK 6.60 per share <sup>1)</sup>	607,096,004
To be carried forward, SEK	305,220,661
<b>Total, SEK</b>	<b>912,316,665</b>

<sup>1)</sup> Based on the number of shares outstanding on 31 December 2023, 91,984,243 (excluding holdings of own shares 4,315,709).

The Board of Directors' dividend proposal will be subject to adoption at the Annual General Meeting on 24 April 2024.

## Restricted reserves

Restricted reserves may not be diminished by distribution of profits.

## Non-restricted equity

### Retained earnings

Retained earnings consist of last year's non-restricted equity after distribution of profits (if any). Retained earnings and net profit for the year together comprise non-restricted equity, which is the amount that is available for distribution to the shareholders.

## Share premium reserve

When shares are issued at a premium, i.e. when the price paid for the shares is more than their quotient value, an amount corresponding to the amount obtained in excess of the shares' quotient value shall be transferred to the share premium reserve.

## Stock split

Existing shares are divided and adjusted retroactively for the years reported.

## Note 13 Untaxed reserves

	2023	2022
Tax allocation reserve, year 2017	—	133
Tax allocation reserve, year 2018	170	170
Tax allocation reserve, year 2019	211	211
Tax allocation reserve, year 2020	253	253
Tax allocation reserve, year 2021	292	292
Tax allocation reserve, year 2022	316	316
Tax allocation reserve, year 2023	273	—
Accumulated depreciation in excess of plan	40	42
<b>Total untaxed reserves</b>	<b>1,553</b>	<b>1,418</b>

## Note 14 Liabilities to credit institutions

	2023	2022
<b>Current liabilities</b>		
Granted credit	2,300	1,500
Unutilised credit	1,165	856
<b>Utilised credit</b>	<b>1,135</b>	<b>644</b>

## Note 15 Pensions

### Net pension obligations

Costs for pensions	2023	2022
<i>Pensions through insurance</i>		
Insurance premiums	26	25
<b>Subtotal</b>	<b>26</b>	<b>25</b>
Special payroll tax on pension costs	15	-4
<b>Pension cost for the year</b>	<b>41</b>	<b>21</b>
<b>Recognised net cost attributable to pensions</b>	<b>41</b>	<b>21</b>

Of the recognised net cost, SEK 41 M (21) is in the operation and SEK 0 M (0) in net financial items. Special payroll tax is partly attributable to defined benefit pension obligations, whereby the cost of payroll tax is not necessarily in relation to the year's insurance premiums and explains why it's reported as an income for 2022.

### Defined-contribution plans

The Parent Company has defined-contribution pension plans that are paid for entirely by the company. Payments are made to these plans on a regular basis in accordance with the rules in each plan.

	2023	2022
Costs for the year for defined-contribution plans <sup>1)</sup>	26	25

<sup>1)</sup> Of which SEK 15 M (16) pertaining to ITP plan funded in Alecta.

The Parent Company estimates that SEK 33 M will be paid in 2024 to the defined-contribution plans, of which Alecta SEK 14 M.

For further information on pensions, share-based payments and benefits to senior officers, see the Group's Note 8 "Employees, personnel costs and remunerations for senior officers" and Note 21 "Pensions".

## Note 16 Interest-bearing liabilities

	2023	2022
<b>Non-current liabilities, interest-bearing</b>		
Bond issue	1,295	498
Liabilities to Group companies	447	—
Personnel fund	5	5
<b>Total</b>	<b>1,747</b>	<b>503</b>

### Current liabilities, interest-bearing

Bond issue	—	800
Short-term interest liabilities	1,136	703
<b>Total</b>	<b>1,136</b>	<b>1,503</b>

### Liabilities that fall due for payment more than five years after the balance sheet date

	2023	2022
Personnel fund	5	5
<b>Total</b>	<b>5</b>	<b>5</b>

## Note 17 Accrued expenses and deferred income

	2023	2022
Accrued wages and salaries	43	44
Accrued social security contributions	100	89
Accrued interest	12	11
Other accrued expenses	59	51
<b>Total</b>	<b>214</b>	<b>195</b>

## Note 18 Financial instruments

Fair value and carrying amount for financial instruments and categorisation are presented below:

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Assets measured at fair value through the Income Statement</i>				
Currency swaps	—	—	1	1
<i>Interest-bearing assets measured at amortised cost</i>				
Trade receivables	0	0	3	3
Cash and cash equivalents	1	1	65	65
<i>Debts measured at fair value through the Income Statement</i>				
Currency swaps	6	6	—	—
<i>Debts measured at amortised cost</i>				
Personnel fund	5	5	5	5
Trade payables	141	141	115	115
Bond issue	1,295	1,295	1,298	1,298
Short-term interest liabilities	1,136	1,136	703	703

The table below furnish information on how fair value has been determined for the financial instruments that are measured at fair value in the Statement of Financial Position. Fair value is determined on the basis of the following three levels:

Level 1: according to prices on an active market for the same instrument.

Level 2: based on directly or indirectly observable market data not included in level 1.

Level 3: based on inputs that are not observable on the market.

### Fair Value Measurement

For a summary of the most important methods and assumptions that have been used to establish fair value, see Group Note 25 "Financial instruments".

Level 2	2023	2022
Financial assets measured at fair value through profit or loss/Currency swaps	—	1
Financial debts measured at fair value through profit or loss/Currency swaps	6	—

## Note 19 Financial risks and risk management

### Bilia AB

#### Shares in subsidiaries

The Parent Company's share holdings in the non-Swedish subsidiaries entail a currency exposure for Bilia. At present, Bilia AB does not hedge its share holdings in foreign currencies.

For further information see Group Note 26 "Financial risks and risk management".

## Note 20 Operating leases

### Leases for premises and office equipment

The Parent Company's leases mainly pertain to premises that have been sublet to the Swedish subsidiaries and office equipment. At year-end 2023, the property leases covered about 358,000 square meters (355,000).

In some cases, lease payments are fixed for periods of three months based on STIBOR. In other cases, lease payments are linked to a portion of the consumer price index or similar index. Leases can be extended in most cases.

### Leases – lessee

Non-cancellable lease payments amount to:

	2023	2022
Total lease costs for the year	-487	-398
<b>Future lease payments</b>		
Within one year	-485	-437
Between one and five years	-1,605	-1,517
Later than five years	-1,452	-1,609
<b>Total</b>	<b>-4,029</b>	<b>-3,563</b>

### Leases – lessor

Assets that are leased out under operating leases are recognised as property, plant and equipment. These assets consist of leasehold improvements. The year's and future non-cancellable lease payments are as follows:

	2023	2022
Total lease payments for the year	515	424

The contractual annual rent is SEK 515 M and the leases expire between 2024 and 2036.

## Note 21 Capital commitments

The Parent Company concluded agreements to invest SEK 139 M (170) in non-current assets. These commitments are mainly expected to be settled during the following financial year.

## Note 22 Pledged assets and contingent liabilities

Pledged assets	2023	2022
<b>For own liabilities and provisions</b>		
<i>Pledged assets</i>		
– Endowment policies	285	254
– Promissory note loan	447	447
<b>Total pledged assets</b>	<b>732</b>	<b>701</b>
<b>Contingent liabilities</b>	<b>2023</b>	<b>2022</b>
Rent guarantees <sup>1)</sup>	96	122
Guarantee for the benefit of subsidiaries	319	1,028
<b>Total contingent liabilities</b>	<b>415</b>	<b>1,150</b>

<sup>1)</sup> The amount pertains to rent guarantees of SEK 96 M (122) pledged for Bilia AB's subsidiaries in Norway and Sweden. The stipulated amount is the annual rent for leases of varying length.

## Note 23 Related parties

Bilia AB has a related party relationship with its subsidiaries, see Note 10 "Shares in Group companies".

Key management personnel consist of Board members, the Managing Director and other senior officers. Disclosures regarding wages, salaries and other remuneration to key management personnel are presented in the Group's Note 8 "Employees, personnel costs and remunerations for senior officers". Other transactions are reported in the table below.

Board members Mats Qviberg and Anna Engebretsen and their close family members control, directly and indirectly via Investment AB Öresund, approximately 29 per cent (29) of the votes in the company. Board member Nicklas Paulson is MD of Investment AB Öresund. Board members Jan Pettersson and Gunnar Blomkvist hold an accrued pension that is reported as a pension obligation to former senior officers in the Group's Note 8 "Employees, personnel costs and remunerations for senior officers".

Related party transactions	2023	2022
Sales of goods and services to subsidiaries	775	678
Purchases of goods and services from subsidiaries	25	24
Commissions, interests and dividend from subsidiaries	121	422
Receivables from subsidiaries	3,530	2,145
Liabilities to subsidiaries	1,263	240
Contingent liabilities for subsidiaries	415	1,150

Transactions with key management personnel are priced on market terms.

## Note 24 Cash Flow Statement

<b>Group contributions received</b>	<b>2023</b>	<b>2022</b>
Group contributions received	1,249	1,224
<b>Total</b>	<b>1,249</b>	<b>1,224</b>

<b>Adjustment for non-cash items</b>	<b>2023</b>	<b>2022</b>
Depreciation/amortisation	28	26
Impairment losses	10	22
Other items not affecting liquidity	3	7
<b>Total</b>	<b>41</b>	<b>55</b>

## Note 25 Events after the balance sheet date

On 23 February 2024 Bilia reached an agreement to acquire Bil AB Ove Olofsson and Olofsson Däckcenter AB in Stockholm. The business is conducted in five facilities, of which four facilities in Haninge and one facility in Nacka. Bil AB Ove Olofsson is a dealer of Volkswagen, Audi, Skoda, Seat and Cupra cars as well as Volkswagen transport vehicles with associated sales of used cars and service operations with associated tire operations in Olofsson Däckcenter AB. The agreement is conditional on approval from the Swedish Competition Authority. The deal is expected to take place on April 2, 2024. During the business year 2023, the operations turnover amounted to approximately SEK 1.3 Bn, with an operating margin of 3.2 per cent. The number of employees were 165 at the end of 2023. The capital employed plus agreed surplus values amounts to approximately SEK 200 M.

On 23 February 2024, the remaining 10 per cent of the shares in Bilia Holding S.à r.l., Luxembourg were acquired by settling the provision for issued put option recognised in the Group's Note 22 "Provisions".

The financial statements were approved for publication by the company's Board of Directors on 13 March 2024.

# Signatures

The Board of Directors and the Managing Director ensure that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated accounts give a true and fair view of the Parent Company's and the Group's financial position and results of operations.

The Directors' Report for the Parent Company and the Group provides a true and fair summary of the development of the Parent Company's and the Group's activities, financial position and results of operations while describing significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Gothenburg, 13 March 2024

Mats Qviberg  
*Chairman*

Jan Pettersson  
*Deputy Chairman*

Ingrid Jonasson Blank  
*Board member*

Gunnar Blomkvist  
*Board member*

Anna Engebretsen  
*Board member*

Nicklas Paulson  
*Board member*

Jon Risfelt  
*Board member*

Caroline af Ugglas  
*Board member*

Isak Ekblom  
*Board member appointed  
by employee organisation*

Patrik Nordvall  
*Board member appointed  
by employee organisation*

Per Avander  
*Managing Director*

Our Audit Report was submitted on 14 March 2024  
PricewaterhouseCoopers AB

Fredrik Göransson  
*Authorised Public Accountant*

As is evident above, the annual accounts and consolidated accounts were approved for publication by the Board of Directors and the Managing Director on 13 March 2024. The Consolidated Statement of Income and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Parent Company Income Statement and the Parent Company Balance Sheet will be subject to adoption at the Annual General Meeting on 24 April 2024.



# Auditor's Report

Unofficial translation

To the general meeting of the shareholders of Bilia AB (publ), corporate identity number 556112-5690

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Bilia AB (publ) for the year 2023 except for the corporate governance statement and the sustainability report on pages 49-57 respective 35-48. The annual accounts and consolidated accounts of the company are included on pages 18-118 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 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 2023 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 49-57 and the sustainability report on pages 35-48. 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 statement of comprehensive income and statement of financial position for the Group.

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

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Our audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

#### 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.

**Key audit matters****How our audit addressed the Key audit matter***How our audit addressed the Key audit matter  
Inventory valuation*

At the end of 2023, Bilia's reported inventory amounted to SEK 4,789 million, which corresponds to approximately 25 per cent of the group's total assets. A significant part of the group's inventory relates to new and used cars for sale. Note 18 shows the group's accounting principles for inventories and the estimates and judgments that management needs to make when applying the accounting principles.

The cars in stock are valued at the lower of the acquisition value and the net sales value. In the financial statements, management therefore needs to make an assessment about the expected net sales value, which is associated with uncertainty. Environmental factors such as interest rates and economic conditions, existing and upcoming model programs, competitors' pricing strategies and regulatory requirements are some of the variables that affect demand and future net sales values.

Company management has established routines and processes in place to assess the need for obsolescence, but rapid changes in demand can have a significant impact on the market value of the cars in stock, especially the used stock. In light of the fact that inventory represents significant amounts and the obsolescence assessment is largely based on management's estimates and judgments, the valuation of inventory is a particularly significant area in our audit of Bilia.

The procedures we performed for our audit regarding inventory valuation include, among other things, the following procedures:

- Review of the accounting principles the group applies for the valuation of inventory.
- Carried out an evaluation of the routines and processes that the company management has established for obsolescence assessment of inventory in accordance with the group's accounting principles.
- On a random basis, the management's assessment regarding the risk of need for write-downs was reviewed by testing the assessed net sales value, where applicable against external market data.
- Finally, we have also assessed the accuracy of the information provided by the group regarding the reporting of inventory.

**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 1-17, 35-48 and 123-142. In addition to other information in this document, the company prepares the Remuneration report 2023, which we expect to have access to after the date of this audit 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 Director's and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and

consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act 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.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## Report on other legal and regulatory requirements

### The auditor's audit of the administration of the company and the proposed appropriations of the company's 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 Director's and the Managing Director of Bilia AB (publ) for the year 2023 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 Director's and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the 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 Director's and the Managing Director

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### 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 Bilia AB (publ) for the financial year 2023.

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

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

### Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Bilia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

## Responsibilities of the Board of Director's 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 International Standard on Quality Management 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 assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

## The auditor's examination of the corporate governance statement

The Board of Directors is responsible for the corporate governance statement on pages 49-57 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.

## Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report 35-48 and that it has been prepared in accordance with the Annual Accounts Act.

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.

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB, 405 32 was appointed auditor of Bilia AB (publ) by the general meeting of the shareholders on 26 April 2023 and has been the company's auditor since 27 April 2021.

Gothenburg on 14 March 2024  
PricewaterhouseCoopers AB

Fredrik Göransson  
Authorized Public Accountant

# Sustainability Notes

## EU's green taxonomy

The Taxonomy Regulation, EU 2020/852, which came into force in July 2020 is a classification system that establishes criteria for when an economic activity should be considered environmentally sustainable. The Taxonomy is also a tool to help investors identify and compare environmentally sustainable investments in order to achieve the EU's climate goals and the objectives of the European Green Deal. This year a further four environmental objectives have been added to the EU Taxonomy's reporting requirements, which means that both the content and format of this report will change over time.

Bilia's operations consist primarily of sales of vehicles and accessories as well as service and maintenance of these products. Bilia's sales of new cars, accessories and spare parts are not covered by the activities that are classified as part of the Taxonomy.

### Assessment of economic activities

Bilia has assessed that sales of used cars, car rental, service and repairs in our workshops, renovation of car parts and dismantling of end-of-life cars to sell used car parts, production and sales of energy storage, management of properties owned by Bilia and vehicle financing are eligible under the Taxonomy. For a description of Bilia's Service Business and Car Business, see pages 22–29.

Using the definition of economic activity in the Taxonomy we have identified the following economic activities as eligible and material to our operations in 2023 in terms of one of the following: turnover, capital expenditures or operating costs.

- CCM 3.3 Manufacture of low carbon technologies for transport
- CCM 3.4 Manufacture of batteries (new)
- CCM 4.1 Electricity generation using solar photovoltaic technology (new)
- CCM 6.5 Transport by motorbikes, passenger cars and commercial vehicles
- CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (new)

The following economic activities that we conduct have been deemed to be not material to our operations in 2023 in terms of one of the following: turnover, capital expenditures or operating costs.

- CCM 7.1 Construction of new buildings (new)
- CCM 7.2 Renovation of existing buildings (new)
- CCM 7.3 Installation, maintenance and repair of energy efficiency equipment (new)
- CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (new)
- CCM 7.6 Installation, maintenance and repair of renewable energy technologies (new)

The activities that Bilia deems to be eligible under the four new environmental objectives relate to transition to a circular economy (CE). We have identified the following economic activities as eligible and material:

- CE 5.3 Preparation for re-use of end-of-life products and product components
- CE 5.4 Sale of second-hand goods

We have identified the following economic activities as eligible but not material:

- CE 3.1 Construction of new buildings
- CE 3.2 Renovation of existing buildings

The identified economic activities can be followed up in the financial reporting, which is why figures for turnover, operating costs and investments in non-current assets are available. None of the economic activities is therefore considered to be double counted in the production of the financial information.

Turnover is the part of net turnover that relates to products or services, see Note 2 on page 70. Operating expenditures are reported based on the Taxonomy's definition, i.e. direct non-capitalised costs attributable to the renovation of buildings, maintenance and repairs and direct costs attributable to the ongoing maintenance of assets. Capital expenditures are purchases of intangible assets and property, plant and equipment during the year, see Note 14 on pages 83–86 and Note 15 on pages 87–89. Investments through acquisitions of operations are included, see Note 5 on page 74. Investments in goodwill are not included.

### Method for identifying taxonomy-aligned activities

For an economic activity to be judged to be taxonomy-aligned – and hence to qualify as environmentally sustainable – it must contribute substantially to at least one of the EU's six environmental objectives and not cause significant harm to any of the others. It must also be carried out in compliance with certain minimum safeguards relating to the social and governance aspects of sustainability.

### Substantial contribution

Bilia has identified a number of activities that comply with the technical screening criteria for making a substantial contribution to climate change mitigation. A substantial contribution is made during servicing and repairs of vehicles that meet the emission thresholds for cars and trucks (CMM 3.3), the manufacture of energy storage units (CMM 3.4), the installation of solar photovoltaic systems (CCM 4.1) and rental of vehicles that meet emission thresholds (CCM 6.5). Furthermore, Bilia's operations meet the criteria for making a substantial contribution during the installation of charging stations for electric vehicles (CMM 7.4).

## Do no significant harm

Potentially taxonomy-aligned activities have been assessed against the “Do no significant harm” criteria (DNSH). The assessment is based on materiality criteria for the operations Bilia conducts as there is no reporting practice for how Bilia should include reporting from upstream in the value chain. The method we use to judge alignment will change as regulatory guidance and general reporting practice evolve. In short, activities reported as taxonomy-aligned are considered to meet all of the DNSH criteria.

## Climate change adaptation

In our assessment of alignment with the DNSH criterion, we drew up an inventory based on geographical locations within Sweden. Municipal analyses from the Department of Geology of the impact of economic activity with regard to the risk of erosion, landslides, rockfalls, coastal flooding and flooding along watercourses have been analysed. According to this analysis, future climate change could mean that the likelihood of any of the risks listed above occurring is higher than average for some of Bilia’s facilities near to coasts and lakes. Our view is that there is no immediate need for action.

## Sustainable use and protection of water and marine resources

Most of Bilia’s operations use water to wash vehicles. Emissions of water from car washes into the wastewater network are regulated by the supervisory authority which has prescribed precautionary measures for our operations. There are requirements for water sampling in every country in which we operate.

In Sweden, Bilia has 15 facilities within water conservation areas, which means that the business is governed by further legislation. We make regular assessments and take action to meet the water criterion.

## The transition to a circular economy

Our assessment identified several examples of the way in which Bilia’s operations contribute to the transition to a circular economy. They include the application of the waste hierarchy, where Bilia aims to increase the number of waste fractions to facilitate material recovery. If we are to reduce the volume of waste and further improve material recovery, Bilia is dependent on developments in the supply chain. Bilia’s dismantling facilities enable reuse of used spare parts and effective recovery of materials. Bilia aims to increase its own use of used spare parts. Bilia also sees opportunities to contribute to effective use of resources in our rim repair business.

## Pollution prevention and control

The criteria for preventing and limiting environmental pollution are based on EU law on chemicals. Chemical products and goods that Bilia uses in its own operations or buys and resells to companies and private individuals are also checked and risk-assessed for their constituent materials against national requirements concerning Substances of Very High Concern (SVHC). The risk assessment work is supported by the chemicals handling system.

## Protection and restoration of biodiversity and ecosystems

To address the biodiversity criterion for its Swedish operations, Bilia has made use of the Swedish Environmental Protection Agency’s database of protected sites. The businesses in other countries have been asked about known requirements or precautionary measures relating to this criterion. Our view is that the Group’s operations have no direct material impact on biodiversity and ecosystems.

## Minimum safeguards

The criteria for minimum safeguards have been assessed at Group level. The Group’s operations that engage in taxonomy-aligned economic activities are covered by Bilia’s Group-wide policies and procedures. Bilia’s code of conduct for suppliers, which has to be followed by Bilia and its supply chains, is based on the ten principles from the UN Global Compact and its underlying conventions, declarations and guidelines. The code of conduct sets out the minimum requirements that suppliers to Bilia are expected to meet with regard to human and labour rights, the environment and business ethics. Suppliers have a responsibility to ensure compliance with the code in their own operations and supply chains. To do this, the suppliers must have a process in place for ensuring due diligence in line with the UN Guiding Principles on Business and Human Rights and/or the OECD Guidelines for Multinational Enterprises.

## Nuclear and fossil gas related activities

The table below presents, in accordance with the Taxonomy, activities related to nuclear energy and fossil gas.

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy as well as their safety upgrades.	No
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Substantial Contribution Criteria													DNSH Criteria (Does Not Significantly Harm)					
Turnover																		
Code	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy aligned or eligible turnover 2022	Enabling	Transition
SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
<b>A1. Environmentally sustainable activities (taxonomy-aligned)</b>																		
Manufacture of low carbon technology for transport	CCM 3.3	1 608	4	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	—	Yes	Yes	Yes	Yes	Yes	4	E	
Manufacture of batteries	CCM 3.4	10	0	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	—	Yes	Yes	Yes	Yes	Yes	—	E	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	10	0	Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	Yes	0		T
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>1,628</b>	<b>4</b>															
<b>Of which enabling</b>		<b>1,618</b>	<b>4</b>	<b>4</b>													<b>4</b>	<b>E</b>
<b>Of which transitional</b>		<b>10</b>	<b>0</b>	<b>0</b>													<b>0</b>	<b>T</b>
<b>A2. Taxonomy-eligible but not environmentally sustainable activities</b>																		
Manufacture of low carbon technology for transport	CCM 3.3	7,449	19	EL	N/EL	N/EL	N/EL	N/EL	N/EL									19
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 3.4	181	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0
Sale of second-hand goods	CE 5.4	13 184	34	N/EL	N/EL	N/EL	EL	N/EL	N/EL									—
<b>Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		<b>20,814</b>	<b>54</b>	<b>54</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>									<b>20</b>
<b>A. Turnover of taxonomy eligible activities (A1+A2)</b>		<b>22,442</b>	<b>58</b>															<b>23</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
Turnover of taxonomy-non-eligible activities		16,072	42															
<b>Total</b>		<b>38,514</b>	<b>100</b>															

#### PROPORTION OF TURNOVER/TOTAL TURNOVER

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
Climate Change Mitigation (CCM)	4	20
Climate Change Adaptation (CCA)	—	—
Water and Marine Resources (WTR)	—	—
Circular Economy (CE)	—	34
Pollution Prevention and Control (PPC)	—	—
Biodiversity and ecosystems (BIO)	—	—

Substantial Contribution Criteria													DNSH Criteria (Does Not Significantly Harm)					
Code	CapEx SEK M	Proportion of CapEx %	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy aligned or eligible CapEx 2022	Enabling	Transition
			Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E

#### A. TAXONOMY-ELIGIBLE ACTIVITIES

##### A1. Environmentally sustainable activities (taxonomy-aligned)

Manufacture of low carbon technology for transport	CCM 3.3	72	3	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	—	Yes	Yes	Yes	Yes	Yes	5	E	
Manufacture of batteries	CCM 3.4	1	0	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	—	Yes	Yes	Yes	Yes	Yes	0	E	
Electricity generation using solar photovoltaic technology	CCM 4.1	5	0	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	—	Yes	—	Yes	—	Yes	0		
Installation, maintenance and repair of charging stations for electric vehicles	CCM 7.4	10	0	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	—	Yes	—	—	—	Yes	0	E	
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>88</b>	<b>4</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>							<b>5</b>		
<b>Of which enabling</b>		<b>83</b>	<b>4</b>	<b>4</b>												<b>5</b>	<b>E</b>	
<b>Of which transitional</b>		<b>0</b>	<b>0</b>	<b>0</b>												<b>0</b>		<b>T</b>

##### A2. Taxonomy-eligible but not environmentally sustainable activities

Manufacture of low carbon technology for transport	CCM 3.3	306	15	EL	N/EL	N/EL	N/EL	N/EL	N/EL									26
Preparation for re-use of end-of-life products and product components	CE 5.3	16	1	N/EL	N/EL	N/EL	EL	N/EL	N/EL									—
Sale of second-hand goods	CE 5.4	43	2	N/EL	N/EL	N/EL	EL	N/EL	N/EL									—
<b>CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		<b>365</b>	<b>17</b>	<b>17</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>									<b>26</b>
<b>A. CapEx of taxonomy eligible activities (A1+A2)</b>		<b>453</b>	<b>22</b>															<b>31</b>

##### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of taxonomy-non-eligible activities		1,636	78															
<b>Total</b>		<b>2,089</b>	<b>100</b>															

#### PROPORTION OF CAPEX/TOTAL CAPEX

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
Climate Change Mitigation (CCM)	4	15
Climate Change Adaptation (CCA)	—	—
Water and Marine Resources (WTR)	—	—
Circular Economy (CE)	—	3
Pollution Prevention and Control (PPC)	—	—
Biodiversity and ecosystems (BIO)	—	—



Substantial Contribution Criteria													DNSH Criteria (Does Not Significantly Harm)						
OpEx	Code	OpEx SEK M	Proportion of OpEx %	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy aligned or eligible OpEx 2022	Enabling	Transition
				Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A1. Environmentally sustainable activities (taxonomy-aligned)</b>																			
Manufacture of low carbon technology for transport	CCM 3.3	4	8	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	—	Yes	Yes	Yes	Yes	Yes	Yes	6	E	
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>4</b>	<b>8</b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>								<b>6</b>		
<b>Of which enabling</b>		<b>4</b>	<b>8</b>	<b>8</b>													<b>6</b>	<b>E</b>	
<b>Of which transitional</b>		<b>0</b>	<b>0</b>	<b>0</b>													<b>0</b>		<b>T</b>
<b>A2. Taxonomy-eligible but not environmentally sustainable activities</b>																			
Manufacture of low carbon technology for transport	CCM 3.3	19	37	EL	N/EL	N/EL	N/EL	N/EL	N/EL								30		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6		
Renovation of existing buildings	CCM 7.2	13	24	EI	N/EL	N/EL	N/EL	N/EL	N/EL								—		
Sale of second-hand goods	CE 5.4	7	13	N/EL	N/EL	N/EL	EL	N/EL	N/EL								—		
<b>OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		<b>39</b>	<b>74</b>	<b>74</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>								<b>36</b>		
<b>A. OpEx of taxonomy eligible activities (A1+A2)</b>		<b>43</b>	<b>82</b>														<b>42</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>OpEx of taxonomy-non-eligible activities</b>		<b>9</b>	<b>18</b>																
<b>Total</b>		<b>52</b>	<b>100</b>																

#### PROPORTION OF OPEX/TOTAL OPEX

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
Climate Change Mitigation (CCM)	8	61
Climate Change Adaptation (CCA)	—	—
Water and Marine Resources (WTR)	—	—
Circular Economy (CE)	—	13
Pollution Prevention and Control (PPC)	—	—
Biodiversity and ecosystems (BIO)	—	—

# Sustainability Index

In preparing Bilia AB's Sustainability Report, we have used the GRI (Global Reporting Initiatives) reporting principles and some GRI subject-specific standards to report, but the report

has not been prepared completely in accordance with GRI standards.

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
<b>General disclosures</b>			
<b>The organisation and reporting</b>			
Name of the organisation	Annual Report, Corporate Governance Statement		49
Nature of ownership and legal form	Annual Report, Corporate Governance Statement		49
Headquarters	Annual Report, Financial information, Consolidated Note 33		102
Countries of operation	Annual Report, Financial information, Consolidated Note 33		102
Entities included in the organisation's reporting	Bilia AB and its subsidiaries, see Annual Report Parent Company Note 10		112
Reporting period	2023		
Reporting frequency	Annual 1 January – 31 December		
Reporting date	31 December 2023		
Contact point for questions about the report	Kristina Franzén, CFO		
Restatements of sustainability information	Sustainability information in accordance with Scope 3 has been developed for the reporting period 2023. Information for previous years has been recalculated for comparison. Among other things, the Energy category has been expanded to include stationary combustion		
<b>Activities and employees</b>			
Sectors in which the organisation is active	Car Business, Service Business and Fuel Business.		
Brands, products and services	Annual Report, Business areas		22 f
Supply chain	Our most important suppliers of products and services are the general agents for the car brands for which Bilia is the dealer.		
Customers, customer structure	Approximately 60 per cent of the Group's customers are companies and approximately 40 per cent are private individuals.		
Business relationships	Annual Report, Sustainability Report Our most essential business relationships are the car manufacturers for which Bilia is the dealer. In addition, there are business relationships primarily with finance and insurance companies that enable us to offer our customers services related to owning a car.		
Significant changes in the organisation and supply chain	There were no significant changes in the organisation during the reporting period. During the year, five new car brands in the VW-group have been added to Bilia.		
<b>Employees</b>			
The size of the organisation in number of employees	Annual Report, Financial information, Consolidated Note 8		76 f
Information on employees	Annual Report, Financial information, Consolidated Note 8		76 f
Information on workers who are not employees	Temporary staff are hired to assist during seasonal peaks, for example with tyres change in spring and autumn.		
<b>Governance</b>			
The company's governance	Annual Report, Corporate Governance Statement		49 f
Composition and work of the Board	Annual Report, Corporate Governance Statement		51 f
Composition and work of the Group Management	Annual Report, Corporate Governance Statement		52 f
Delegation of responsibility for managing changes that may impact on the organisation	Sustainability is represented in the Group Management by the CFO and HR director.		
Role of the Board in sustainability reporting	In 2023, the Board reviewed the sustainability information in the interim reports and annual report prior to publication.		
<b>Strategies, policies and practices</b>			
Statements from senior decision-makers	Annual Report, Statement by the Managing Director		4
Policies and commitments	Annual Report, Sustainability Report and bilia.com		35 ff

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
Implementation of policies	All newly employed are given an introduction to policies and training is provided where it is deemed relevant. The Supplier Code of Conduct is appended to supplier agreements.		
Processes and mechanisms for seeking advice, raising and receiving complaints, and tackling negative impacts	The majority of Bilia's operations are certified in accordance with ISO 9001 and ISO 14001, which include procedures for managing advice, non-compliance and customer complaints. Non-certified operations work based on equivalent management systems. Internally there is system support for non-compliance management and customer complaints (stakeholders).	Internal matters Customer matters	
Seeking advice and information and systems for raising concerns	Bilia's external whistle-blowing function is made visible to suppliers, employees and customers through various channels such as website, intranet and information sheet. The system can be accessed via <a href="https://www.bilia.com/en/about-us/whistleblowing/">https://www.bilia.com/en/about-us/whistleblowing/</a> Reported issues via whistle-blower function: 12 (all disqualified)	Number of reports via the whistle-blowing function	
Compliance with laws and regulations	No fines have been issued for Bilia in 2023. However, a facility in Norway paid a fee of NOK 12,733 due to poor values in the oil separator.	Number of fines/ additional fees and amounts	
Membership associations	MRF industry organisation (Sweden) MAF/Transportföretagen employers' organisation (Sweden) 'Commissions Paritaires' 112 and 200 (Belgium) NHO employers' organisation (Norway)		
Stakeholder engagement	<ul style="list-style-type: none"> <li>• Investors</li> <li>• Customers</li> <li>• Employees</li> <li>• Business partners (incl. general agents/suppliers/finance companies/ insurance companies)</li> <li>• Public authorities</li> <li>• The planet</li> </ul> Group Management has identified stakeholders and their needs.		
Collective bargaining agreements	Collective bargaining agreements are in place in all of the countries, which means that 100 per cent of employees are covered by collective bargaining agreements.	Percentage of employees covered	
<b>Bilia's material topics</b>			
Process to determine material topics	Sustainability Report		37 ff
List of material topics	Annual Report, Sustainability Report and Sustainability Notes		37 ff 123 ff
Management of material topics	Material topics are managed in Bilia's strategy, targets and activities		37 ff
<b>Financial results</b>			
Direct economic value, created and delivered	Annual Report, Financial information, Income Statement	Turnover Operating profit Earnings per share	60
Financial impact, and other risks and opportunities for the organisation's activities that can be attributed to climate change.	Annual Report, Risks and opportunities		31
Defined-benefit obligations and other pension plans	Annual Report, Financial information, Note 8 and Note 21		78 92
State support	No significant state support was received during the reporting period		
<b>Anti-corruption</b>			
Operations assessed for risks related to corruption	Risks relating to corruption are deemed to be low taking into account the countries in which Bilia operates.		
Communication and training about anti-corruption policies and procedures	These issues are covered by the internal Code of Conduct training at Bilia.	Number of courses	
Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.	Number of confirmed incidents of corruption	
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal actions were taken during the reporting period		

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
<b>Environmental impacts</b>			
Materials	Chemicals legislation regulates materials used for the paintwork operation and efforts to substitute materials are ongoing. Consumption amounted to 30,134 kg for Sweden and Belgium.	Kg VOC	
Reused parts	The proportion of used spare parts used in repair cases amounted to 7.5 per cent in Sweden. In Norway, this is followed up by the respective insurance company.	Percentage of reused parts	
<b>Energy</b>			
Energy consumption within the organisation	Energy consumption amounted to 111.8 GWh during the reporting period.	GWh	
Reduction of energy consumption	Energy consumption decreased by 22.1 per cent which corresponds to a decrease of 16.5 per cent compared to the previous year.	GWh	
<b>Water and effluents</b>			
Management of water discharge related impacts	Treatment works are installed as necessary and oil separators have been installed at the facilities.		
Water discharge	Water tests are conducted in accordance with the requirements set by the supervisory authorities in the countries where we operate. A total of 84 tests were taken, of which 33 tests were not fully approved.	Number of failed water tests	
Water consumption	Water consumption for Sweden, Belgium and Luxembourg amounted to 101,939 m <sup>3</sup> .	m <sup>3</sup>	
<b>Biodiversity</b>			
Facilities owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	In Sweden, Bilja has looked for protected areas designed to protect biodiversity located adjacent or near to our facilities. None of our facilities are located in a protected area, but one of our facilities in Sweden is geographically directly next to a lake area protected by the Birds Directive (SPA) and the Habitats Directive. Two of our facilities in Sweden are 50–100 metres from a protected nature reserve for species of moss and sedge (a grass-like plant). In Norway and Luxembourg there are no facilities located in protected areas. In Belgium, one facility out of a total of five facilities is located adjacent to a protected area.		
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protected areas in Sweden located near to our facilities have habitats for the following red list and national conservation list species: freshwater salmon, slender naiad and otters.		
<b>Emissions</b>			
Direct (Scope 1) GHG emissions	Annual Report, Sustainability Report	CO <sub>2</sub> e	46
Energy indirect (Scope 2) GHG emissions	Annual Report, Sustainability Report	CO <sub>2</sub> e	46
Other indirect (Scope 3) GHG emissions	Annual Report, Sustainability Report	CO <sub>2</sub> e	46
Emissions of ozone-depleting sub-stances (ODS)	Annual Report, Sustainability Report	Refill, kg	46
<b>Waste</b>			
Waste generation and significant waste-related impacts	Waste is mainly generated in our Service Business. During the reporting period, 15,642 tonnes of waste was generated in the Group. We have identified that statistics are missing for some facilities and work is ongoing to be able to report for all our facilities.	Tonnes	
Waste per type and processing method	84.1 per cent of the waste was recycled, 15.7 per cent of the waste was incinerated and 0.2 per cent of the waste was landfilled.	Percentage distribution	
<b>Employment</b>			
<b>Information on employees</b>			
Employee turnover	Employee turnover is measured monthly in each country. In 2023, employee turnover amounted to 12 per cent for probationary and permanent employees.	Percentage share on own request	
Parental leave	All employees are entitled to paid parental leave and the level of remuneration is regulated nationally in the countries where we operate. 680 employees were on parental leave during the year.	Number of employees	
<b>Labour/management relations</b>			
Minimum notice periods regarding operational changes	Information is provided in accordance with the periods specified in collective bargaining agreements and law.	Number of days/month	







DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
<b>Occupational health and safety</b>			
Occupational health and safety management system	Systematic health and safety work is integrated into our management system.		
Identification, risk assessment, and incident investigation	There are established procedures in our countries for identifying and assessing risks and investigating incidents related to the health and safety of our employees. Regular health and safety committee meetings and health and safety inspections take place in accordance with national legislation in the countries where we operate.		
Occupational health services	Occupational health services that provide support in the event of illness and take preventive measures are established for all employees in Sweden, Norway and Belgium.		
Worker participation, consultation, and occupational health and safety	In the countries where we operate, there are local health and safety committees and health and safety representatives in accordance with the prevailing regulations in each country. In Sweden there is also a national health and safety council.		
Worker training on occupational health and safety	In Sweden, all managers have received a program for increased knowledge in work environment issues. Employees in Sweden, Norway and Belgium have received training in, for example, first aid, CPR, fire safety and substance abuse problems. In Belgium and Luxembourg, the designated health and safety representatives are given training and certified.		
Promotion of health	Employees in Sweden and Norway receive compensation for activities relating to fitness through a set annual amount. In Sweden and Norway, employees receive grants for taking part in fitness activities carried out together with the employees. Employees in Luxembourg have access to a gym at the workplace. Employees in Belgium receive remuneration when they cycle as a means of transport. Employees in Norway receive health insurance.	Employees with access to health-promoting activities	
Work-related injuries and ill health	Injuries and ill health that arise in connection with carrying out work in the operation. The number of reported cases of injuries and ill health during the reporting period amounts to 98 for 5,185 employees.	Number of reported cases requiring medical care or sick leave	
<b>Training and education</b>			
Programmes for upgrading employee skills and transition assistance programmes	Programmes for upgrading skills are part of the annual development review to identify training and education needs for each employee. Training and education linked to work duties takes place continuously via general agents, both under Bilja and through external suppliers. Digital courses regarding the Code of Conduct, competition law, GDPR and IT security are provided for employees. New recruits are given an introduction at the beginning of their employment. Group-wide management training is held regularly.	Number of participants in the courses	
Percentage of employees receiving regular performance and career development reviews	Employees have at least one annual development review and most employees also have regular one-on-one reviews.	Reviews carried out as a percentage of employees asked	
<b>Diversity and equal opportunity</b>			
Diversity of governance bodies and employees	Annual Report, Sustainability Report, Corporate Governance Report, Financial information	Distribution between women and men	45, 54, 56, 76
Ratio of basic salary and remuneration of women to men	Salary mapping in accordance with national regulations and measures are done continuously to adjust for any unreasonable differences. In Belgium and Luxembourg, levels of remuneration between men and women are reviewed in connection with the process for adjusting remuneration.		

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
<b>Human rights</b>			
Incidents of discrimination and corrective actions taken	The whistleblowing function is available on Bilia's external website for suppliers, employees and customers. All reports of potential discrimination are investigated and action is taken as required.  Observed cases of discrimination where measures have been taken: 5	Number of confirmed cases of discrimination with measures taken	
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Bilia respects freedom of association and collective bargaining with union organisations. This is clarified in the Code of Conduct. The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
Operations and suppliers at significant risk for incidents of child labour	Bilia's Code of Conduct denounces all forms of child labour. The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
Operations and suppliers at significant risk for incidents of forced or compulsory labour	There is no forced or compulsory labour at Bilia. The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
Operations and suppliers that were screened regarding compliance with human rights	There are no breaches of human rights at Bilia. The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
<b>Supplier social assessment</b>			
New suppliers that were screened using social criteria	All new suppliers have signed Bilia's Supplier Code of Conduct, which means that they are evaluated based on environmental criteria in the Code of Conduct.	Percentage of new suppliers	
New suppliers that were screened using environmental criteria	All new suppliers shall be screened based on the environmental criteria in our Code of Conduct.	Percentage of new suppliers screened	
Negative social impacts in the supply chain and actions taken	The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
Negative environmental impacts in the supply chain and actions taken	The Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period.		
<b>Customer health and safety</b>			
Assessment of the health and safety impacts of product and service categories	Annual Report, Sustainability Report		40
Incidents of non-compliance concerning the health and safety impacts of products and services	No reported incidents of non-compliance with procedures that impacted customer safety.	Number of reported incidents	
<b>Marketing and labelling</b>			
Requirements for product and service information and labelling	Safety procedures for chemical products to wholesale customers developed and implemented during the reporting period. Procedures required for accreditation are continuously followed.		
Incidents of non-compliance concerning product and service information and labelling	No reported incidents	Number of incidents	
Incidents of non-compliance concerning market communications	No reported incidents	Number of incidents	
<b>Customer privacy</b>			
Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2024, a complaint was reported for an event in 2023. The case concerned a customer who believed that personal data had been saved longer than necessary.	Number of substantiated complaints	

## Significant contributions to the UN's SDGs Agenda 2030

GOAL	TARGET	SIGNIFICANT FOR BILIA STAKEHOLDERS	HOW BILIA CONTRIBUTES OR CAN CONTRIBUTE	CONTRIBUTION*
 3 GOOD HEALTH AND WELL-BEING	3.4	An open and inclusive workplace	Procedures for action plans and improvement measures in cases where the employee survey shows that improvement potential exists.	0
	3.5	Procedures for detecting and implementing preventive measures	Training and support for leaders to identify and prevent drug and alcohol abuse among our employees.	1
	3.6	Safe vehicles	High competence to identify, communicate and carry out service and repair of vehicles to contribute to a safe traffic environment.	2
	3.9	Responsible chemical choices	Management of purchases for risk-assessed chemical products.	2
 4 QUALITY EDUCATION	4.4	Workplace for all	Participation in collaborative projects to facilitate a first employment on the labor market	0
	4.7	Knowledge to contribute to sustainable development	Information about Bilias sustainability work.	0
 5 GENDER EQUALITY	5.1	End discrimination against women and girls	Sustainability target that 30 per cent of employees in the sales operations must be women.	2
	5.4	Promotion of shared responsibility within the household	Bilia encourages employees to use parental leave.	1
	5.5	Women in leadership and decision-making	Recruitment policy that promotes women entering Bilia.	2
 6 CLEAN WATER AND SANITATION	6.3	No release of polluted water	Water sampling in accordance with applicable legal requirements. Run projects for water purification and water efficiency.	1
	6.4	Responsible water consumption	Water sampling in accordance with applicable legal requirements. Run projects for water purification and water efficiency.	1
	6.6	Protect water-related systems	Water sampling in accordance with applicable legal requirements. Run projects for water purification and water efficiency.	-1
 7 AFFORDABLE AND CLEAN ENERGY	7.3	Improvement in energy efficiency	Implement energy efficiency measures at our facilities where operations are conducted.	-1
 8 DECENT WORK AND ECONOMIC GROWTH	8.4	Resource efficiency, care for the environment	Use a higher percentage of used spare parts in our Service Business as well as repairs/renovation instead of buying new.	1
	8.5	Good employment conditions	Follow national legislation and apply Collective bargaining agreements.	0
	8.6	Invest in the young	Offer internships and mentorship. Supervise students with internships in a caring and professional way so they want to work in the profession.	2 2
	8.7	Sustainable supply chain	Implement Supplier Code of Conduct in supplier agreements.	1
	8.8	Secure working environments	Work actively with work environment improvements for employees.	
 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	9.b	Contribute to sustainable development	Participate in projects with other industries to increase knowledge and share information.	1
 10 REDUCED INEQUALITIES	10.2	Workplace for all	Participate in projects for the education and retraining of new arrivals to the country. Increase diversity among safety representatives and other union representatives.	0

\* Contribution -3 - +3, 0 = neutral

GOAL	TARGET	SIGNIFICANT FOR BILIA STAKEHOLDERS	HOW BILIA CONTRIBUTES OR CAN CONTRIBUTE	CONTRIBUTION*
	11.2	Available systems for sustainable transport	Sales of chargeable vehicles and charging equipment.	1
	11.6	Good air quality	Use public transport when on business trips when this is possible.	0
	12.2	Minimal use of natural resources	Use a higher percentage of used spare parts in our Service Business as well as repairs/renovation instead of buying new.	1
	12.4	Safe handling of chemicals and waste	Sort operational waste into more fractions to facilitate recycling. Prevent the risk of theft of waste at our facilities.	-1
	12.5	Reduce waste generation	Identify and implement alternative packaging solutions.	-1
	12.6	Sustainable supply chains	Implement Code of Conduct for our suppliers.	0
	12.7	Sustainable supplier	Implement Code of Conduct for our suppliers.	0
	12.8	Support to choose sustainable products and services	Train employees about sustainable products and services Recommend sustainable products and services to customers based on well-founded scientific information.	-1
	13.1	Reduce climate change	Investigate existing and future locations for our facilities from a climate change perspective.	0
	13.3	Increase knowledge about climate change	Inform Bilia's employees about climate change on the Intranet through the article series on Agenda 2030.	0
	15.5	Protect biodiversity	Carry out an inventory of the facilities in the countries of operation to see how they are geographically located to protected areas.	1
	16.5	Transparency and good ethics	Update relevant policies as needed. Implement policy deviation reporting.	0
	17.16	Cooperation that leads to sustainable development	Participate in projects with other industries to increase knowledge and share information to contribute to a sustainable business.	2
	17.17	Efficient partnerships	Membership in relevant industry associations to contribute to a sustainable business.	1

\* Contribution -3 - +3, 0 = neutral



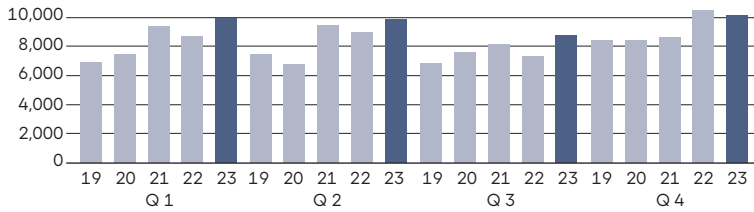
# Five-year Review

SEK M, unless otherwise stated.	2023	2022	2021	2020	2019
<b>Consolidated Statement of Income and Other Comprehensive Income</b>					
Net turnover	38,514	35,345	35,509	30,168	29,508
Operational earnings	1,623	1,906	2,142	1,593	1,239
Operating profit	1,416	2,102	1,925	1,364	1,125
Net financial items	-257	-100	-95	-104	-111
Profit before tax	1,159	2,002	1,830	1,260	1,014
Tax	-228	-380	-373	-276	-207
Net profit for the year	931	1,622	1,457	984	807
<b>Statement of Financial Position</b>					
Equity	4,841	4,887	4,417	3,968	3,186
Balance sheet total	19,395	20,001	17,200	16,416	16,081
Capital employed	12,545	11,828	9,947	8,833	8,349
Net debt	6,689	5,766	4,252	2,333	4,493
Ratio of net debt to EBITDA, excl. IFRS 16, times	1.3	0.8	0.2	-0.2	1.3
<b>Statement of Cash Flows</b>					
Cash flow from operating activities	1,591	676	1,987	3,155	1,437
Investments and disposals in non-current assets, including leased assets	964	331	173	283	582
Operating cash flow	627	345	1,814	2,872	855
<b>Key ratios</b>					
Return on capital employed, %	12.5	21.5	20.5	16.7	15.8
Return on equity, %	23.2	36.2	33.8	27.5	26.5
Operational margin, %	4.2	5.4	6.0	5.3	4.2
Operating margin, %	3.7	5.9	5.4	4.5	3.8
Equity/assets ratio, %	25.0	24.4	25.7	24.2	19.8
<b>Data per share</b>					
Earnings per share, SEK	10.12	17.43	14.90	9.85	8.00
Equity per share, SEK	52.73	53.13	46.10	40.05	31.80
Operating cash flow per share, SEK	6.82	3.72	18.55	28.70	8.50
Dividend per share, SEK	6.60 <sup>1)</sup>	8.80	8.00	6.00	—
Share price at year-end, SEK	134.60	114.30	160.20	101.40	106.30
P/E ratio, times	13	7	11	10	13
<b>Other information</b>					
Wages, salaries and other remunerations	2,640	2,674	2,608	2,276	2,374
Employees, average number	4,476	4,195	4,385	4,097	4,298

<sup>1)</sup> Proposed dividend.

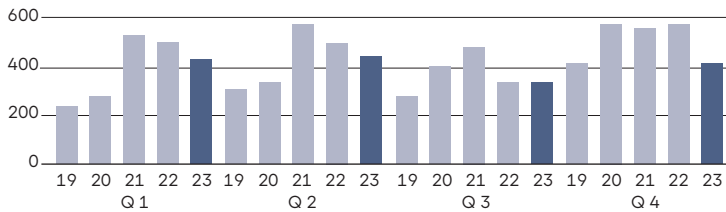
For information on calculations of the number of shares, see "Data per share" under the section headed "The Bilia share". 2019 has been recalculated regarding the classification of IFRS 16 transactions regarding operating cash flow.

## Net turnover, SEK M



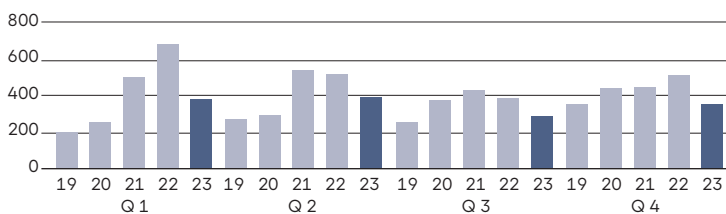
Net turnover for 2023 was 9 per cent higher compared to the previous year. The average increase over the past five years amounted to 6 per cent compared to the financial target of growth over 5 per cent over a business cycle.

## Operational earnings, SEK M



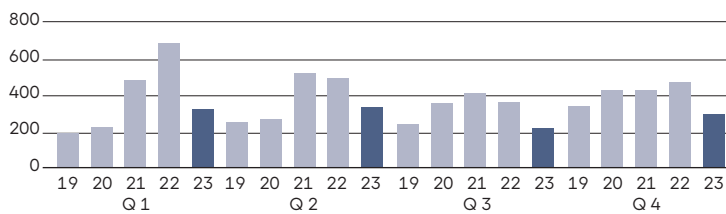
Operational earnings in 2023 amounted to SEK 1,623 M (1,906), Sweden and Western Europe reported a higher result compared to the previous year, while Norway reported a lower result mainly attributable to the Car Business.

## Operating profit, SEK M



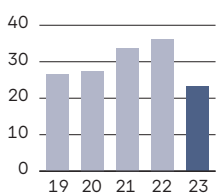
Operating profit for 2023 amounted to SEK 1,416 M (2,102). Operating profit for 2022 included profit in divestment of operations in Sweden and Norway of SEK 368 M.

## Profit before tax, SEK M



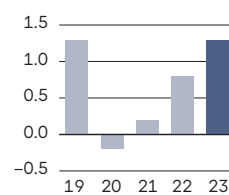
Profit before tax in 2023 amounted to SEK 1,159 M (2,002). Profit before tax in 2022 included profit from divestment of operations in Sweden and Norway of SEK 368 M.

## Return on equity, %



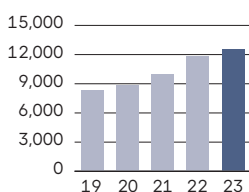
Return on equity decreased compared to the previous year and amounted to 23.2 per cent (36.2). Over the past five years, return on equity has been 29.4 per cent on average.

## Net debt/EBITDA excl. IFRS 16, times



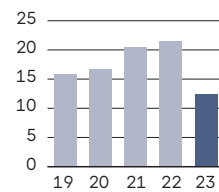
The ratio of net debt to EBITDA, excluding IFRS 16, was 1.3 times (0.8). Over the past years, the ratio of net debt to EBITDA has varied between -0.2 (positive net debt) and 1.3 times. The target for this ratio is to not exceed 2.0 times in the long term.

## Capital employed, SEK M



Capital employed increased by SEK 717 M and amounted to SEK 12,545 M (11,828). The increase was mainly attributable to lower working capital.

## Return on capital employed, %



Return on capital employed amounted to 12.5 per cent (21.5). Over the past five years, return on capital employed has been 17.4 per cent on average (not adjusted for IFRS 16 introduction in 2019, which had a negative impact of 5 percentage points).

# The Bilia share

The Bilia share has been listed on the Nasdaq Stockholm exchange since 1984. The share is traded under the ticker code BILI A.

At 31 December 2023, the share capital amounted to SEK 257 M (257), divided among 96,299,952 shares, including repurchased own shares of 4,315,709. The quotient value is SEK 2.67 per share. Each share represents one vote. All shares are entitled to an equal share in Bilia's assets and profits.

## Total return

The OMX Stockholm Retail PI rose by 5.1 per cent in 2023. The Bilia share increased from SEK 114.30 to SEK 134.60 during the year. The highest price paid, SEK 146.00, was quoted on 9 February 2023. The lowest price paid, SEK 96.60, was quoted on 23 October 2023.

Bilia's shareholders received a total return of 22 per cent (-27) in 2023. The calculation is based on share price performance including received dividend.

Bilia's market capitalisation at year-end was SEK 12,972 M (11,007), based on the total number of shares outstanding. A total of 21.0 million Bilia shares (32.8) were traded in 2023 at a value of SEK 2,423 M (4,393). This turnover represented 23 per cent (36) of the weighted average number of shares.

The P/E ratio based on earnings in 2023 was 13 (7).

## Beta coefficient

The volatility of the price of a single share compared with the volatility of the stock market as a whole is known as the beta coefficient, or beta. If the beta is greater than 1, this means that the share price fluctuates more than the average for the exchange. A value lower than 1 indicates that the share is less sensitive than the exchange as a whole.

The Bilia share's beta for 2023 is 0.83. This means that the price fluctuations for the Bilia share have been less than the average price fluctuations on Nasdaq Stockholm.

## Number of shareholders

Bilia had 40,035 shareholders at the end of 2023, compared with 38,313 a year earlier. Most shareholders own relatively small lots. Of the shareholders, 87.6 per cent (87.3) owned fewer than 1,000 shares. The proportion of institutional ownership was 8.9 per cent (8.9), while the proportion of foreign ownership was 25.1 per cent (28.3). Bilia's holding of repurchased shares amounted to 4.5 per cent (4.5).

## Dividend policy

Over a business cycle, Bilia's dividend should provide the shareholders with a competitive dividend yield in comparison with similar listed companies. Good dividend growth is also striven for, and the dividend should amount to at least 50 per cent of the net profit for the year.

Bilia's earning capacity, cash flow, investment needs and overall financial position are also taken into account when determining the size of the dividend. An effort is also made to ensure that Bilia has an optimal capital structure at any given time.

## Proposed dividend SEK 6.60

Bilia's Board of Directors proposes to the Annual General Meeting of 24 April 2024 that an ordinary dividend in the amount of SEK 6.60 per share (8.80) to be paid out on four occasions. The proposed dividend corresponds to 65 per cent (50) of the net profit for the year.

## Analyses of Bilia

The Bilia share is analysed above all by Swedish brokerage houses and banks. The following analysts cover Bilia regularly:

- Mats Liss, Kepler Cheuvreux
- Andreas Lundberg, SEB
- Simen Aas, DNB
- Stefan Stjernholm, Nordea Markets

## Shareholder information

Bilia's information to the stock market and its shareholders should be characterised by correctness, relevance, openness and speed. Shareholders wishing to receive the annual report and half-year reports directly through the mail should notify Euroclear Sweden AB.

Bilia's press releases, quarterly reports and annual reports are available at bilia.com. Additional information on the company, its financial performance and the Bilia share can also be found there. It is also possible to subscribe to press releases and send queries to Bilia on Bilia's website.

Data per share	2023	2022	2021	2020	2019
Earnings, SEK	10.12	17.43	14.90	9.85	8.00
Equity, SEK	52.73	53.13	46.10	40.05	31.80
Operating cash flow, SEK	6.82	3.70	18.55	28.70	5.70
Share price at year-end, SEK	134.60	114.30	160.20	101.40	106.30
P/E ratio, times	13	7	11	10	13
Price/equity ratio, %	255	215	348	253	334
Dividend yield, %	5.7	6.6	5.5	7.0	—
Total return, %	22.3	-27.0	63.1	-5.5	35.4
Dividend, SEK	6.60 <sup>1)</sup>	8.80	8.00	6.00	—
Payout ratio, % <sup>2)</sup>	65	50	53	60	—
Average number of shares, thousands	91,984	93,017	97,743	100,090	98,859
Number of shares outstanding, thousands	91,984	91,984	95,777	98,914	100,134

<sup>1)</sup> Proposed dividend.

<sup>2)</sup> Calculated after assigned performance shares within the frame of incentive programmes, which gives 92,187,928 shares for 2023, 92,085,670 for 2022, 95,894,148 for 2021, 99,020,299 for 2020 and 100,230,974 for 2019.

## Change in share capital

Year	Number of shares	Change Share capital, SEK M	Change, SEK M	Reason
1985	15,000,000	300		
1987	21,000,000	6,000,000	420	120 Bonus issue
1988	21,032,486	32,486	421	1 New issue at conversion
1989	21,046,667	14,181	421	0 New issue at conversion
1990	21,076,925	30,258	422	1 New issue at conversion
1991	31,674,669	10,597,744	634	212 New issue at conversion
2001	28,554,512	-3,120,157	571	-63 Reduction
2002	25,699,061	-2,855,451	514	-57 Reduction
2004 <sup>1)</sup>	60,845,603	35,146,542	608	94 Reduction/lowering of par value of share/subordinated shares, Series C
2005	23,129,155	-37,716,448	231	-377 Redemption subordinated shares, Series C
2007	21,459,255	-1,669,900	215	-16 Reduction
2009	25,293,574	3,834,319	253	38 Exercised warrants
2010	24,883,946	-409,628	249	-4 Exercised warrants/reduction
2011	25,080,028	196,082	251	2 Exercised warrants
2012	25,114,099	34,071	251	0 Exercised warrants
2013	25,139,592	25,493	251	0 Exercised warrants
2014	25,174,033	34,441	252	1 Exercised warrants
2015	50,436,052	25,262,019	252	0 Exercised warrants/stock split
2016	51,399,976	963,924	257	5 Exercised warrants/new share issue
2017	102,799,952	51,399,976	257	0 Stock split
2022	96,299,952	-6,500,000	257	0 Withdrawal of shares/bonus issue

<sup>1)</sup> Of which subordinated shares, Series C, 37,716,448 shares, SEK 377 M.

## Distribution of shares, 31 December 2023

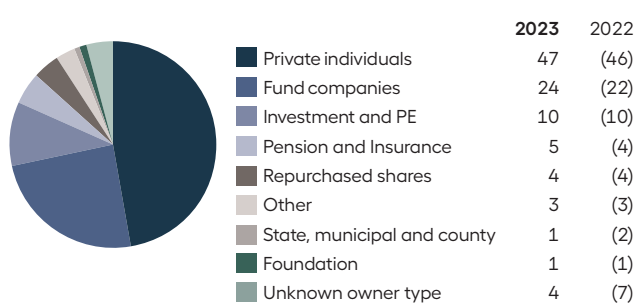
Share holding	Total number of shareholders	Percentage of total no. of shareholders	Combined number of shares owned	Percentage of share capital
1-1,000	35,061	87.6	6,884,591	7.1
1,001-10,000	4,606	11.5	11,824,169	12.3
10,001-100,000	307	0.8	8,384,301	8.7
100,001-	60	0.2	64,891,182	67.4
<b>Total</b>	<b>40,034</b>	<b>100.0</b>	<b>91,984,243</b>	<b>95.5</b>
Repurchased own shares	1	0.0	4,315,709	4.5
<b>Total</b>	<b>40,035</b>	<b>100.0</b>	<b>96,299,952</b>	<b>100.0</b>

## The 15 largest shareholders at 31 December 2023

	Total	Stake, per cent
Investment AB Öresund	9,860,000	10.2
Mats Qviberg	5,974,894	6.2
Anna Engebretsen	5,008,710	5.2
Eva Qviberg	4,578,814	4.8
Billia AB	4,315,709	4.5
Mawer Investment Management	3,804,812	4.0
Jacob Qviberg	2,813,980	2.9
C WorldWide Asset Management	2,773,609	2.9
Vanguard	2,596,021	2.7
Swedbank Robur Funds	2,320,248	2.4
Folksam	1,938,251	2.0
Dimensional Fund Advisors	1,650,213	1.7
Sten Dybeck, including company and family	1,345,061	1.4
Avanza Pension	1,321,326	1.4
BlackRock	1,207,539	1.3
<b>Total</b>	<b>51,509,187</b>	<b>53.5</b>
Remaining shareholders	44,790,765	46.5
<b>Total</b>	<b>96,299,952</b>	<b>100.0</b>

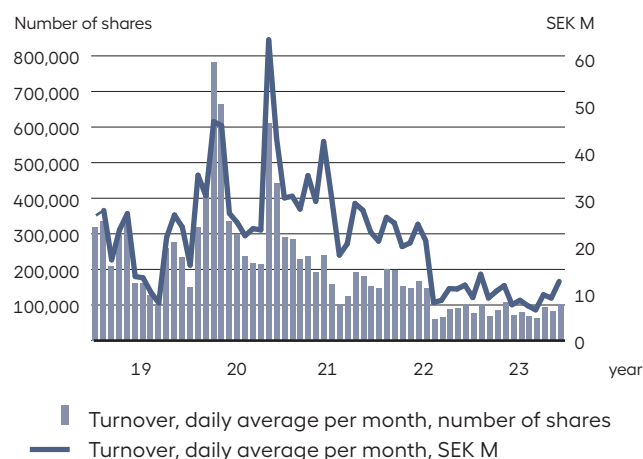
Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

## Ownership by categories at 31 December 2023, %



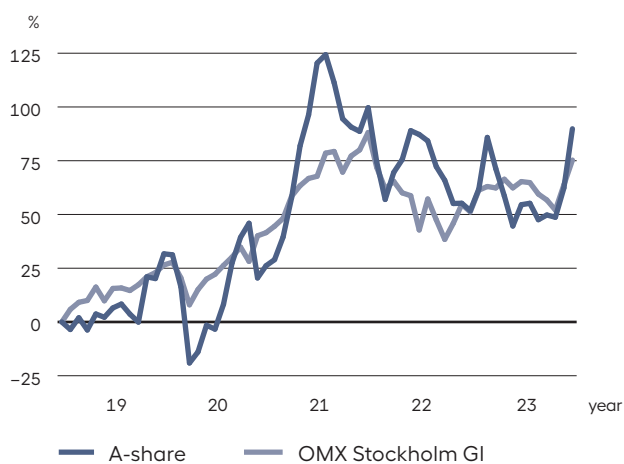
Source: Monitor by Modular Finance AB.

## Turnover of Billia share



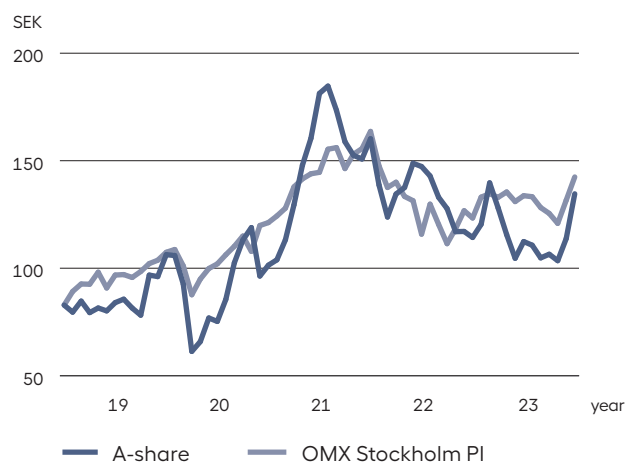
Source: Nasdaq

## Total return of Billia share



Source: Nasdaq

## Development of Billia share



Source: Nasdaq

# Definitions and Performance Measures

**Acquisition-related costs and value adjustments** Pertains to costs for legal consultants and other external costs associated directly with an acquisition, as well as value adjustments regarding acquired inventory assets, which are depreciated during the asset's turnover time.

**Amortisation of surplus values** Occurs in connection with acquisitions of operations and is recognised under intangible assets.

**Capital employed** Balance sheet total less non-interest-bearing liabilities and provisions as well as deferred tax liability.

**Comparable operations** Financial information and quantities that are adjusted for operations that have been acquired or divested of during the year.

**Deliveries** Cars that have been physically turned over to the customer and invoiced and are included in reported net turnover.

**Dividend yield** Dividend in relation to the average share price during the year.

**EBITDA** Operational earnings plus total depreciation/amortisation less amortisation of surplus values and depreciation of leased vehicles with repurchase agreements.

**Equity/assets ratio** Equity in relation to balance sheet total.

**Excluding IFRS 16** Information excluding the accounting standard IFRS 16 Leases.

**Gain from sale of operation** Difference between purchase consideration and the operation's consolidated carrying amount, less selling costs.

**Growth** Increase or decrease of net turnover in relation to the preceding year.

**Growth in local currency** Growth excluding exchange rate fluctuations.

**Liquidity** Unutilised credit with the banks, Nordea and DNB, plus cash and cash equivalents.

**Net debt** Net debt consists of interest-bearing liabilities less cash and cash equivalents, interest-bearing current and long-term receivables, interests in associated companies and leased vehicles.

Performance measures that include interest-bearing liabilities are calculated excluding the effect of transaction costs and premium calculated according to the effective interest method.

**Operating cash flow** Cash flow from operating activities plus investments in and disposals of intangible assets and property, plant and equipment.

**Operating margin** Operating profit in relation to net turnover.

**Operational earnings** Operating profit, excluding revenues and costs that affect comparability between accounting periods and/or operating segments. They include, but are not limited to, acquisition-related expenses, value adjustments, restructurings and amortisation of surplus values.

**Operational margin** Operational earnings in relation to net turnover.

**Order backlog** New cars ordered by the customer but not yet delivered.

**Organic growth**  
Net turnover is adjusted for operations that have been acquired or divested of during one of the periods. Adjustment is also made for exchange rate differences and for calendar effect.

**Payout ratio** Dividend in relation to profit for the year.

**Price/Earnings ratio** Share price at year-end in relation to earnings per share.

**Price/equity ratio** Share price at year-end in relation to equity per share.

**Return on capital employed** Operating profit plus interest expense included in the business and financial income in relation to average capital employed.

**Return on equity** Net profit for the year in relation to average equity.

**Service subscriptions** Service subscriptions where customers have or are expected to have their servicing done at a Bilja facility.

**Structural costs** Costs that significantly alter the thrust and/or scope of the operation. Examples of structural costs may be costs for reducing the number of employees and costs for vacating a leased facility before expiration of the lease.

**Underlying values** Values that are adjusted for operations that have been acquired or divested of during the year. Adjustment is made for exchange rate differences, where applicable.

**Value added** Operational earnings plus payroll expenses, including payroll overheads.

# Information on Annual General Meeting

## Annual General Meeting, 24 April 2024

The AGM of Bilia AB will be held at 14:00 at Haga Norra, Torfredsplatsen 1, Solna. The board has decided that shareholders should be able to exercise their right to vote at the AGM also by postal voting.

## Participation

A) Shareholders who wish to participate in the AGM by postal voting shall

- be registered in the share register maintained by Euroclear Sweden AB regarding the conditions on 16 April 2024,
- register by casting your postal vote according to the instructions under the heading Postal voting below so that the postal vote is at the disposal of Computershare AB by 18 April 2024 at the latest.

B) Shareholders who wish to be present in the meeting room in person or by proxy shall

- be registered in the share register maintained by Euroclear Sweden AB regarding the conditions on 16 April 2024,
- register with the company no later than 18 April 2024 at the address Computershare AB, "Bilia AB Annual General Meeting 2024", Box 5267, 102 46 Stockholm, via e-mail to proxy@computershare.se, or by telephone +46 771-24 64 00 (weekdays between 09:00 and 16:00). When reporting, which is preferably in writing, the name, address, telephone and social security number, registered share holding and the number of any assistants are given.

In order to be entitled to participate in the meeting, shareholders who have their shares nominee-registered through a bank or other nominee must, in addition to registering for the meeting by casting their postal vote, temporarily register the shares in their own name so that the shareholder becomes entered in the share register as of 16 April 2024. Such registration may be temporary (so-called voting rights registration) and is requested from the nominee according to the nominee's routines at such a time in advance as the nominee determines. Voting rights registration that has been made by the nominee no later than 18 April 2024 will be taken into account when preparing the share register.

## Participation through presence in the meeting room

Anyone who wants to be present in the meeting room in person or by proxy must report this according to B) above. This means that a registration by postal voting alone is not enough for those who want to be present in the room.

If participation is supported by a power of attorney, the power of attorney must be sent to the above address before the AGM. If the power of attorney was issued by a legal person, a copy of the registration certificate or other authorisation document must be attached.

## Postal voting

For postal voting, a special form must be used. The postal voting form will be available at Bilia AB's website bilia.com.

The completed and signed form must be received by Bilia AB through Computershare AB no later than 18 April 2024. The form must be sent by post to Computershare AB "Bilia AB Annual General Meeting 2024", Box 5267, 102 46 Stockholm or by e-mail to proxy@computershare.se. Shareholders can also, by verification with BankID, cast their postal vote electronically via Bilia's website, bilia.com. If the shareholder postal votes by proxy, a power of attorney must be attached to the form. If the shareholder is a legal person, a certificate of registration or other authorisation document must be attached to the form.

The shareholder may not provide the postal vote with special instructions or conditions. If this happens, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions can be found in the postal voting form.

For questions about the General Meeting or to have the postal voting form sent by post, please contact Computershare AB by phone +46 771-24 64 00.

## Dividend

The Board of Directors proposes to the AGM that of the earnings available for distribution, SEK 6.60 per share (8.80) be paid in dividend to the shareholders, for a total of SEK 607 M (809).

## Board of Directors

The Nominating Committee has announced that they intend to propose eight ordinary board members without deputies and propose re-election of all current members: Gunnar Blomkvist, Anna Engebretsen, Ingrid Jonasson Blank, Nicklas Paulson, Jan Pettersson, Mats Qviberg, Jon Risfeldt and Caroline af Ugglas. The Nominating Committee's proposal is available at bilia.com.

For complete information on the AGM, see the convening notice.

# Articles of Association

## Article 1 Name of the company

The name of the company is Bilia AB. The company is a public company (publ).

## Article 2 Registered office

The company's Board of Directors has its registered office in Gothenburg, Västra Götaland County.

## Article 3 Object of the company

The object of the company is – directly or via subsidiaries – to

- carry on trade and distribution activities with regard to means of transport
- carry on manufacture, trade and distribution in other product areas as well
- carry on sales of service and spare parts associated with the products
- manage real and movable estate, including shares
- carry on financing activities (except that the company shall not carry on such activities as are referred to in Banking Business Act, and that activities subject to the provisions of the Act on Credit Market Companies may only be carried on in subsidiaries), and
- carry on other activities consistent with the above types of business

## Article 4 Share capital

The company's share capital shall be no less than two hundred million kronor (SEK 200,000,000) and no more than eight hundred million kronor (SEK 800,000,000).

In conjunction with a new issue of shares or an issue of warrants or convertibles for cash payment, the shareholders have a preferential right to subscribe for new shares in proportion to their stake in the company's share capital.

## Article 5 Number of shares

The number of shares shall be no less than ninety million (90,000,000) and no more than three hundred sixty million (360,000,000).

## Article 6 Board members

The Board of Directors shall consist of at least seven and at most ten members.

## Article 7 Auditors

The company shall have one or two auditors and at most an equal number of deputy auditors or one or two registered public accounting firms.

## Article 8 Location for General Meeting of Shareholders

The General Meeting of Shareholders shall be held at one of the following locations as determined by the Board of Directors: Stockholm, Solna, Gothenburg or Malmö.

## Article 9 Notice convening a General Meeting of Shareholders

Notice to attend a General Meeting shall be given by advertisement in Post- och Inrikes Tidningar (the official Swedish gazette) and on the company's website. At the same time as notice convening the meeting is given, the company shall advertise in Dagens Industri that such notice has been given.

## Article 10 Shareholders' right to attend a General Meeting of Shareholders

Shareholders can only participate in the proceedings at a General Meeting of Shareholders if the shareholder notifies the company by

not later than the date stipulated in the notice convening the meeting. The latter date may not be a Sunday or other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday prior to the meeting.

## Article 11 Shareholder's assistant

An assistant may accompany the shareholder at the General Meeting if the shareholder has given notice to this effect in the manner stipulated in the preceding paragraph.

## Article 12 Presence of outsider at General Meeting of Shareholders etc.

Someone who is not a shareholder in the company may be entitled, under terms determined by the Board of Directors, to attend or otherwise follow the proceedings at the General Meeting of Shareholders.

The Board may collect powers of attorney in accordance with the procedure specified in Chapter 7, Section 4, second paragraph, of the Swedish Companies Act (2005:551).

Prior to a General Meeting, the Board may decide that the shareholders shall be able to exercise their voting rights by post before the General meeting in accordance with the procedure specified in Chapter 7, Section 4 a of the Swedish Companies Act (2005:551).

## Article 13 Annual General Meeting

The following matters shall be dealt with at the Annual General Meeting:

1. Election of Chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons to verify the minutes;
5. Determination of whether the meeting has been duly convened;
6. Presentation of the annual report and the audit report as well as the consolidated accounts and the audit report on the consolidated accounts;
7. Resolutions concerning
  - a) adoption of the Income Statement and the Balance Sheet as well as the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position,
  - b) appropriations of the company's profit or loss according to the adopted Balance Sheet,
  - c) discharge of the members of the Board of Directors and the Managing Director from liability;
8. Determination of the number of members of the Board of Directors as well as auditor and deputy auditor or public accounting firm (at meeting when auditor is elected);
9. Determination of fees to be paid to the Board of Directors and, where applicable, auditors;
10. Election of Board of Directors as well as auditor and deputy auditor or registered public accounting firm (at meeting when auditor is elected).

Other matters incumbent upon the General Meeting under the Companies Act or the Articles of Association.

## Article 14 Financial year

The company's financial year shall be the calendar year.

## Article 15 CSD clause

The company's shares shall be registered in a Central Securities Depository (CSD) register pursuant to the Financial Instruments Accounts Act (1998:1479).

Adopted at Annual General Meeting, 7 April 2022.





# Times are changing. So are we.

We have, since 1929, sold cars  
and performed services.  
We still do, but today we also  
do a lot more.

Bilia is one of Europe's largest full-service supplier, for everything related to car ownership, with a leading position within service and sales of cars, transport vehicles and trucks. We offer the car owner service and repairs, fuel, car wash, rental cars, tyres and wheels, rim repair, car accessories, car care, paint, glass replacement, car dismantling etcetera. At the end of 2023, Bilia had around 160 facilities in Sweden, Norway, Luxembourg and Belgium and an internet based auction site in Sweden.

Bilia's business concept is to offer a sustainable business through consideration and pride by offering attractive and innovative solutions for the mobile human being – in short, a better experience for our customers.

**Bilia +46771-400 000**  
**[biliasweden.com](https://biliasweden.com)**

