

BTS Annual report

2022



Helping the world's leading companies

BTS is a global professional services firm headquartered in Stockholm, Sweden, with about 1,200 professionals in 37 offices located on six continents.

BTS's offices around the world



BTS Group's four operational units

BTS Group's operative activities are run through four units, and the executive management has full business and profit and loss responsibility for their respective geographical markets.

BTS North America consists of BTS's operations in the U.S., excluding APG, but including VBS with its operations in Canada and Switzerland.

BTS Europe consists of operations in France, Germany, the Netherlands, Sweden, and the UK.

BTS Other markets consists of operations in Argentina, Australia, Brazil, China, Costa Rica, India, Italy, Japan, Malaysia, Mexico, Singapore, South Africa, South Korea, Spain, Taiwan, Thailand, and the United Arab Emirates.

Advantage Performance Group (APG)

operates in the U.S. market and delivers performance improvement through sales and leadership training that results in meaningful business impact using its Advantage WaySM implementation process.

BTS services

BTS is a consultancy specializing in the people side of strategy. For over three decades we have been designing powerful experiences that have a profound and lasting impact on businesses and their people. Our next-generation approach combines deep business knowledge with transformational development to help companies and their people to evolve together and turn strategy into results. Our services include:

- Strategy execution and business transformation
- Leadership readiness and development
- Go to market
- Talent acquisition and succession

Areas of expertise

BTS has ten areas of expertise. Specialists and thought leaders have been gathered within each area and are responsible for developing new concepts and solutions as well as ensuring the use of best practices across BTS Group:

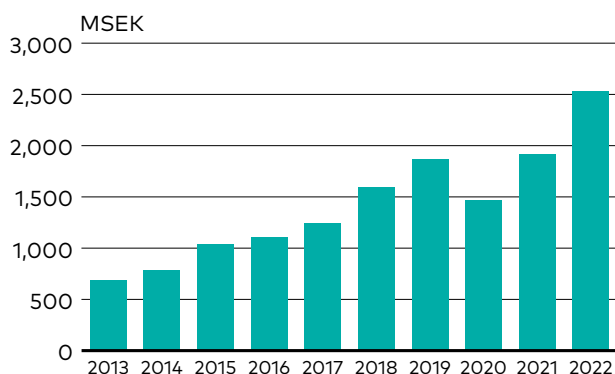
- Strategy execution
- Business acumen
- Leadership development
- Assessment
- Change and transformation
- Executives and teams
- BTS Coach
- Innovation and digital transformation
- Sales and marketing
- BTS Digital

Group-internal functions

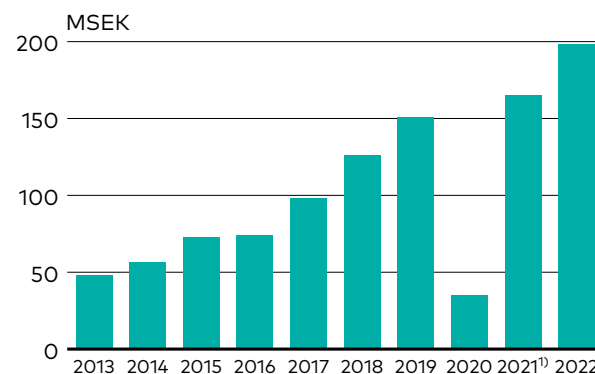
Group-internal functions cover Group finance, Investor relations, Corporate communications, and Global operations development.

turn strategy into results

Net sales

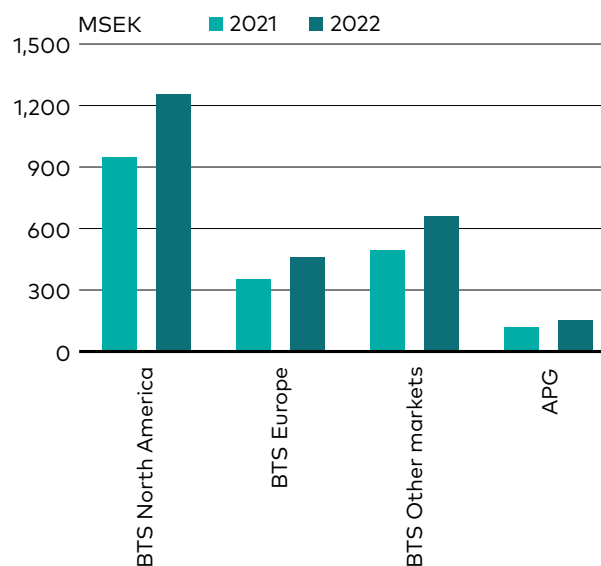


Profit after tax

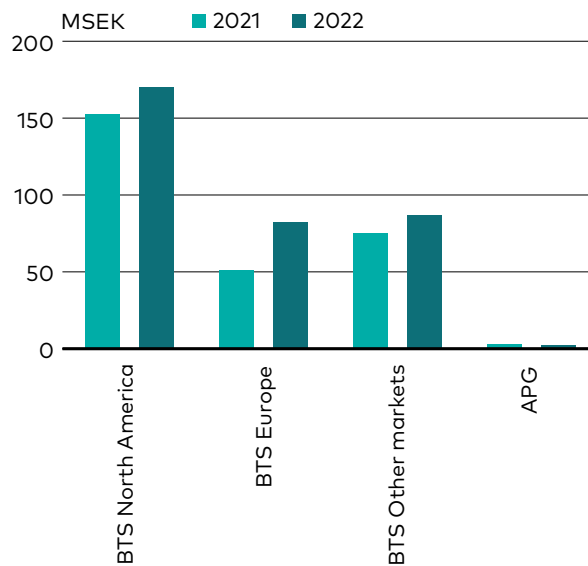


¹⁾ Excluding forgiven PPP loan.

Net sales per operating unit



Operating profit (EBITA) per operating unit



Key figures, employees

	2022	2021	2020	2019	2018
Number of employees at the end of the year	1,180	1,071	821	832	701
Percentage of whom are women, % ¹⁾	54	52	52	53	51
Net turnover per employee, SEK thousands	2,241	2,048	1,736	2,393	2,478

¹⁾ Yearly average number

2022 in brief

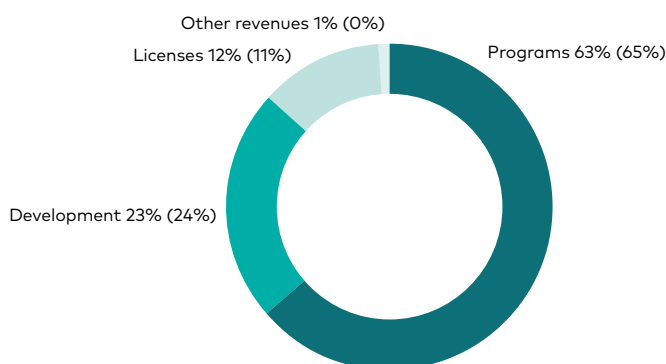
- Net sales amounted to SEK 2,530 million (1,917).
- Sales increased by 17 percent, adjusted for changes in foreign exchange rates.
- Operating profit (EBITA) amounted to SEK 348 million (338). Excluding the forgiven PPP loan during 2021, the operating profit increased by 21 percent to SEK 348 million (288).
- Profit before tax amounted to SEK 290 million (289). Excluding the forgiven PPP loan during 2021, the profit after tax increased by 21 percent to SEK 290 million (240).
- Profit after tax amounted to SEK 198 million (215). Excluding the forgiven PPP loan during 2021, the profit after tax increased by 20 percent to SEK 198 million (165).
- Earnings per share amounted to SEK 10.24 (11.11). Excluding the forgiven PPP loan during 2021, the earnings per share increased by 20 percent to SEK 10.24 (8.54).

Key ratios	2022	2021 ¹⁾
Net sales, SEK millions	2,530	1,917
Operating profit (EBITA), SEK millions	348	338
Operating margin (EBITA margin), %	13.8	17.6
Operating profit (EBIT), SEK millions	303	305
Operating margin (EBIT margin), %	12.0	15.9
Profit before tax, SEK millions	290	289
Profit after tax, SEK millions	198	215
Profit margin, %	7.8	11.2
Operating capital, SEK millions	858	670
Return on operating capital, %	40	51

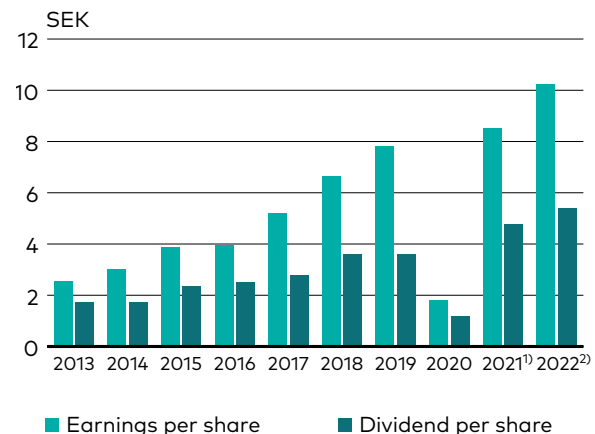
Key ratios	2022	2021 ¹⁾
Return on equity, %	18	25
Equity ratio at the end of the year, %	44	39
Cash flow from operating activities, SEK millions	199	312
Cash flow, SEK millions	-85	-30
Cash and cash equivalents at the end of the year, SEK millions	577	594
Number of employees at the end of the year	1,180	1,071
Average number of employees	1,129	936
Net turnover per employee, SEK millions	2.2	2.0

¹⁾ Including forgiven PPP loan.

Net sales by source of revenue 2022 (2021)



Earnings and dividends per share



¹⁾ Earnings per share; Excluding PPP loan.

²⁾ Dividend per share; Proposed dividend.

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Simulation culture

And the volatility continues... war, rising inflation and interest rates, failing banks. So, why did BTS have another record year in 2022 and why am I bullish on our future?

The demand for our services shows us that companies are tired of the old approaches to strategy, operations, technology adoption, M&A, people readiness, selection and succession, teaming, leadership development, onboarding, change, and culture. They are intrigued by a better way, and BTS has just that.

We are seeing the beginning of a profound shift, one with powerful implications in our ability to create game-changing impact with, and for, our clients. Our 30-plus years of influencing our client base, combined with the rapid acceleration of the use of Enterprise AI in core operations, have helped to initiate the rise of what we call a "Simulation culture". A Simulation culture has the power to drive speed, innovation, efficiencies, and excellence in how companies build products, go to market, attract and grow talent, pioneer, and ultimately create billions in value. It's game-changing – and it's coming. BTS is uniquely positioned to partner with our clients to make that shift a reality.

A Simulation culture is not a tool; it's a philosophy that sits at the intersection of high-performance teaming, non-stop learning, scenario-planning, cross-functional ways of working, and daily decision making, based on millions of data points becoming more and more intelligent. It gives to the world a new lens with which to prepare their people (similar to how elite teams prepare), and to think very differently about operations. Simulation culture delivers new approaches to strategy, execution, and culture, and demands very different alternatives to traditional consulting and talent services.

This philosophy of Simulation culture is still being defined, but as a start, we are observing the following:

A Simulation culture is not:

- Top-down, overly siloed, command and control.
- Telling people what to do and then hoping they will do it well.
- *"I need to hire a fancy consulting company to get buy-in from the Board."*
- *"I don't really trust our people so I will outsource this important initiative to consultants."*
- Accepting generic best practices, adopting universal leadership models, or tolerating standard consulting advice.
- Allowing consultants to take their learning away with them, leaving little institutional wisdom behind.
- Waterfall operating models and non-predictive enterprise operational software.
- Adopting the old models of change (e.g., a beginning, middle, end).

A Simulation culture is:

- Recognition that every elite team on the planet requires time to practice.

- C-suite and executive teams regularly use visual modeling to do strategy and financial scenario planning together – with probabilities becoming more mainstream in financial reporting.
- Realization that setting up a team for success – through a high-fidelity simulation – should happen at the beginning of an initiative or a new work stream when the stakes are at their lowest, and before billions in capital or millions in people costs have been spent, and the teams can get their tendencies to fail out of their system.
- Company-wide communication and alignment approaches that recognize most people move to action, and with passion, when they have experienced the new way of working and believe it is the right thing to do.
- Ongoing and real-time simulation-based practice at scale to ensure people know what high performance looks like in their company, and are thereby able to reach elite performance earlier in their jobs.
- Enterprise AI simulations and simulation-based practice are a normal, ongoing part of daily operations.
- Acknowledgment that most corporate strategies and "MBA speak" leave many people feeling excluded and thus unable to act, so simulations are used to bring clarity and humanity and to reduce imposter syndrome.

What we know to be true about the value of simulations:

- Simulations are a powerful methodology to bring the entire company along and make their unique strategy, business model, and culture deeply personal for all.
- The ever-evolving foundation of the company's institutional wisdom gets stronger and stronger in the models over time.
- They provide a powerful mechanism to remove the bias that exists in hiring, selection, and succession processes and get the right people in the right roles for the future of the company.
- The cultural magic that happens when people can practice together, experience breakthrough performance together, bond, laugh, make mistakes, learn, try new things, and be reminded that part of their job is to inspire and challenge one another to be better.

Below are a handful of examples of companies that embody Simulation culture in action. Examples range from NVIDIA, who has fully embraced and adopted this philosophy as core to their semiconductor operations (fueled by the power of high-performance computing), to others who are starting in pockets or parts of the enterprise to make this operational shift.

NVIDIA's CEO *Jensen Huang* described in a recent keynote address: *"NVIDIA simulates everything and invests whatever it takes to enable that to happen, as simulations let us find problems at the least costly phase of a project and ultimately get to market sooner with a high-quality product. A Simulation culture naturally forces concurrent hardware and software*

co-design, and naturally aligns internal teams. A Simulation culture has profound implications throughout every aspect of product development that is integrated. Failures and results are reproducible and continuously improving with all past learnings captured in the tools and flow."

We have partnered with our clients to begin to build a Simulation culture in different ways:

- A software company has defined new, critical client conversations and deal structures that will be helpful for their clients in a high inflationary environment. They designed a four-hour simulation and deployed it over 24 hours to 28,000 people globally, to practice together.
- A pharma company has 45-plus critical roles throughout the organization from corporate controller to country manager to chief data scientist. Rather than rely on the "I know a guy" approach, the company has designed job-specific simulations as an unbiased way to evaluate readiness and to support their selection and succession process.
- A tech company has decided *"Everything we do in our Talent and Leadership Development Function will be simulation-based."* All hiring, onboarding, executive to front-line development, and all assessments will be simulation based, and all simulations will be 100 percent our business model, strategy, culture.
- An energy company has deployed over 40 active simulations over the course of the year. These simulations model the strategy, upstream, downstream, midstream, functions, new technology implementation, critical roles, leadership moments, and its unique culture.
- A consumer packaged goods company is trying to accelerate revenue growth management and needs interventions to make clear what this should look and feel like – from their top executives all the way to their truck drivers. They design multiple simulations and deploy them over the course of the year to accelerate how people perform their work.
- An energy company is fine-tuning their strategy, and rather than just the CEO and the head of strategy doing most of the thinking, the entire executive team is simulating various growth, cost, and capital deployed scenarios. This experience of strategy creation connects all members of the C-suite through participation, authorship, and ownership. This deep level of connection better prepares them to lead execution successfully.

Another record-breaking year

2022 became another record-breaking year – our best ever – with all of our units growing by double-digits.

The underlying growth of our business in 2022 was 17 percent, of which 15 percent was organic.

Despite our operating profit increase, our margin decreased due to the North American operations experiencing



a temporary slowdown of some of their software clients in the third quarter, which dropped revenue growth to flat, while the total number of employees increased. North America had a growth rebound in the fourth quarter and is undergoing workforce planning to drive productivity improvements. BTS Other markets operating margin (EBITA) was 13.1 percent (15.2). BTS Europe is showing us how our recently set new, longer-term EBITA margin of 17 percent is possible, as their operating margin was 17.9 percent for the year.

A volatile and more conservative market

Demand for BTS services remains strong as companies need to drive shifting priorities and new ways of working while simultaneously improving their culture. On the other hand, in industries where we have seen hundreds of thousands of layoffs, and with the continued increase in interest rates, we are experiencing some delays in decision making and projects.

There is no doubt 2023 will be more challenging due to market uncertainty. At the same time, a year like this is when we tend to be the most creative, have breakthrough client engagement models, and improve the company at a faster clip.

A favorable outlook

We are well-positioned for continued long-term sustainable and profitable growth. The outlook for 2023 is favorable; we believe that earnings will be better than in 2022. However, given the challenging economic environment, our outlook is more uncertain than usual.

Stockholm, April 2023

Jessica Skon
CEO of BTS Group AB (publ)

Growth and profit year after year

BTS has a strong position in a large, growing, and highly fragmented market. The value of the total market is estimated to over USD 30 billion and is expected to grow by 4–5 percent a year. BTS’s market share is estimated to be under 1 percent. BTS’s financial goals are 20 percent revenue growth per year, and a 17-percent operating margin (EBITA).

Continuous growth and profit

BTS has delivered profit every year and profit growth almost every year, irrespective of market conditions and despite substantial costs for acquisitions, investments in product development, and market establishment around the world.

This development is a result of BTS’s growth strategy, dynamic business model, and its entrepreneurial organizational culture.

The strategy to generate growth focuses on growing revenue and share of wallet per customer account by offering innovative digital solutions and content in BTS’s programs. Furthermore, BTS aims to expand to new geographies organically or through acquisitions.

In the 1990s, BTS successfully managed to achieve continuous profitable growth. Good market conditions and new product initiatives, as well as new offices in the U.S., UK, Finland, and South Africa, played a major role in the company’s growth during this period. When the market conditions worsened between 2001 and 2003, BTS managed to maintain

a healthy level of revenue, despite the unfavorable business climate (particularly in the IT, telecom, and manufacturing industries, where BTS was predominantly active) by adhering to its successful long-term strategy.

New initiatives

In the difficult market conditions from 2001 to 2003, BTS successfully managed to reinforce the business for future growth and profitability by implementing a range of new initiatives, such as expanding into new industries and geographical markets.

Increasing profits

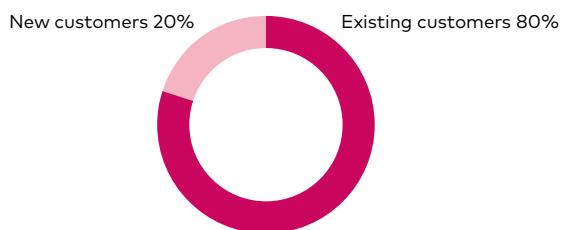
BTS constantly strives to improve profitability. The changes and initiatives implemented during the period of consolidation between 2001 and 2003 have, in combination with a focus on raising the proportion of revenues from licensing, led to improvements in margins.

BTS will reach its EBITA margin goal of 15 percent by continuously improving billability, project execution, systems, and processes to reduce overhead; and by optimizing pricing, increasing licensing, and adding recurring revenue services. Digital investments are expected to decline as share of revenue over time.

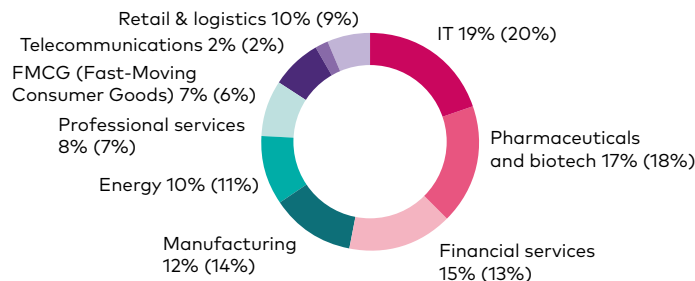
Organic growth

BTS’s expansion strategy is primarily built on organic growth. During 2002 and 2003, BTS opened businesses in Australia and Spain. These initiatives have grown substantially and served as starting points for offices in Asia and Latin America.

Revenue generation



Revenue source per sector 2022 (2021)



Acquisitions in 2005 and 2006

BTS's strategy for acquisitions aims to create a broader base for future organic growth by adding new markets, new value-adding products and services, and new talent.

BTS acquired *The Strategic Management Group Learning Solutions Inc.* in 2005 and *The Advantage Performance Group Inc.* and *The Real Learning Company Inc.* in 2006. The acquisitions have added new technologies and delivery methods, a broader customer base, and a wealth of new talent to BTS.

The 2008–2009 recession

The recession during 2008 and 2009 had a significant negative impact on the industry. Most companies saw their revenues decline by 20 to 40 percent in 2009.

BTS's recession strategy was based on two key factors: the company's low market share and highly competitive offerings. By focusing its resources on highly prioritized accounts, BTS was able to maintain its revenue and profit levels.

At the same time, BTS made strategic investments and progress during the recession, creating a strong foundation for growth from 2010 onward.

Growth from 2010 to 2019

During the years 2010 to 2019, BTS's revenue grew by an average of 10 percent annually (currency adjusted) with growth in all regions. BTS grew the average size of its projects by offering global services and more complete solutions, thereby delivering improved results for customers.

In 2013, BTS acquired all the business operations of the Danish company *Wizerize A/S*. The acquisition created new opportunities to offer digitally enabled solutions that were built on current and future social and mobile IT platforms. These solutions supplemented and strengthened BTS's existing offerings very well.

In 2014, BTS acquired all the businesses of the American companies *Sandra Hartog Associates Inc.* and *Fenestra Inc.*, which strengthened BTS's position in the fast-growing market for services and technology within assessment services.

In 2015, BTS acquired the South African company *Avocado Vision Pty Ltd.*, which provided BTS and Avo Vision with major opportunities in the fast-growing and important African market, which had an enormous need for talent development. All the business operations in the Australian company *Synergy Group Pty Ltd.* were also acquired in 2015. This represented a significant strengthening of BTS's operations in Australia, increased BTS's delivery capacity, and created a considerably stronger and broader offering in Australia.

In 2016, BTS acquired all business operations of the Italian companies *Cesim Italia Srl.* and *Design Innovation Srl.*, which significantly strengthened BTS's position in southern Europe through the addition of several major Italian customers, and also reinforced BTS's Italian operations by supplementing them with further expertise and innovative solutions. Furthermore, the acquisitions also provided a good opportunity to help many of the major Italian companies globally.

In 2017, BTS acquired all the businesses of the English company *Coach in a Box Holdings Ltd.* and its subsidiaries, as well as the German company *MTAC GmbH*.

Coach in a Box helps leaders at all levels to improve and change using a coaching approach that is virtual, affordable, scalable, and fast. BTS and *Coach in a Box*'s combined services strengthened the customer offering and made the companies stronger partners in the market, thus creating synergies and significant growth opportunities.

MTAC works with some of the largest organizations in the German-speaking part of Europe with innovative education and simulation-based services for strategy implementation, business acumen, leadership, and marketing. The acquisition provided BTS with a base in German-speaking countries, which easily now makes it the largest market in Europe. It also allowed BTS to serve existing global clients better, and creates significant growth potential. In addition, MTAC added top knowledge in the area of marketing expertise, which is now a new area of expertise for BTS.

In 2019, BTS acquired all the businesses of the American company *Polaris Assessment Systems Inc.*, the company *SwissVBS AG.* and its subsidiaries, and the Swedish company *Samsari AB*.

Polaris offers candidate evaluation and interviewing techniques and services, as well as methods that enable customers to effectively recruit, develop, and promote employees. Through the acquisition of Polaris, BTS gained two business advantages: new industry-leading services that gave access to a new market segment worth approximately USD two billion globally, and secondly, we brought on board three influential thought leaders in this market segment.

SwissVBS provides high-impact digital learning solutions for the modern corporate learner. It operates primarily in the European and North American markets, bringing thought leadership and creative solutions to clients through digital journeys as well as learning reinforcement methods. The SwissVBS team brings world-class expertise in digital learning and performance support. This means that BTS can offer



clients a wider range of solutions and become even more competitive as an end-to-end talent partner. SwissVBS also brought over clients with whom the company had developed strong relationships, and won awards – making BTS stronger in the Canadian and German-speaking markets.

SwissVBS was established in St. Gallen in 2001 as an offspring of the University of St. Gallen. Since then it has successfully grown into a respected provider of customized digital learning for some of the world's largest corporations.

The acquisition of Samsari brought years of experience to BTS through a strong and dynamic team with skills in change management, transformation projects, and communication – skills that will become increasingly important and thus strengthen the BTS service offering as a whole. The acquisition also contributed to broadening the BTS customer base in the Nordic market.

The COVID-19 pandemic 2020

The entire industry faced an enormous challenge early in 2020 when all physical training was canceled – wiping out 70 percent of BTS's revenue. In addition, many companies stopped or reduced investments in all forms of training.

To address this challenge, BTS decided on a strategy to become stronger in the long-term, allowing BTS to continue to increase revenue and earnings for the years ahead.

With BTS's rapid re-focus on virtual and digital solutions, BTS managed to compensate for almost three quarters of the

70 percent revenue loss in 2020. BTS also took an important lead. The changes in the market will be lasting, even when the COVID-19 crisis is over, and a significant share of demand will center on virtual and digital solutions.

Overall, BTS tackled the potential crisis for the industry, brought about by the 2020 pandemic very well.

2021 – Post pandemic, coming out strong

The pandemic initiated significant changes to strategies and organizations in major companies around the world, creating an increased demand for BTS's services and making BTS an even more attractive partner for customers today.

In 2021, BTS acquired the American company *Bates Communications Inc.* and all the businesses of the Spanish company *Netmind SL*.

Bates helps some of the top companies in the world to execute their strategies, primarily in the U.S., and the client portfolio has only a limited overlap with that of BTS. Bates' senior talent and consultants have brought complementary and sought-after capabilities to BTS. Their team members have backgrounds and significant experience in business, strategy, corporate communication, and management psychology. The acquisition created the preconditions for the original operations in both companies to develop major synergies in their service offerings and customer bases.

The acquisition of Netmind enabled BTS to considerably strengthen its position in the Spanish-speaking markets.



With its focus on digital and agile change solutions, Netmind's offering complements BTS, which thus strengthens its position for continued growth in Spain and in other markets. Netmind partners with some of the world's leading companies to succeed in the digital field using Netmind's innovative solutions, proprietary concepts and methods, in-house models for agile change, and an extensive library of courses and training. Netmind's customer base has only a limited overlap with BTS, which offers significant potential for synergies.

BTS is coming out of the pandemic as a stronger organization with an expanded customer base, a stronger offering of services, and increased revenue from virtual and digital solutions. Overall, a new level was reached during 2021, and BTS is well positioned for continued long-term sustainable and profitable growth.

2022 – Another record-breaking year

BTS continued its growth story in 2022 with all units growing by double-digits. The interim report for the fourth quarter of 2022 presented the twenty-second record quarter (not including 2020) where revenues, as well as operating profit, exceeded the outcome for the same period the previous year. The revenue increased by 17 percent during 2022 compared to the previous year, of which 15 percent was organic. BTS Europe had a strong development during the year with substantial growth, improved margins, and strong profit growth. BTS Other markets has continued to work on balancing optimization and

growth during the fourth quarter and the operating margin has improved due to increased revenue in the fourth quarter and better utilization of the team. Despite increasing operating profit for the Group, BTS's margin decreased, and that decline was caused solely by BTS North America. Strategic workforce planning is underway in North America to ensure BTS has the right mix of talent for the breadth of its portfolio and for achieving improvements in productivity.

During a turbulent year like 2022, BTS tends to be the most creative, with breakthrough client engagement models, and improving the company at a higher speed. BTS has made strategic investments and progress during the year, creating a strong foundation for growth for the coming years.

BTS is currently not experiencing any material financial impact of a potential looming recession; however, the volatility from 2022 is expected to continue in 2023 given the large number of layoffs within the tech sector, specifically in North America.

We are ready for even more volatility and a somewhat more conservative market. We see great opportunities as well as threats, and we have started the year with humility. There is no doubt 2023 will be more challenging due to market uncertainty, and we will continue to prepare, with all units focusing on the CEOs, industries, and companies that we believe will be more recession resilient. BTS ended the year with strong deal pipelines across the units, and the demand for BTS's services remains strong.

BTS share information

On June 6, 2001, the BTS share was floated on Nasdaq Stockholm in connection with the issue of new stock, raising SEK 78.1 million in capital for the company after issue expenses.

The share capital totals SEK 6,458,116, distributed among 853,800 Class A shares and 18,520,547 Class B shares, each with a quotient value of SEK 0.33. Each Class A share entitles the holder to ten votes, each Class B share is entitled to one vote. All shares carry equal rights to participate in the company's assets and profits.

At December 31, 2022, there were 4,145 (3,251) shareholders in the company, an increase of 27 percent. In the past few years, BTS has increased its investor relation activities, including webcasted interim report presentations in Sweden, and roadshows to financial centers in Europe.

Dividend policy

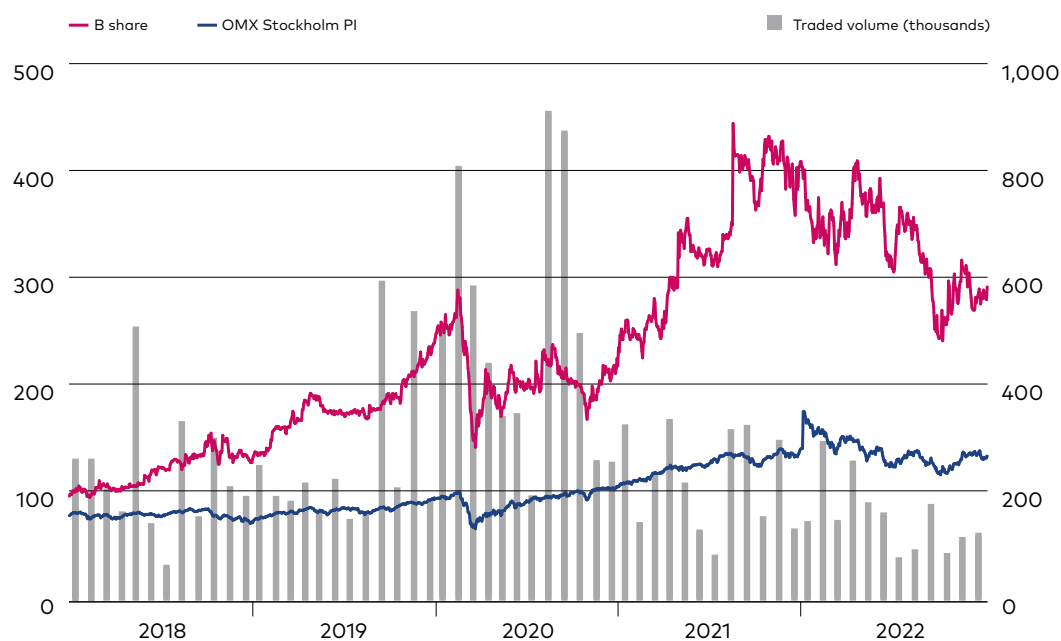
The company's goal is to distribute 40–65 percent of profit after tax in the long run.

SEK	2022	2021	2020	2019	2018
Share price, December 31	291.00	403.00	217.00	238.00	127.00
Earnings per share	10.24	11.11	1.82	7.84	6.67
Price/earnings ratio, December 31	28.42	36.28	119.2	30.3	19.0
Cash and cash equivalents per share, December 31	29.78	30.68	30.60	16.38	13.80
Equity per share, December 31	62.66	50.75	36.75	43.47	37.04
Dividend per share	5.40 ¹⁾	4.80	1.20	3.60	3.60

¹⁾ Proposed dividend.

BTS Group AB share price 2018–2022

Share price quotes cover opening price first day of trading 2018 to closing price last day of trading 2022.



Sources: Bloomberg and Fidessa

Share capital

Change in capital

Year	Transaction	Increase in share capital, SEK	Share capital, SEK	Class A shares	Class B shares	Total number of shares	Par value per share, SEK
1999	Formation of the company	100,000	100,000	439,900	560,100	1,000,000	00:10
1999	New issue	8,200	108,200		82,000	1,082,000	00:10
2001	Stock dividend issue	4,219,800	4,328,000			1,082,000	04:00
2001	4:1 split		4,328,000	1,319,700	1,926,300	4,328,000	01:00
2001	Conversion of Class A to Class B shares			-1,475,000	1,475,000	4,328,000	01:00
2001	New issue	1,500,000	5,828,000		1,500,000	5,828,000	01:00
2002	New issue	69,300	5,897,300		69,300	5,897,300	01:00
2006	3:1 split		5,897,300	569,200	11,225,400	17,691,900	00:33
2006	New issue	118,800	6,016,100		356,400	18,048,300	00:33
2012	New issue	5,922	6,022,022		17,765	18,066,065	00:33
2013	New issue	174,601	6,196,623		523,805	18,589,870	00:33
2014	New issue	18,834	6,215,457		56,500	18,646,370	00:33
2017	New issue	80,227	6,295,684		240,681	18,887,051	00:33
2018	New issue	42,288	6,337,972		126,865	19,013,916	00:33
2019	New issue	101,459	6,439,431		304,376	19,318,292	00:33
2021	New issue	18,685	6,458,116		56,055	19,374,347	00:33

Ten largest shareholders

Name	Number of Class A shares	Number of Class B shares	Holding	Holding (%)	Votes (%)
Henrik Ekelund, incl. companies	816,000	2,789,034	3,605,034	18.6	40.5
Stefan af Petersens, incl. companies	37,800	2,292,195	2,329,995	12.0	9.9
Lannebo Funds		2,056,622	2,056,622	10.6	7.6
SEB Funds		2,053,103	2,053,103	10.6	7.6
Nordea Funds, incl. Luxemburg funds		1,838,548	1,838,548	9.5	6.8
Swedbank Robur Funds		1,713,959	1,713,959	8.8	6.3
Third Swedish National Pension Fund (AP3)		850,000	850,000	4.4	3.1
AMF Pension & Funds		394,007	394,007	2.0	1.5
Enter Funds		343,774	343,774	1.8	1.3
Danske Invest		286,206	286,206	1.5	1.1
Total for 10 largest shareholders	853,800	14,617,448	15,471,248	79.9	85.6
Other shareholders		3,903,099	3,903,099	20.1	14.4
Total all shareholders	853,800	18,520,547	19,374,347	100.0	100.0

Five-year summary

Income statement

Consolidated income statements in summary

SEK millions	2022	2021	2020	2019	2018
Net sales	2,530	1,917	1,464	1,865	1,598
Operating expenses	-2,110	-1,557	-1,309	-1,554	-1,384
Forgiven PPP loan	-	50	-	-	-
Depreciation of property, plant, and equipment	-72	-71	-65	-66	-12
Amortization of intangible assets	-45	-33	-26	-20	-19
Operating profit (EBIT)	303	305	65	226	183

Net sales per operating unit

SEK millions	2022	2021	2020	2019	2018
BTS North America	1,254	949	689	877	714
BTS Europe	459	353	316	386	316
BTS Other markets	661	493	363	490	460
APG	156	121	95	112	109
Total	2,530	1,917	1,464	1,865	1,598

Operating profit (EBITA) per operating unit

SEK millions	2022	2021	2020	2019	2018
BTS North America	170.2	152.8	48.8	118.6	93.4
BTS Europe	82.4	51.0	19.5	63.3	44.9
BTS Other markets	86.7	75.2	19.4	57.2	62.8
APG	2.3	2.9	-2.9	1.5	0.9
Total excl. IFRS 16	341.5	282.0	84.8	240.5	202.1
Effects of IFRS 16	6.8	6.3	5.5	4.8	-
Forgiven PPP loan	-	49.7	-	-	-
Total incl. IFRS 16	348.3	338.0	90.3	245.3	-

Operating units

BTS North America consists of BTS's operations in the U.S., excluding APG, but including VBS with its operations in Canada and Switzerland.

BTS Europe consists of operations in France, Germany, the Netherlands, Sweden and the UK.

BTS Other markets consists of operations in Argentina, Australia, Brazil, China, Costa Rica, India, Italy, Japan, Malaysia, Mexico, Singapore, South Africa, South Korea, Spain, Taiwan, Thailand and the United Arab Emirates.

APG consists of operations in Advantage Performance Group in the U.S.

Balance sheet

Consolidated balance sheets in summary

SEK millions	2022	2021	2020	2019	2018
<i>Assets</i>					
Non-current assets	1,244	1,147	826	851	581
Accounts receivable	723	557	409	514	512
Other current assets	215	194	134	187	172
Cash and cash equivalents	577	594	591	316	262
Total assets	2,759	2,492	1,960	1,869	1,528
<i>Equity and liabilities</i>					
Equity	1,214	983	710	840	704
Interest-bearing liabilities	221	281	404	76	103
Non-interest-bearing liabilities	1,324	1,228	846	953	721
Total equity and liabilities	2,759	2,492	1,960	1,869	1,528

Cash flow

Consolidated cash flow in summary

SEK millions	2022	2021	2020	2019	2018
Cash flow from operating activities	199	312	242	218	158
Cash flow from investing activities	-76	-182	-148	-38	-37
Cash flow from financing activities	-208	-161	213	-132	-71
Cash flow for the year	-85	-30	307	48	50
Cash and cash equivalents, start of year	594	591	316	262	200
Translation differences in cash and cash equivalents	68	34	-33	6	12
Cash and cash equivalents, end of year	577	594	591	316	262

Financial ratios for the Group

SEK millions	2022	2021	2020	2019	2018
Net sales	2,530	1,917	1,464	1,865	1,598
Operating profit (EBITA)	348	338	90	245	202
Operating margin (EBITA margin), %	13.8	17.6	6.2	13.2	12.6
Operating profit (EBIT)	303	305	65	226	183
Operating margin (EBIT margin), %	12.0	15.9	4.4	12.1	11.5
Profit margin, %	7.8	11.2	2.4	8.1	7.9
Earnings per share, SEK	10.24	11.11	1.82	7.84	6.67
Operating capital	858	670	523	600	545
Return on operating capital, %	40	51	12	39	35
Equity	1,214	983	710	840	704
Return on equity, %	18	25	5	20	20
Equity per share, SEK	62.66	50.75	36.75	43.47	37.04
Equity/assets ratio, %	44	39	36	45	46
Dividend per share, SEK	5.40 ¹⁾	4.80	1.20	3.60	3.60
Cash flow	-85	-30	307	48	50
Cash and cash equivalents	577	594	591	316	262
Number of employees at year-end	1,180	1,071	821	832	701
Average number of employees	1,129	936	843	779	645
Annual net sales per employee	2.2	2.0	1.7	2.4	2.5

¹⁾ Proposed dividend.

Definitions**Operating margin (EBITA margin)**

Operating profit before amortization of intangible assets as a percentage of net sales.

Operating margin (EBIT margin)

Operating profit after amortization/depreciation as a percentage of net sales.

Profit margin

Profit for the period as a percentage of net sales.

Earnings per share

Earnings attributable to the Parent company's shareholders divided by the number of shares before dilution.

Operating capital

Balance sheet totals less cash and cash equivalents, other interest-bearing assets, and non-interest-bearing liabilities.

Return on operating capital

Operating profit as a percentage of average operating capital.

Return on equity

Profit after tax on an annual basis as a percentage of average equity.

Equity per share

Equity excluding non-controlling interests, divided by the number of shares at the end of the year.

Equity/assets ratio

Equity as a percentage of the balance sheet total.

Dividend per share

Dividends proposed or adopted, divided by the number of shares at year-end.

Annual net sales per employee

Net sales for the whole year, divided by the average number of employees.

Price/earnings ratio

Price per share divided by earnings per share.

Net liabilities

Interest-bearing, long-term and short-term liabilities, excluding lease liabilities, decreased with interest-bearing assets, and cash and cash equivalents.

Management report

The Board of Directors and CEO of BTS Group AB (publ), corporate identity number 556566-7119, hereby submit their annual accounts and consolidated financial statements for the fiscal year 2022. The consolidated income statement and balance sheet, as well as the Parent company's income statement and balance sheet, will be submitted to the Annual General Meeting for adoption.

Operations

BTS is a global professional services firm headquartered in Stockholm, Sweden, with 37 offices located on six continents. BTS's clients are often leading multinational companies. BTS is an expert in behavior change and cares deeply about both delivering results for its clients and ensuring that their people do the best work of their lives. The company's engagements range from embedded multi-year transformation projects to brief, targeted capability development. BTS's clients are often leading multinational companies.

For over 35 years, BTS has partnered with clients to enable strategy execution. BTS believes that success comes from people understanding how their daily work impacts business results. BTS provides the skills, tools, and knowledge companies need to take the right action at the right moment. BTS's primary services include *Strategy execution and business transformation, Leader readiness and development, Go to market, and Talent acquisition and succession*. In support of these services, BTS has ten areas of expertise responsible for developing new concepts and solutions as well as ensuring the use of best practices across BTS Group: *Strategy execution, Business acumen, Leadership development, Assessment, Change and transformation, Executives and teams, BTS Coach, Innovation and digital transformation, Sales and marketing, and BTS Digital*.

Revenue and profit

BTS's net sales increased by 32 percent during the year to SEK 2,530 million (1,917). Adjusted for changes in exchange rates, revenues increased by 17 percent.

In May 2020, the U.S. BTS subsidiary received federal COVID-19 support under the "Paycheck Protection Program" (known as PPP loans). In accordance with the guidelines from the U.S. authorities, this loan was written off during the third quarter of 2021, and had a positive impact of SEK 49.7 million on operating profit. For increased comparability, the outcome for 2021 is stated throughout this Annual report both including and excluding the forgiven PPP loan.

Operating profit (EBITA) increased during the year, to SEK 348 million (338), excluding forgiven PPP loan SEK 348 million (288).

The operating margin (EBITA margin) was 13.8 percent (17.6), excluding forgiven PPP loan 13.8 percent (15.0).

Operating profit (EBIT) increased to SEK 303 million (305), excluding forgiven PPP loan SEK 303 million (256). The operating margin (EBIT margin) was 12.0 percent (15.9), excluding forgiven PPP loan 12.0 percent (13.3). Operating profit (EBIT) was charged with SEK 45.1 million (32.8) for amortization of intangible assets attributable to acquisitions.

Consolidated profit before tax for the year increased to SEK 290 million (289), excluding forgiven PPP loan SEK 290 (240) million.

Compared with 2021, operating profit (EBITA), excluding the forgiven PPP loan, increased by 21 percent. The operating margin (EBITA margin) decreased from 15.0 to 13.8 percent, excluding the forgiven PPP loan.

Net sales for BTS's operations in North America totaled SEK 1,254 million (949) in 2022. Adjusted for changes in exchange rates, revenue increased by 12 percent. Operating profit (EBITA) totaled SEK 170 million (153) for the year. The operating margin (EBITA margin) was 13.6 percent (16.1).

Net sales for BTS Europe totaled SEK 459 million (353) in 2022. Adjusted for changes in exchange rates, revenues increased by 25 percent. Operating profit (EBITA) totaled SEK 82 million (51) for the year. The operating margin (EBITA margin) was 17.9 percent (14.4).

Net sales for BTS Other markets totaled SEK 661 million (493) in 2022. Adjusted for changes in exchange rates, revenues increased by 23 percent. Operating profit (EBITA) totaled SEK 87 million (75) for the year. The operating margin (EBITA margin) was 13.1 percent (15.2).

Net sales for APG reached SEK 156 million (121) in 2022. Adjusted for changes in exchange rates, revenue increased by 10 percent. Operating profit (EBITA) totaled SEK 2 million (3) for the year. The operating margin (EBITA margin) was 1.5 percent (2.4).

Financial position

At the end of the period, cash and cash equivalents were SEK 577 million (594). The Group's interest-bearing loans, attributable to previously completed acquisitions, totaled SEK 221 million (281) at the end of the period. Equity totaled SEK 1,214 million (983) at year-end, and the equity/assets ratio was 44 percent (39). BTS's cash flow from operating activities for the year was SEK 199 million (312).

Employees

The number of employees in BTS Group AB at December 31, 2022 was 1,180 (1,071).

The average number of employees during the year was 1,129 (936).

Shareholders

The total number of shares outstanding at December 31, 2022 was 19,374,347, consisting of 853,800 Class A and 18,520,547 Class B shares. Each Class A share entitles the holder to 10 votes per share, each Class B is entitled to one vote per share.

The company's articles of association contain no restrictions on the transfer of shares. The company has one shareholder, Henrik Ekelund, including companies, whose holdings exceeded 10 percent of votes at year-end 2022. Some employees own shares in the company, but the employees as a whole have no investment through any pension fund or the like. The company is not aware of any agreements between shareholders that would restrict the right to transfer shares. Neither is there any agreement to which the company is a party that would take effect, be changed, or cease to apply if control of the company changed as a result of a public takeover bid.

Parent company

The activities of the Parent company, BTS Group AB, consist exclusively of tasks internal to the Group. The assets of the Parent company consist primarily of shares in subsidiaries and cash and cash equivalents. The company's net sales totaled SEK 4.3 million (3.5), and profit after financial items SEK 115.1 million (62.1). Cash and cash equivalents were SEK 0.7 million (0.7).

Market development

BTS did not experience any material impact on the sales pipeline during the year, due to recession anticipation. All markets entered the year of 2023 with strong pipelines. However, BTS expects a more volatile development during the year due to the uncertain macroeconomic outlook. BTS will continue to carefully monitor the development and will take the necessary measures needed to adapt to the market.

Sustainability report and corporate governance report

In accordance with the *Annual Accounts Act* (Chapter 6, Paragraph 11), BTS has chosen to establish the statutory Sustainability report and the statutory Corporate governance report (Chapter 6, Paragraph 8) as two reports separate from the Annual report. The Sustainability report and the Corporate governance report were submitted to the auditor at the same time as the Annual report for 2022, and can be found on pages 51–71.

Information about risk and uncertainty

Market risks

Sensitivity to economic conditions

Demand for training is sensitive to economic fluctuations. Slower growth and cost-cutting programs affect corporate training budgets and might negatively affect corporate training budgets for some clients. Similarly, economic recovery increases willingness to invest in training.

Dependence on individual customers

BTS's ten largest customers accounted for 21 percent (27) of its sales in 2022. By striving for a broad customer base, BTS limits its dependence on individual customers.

No sectors dominate

BTS customers are mainly active in nine business sectors: IT, Equipment & software, Financial services, Manufacturing, Pharmaceuticals & biotech, Fast-Moving Consumer Goods (FMCG), Energy, Telecommunications, Professional services, and Retail. The global distribution of its customers' operations helps reduce BTS's exposure to cyclical fluctuations in specific industries.

Geographical spread

50 percent (50) of BTS's sales in 2022 were in the operating unit BTS North America, BTS Other markets represented 26 percent (26), BTS Europe accounted for 18 percent (18) and APG 6 percent (6).

Fragmented competitive situation

The market for corporate training and management is fragmented. BTS encounters different competitors in different markets and has no global competitor.

Operational risks

Quality and brands

BTS builds its marketing on network-based sales developed over the years by good customer relationships, which are brought about by high demand for the quality of BTS deliveries. BTS minimizes the risk of having dissatisfied customers by recruiting and cultivating qualified coworkers and by ensuring that all development and all deliveries adhere to established, and continuously updated processes. BTS also follows up on quality in every project.

Intellectual property

BTS owns all rights to the business simulations it develops for clients, thus retaining the right to reuse general intellectual property, such as software and adaptations, when developing new simulations. For license-based products and solutions, the client purchases the number of licenses needed for the employees participating.

Securing human resources

Rapid growth requires intense recruitment and training of employees. At the same time, it is essential to retain competent personnel. To meet these requirements, BTS follows an established model for recruiting and skills development.

Dependence on key personnel

To reduce dependence on individual employees, and to ensure the long-term quality of BTS training courses, methods, technologies and business simulations are well documented.

Financial risks

Effective and systematic assessments of financial and commercial risks are vital to BTS. The Group's financial policy specifies guidelines and objectives for managing financial risks within the Group. Financing and risk management have been gathered under the Group finance function. The subsidiaries manage all foreign exchange dealings and credit to clients within the framework of the policy. For details, see Note 2, *Significant accounting policies*, and Note 19, *Financial instruments and financial risk management*.

Foreign exchange risks

The day-to-day exposure to fluctuations in exchange rates is limited as revenues and expenses are primarily in the same currency in each market. BTS does not normally hedge its foreign exchange exposure. The sensitivity analysis below shows the effects on operating profits of changes in the value of USD, EUR and GBP in relation to the Swedish krona (SEK).

	Percentage change	Change ¹⁾ SEK thousands
SEK/USD	+/-10%	24,191
SEK/EUR	+/-10%	8,157
SEK/GBP	+/-10%	1,896

¹⁾ Based on 2022 figures.

Credit risks

BTS only accepts creditworthy counterparties. BTS's accounts receivable are distributed among a large number of companies operating in different sectors. The maximum credit risk at year-end was 33,176 (22,690), which corresponds to the largest credit exposure of any single group.

Liquidity risk and interest rate risk

BTS manages liquidity risk by maintaining sufficient cash and cash equivalents, and a reserve in the form of an approved overdraft facility. BTS may borrow funds only with the approval of the Board of Directors. Any excess liquidity in subsidiaries is initially to be used to repay loans. Interest rates on the Group's financial assets and liabilities are usually fixed for short periods. Interest rate risk refers to changes in market rates that could adversely affect BTS, either through the increased cost of borrowing for the company or through fluctuations in returns on the funds invested at variable interest rates.

Significant events after the close of the fiscal year

No material events occurred after the close of the fiscal year.

Research and development

The development that BTS has gone through during the year is essentially related to customer-specific product development, which has been expensed directly. No research has taken place.

For a more detailed description, see Note 2, *Significant accounting policies*.

Proposed appropriation of earnings**Parent company**

The following funds are at the disposal of the Annual General Meeting:

	SEK
Profit brought forward	86,756,316
Profit for the year	111,511,549
Total	198,267,865

The Board of Directors proposes that earnings be appropriated as follows:

	SEK
To be distributed to shareholders: SEK 5.40 per share totaling ¹⁾	104,621,474
To be carried forward	93,646,391
Total	198,267,865

¹⁾ The total amount of the proposed dividend is based on the number of outstanding shares as of April 20, 2023.

The Board proposes a dividend of SEK 5.40 per share, amounting to SEK 104,621 thousand (92,997), to be paid on two occasions in the amount of SEK 2.70 per payment. The dividend is proposed to be paid on May 22, 2023 and November 20, 2023 respectively.

Statement from the Board of Directors on the proposed dividend

The proposed dividend to shareholders will reduce the Parent company's equity/assets ratio to 24 percent, and the Group's equity/assets ratio to 42 percent. The equity/assets ratio, as well as the cash situation, is considered satisfactory.

The Board of Directors is of the opinion that the proposed dividend will not prevent the company from fulfilling its obligations in the short or long run, nor from making the requisite investments. Thus, the proposed dividend is justifiable in terms of the provisions of Chapter 17, Paragraph 3, Sections 2–3 of the *Swedish Companies Act* (prudence rule).

Regarding the operations of the Group and the Parent company in other respects, please see the following income statements and balance sheets as well as the cash flow statements and accompanying notes.

Multiple-year review

Performance for the past five fiscal years is presented below.

SEK thousands	2022	2021	2020	2019	2018
Net sales	2,529,634	1,916,762	1,464,155	1,865,499	1,598,399
Operating expenses	-2,109,688	-1,557,303	-1,308,726	-1,554,314	-1,384,450
Forgiven PPP loan	-	49,694	-	-	-
Depreciation of property, plant, and equipment	-71,630	-71,189	-65,123	-65,855	-11,835
Amortization of intangible assets	-45,065	-32,764	-25,700	-19,670	-18,713
Operating profit (EBIT)	303,251	305,200	64,607	225,660	183,401
Operating margin (EBIT margin), %	12.0	15.9	4.4	12.1	11.5
Number of employees at year-end	1,180	1,071	821	832	701
Average number of employees	1,129	936	843	779	645
Net sales per employee	2,241	2,048	1,736	2,393	2,478

Consolidated income statement

SEK thousands	NOTE	2022	2021
Net sales	10	2,529,634	1,916,762
Operating expenses			
Other external expenses	3, 4, 5, 6	-713,896	-525,699
Employee benefit expenses	6,7	-1,395,792	-1,031,604
Forgiven PPP loan	6	-	49,694
Depreciation of property, plant, and equipment and amortization of intangible assets	5, 8, 9	-116,695	-103,953
Total operating expenses		-2,226,383	-1,611,562
OPERATING PROFIT	10	303,251	305,200
Financial items	11		
Financial income		2,793	884
Financial expenses		-16,672	-17,193
Total gain/loss on financial items		-13,879	-16,309
Affiliated companies, profit after tax		295	320
PROFIT BEFORE TAX		289,667	289,210
Tax on profit for the year	12	-91,261	-74,508
PROFIT FOR THE YEAR		198,405	214,702
Profit for the year attributable to: Parent company's shareholders		198,405	214,702
Earnings per share (profit for the year attributable to Parent company shareholders)	13		
Earnings per share, before dilution, SEK		10.24	11.11
Average number of shares during the year		19,374,347	19,327,972
Dividend per share, SEK	14	5.40 ¹⁾	4.80

¹⁾ Proposed dividend.

Consolidated statement of comprehensive income

SEK thousands	NOTE	2022	2021
PROFIT FOR THE YEAR		198,405	214,702
Other comprehensive income			
<i>Items that later could be reclassified to profit or loss</i>			
Translation differences in equity	18	124,576	64,998
Other comprehensive income for the year, net after tax		124,576	64,998
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		322,981	279,700
Portion attributable to Parent company shareholders		322,981	279,700

Consolidated balance sheet

SEK thousands	NOTE	12-31-22	12-31-21
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Goodwill	8	908,882	830,094
Other intangible assets	8	120,564	114,895
Total intangible assets		1,029,447	944,990
<i>Property, plant and equipment</i>			
Equipment	9	49,103	41,854
Right-of-use assets	5	137,301	138,218
Total property, plant and equipment		186,405	180,072
<i>Financial assets</i>			
Deferred tax assets	16	14,332	10,293
Other non-current receivables	19	13,350	11,644
Total financial assets		27,682	21,937
Total non-current assets		1,243,533	1,146,999
Current assets			
<i>Current receivables</i>			
Accounts receivable	19	723,145	556,852
Other receivables	19	19,491	56,906
Prepaid expenses and accrued income	17	195,289	136,646
Total current receivables		937,925	750,404
Cash and cash equivalents	19, 21	577,061	594,435
Total current assets		1,514,986	1,344,839
TOTAL ASSETS		2,758,519	2,491,837

SEK thousands	NOTE	12-31-22	12-31-21
EQUITY AND LIABILITIES			
EQUITY			
	18		
Share capital		6,458	6,458
Other paid-in capital		5,046	4,893
Retained earnings, including profit for the year		1,202,426	971,899
Total equity		1,213,930	983,250
LIABILITIES			
Non-current liabilities			
Lease liabilities	5	94,340	97,455
Deferred tax liability	16	83,932	81,933
Provisions	19	245,404	233,843
Interest-bearing liabilities to credit institutions	19, 20	77,753	124,505
Other liabilities	19, 20	6,768	4,809
Total non-current liabilities		508,196	542,544
Current liabilities			
Accounts payable	19	49,201	35,100
Tax liabilities		5,332	12,208
Lease liabilities	5	46,002	43,808
Provisions	19	46,205	42,711
Interest-bearing liabilities to credit institutions	19, 21	142,906	156,357
Other liabilities	19	69,578	55,983
Accrued expenses and prepaid income	22	677,169	619,876
Total current liabilities		1,036,393	966,043
TOTAL EQUITY AND LIABILITIES		2,758,519	2,491,837

Information on pledged assets and contingent liabilities in Notes 23 and 24.

Changes in consolidated equity

Attributable to Parent company

SEK thousands	NOTE 18	Share capital	Other paid-in capital	Retained earnings including profit for the year	Total equity
Opening balance at January 1, 2021		6,439	4,621	698,797	709,857
Comprehensive income					
Profit for the year				214,702	214,702
Other comprehensive income					
Translation differences			272	64,726	64,998
Total comprehensive income		0	272	279,428	279,700
Transactions with shareholders					
New issue		19		16,843	16,862
Share-based payment according to IFRS 2				119	119
Dividends to shareholders				-23,194	-23,194
Other				-94	-94
Total transactions with shareholders		19	0	-6,326	-6,307
Closing balance at December 31, 2021		6,458	4,893	971,899	983,250
Opening balance at January 1, 2022		6,458	4,893	971,899	983,250
Comprehensive income					
Profit for the year				198,405	198,405
Other comprehensive income					
Translation differences			153	124,423	124,576
Total comprehensive income		0	153	322,829	322,981
Transactions with shareholders					
Share-based payment according to IFRS 2				990	990
Dividends to shareholders				-92,997	-92,997
Other				-295	-295
Total transactions with shareholders				-92,302	-92,302
Closing balance at December 31, 2022		6,458	5,046	1,202,426	1,213,930

Consolidated cash flow statement

SEK thousands	NOTE	2022	2021
Operating activities			
Operating profit		303,251	305,200
Adjustments for non-cash items			
Depreciation and amortization	5, 8, 9	116,695	103,953
Financial items	11	-13,584	-15,990
Tax paid for the year		-55,790	-76,410
<i>Cash flow from operating activities before changes in working capital</i>		350,572	316,752
<i>Cash flow from changes in working capital</i>			
Change in accounts receivable		-101,871	-114,537
Change in other operating receivables		-9,856	-57,868
Change in accounts payables and other operating liabilities		-39,832	167,698
<i>Cash flow from changes in working capital</i>		-151,558	-4,707
Cash flow from operating activities		199,014	312,045
Investing activities			
Investment in property, plant and equipment	9	-21,017	-12,264
Investment in intangible assets	8	-39,172	-7,076
Acquisitions of companies after deduction of cash and cash equivalents	19	-14,968	-160,434
Change in other financial assets		-757	-2,113
Cash flow from investing activities		-75,914	-181,887
Financing activities			
Repayment of loan		-68,417	-70,854
Borrowings		8,213	-8,591
Dividends to shareholders	14	-92,997	-23,194
Amortization lease liabilities	5	-55,080	-57,998
Cash flow from financing activities		-208,280	-160,637
Cash flow for the year		-85,181	-30,478
Cash and cash equivalents, start of the year		594,435	591,171
Translation differences in cash and cash equivalents		67,807	33,742
Cash and cash equivalents, end of year		577,061	594,435

Parent company's income statement

SEK thousands	NOTE	2022	2021
Net turnover	3	4,260	3,480
<i>Operating expenses</i>			
Other external expenses	3, 4	-841	-2,119
Employee benefit expenses	7	-1,914	-1,702
Total operating expenses		-2,755	-3,821
OPERATING PROFIT		1,505	-341
<i>Financial items</i>			
Gains/losses from participation in Group companies	11	121,054	70,992
Interest income and similar profit/loss items		1,517	834
Interest expenses and similar profit/loss items		-8,934	-9,423
Total gain/loss on financial items		113,637	62,403
PROFIT BEFORE TAX		115,142	62,062
Tax on profit for the year	12	-3,631	-4,237
PROFIT FOR THE YEAR		111,512	57,824

Parent company's statement of comprehensive income

SEK thousands	NOTE	2022	2021
PROFIT FOR THE YEAR		111,512	57,824
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		111,512	57,824

Parent company's balance sheet

SEK thousands	NOTE	12-31-22	12-31-21
ASSETS			
Non-current assets			
<i>Financial assets</i>			
Participations in Group companies	15	367,227	367,227
Receivables from Group companies		68,995	63,407
Total non-current assets		436,222	430,634
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		83,738	125,107
Other receivables		1	–
Prepaid expenses and accrued income		257	174
Total current receivables		83,996	125,282
Cash and cash equivalents		685	658
Total current assets		84,681	125,939
TOTAL ASSETS		520,904	556,573
EQUITY AND LIABILITIES			
EQUITY			
<i>Restricted equity</i>			
Share capital		6,458	6,458
Total restricted equity		6,458	6,458
<i>Non-restricted equity</i>			
Retained earnings		86,756	121,929
Profit for the year		111,512	57,824
Total non-restricted equity		198,268	179,753
Total equity		204,726	186,211
LIABILITIES			
Non-current liabilities			
Provisions	19	55,023	55,023
Interest-bearing liabilities to credit institutions	19, 20	77,753	122,500
Total non-current liabilities		132,776	177,523
Current liabilities			
Accounts payable		241	131
Tax liabilities		4,324	6,842
Debt to Group companies		35,643	30,884
Interest-bearing liabilities to credit institutions	19	142,906	154,692
Other liabilities		9	8
Accrued expenses and prepaid income	22	280	280
Total current liabilities		183,402	192,838
TOTAL EQUITY AND LIABILITIES		520,904	556,573

Information on pledged assets and contingent liabilities in Notes 23 and 24.

Changes in Parent company's equity

SEK thousands	NOTE 18	Share capital	Retained earnings	Profit for the year	Total equity
Opening balance at January 1, 2021		6,439	79,304	48,975	134,719
By AGM proposed appropriation					
Transfer to retained earnings			48,975	-48,975	-
Comprehensive income for the period				57,824	57,824
Transactions with shareholders					
Dividends to shareholders			-23,194		-23,194
New issue		19	16,843		16,862
Closing balance at December 31, 2021		6,458	121,929	57,824	186,211
Opening balance at January 1, 2022		6,458	121,929	57,824	186,211
By AGM proposed appropriation					
Transfer to retained earnings			57,824	-57,824	-
Comprehensive income for the period				111,512	111,512
Transactions with shareholders					
Dividends to shareholders			-92,997		-92,997
Closing balance at December 31, 2022		6,458	86,756	111,512	204,726

Parent company's cash flow statement

SEK thousands	NOTE	2022	2021
Operating activities			
Operating profit		1,505	-341
Financial income and expenses	11	-7,417	-8,590
Tax paid for the year		-6,149	-283
<i>Cash flow from operating activities before changes in working capital</i>		-12,061	-9,214
Cash flow from changes in working capital			
Change in operating receivables		35,698	-23,536
Change in accounts payables and other operating liabilities		4,867	43,485
<i>Cash flow from changes in working capital</i>		40,565	19,949
Cash flow from operating activities		28,504	10,735
Investing activities			
Dividends received from subsidiaries		97,554	41,492
Acquisition of companies after deduction of cash and cash equivalents		-	-28,578
Cash flow from investing activities		97,554	12,914
Financing activities			
Group contributions		23,500	29,500
Repayment of loan		-64,747	-64,747
Borrowings		8,213	-8,591
Dividends to shareholders	14	-92,997	-23,194
Cash flow from financing activities		-126,031	-67,033
Cash flow for the year		27	-43,383
Cash and cash equivalents, start of year		658	44,041
Cash and cash equivalents, end of year		685	658

Notes to the Annual report

NOTE 1 | General information

The Parent company is a public limited liability company registered and headquartered in Stockholm, Sweden at Grevgatan 34, SE-114 53 Stockholm. The Parent company is listed on Nasdaq Stockholm. BTS is an international consulting and education firm that focuses on individuals when organizations are executing strategic changes and works with leaders at all levels to help them make better decisions, progress from decision to action and deliver favorable results. BTS has a broad range of services that meet the needs within both strategy execution and talent development with services that follow the employee from evaluation for selection and development to strategic consensus and strategy implementation. This is achieved through programs that enable strategy execution and business transformation, leader readiness and development, go to market preparedness, as well as talent acquisition and succession. BTS's programs are enabled by business simulations and other forms of experiential learning and implementation tools. Most BTS clients are major corporations.

The Annual report and consolidated financial statements were approved for publication by the Board of Directors on April 20, 2023.

NOTE 2 | Significant accounting policies

Amounts are stated in SEK thousands unless otherwise stated.

BTS prepares its consolidated financial statements in compliance with the *Annual Accounts Act (ÅRL)*, the Swedish Financial Reporting Board's recommendation *RFR 1, Supplementary Accounting Regulations for Groups*, the *International Financial Reporting Standards (IFRS)*, and interpretations issued by the *International Financial Reporting Interpretations Committee (IFRIC)* as approved by the European Union. Unless otherwise stated, these principles were also applied to the multiple year reviews presented.

The Parent company has followed the provisions of the *Annual Accounts Act (ÅRL)* and *RFR 2, Accounting for Legal Entities*. The Parent company's shareholdings in subsidiaries are reported using the cost method.

The Parent company recognizes group contributions in the income statement which deviates from the accounting policies applied in the Group.

The most important accounting principles applied in the preparation of the consolidated financial statements are described below. These policies were applied consistently for all years presented, unless otherwise stated.

Changes in accounting principles

There are no new IFRS standards or IFRIC statements that have had a significant impact on the Group's earnings and position during the financial year 2022. No new IFRS standards or interpretations have been applied prematurely.

The *International Accounting Standards Board (IASB)* has published a number of standards and amendments to standards that are to be applied from 2022 and later. None of these new or amended standards are expected to have a material impact on BTS's financial statements.

Consolidated financial statements

Subsidiaries are all companies (including structured entities) over which the Group has control. The Group controls a company when it is exposed to, or entitled to, variable returns from its holding in the company and is able to influence returns through its influence in the company. Subsidiaries are included in the consolidated financial statements from, and including, the date on which control was transferred to the Group. They are excluded from the consolidated financial statements from, and including, the date on which control ceases.

The Group's annual accounts have been prepared according to the acquisition method. A subsidiary's purchase price consists of the fair value of the transferred assets, liabilities, and the shares issued by the Group. The purchase price also includes the fair value of all the assets or liabilities that result from a contingent purchase price agreement. Acquisition-related costs are expensed as they occur. Identifiable acquired assets and assumed liabilities in a business combination are initially valued at fair value on the acquisition date, based on a market evaluation performed at the time of the acquisition. The acquired subsidiaries' equity is completely eliminated, which means that only the portion of the subsidiary's equity that was gained after the acquisition is included in Group equity.

If the consolidated acquisition value of the subsidiary's shares exceeds the net value of identified acquired assets and assumed liabilities recorded in an acquisition analysis, the difference is recognized as goodwill.

Acquired companies during the fiscal year are included in the consolidated financial statements beginning on the date the Group began to exercise control over the company, with the amounts referring to the period after this date.

When the Group no longer has control, each remaining holding is measured at fair value on the date control no longer applies. Change in carrying amount is recognized in profit or loss. Fair value is used as the initial recognized value and provides the basis for continued recognition of the remaining holding as an associate, joint venture, or financial asset. All amounts relating to the disposed of unit, previously recognized in other comprehensive income, are recognized as if the Group had directly disposed of the attributable assets or liabilities. This can result in amounts, previously recognized in other comprehensive income, being reclassified to profit or loss.

Intra-group transactions and balance sheet items, as well as intra-group profits or intra-group losses, are eliminated in full.

All transactions with non-controlling interests are recognized in equity as long as they do not cause any change in control. These transactions do not create goodwill or gains or losses.

The accounting principles for subsidiaries have been amended where appropriate in order to guarantee the consistent application of the Group's principles.

Exchange rates for currencies most relevant to the Group:

	Average 2022	12-31-22	Average 2021	12-31-21
USD	10.11	10.44	8.58	9.04
EUR	10.63	11.13	10.14	10.23
GBP	12.47	12.58	11.80	12.18
AUD	7.01	7.09	6.44	6.56
SGD	7.33	7.77	6.38	6.68
ZAR	0.62	0.61	0.58	0.57

Other currencies have not had a material impact on the consolidated balance sheets or income statements.

Revenue/Assignments in progress

Revenue is recognized on delivery of services to clients, based on agreements signed.

Income from completed customization/development assignments, and the expenses attributable to the assignment, are recognized as revenue and expenses respectively, in proportion to the degree of completion of the assignment at the end of the reporting period (percentage of completion method). The degree of completion of an assignment is determined by comparing the expenses paid up to the end of the reporting period with the estimated total expenditure for the assignment. If the outcome of a service assignment cannot be reliably calculated, the revenue from that assignment is recognized only to the extent corresponding to the assignment expenses incurred that are likely to be covered by the client. Anticipated losses on assignments are recognized directly as expenses.

When educational services, "programs", are delivered to a client, they are recognized as revenue immediately after the implementation.

Revenues for licenses, i.e. the customer's right to independently use the materials and solutions for a certain period and/or a certain number of occasions, are recognized when a binding agreement has been reached and BTS has fulfilled its obligations to the client, and the amount of the revenue is known.

BTS's business model with the four categories of revenue, is further presented in Note 10.

Research and development

Expenditure for customer-specific product development is expensed directly. Expenditure related to development projects (attributable to the development and testing of new or improved products) is capitalized as an intangible asset to the extent that such expenditure can be expected to generate future economic benefits. The company has not conducted any research. The development normally conducted by BTS is customer-specific.

Employee benefits

Pensions

The Group has different pension plans in different countries. All are defined-contribution plans, and the assets are managed by external parties. The company pays fixed fees and has thereby fulfilled its obligations. The costs are charged to consolidated earnings as pension rights are vested.

Share-based payments

During the first quarter of 2017, some of the major shareholders of BTS issued a total of 50,000 call options on market terms to Jessica Skon, CEO of BTS Group AB since 2022. Utilization of the options requires employment and may occur after the options have become usable in the first quarter of 2020 at an exercise price of SEK 80.00 per share. The accounting fair value of these is reported over the term up to the first quarter of 2024 according to IFRS2 and has been calculated using the Black & Scholes model, taking into account the conditions prevailing at the time of the issue. The accounting cost, according to IFRS2, amounted to SEK 140 thousand in 2022. No provisions related to the options are accounted in the consolidated balance sheets.

In 2022 BTS Group AB issued employee stock options to senior executives. The program makes it possible for these employees to acquire shares in the company. The fair value of the granted options is recognized under staff costs, with a corresponding increase in equity. The fair value was calculated on the grant date and is distributed over the vesting period using the Black & Scholes model, taking into account the conditions prevailing at

the grant date. The recognized cost is equivalent to the fair value of an estimate of the number of options and shares expected to be earned. In cases where social security contributions relating to share-based payments to employees arise, these are considered part of remuneration for employee work, and are expensed in distribution over the periods in which the services are rendered. Provision for social security contributions is based on the fair value of the options at each reporting date, and the fair value is calculated using the same valuation model and parameter values as used when the options were issued.

Borrowing

Borrowing expenses are charged to earnings for the period to which they refer.

Borrowings are recognized initially at the amount received less transaction costs. After the date of acquisition, the loan is measured at amortized cost as per the effective interest method. The effective interest method distributes interest income and expenses over the relevant period. The effective interest is the interest rate that exactly discounts the estimated future disbursements to the financial liability's net carrying amount.

Non-current liabilities are liabilities with an anticipated duration longer than 12 months. All others are current liabilities.

Income taxes

Income taxes recognized comprise of taxes for the current year that are to be paid or received as well as changes in deferred tax. All tax liabilities and claims are measured at their nominal amounts according to the tax rules and tax rates that have been decided or announced, and that most probably will be adopted. Tax effects associated with items recognized in the income statement are also recognized in the income statement. Tax effects associated with items recognized in equity are also recognized in equity.

Current tax is the tax to be paid or received for the current year. This includes adjustments of current tax attributable to prior periods.

According to the balance sheet method, deferred tax is calculated on all temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax assets relating to loss carry-forwards or other future tax-effective deductions are recognized to the extent that it is likely they can be used to offset profits for future taxation.

Segment reporting

Operating segments are reported in a manner that agrees with internal reporting that is provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for the allocation of resources and assessment of operating segments' earnings. In the Group it is the Parent company's CEO who makes strategic decisions. BTS's operating segments consist of the Group's operating units: BTS North America, BTS Europe, BTS Other markets and APG. Each subsidiary's share of consolidated sales is used as a weight for the allocation of Group-wide overhead.

Leases and rental agreements

The Group recognizes a right-of-use asset and a lease liability in the balance sheet on the date the leased asset became available for use by the Group. Terms and conditions are negotiated separately for each lease and contain a large number of different terms and conditions. The Group's leases are mainly office premises.

The right-of-use asset comprises the initial measurement of the lease liability plus any lease payments paid on or before the commencement date and any initial directly related costs. The leased asset is amortized straight-line over the lease term, and the useful life begins on the commencement date of the

lease. The leased asset is subsequently measured at cost less accumulated depreciation and impairment and is adjusted for any remeasurement.

Options to extend or terminate leases are included in the majority of the Group's leases for office premises. The terms are used to maximize flexibility in managing the leases. Options for extending or terminating leases are included in the asset and the liability where it is reasonably certain that they will be exercised. However, the majority of the extension options that pertain to existing leases have not been included in the lease liability because the Group can replace the assets without significant costs or disruptions in operations.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. If that rate cannot be readily determined, the incremental borrowing rate is used. The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, plus additional periods when it is reasonably certain that the extension option will be exercised. Lease payments included in the measurement comprise of fixed payments, and variable lease payments that depend on an index or a rate. When adjustments of lease payments that depend on an index or a rate come into effect, the lease liability is remeasured and adjusted against the right-of-use asset. The lease liability is subsequently measured at amortized cost adjusted for any remeasurement.

Each lease payment is allocated between repayment of the liability and financial expense. The financial expense is distributed over the lease term so that each reporting period is charged with an amount equivalent to a fixed interest rate for the liability recognized for each period.

No right-of-use asset or lease liability is recognized for leases with a term of 12 months or less or when the value of the underlying asset is less than USD 5,000. Lease payments for these leases are recognized as a cost straight-line over the lease term. The Group's low-value assets include IT equipment and office machinery.

The Right-of-use asset is recognized under *Property, plant, and equipment* in the consolidated balance sheet. The lease liability is recognized in the category of *Non-current liabilities*, and also in *Current liabilities* for the portion of the lease liability that falls due for payment within the next 12 months. Depreciation of the right-of-use asset is recognized in operating profit and interest expenses and on the lease liability under net financial items. The accounting effects of the Group's leases are presented in Note 5.

Property, plant, and equipment

Property, plant, and equipment are recognized at acquisition cost less accumulated depreciation and impairment losses, if any. The acquisition cost includes expenses directly attributable to the acquisition of the asset. Planned depreciation is charged on a straight-line basis based on the acquisition cost and the estimated useful life. For existing assets, the depreciation period of 3–6 years is applied for *Equipment and installations*.

The residual value and useful life are tested annually and adjusted as necessary.

Intangible assets

Goodwill

Goodwill is initially valued as the amount by which a total purchase price of the acquired net assets exceeds the fair value of the identifiable acquired assets and assumed liabilities. If the purchase price is lower than the fair value of acquired net assets, the difference is recorded directly in the income statement. Impairment tests are conducted annually, or more frequently if there are indications of a decline in value.

Franchise contracts

Acquired franchise contracts have a limited useful life and are recognized at acquisition cost less accumulated amortization and

any impairment losses. Amortization is charged on a straight-line basis during the estimated period of use (15 years).

Technology, products, and software

Acquired technology, products, and software have a limited useful life and are recognized at acquisition cost less accumulated amortization and any impairment losses. Amortization is charged on a straight-line basis during the estimated useful life (2–9 years).

Customer contracts

Acquired customer contracts have a limited useful life and are recognized at acquisition cost less accumulated amortization and any impairment losses. Amortization is charged on a straight-line basis during the estimated useful life (2–15 years).

Brands

Acquired brands with a limited useful life are recognized at acquisition cost less accumulated amortization and any impairment losses. Amortization is charged on a straight-line basis during the estimated useful life (10 years).

Government grants

Government grants and support from governments are recognized as receivables in the Balance sheet when there is reasonable assurance that the grant will be received and that BTS will comply with the conditions associated with the grant. Grants received to compensate for expenses incurred are recognized as a reduction of the relevant expense in the same period as the expenses they are intended for are reported.

Impairment

When there are indications that the carrying amount of any property, plant, equipment, or intangible asset, exceeds its recoverable amount, an impairment test is performed. The recoverable amount is the higher of an asset's net realizable value and value in use. If it cannot be determined for an individual asset, the recoverable amount of the smallest cash-generating unit to which the asset belongs is calculated.

Each year the Group performs impairment tests on goodwill according to the following principle:

- The recoverable amounts are based on the value in use, calculated as the present value of future growth and earnings forecasts during multiple years, taking into account extrapolated cash flows beyond this multi-year period. Impairment tests are carried out on the operating segment level, which is the lowest level in the company at which goodwill is monitored.
- Any impairment is recognized immediately as an expense and is not reversed.

Financial instruments

Classification

The Group classifies its financial assets and liabilities in the following categories: *Financial assets measured at fair value through profit or loss*, *Financial assets measured at amortized cost*, *Financial liabilities at fair value through profit or loss*, and *Financial liabilities valued at amortized cost*. The classification is dependent on for what purpose, and under which business model, the financial asset or liability was acquired.

BTS has no financial assets that are valued at fair value through profit or loss as of the closing date.

Financial assets valued at amortized cost

Financial assets valued at amortized cost are financial instruments that are held within the framework of a business model whose purpose is to collect contractual cash flows. The contractual cash flows consist solely of principal amounts and interest and are valued at amortized cost in accordance with the effective interest method.

An example of BTS financial assets that are valued at amortized cost are accounts receivable.

Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are limited to additional purchase prices attributable to company acquisitions.

Financial liabilities valued at amortized cost

Financial liabilities valued at amortized cost are all other financial instruments, such as liabilities to credit institutions and accounts payable.

Accounting and valuation

Financial assets are initially recognized at fair value plus transaction costs for all financial assets that are not reported at fair value through profit or loss. Financial assets recognized at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets are recognized in the balance sheet when the Group becomes a party to the contractual terms of the instrument. Usual purchases and sales of financial assets are reported on the settlement date. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred, and the Group has transferred virtually all risks and benefits associated with ownership. Financial liabilities are recognized when the Group becomes bound by the contractual obligations attributable to the instrument. Financial liabilities are removed from the balance sheet when the obligation in the agreement has been fulfilled or otherwise extinguished. Loan receivables and accounts receivable, as well as other financial liabilities, are reported after the acquisition date at amortized cost using the effective interest method.

Offset of financial instruments

Financial assets and liabilities are offset and reported with a net amount in the balance sheet, only when there is a legal right to offset the reported amounts, and when there is an intention to settle them with a net amount, or to simultaneously realize the asset and settle the debt.

Impairment of financial instruments

At each financial year-end, the financial assets valued at impairment tests are valued at amortized cost according to the model for expected loan losses. Expected credit losses represent the difference between all contractual cash flows that fall due in accordance with the contract, and all cash flows that the Group expects to receive are valued at present value using the original effective interest rate. Write-downs of accounts receivable are always the same as the expected credit loss for the entire term.

Translation of foreign currency

Functional currency and presentation currency

Items in the financial statements for the various units in the Group are measured in the currency used in the economic environment in which the company conducts its main business activities (functional currency). Swedish krona (SEK), which is the Group's presentation currency, is used in the consolidated financial statements.

Transactions and balance sheet items

Transactions in foreign currency are translated into functional currency at the exchange rate prevailing on the transaction date or the date the items are remeasured. Currency gains and currency losses that arise from payment of such transactions, and translation of assets and liabilities in foreign currency at the exchange rate at the end of the reporting period, are recognized in profit or loss.

Group companies

Profit or loss and financial position for all Group companies, whose functional currency is different from the presentation currency, are translated to the Group's presentation currency as follows:

- assets and liabilities for each of the balance sheets are translated at the exchange rate at the end of the reporting period.
- income and expenses for each of the income statements are translated at the average exchange rate for the year.
- all exchange differences that arise are recognized in other comprehensive income.

Goodwill and fair value adjustments, arising at acquisition of foreign operations, are treated as assets and liabilities of those operations and translated at the exchange rate prevailing at the end of the reporting period. Exchange differences are recognized in other comprehensive income.

Cash flow statement

The cash flow statement is prepared according to the indirect method. The reported cash flow comprises only of transactions that entail incoming and outgoing payments. Cash flow is reported divided into continuing operations, investing activities, and financing activities.

Cash and cash equivalents are cash and demand deposits at banks and similar institutions, plus current liquid investments with a duration of less than three months from the date of acquisition.

Critical estimates and judgments

To prepare the financial statements in accordance with IFRS, executive management must make judgments, estimates, and assumptions that affect the application of the accounting policies and the amounts recognized as assets, liabilities, income, and expenses. The estimates and assumptions are based on historical experience and various other factors that appear reasonable under the prevailing circumstances. The results of these estimates and assumptions are then used to judge the carrying amounts of assets and liabilities that would not be evident from other sources. Actual outcomes may deviate from these estimates and judgments. Estimates and judgments are periodically reviewed. Changes in estimates are recognized in the period in which the change is made if the change affected only that period.

Impairment tests on goodwill and intangible assets with indefinite useful life

Each year the Group performs impairment tests on goodwill and intangible assets with indefinite useful life in accordance with the principle described above. Recoverable amounts for cash-generating units have been determined by calculating the value in use. Certain estimates must be made for these calculations; please see Note 8.

Determination of additional consideration

To determine anticipated additional consideration, the Group makes realistic estimates of future growth and earnings for multiple years, separately for each subsidiary acquired.

NOTE 3 | Transactions with related parties

The Parent company has a close relationship with its subsidiaries, see Note 15. Except for transactions between Group companies, related-party (the Board, the CEO, and other senior executives) transactions took place as shown in Note 7. The subsidiary in the UK has also acquired services from a related party with a value of SEK 16.8 million (13.6) on market terms and conditions.

Purchases and sales between Group companies
Group

Market terms and conditions apply to the supply of services between subsidiaries. The value of these are shown in Note 10.

Receivables and liabilities between Group companies are attributable exclusively to selling and purchasing transactions between the companies. The value of these is specified in Note 10. The liabilities are interest-free.

Parent company

Of the Parent company's total purchasing expenses and sales income, 0 percent (0) of purchases and 100 percent (100) of sales refer to other Group companies.

NOTE 4 | Information about auditors' fees
Fees and remuneration

SEK thousands	Group		Parent company	
	2022	2021	2022	2021
PwC				
Audit assignments	1,300	1,186	812	795
Other assignments	1,441	60	-	-
Other auditors				
Audit assignments	816	1,125	-	-
Other assignments	207	97	-	-
	3,764	2,468	812	795

In 2022, 1,300 relate to PwC Sweden for auditing services. Of the fees for other services in 2022, 1,204 relate to PwC Sweden whereof 1,164 for assistance with acquisition-related Due Diligence services over the course of the year and 40 for tax advice. In 2021, 60 relate to PwC Sweden for statutory certificates on issue.

NOTE 5 | Leases
Reported items in the balance sheet
Right-of-use assets

The majority (96%) of BTS's leases relate to premises. The following table presents the right-of-use assets per lease category.

SEK thousands	12-31-22	12-31-21
Right-of-use assets		
Premises	131,674	133,074
Other leased assets	5,628	5,145
Total	137,301	138,218
Change in right-of-use assets		
SEK thousands	12-31-22	12-31-21
Right-of-use assets		
Accumulated acquisition value, opening balance	247,214	221,826
Additional right-of-use assets	39,770	37,067
Disposals concluded contracts	-32,426	-31,152
Translation differences	25,671	19,473
Accumulated acquisition value, closing balance	280,231	247,214
Depreciation of right-of-use assets		
Accumulated depreciations, opening balance	108,997	74,313
Depreciations for the year	54,077	56,815
Disposals concluded contracts	-32,426	-31,152
Translation differences	12,280	9,021
Accumulated depreciations, closing balance	142,929	108,997
Right-of-use assets at December 31	137,301	138,218

Lease liabilities

SEK thousands	12-31-22	12-31-21
Non-current lease liabilities	94,340	97,455
Current lease liabilities	46,002	43,808
Total	140,342	141,263

Maturity structure for future expected cash flows for lease liabilities

SEK thousands	2022	2021
Within 1 year	47,339	45,883
1-2 years	31,566	32,395
2-3 years	26,468	23,726
3-4 years	22,558	20,344
4-5 years	13,612	16,876
Later than 5 years	14,636	16,637
Total	156,179	155,861

The Group's cash outflow for lease liabilities amounted to 55,080 (57,998).

The average borrowing rate for the Group is 3.8 percent.

Recognized items in the income statement
Depreciation for the year per type of right-of-use asset

SEK thousands	2022	2021
Premises	51,861	54,700
Other leased assets	2,216	2,115
Total	54,077	56,815

Interest expenses related to leases are included in the item financial expenses with 7,179 (7,186).

Lease payments for low-value leases and short-term leases amounted to 1,040 (614), and are included in *Other external expenses*.

NOTE 6 | Government grants

Government grants are not recognized in the income statement until there is reasonable assurance that the unit will comply with the conditions associated with the grant and that the grant will be received.

In May 2020, the U.S. BTS subsidiary received federal COVID-19 support under the "Paycheck Protection Program" (known as PPP loans). In accordance with the guidelines from the U.S. authorities, this loan was written off during the third quarter of 2021 and had a positive impact of SEK 49,694 thousand on operating profit.

Otherwise, in 2022, the Group has only benefited from local support measures to a very limited extent. These have reduced personnel costs by 798 (1,908) and other external expenses by 317 (-). No employees were affected by any furloughs during the year.

Government grants

SEK thousands	2022	2021
Other external expenses	317	-
Personnel costs	798	1,908
Forgiven PPP loan	-	49,694
Total	1,115	51,603

NOTE 7 | Average number of employees, salaries, other compensation, social security contributions, etc.**Average number of employees**

Group	2022			2021		
	Number of employees	Of which women	Of which men	Number of employees	Of which women	Of which men
Subsidiaries						
Argentina	14	9	5	10	7	4
Australia	31	22	9	31	21	10
Brazil	14	8	6	13	6	7
Canada	3	3	–	3	3	–
China	13	8	5	11	8	3
Costa Rica	16	9	6	12	7	5
France	148	58	91	114	52	62
Germany	47	27	20	43	23	20
India	9	5	4	9	4	4
Italy	50	26	24	38	19	20
Japan	14	9	5	13	8	4
Malaysia	5	3	2	1	–	–
Mexico	16	10	6	12	7	5
Singapore	10	4	7	6	3	3
South Africa	5	1	4	5	1	4
South Korea	33	16	17	30	17	13
Spain	119	69	51	66	35	31
Sweden	101	51	50	92	43	49
Switzerland	35	17	18	31	15	16
Taiwan	28	19	9	24	15	9
Thailand	8	5	3	9	4	5
The Netherlands	5	3	2	4	2	2
United Arab Emirates	5	3	2	4	2	2
United Kingdom	22	10	12	27	12	15
United States	378	213	165	329	175	155
Total for the Group	1,129	606	522	936	490	446

Distribution of senior executives by gender, %

	2022		2021	
	Women	Men	Women	Men
CEO and other senior executives (excl. the Board)	22	78	18	82
Board Parent company	40	60	37	63
Board Group	10	90	10	90

Parent company

The Parent company had no employees in 2022.

Salaries, other compensation, and social security contributions

Group	2022		2021	
	Salaries and compensation	Social security contributions of which pension expenses	Salaries and compensation	Social security contributions of which pension expenses
SEK thousands				
Subsidiaries	1,170,117	179,595	884,667	140,938
		39,837		32,488

Pension expenses for employees who are president or a member of the Board of a Group company totaled 2,902 (3,782). All pension plans are defined-contribution plans.

		2022	2021
SEK thousands			
Henrik Ekelund	Chairman of the Board ¹⁾	312	–
Reinhold Geijer	Member ¹⁾	321	469
Mariana Burenstam Linder	Member	221	209
Stefan Gardefjord	Member	321 ²⁾	299 ²⁾
Dag Sehlin	Member	–	75 ³⁾
Anna Söderblom	Member	321 ²⁾	299 ²⁾
Olivia Ekelund	Deputy member	53	31
Total		1,550	1,383

¹⁾ Henrik Ekelund Chairman of the Board from the Annual General Meeting 2022. Reinhold Geijer Chairman of the Board until the same Annual General Meeting.

²⁾ Of which committee work 100 (90).

³⁾ Dag Sehlin resigned as a member at the Annual General Meeting 2021.

Salaries and other compensation by country and divided between Board members/CEO and other employees

Group	2022		2021	
	Board and CEO	Other employees	Board and CEO	Other employees
SEK thousands				
In Sweden				
Parent company	1,550	–	1,383	–
Subsidiaries	4,133	38,159	3,906	30,973
Total Sweden	5,683	38,159	5,289	30,973
Outside Sweden				
BTS North America and APG	19,801	681,319	14,338	492,831
BTS Europe	18,990	122,749	19,716	93,450
BTS Other markets	31,529	251,888	24,856	203,213
Total outside Sweden	70,320	1,055,956	58,910	789,494
Total for the Group	76,003	1,094,115	64,199	820,467

Terms of employment and compensation for senior executives

Guidelines for compensation and other terms of employment for senior executives

These guidelines include the CEO and other senior executives. The guidelines do not cover remuneration decided by the Annual General Meeting.

The guidelines' promotion of the company's business strategy, long-term interests, and sustainability

Information about the company's business strategy and long-term interests, including its sustainability, can be found on the company's website, www.bts.com, and in the Sustainability report on pages 51–66.

Successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, presupposes that the company can recruit and retain qualified employees. This requires that the company can offer competitive remuneration. These guidelines enable senior executives to be offered a competitive total remuneration.

Types of remuneration, etc.

Remuneration to senior executives must be market-based and may consist of basic salary/fixed remuneration, variable remuneration, pension and other benefits. The Annual General Meeting may in addition – and independently of these guidelines – decide on, for example, share and share price-related remuneration.

Basic salary/fixed remuneration must be individual for each individual executive. The basic salary must be reviewed regularly (usually annually) and based on the executive's position, responsibilities, competence, experience, and performance.

Variable remuneration shall be based on predetermined and measurable criteria, designed for the purpose of promoting long-term value creation. The variable remuneration may not exceed 300 percent of the annual fixed salary. The variable remuneration shall not be pensionable, to the extent that nothing else follows from mandatory collective agreement provisions.

Pension benefits shall be defined-contribution to the extent that the executive is not covered by another defined-benefit pension in accordance with mandatory collective agreement provisions. Premiums are paid for as long as the employment lasts. The ordinary retirement age follows the retirement age set by law.

For the CEO, pension benefits shall amount to no more than 35 percent of the annual basic salary. For other senior executives, pension benefits shall amount to no more than 30 percent of the annual basic salary.

Other benefits may include car benefits, occupational health care, life and health insurance, and other similar benefits. Other benefits shall constitute a smaller proportion of the total remuneration and may correspond to no more than 10 percent of the senior executive's annual fixed salary.

Adaptations to foreign regulations. For terms of employment that are subject to rules other than Swedish, with regard to pension benefits and other benefits, appropriate adjustments may be made to comply with such mandatory rules or established local practice, whereby the overall purpose of these guidelines shall be met as far as possible. Deviations from these guidelines must be stated in the Board's Annual report on paid and outstanding compensation covered by the guidelines.

Criteria for payment of variable compensation

The criteria on which the payment of variable compensation is based shall be determined annually by the Board in order to ensure that the criteria are in line with the company's current business strategies and performance targets. The criteria can be individual or common, financial or non-financial, and must be designed in such a way that they promote the company's business strategy, sustainability strategy, and long-term interests.

Financial criteria that form the basis for any variable compensation shall be based on relevant key figures and its composition may vary depending on the phase in which the Board deems that the company is in.

Non-financial criteria that form the basis for any variable compensation must be linked to clear and measurable business-related goals, such as the conclusion of agreements essential to the company, activities carried out according to the company's business plan, expansion/establishment, and achieved objectives within the company's sustainability work.

The period on which the assessment of whether the criteria have been met or not must amount to at least three months. The assessment of the extent to which the criteria have been met shall be made when the measurement period has ended. Regarding the CEO, the Board is responsible for the assessment. For other senior executives, the CEO is responsible for the assessment. The assessment of whether financial criteria have been met shall be based on the accounting, and the most recently published financial information, from the company.

Salary and terms of employment for the company's employees

In the preparation of the Board's proposal for these remuneration guidelines, salary and terms of employment for the employees of the company have been taken into account by including information on the employees' total compensation, remuneration components

and the increase and growth rate of compensation over time formed part of the Board's basis of decision when evaluating whether the guidelines, and the restrictions that follow from them, are reasonable. The development of the distance between the remuneration of senior executives and the remuneration of other employees will be reported in the compensation report.

Termination of employment and severance pay

For senior executives, the notice period in the event of termination by the company shall not exceed twelve months, while the notice period in the event of termination by the senior executive shall not exceed six months. Severance pay is paid only to the CEO and then for a maximum of 12 months.

Decision-making process to determine, review and implement the guidelines

The Board as a whole prepares decisions on proposed guidelines for remuneration to senior executives. The Board shall also, during each financial year, monitor and evaluate ongoing programs, as well as programs completed throughout the year, for variable remuneration for company management, the application of guidelines for remuneration to senior executives and current remuneration structures and compensation levels in the company.

The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting.

The CEO, and other members of the executive management, do not participate in the Board of Directors' processing of, and resolutions regarding, remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may decide to temporarily derogate from the guidelines (in whole or in part) if, in an individual case, there are special reasons for this and a derogation is necessary to meet the company's long-term interests and sustainability, or to ensure the Group's financial viability.

Remuneration and benefits for the senior executives

Remuneration includes basic salary, other benefits, variable remuneration and pension expenses.

Other benefits consist exclusively of company cars. The total sum of remuneration paid to senior executives was 24,708 (14,735), of which pension expenses were 1,850 (2,447). All pension plans are defined-contribution plans.

Jessica Skon succeeded BTS founder Henrik Ekelund as CEO in May 2022. Total remuneration to the CEO 2022 covers Henrik Ekelund up to May 2022, and thereafter Jessica Skon. CEO salary and other benefits amounted to 11,055 (8,082) in total, of which variable remuneration was 5,868 (3,269). The basis for variable remuneration is a model that provides remuneration based on consolidated results that exceed set profitability targets. The CEO has a contribution-based pension entitlement amounting to 13 (35) percent of the fixed remuneration paid in the form of pension insurance with a pension entitlement from age 65.

The CEO's employment contract is subject to a mutual notice period of six months. In addition, the CEO is entitled to severance pay corresponding to 12 months' salary if the company terminates

their employment. No other senior executive is entitled to severance pay.

Other senior executives have been paid salaries and other benefits totaling 11,804 (4,206), of which variable remuneration was 6,556 (1,634). Variable remuneration is based on targets achieved by the company and the individual. Provisions to pensions are made with 0–30 percent (30) of the fixed salary and paid in the form of pension insurance entitling the executive to a pension from the age of 65.

Share-based payment

Employee option program 2022/2027

A resolution was adopted at the extraordinary general meeting held in July 2022 regarding the employee stock option program 2022/2027, comprising 495,000 employee stock options, as well as hedging measures for this purpose. There are two series of employee stock options with vesting periods of three years (series 2022/2025) and five years (series 2022/2027) respectively, which require retained employment within the Group. Only thereafter can the options be exercised.

An employee stock option, regardless of series, entitles the employee to the acquisition of one Class B share in BTS. The exercise price for each employee stock option of the 2022/2025 series shall correspond to 120 percent of the volume-weighted average price for Class B shares in BTS on Nasdaq Stockholm, and 140 percent for employee stock options of the 2022/2027 series, in both cases calculated on the volume-weighted average price of BTS shares on Nasdaq Stockholm for a period of 30 trading days prior to the grant date of September 30, 2022. The exercise price for each employee stock option of the 2022/2025 series was calculated to be SEK 336.50, and the exercise price of the 2022/2027 series was calculated to be SEK 392.60.

The value of the employee stock options has been calculated using *Black & Scholes* valuation model based on share price and other market conditions prevailing at September 30, 2022, without taking into account restrictions on the rights related to disposal, whereby the accounting cost was calculated to be a total of SEK 12.6 million, which in accordance with IFRS 2 was accrued annually during vesting periods. The cost for the financial year amounted to SEK 845 thousand. Other important inputs in the model were the volume-weighted average price that preceded the allocation of SEK 280.40, the above strike price, a volatility of 35 percent, an anticipated present value of dividends of SEK 22.20 and SEK 38.00 respectively, and a risk-free interest rate of 2.44 and 2.36 percent respectively, at maturities of 3.25 and 5.25 years.

Where necessary, social security contributions are recognized as an expense during the vesting period, and during that period then a provision for these will be built up. The value of this provision, and thus the reported cost, was revalued on an ongoing basis based on the value of the employee stock options.

The employee stock option program has been secured with warrants issued free of charge to the wholly-owned subsidiary BTS Sverige AB. The terms of the employee stock options correspond in all material respects to the terms of the warrants securing them. The option program entails a dilution of no more than about 2.6 percent of the share capital and about 1.8 percent of the voting rights for all shares.

NOTE 8 | Intangible assets**Group**

SEK thousands	12-31-22	12-31-21
Goodwill		
Accumulated acquisition cost, opening balance	833,820	552,485
Investments for the year	–	227,982
Established acquisition analyses	–	17,811 ¹⁾
Translation difference	78,788	35,542
Accumulated acquisition cost, closing balance	912,608	833,820
Accumulated impairments, opening balance	–3,726	–3,726
Accumulated impairments, closing balance	–3,726	–3,726
Carrying amount, closing balance	908,882	830,094

¹⁾ Effect of established acquisition analyses.

Other intangible assets

SEK thousands	12-31-22	12-31-21
Franchise contracts		
Accumulated acquisition cost, opening balance	11,182	10,125
Translation difference	1,318	1,057
Accumulated acquisition cost, closing balance	12,500	11,182
Accumulated amortization, opening balance	11,182	9,633
Amortization for the year	–	515
Translation difference	1,318	1,034
Accumulated amortization, closing balance	12,500	11,182
Carrying amount, closing balance	0	0

SEK thousands	12-31-22	12-31-21
Technology, products & software		
Accumulated acquisition cost, opening balance	168,081	122,479
Investments for the year	39,172	34,188
Translation difference	20,131	11,414
Accumulated acquisition cost, closing balance	227,384	168,081
Accumulated amortization, opening balance	99,041	72,618
Amortization for the year	28,691	18,779
Translation difference	12,582	7,645
Accumulated amortization, closing balance	140,313	99,041
Carrying amount, closing balance	87,071	69,040

SEK thousands	12-31-22	12-31-21
Customer contracts		
Accumulated acquisition cost, opening balance	58,434	41,469
Investments for the year	–	14,122
Translation difference	5,787	2,843
Accumulated acquisition cost, closing balance	64,221	58,434
Accumulated amortization, opening balance	36,604	26,333
Amortization for the year	9,002	8,447
Translation difference	3,920	1,825
Accumulated amortization, closing balance	49,525	36,605
Carrying amount, closing balance	14,696	21,830

SEK thousands	12-31-22	12-31-21
Brands		
Accumulated acquisition cost, opening balance	52,078	30,840
Investments for the year	–	18,723
Translation difference	5,705	2,515
Accumulated acquisition cost, closing balance	57,783	52,078
Accumulated amortization, opening balance	28,053	21,112
Amortization for the year	7,373	5,023
Translation difference	3,560	1,919
Accumulated amortization, closing balance	38,986	28,053
Carrying amount, closing balance	18,797	24,025
Total closing balance, carrying amount of other intangible assets	120,564	114,895

Impairment tests

The value of goodwill is tested annually through an impairment test or more often if there are indications of impairment. Goodwill is distributed among the cash-generating units that are expected to benefit from the synergies in acquisitions and are consistent with the Group's operating units/operating segments, which is the lowest level in the company on which goodwill is monitored. Impairment tests, therefore, occur for each operating entity and are BTS North America, BTS Europe, and BTS Other markets.

Recovery values for the units are determined by calculating the value in use. These calculations are based on estimated future cash flows, based on the present values of future growth and profit forecasts over a four-year period, and extrapolated cash flows beyond the four-year period. Significant assumptions used to calculate values in use:

- Forecast of operating margin.
- Growth rate for periods beyond the budget period.
- Selected discount rate after tax.

The forecasted operating margin has been determined based on past performance and expectations of future market developments in each unit. In order to extrapolate cash flows beyond the budget period, a growth rate of 1.5-2.0 percent (1.5-2.5) has been used, which is considered a conservative estimate. In addition, a discount rate in local currency before tax has been used in the calculations for each operating unit. The discount rate – the weighted average capital cost (WACC) – consists of risk-free interest, the market risk premium, and a company-specific risk premium, as well as a market capital structure for each unit. The discount rates used are for BTS North America 11.3 percent (11.0), BTS Europe 10.2 percent (9.0), and BTS Other markets 12.8 percent (10.5).

After impairment tests, it has been established that no impairment loss exists on 12-31-22.

At the impairment tests, sensitivity analyzes have also been made for each operating unit:

- Where the estimated operating margin was 10 percent lower than the basic assumptions.
- If the estimated growth rate to extrapolate cash flows beyond the budget period would have been 10 percent lower than the basic assumption.
- If the estimated weighted capital cost applied to discounted cash flows had been 10 percent higher than the basic assumption.

Reduction of the value in use as a percentage of each sensitivity analysis

	BTS North America		BTS Europe		BTS Other markets	
	2022	2021	2022	2021	2022	2021
10% lower operating margin	-10.4	-10.5	-10.3	-10.4	-10.3	-10.3
10% lower long-term growth	-1.4	-2.0	-1.7	-2.8	-0.8	-1.2
10% higher discount rate	-8.6	-12.0	-9.0	-12.0	-8.4	-11.1

None of the cases above should lead to an impairment in a single operational unit. The calculations are hypothetical and should not be seen as an indication that these factors are more or less likely to change. The sensitivity analysis should therefore be interpreted with caution.

Distribution of goodwill and other intangible assets by segment

Group

12-31-22 SEK thousands	BTS North America	BTS Europe	BTS Other markets	APG	Total
Goodwill	517,710	117,806	273,366	-	908,882
Technology, products & software	58,900	10,032	18,138	-	87,071
Customer contracts	11,603	210	2,883	-	14,696
Brands	5,889	30	12,878	-	18,797
Total	594,102	128,078	307,266	-	1,029,447

12-31-21 SEK thousands	BTS North America	BTS Europe	BTS Other markets	APG	Total
Goodwill	464,188	111,380	254,526	-	830,094
Technology, products & software	39,523	6,903	22,615	-	69,040
Customer contracts	14,557	2,628	4,646	-	21,830
Brands	7,386	1,061	15,578	-	24,025
Total	525,654	121,971	297,364	-	944,990

NOTE 9 | Property, plant, and equipment

Group

SEK thousands	12-31-22	12-31-21
Equipment		
Accumulated acquisition cost, opening balance	122,539	101,664
Acquisition	-	4,069
Investments for the year	21,017	12,264
Disposals	-2,768	-3,709
Translation difference	21,283	8,252
Accumulated acquisition cost, closing balance	162,072	122,539
Accumulated depreciation, opening balance	80,685	63,796
Depreciation for the year	17,553	14,374
Disposals	-2,625	-3,369
Translation difference	17,356	5,885
Accumulated depreciation, closing balance	112,969	80,685
Carrying amount, closing balance	49,103	41,854

NOTE 10 | Segment reporting**Group**

The Group's operations are managed and reported by the operating units BTS North America, BTS Europe, BTS Other markets, and APG, who are the Group's segments.

BTS North America consists of BTS's operations in U.S., excluding APG but including VBS with its operations in Canada and Switzerland. BTS Europe consists of operations in France, Germany, the Netherlands, Sweden and the UK.

BTS Other markets consists of operations in Argentina, Australia, Brazil, China, Costa Rica, India, Italy, Japan, Malaysia, Mexico, Singapore, South Africa, South Korea, Spain, Taiwan, Thailand, and United Arab Emirates. APG has operations in U.S.

Operating units invoice one another for services based on time expended and on market terms.

Group-wide costs are invoiced and amortization of intangible assets is allocated to the operating units.

SEK thousands	BTS North America		BTS Europe		BTS Other markets		APG		Eliminations & unallocated		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Income												
External sales	1,253,630	949,447	459,301	353,284	660,613	493,500	156,090	120,530	–	–	2,529,634	1,916,762
Internal sales	97,119	101,417	112,344	80,514	60,367	36,941	242	1,034	–270,072	–219,907	–	–
Total income	1,350,749	1,050,865	571,645	433,798	720,979	530,441	156,333	121,565	–270,072	–219,907	2,529,634	1,916,762
Operating profit	136,829	134,001	55,162	43,831	100,642	68,996	9,089	2,388	1,530	55,984	303,251	305,200
Financial income									2,793	884	2,793	884
Financial expenses									–16,672	–17,193	–16,672	–17,193
Affiliated companies, profit after tax									295	320	295	320
Tax on profit for the year									–91,261	–74,508	–91,261	–74,508
Profit for the year											198,405	214,702
Other information												
Assets	1,323,293	1,214,562	651,789	555,905	945,115	837,122	53,926	49,499	–215,604	–165,252	2,758,519	2,491,837
Liabilities	631,713	583,560	551,769	544,146	545,861	513,537	30,851	32,595	–215,605	–165,252	1,544,589	1,508,587
Investments	43,982	78,959	11,538	36,870	20,378	66,058	16	–	–	–	75,914	181,887
Depreciation of property, plant, and equipment	–8,543	–7,883	–2,154	–1,821	–6,839	–4,651	–16	–19	–54,077	–56,815	–71,630	–71,189
Amortization of intangible assets	–26,352	–18,805	–6,530	–7,202	–12,184	–6,242	–	–515	–	–	–45,065	–32,764

Total sales according to business model

KSEK	2022					2021				
	BTS North America	BTS Europe	BTS Other markets	APG	TOTAL	BTS North America	BTS Europe	BTS Other markets	APG	TOTAL
Programs	699	303	475	119	1,595	548	245	361	90	1,244
Development	324	109	161	–	594	268	80	113	–	462
Licenses	216	41	14	38	308	132	26	16	29	203
Other revenue	14	7	11	–	32	2	2	4	1	8
TOTAL	1,254	459	661	156	2,530	949	353	493	121	1,917

The BTS business model is divided into four categories of revenue; *Programs*, *Development*, *Licenses*, and *Other revenue*.

Upon delivery of *Programs* (training services), these are recognized and invoiced directly after implementation.

For performed *Development*, the income and expenses attributable to the assignment are reported as revenue or cost in relation to the degree of completion of the assignment on the balance sheet date (progressive profit calculation). The degree of completion of an assignment is determined by comparing expenses incurred on the balance sheet date with estimated total expenses for the assignment. Normally invoicing takes place as the work proceeds in accordance with agreed terms.

Revenue for *Licenses*, that is, the customer's right to use BTS's material and solutions for a certain time and/or number of occasions, is reported when a binding agreement has been reached and BTS has fulfilled its obligations towards the customer and when the revenue size is known. Invoicing takes place in accordance with agreed terms.

Other revenue mainly relates to invoiced expenses in connection with *Development* and *Programs*. These are invoiced and recognized as revenue simultaneously with each project.

The majority of individual customer contracts do not exceed 12 months. The payment terms are usually between 45 and 90 days and do not exceed one year in any case. The compensation is usually set at a fixed price. In the rare case of a complaint, individual compensation can be agreed upon.

Of the Group's total revenue, 87,411 (74,312) refers to the country of residence Sweden. The value of the Group's fixed assets in Sweden amounted to 0 (256).

Total revenue for the subsidiaries in the U.S. exceeded 10 percent of the total revenues for the Group and amounted to 1,406,516 (1,052,347) and the non-current assets for the subsidiaries in the U.S. totaled 614,323 (545,349).

None of the customer's individual revenue during 2022 exceeds 10 percent of the Group's total revenue.

The Group's reported contract assets and contract liabilities are shown in Notes 17 and 22.

NOTE 11 | Financial items**Group's financial items**

SEK thousands	2022	2021
Interest income	2,793	884
Total financial income	2,793	884
Interest expenses	-9,494	-10,007
Interest expenses leases	-7,179	-7,186
Total financial expenses	-16,672	-17,193
Total gain/loss on financial items	-13,879	-16,309

Group's financial items cash flow statement

SEK thousands	2022	2021
Total gain/loss on financial items	-13,879	-16,309
Affiliated companies, profit after tax	295	320
Total	-13,584	-15,990

Parent company's financial items

SEK thousands	2022	2021
Gains/losses on other securities and receivables held as non-current assets		
Dividends from subsidiaries	97,554	41,492
Group contributions	23,500	29,500
Total	121,054	70,992
Interest income	1,517	834
Interest expenses	-8,934	-9,423
Total gain/loss on financial items	113,637	62,403

NOTE 12 | Tax on profit for the year**Group**

SEK thousands	2022	2021
Income tax as recognized in the income statement	-91,261	-74,508
Current tax expense	-102,337	-78,969
Current tax attributable to previous years	-468	-2,350
Postponed tax income/expense (+/-)	11,543	6,811
Tax for the year	-91,261	-74,508

Parent company

SEK thousands	2022	2021
Current tax for the year	-3,631	-4,237

Reconciliation of effective tax**Group**

SEK thousands	2022	2021
Profit before tax	289,667	289,210
Tax expense based on Swedish income tax rates, 20.6% (20.6%)	-59,671	-59,577
Effects of different tax rates:		
Difference in tax rate for foreign subsidiaries	-33,801	-23,847
Non-deductible expenses	-8,258	-7,272
Non-taxable income	1,314	1,379
Forgiven PPP loan	-	10,349
Tax attributable to previous years	-468	-2,350
Previously unrecognized deficit deduction	9,623	6,811
Effective tax recognized	-91,261	-74,508
<i>Effective tax rate</i>	<i>31,5%</i>	<i>25,8%</i>

Parent company

SEK thousands	2022	2021
Profit before tax	115,142	62,062
Tax expense based on Swedish income tax rates, 20.6% (20.6)%	-23,719	-12,785
Dividends from subsidiaries	20,096	8,547
Non-deductible expenses	38	-
Effective tax recognized	-3,631	-4,237
<i>Effective tax rate</i>	<i>3.2%</i>	<i>6.8%</i>

NOTE 13 | Earnings per share**Group**

Earnings per share are calculated by dividing the profit attributable to Parent company shareholders with the weighted average number of common stock on issue during the period.

	2022	2021
Profit for the year attributable to Parent company shareholders, SEK thousands	198,405	214,702
Earnings per share, before and after dilution, SEK	10.24	11.11
Total no. of shares, before and after dilution, (thousands)	19,374	19,328

NOTE 14 | Dividend per share

Dividends paid in 2022 totaled SEK 92,997 thousand (SEK 4.80 per share). Dividends paid 2021 totaled SEK 23,194 thousand (SEK 1.20 per share).

At the Annual General Meeting on May 12, 2023, the Board proposes a dividend of SEK 5.40 per share, amounting to SEK 104,621 thousands (92,997), to be paid on two occasions in the amount of SEK 2.70 per payment. The total amount of the proposed dividend is based on the number of outstanding shares as of April 20, 2023, and is not recognized as a liability in these financial statements.

NOTE 15 | Financial assets**Participations in Group companies****Parent company**

SEK thousands	Number of shares	Equity (%) ¹⁾	Carrying amount 12-31-22	Carrying amount 12-31-21
BTS Sverige AB Corp. id. no. 556566-7127 Domicile: Stockholm	5,000	100	7,456	7,456
BTS USA, Inc. Corp. id. no. 06-1356708 Domicile: Delaware	1,000	100	148,389	148,389
BTS in London Ltd. Corp. id. no. 577 1376 13 Domicile: London	5,000	100	60,052	60,052
Business Training Systems AS Corp. id. no. 957 694 187 Domicile: Oslo	100	100	94	94
Catalysts for profitability and growth Ltd Corp. id. no. 1998/010779/07 Domicile: Centurion	1,000	100	1	1
BTS Finland AB Corp. id. no. 556583-1673 Domicile: Stockholm	1,000	100	100	100
BTS Asia Pacific PTE Ltd Corp. id. no. 200811464Z Domicile: Singapore	50,000	100	40,153	40,153
Business Training Solutions S.L. Corp. id. no. B95138160 Domicile: Bilbao	1,031	100	21,216	21,216
BTS Management SA Corp. id. no. 0173.802 11 Domicile: Geneva	1,000	100	673	673
Business Game Factory Oy Corp. id. no. 1807788-2 Domicile: Helsinki	90,750	100	654	654
BTS Brussels NV Corp. id. no. 878.155.648 Domicile: Brussels	620,000	100	587	587
BTS Coach in a box Holdings Ltd Corp. id. no. 5379864 Domicile: Portsmouth	56,000	100	3	3
Bates Communications Inc. Corp. id. no. 04-3549253 Domicile: Boston	201,000	100	87,849	87,849
Total shares in subsidiaries			367,227	367,227

¹⁾ The voting share equals the capital share for the parent company's shareholdings in all participations in Group companies.

NOTE 16 | Deferred tax**Deferred tax assets**

Group	12-31-22	12-31-21
SEK thousands		
Opening balance, net	10,293	7,441
Adjustment opening balance – reclassification IFRS leasing	1,801	–
Recognized change for the year	2,035	2,694
Translation differences	203	158
Closing balance, net	14,332	10,293

The amount concerns unused loss carry-forwards in subsidiaries which are expected to be utilized during upcoming years.

Deferred tax liabilities

Group	12-31-22	12-31-21
SEK thousands		
Opening balance, net	81,933	61,719
Recognized change for the year	–7,588	13,959
Translation differences	9,587	6,255
Closing balance, net	83,932	81,933

NOTE 18 | Equity and appropriation of earnings**Group**

As of December 31, 2022, the share capital consists of 853,800 Class A shares and 18,520,547 Class B shares, totaling 19,374,347 shares with a total value of SEK 6,458,116. Each share has a quotient value of SEK 0.33. Each Class A share entitles the holder to ten votes per share, each Class B one vote per share.

Number of shares	2022			2021		
	Number of Class A shares	Number of Class B shares	Total	Number of Class A shares	Number of Class B shares	Total
Opening balance	853,800	18,520,547	19,374,347	853,800	18,464,492	19,318,292
New issues	–	–	–	–	56,055	56,055
Closing balance	853,800	18,520,547	19,374,347	853,800	18,520,547	19,374,347

The equity in all Group companies that have a functional currency different from the reporting currency is translated into the reporting currency (SEK). Translation differences arise if the SEK exchange rate for a functional currency at the end of the period is different from its rate at the start of the period. These translation differences have no effect on taxes. Closing accumulated translation differences recognized directly in equity totaled 152,728. Opening accumulated differences totaled 28,151.

Proposed appropriation of earnings

The Board of Directors proposes that earnings be appropriated as follows:

	SEK
To be distributed to shareholders: SEK 5.40 per share totaling ¹⁾	104,621,474
To be carried forward	93,646,391
Total	198,267,865

¹⁾ The total amount of the proposed dividend is based on the number of Outstanding shares as of April 20, 2023.

The Board proposes a dividend of SEK 5.40 per share, amounting to SEK 104,621 thousand (92,997), to be paid on two occasions in the amount of SEK 2.70 per payment. The dividend is proposed to be paid on May 22, 2023 and November 20, 2023 respectively.

Group

SEK thousands	12-31-22	12-31-21
Non-current part	72,147	68,828
Current part	11,785	13,105
Total	83,932	81,933

Deferred tax liability is attributable to temporary differences regarding intangible assets.

NOTE 17 | Prepaid expenses and accrued income**Group**

SEK thousands	12-31-22	12-31-21
Accrued income (current contract assets attributable to consulting services)	128,451	79,612
Other items	66,837	57,033
Total	195,289	136,646

NOTE 19 | Financial instruments and financial risk management**Policies for financing and financial risk management**

The Board directs and monitors BTS's financing activities and financial risks. Financing and risk management are gathered under the Group finance function and conducted in compliance with a financial policy adopted by the Board of Directors that stresses low risk. The aim of the company's risk management is to optimize the Group's cost of capital and, in a deliberate manner, to manage and control the Group's financial risks. Hedging instruments may be used within given parameters. Future payments are not normally hedged. Cash and cash equivalents may be invested in interest-bearing accounts or in interest-bearing securities carrying low credit risk. The duration of the investment portfolio must not exceed twelve months.

During the year, BTS's holdings of financial instruments were limited to primary instruments such as accounts receivable, trade payables, and the like. Customer contracts contain no currency clauses or anything that could be considered embedded derivatives. No hedging instruments are held or have been purchased or sold during the year, the same applies to the previous year.

Fair value of financial assets and liabilities

Group		
SEK thousands	12-31-22	12-31-21
Financial assets		
Other non-current receivables	13,350	11,644
Accounts receivable	723,145	556,852
Other current receivables	19,491	19,115
Cash and cash equivalents	577,061	594,435
Total financial assets	1,333,047	1,182,046
Non-current liabilities		
Lease liabilities	94,340	97,455
Provisions	245,404	233,843
Interest-bearing liabilities to credit institutions	77,753	124,505
Other liabilities	6,768	4,809
Total non-current financial liabilities	424,264	460,612
Current liabilities		
Accounts receivable	49,201	35,100
Lease liabilities	46,002	43,808
Provisions	46,205	42,711
Interest-bearing liabilities to credit institutions	142,906	156,357
Other liabilities	69,578	55,983
Total current financial liabilities	353,892	333,959
Total financial liabilities	778,156	794,571
Parent company		
SEK thousands	12-31-22	12-31-21
Financial assets		
Cash and cash equivalents	685	658
Total financial assets	685	658
Non-current financial liabilities		
Provisions	55,023	55,023
Interest-bearing liabilities to credit institutions	77,753	122,500
Total non-current financial liabilities	132,776	177,523
Current financial liabilities		
Accounts payable	241	131
Interest-bearing liabilities to credit institutions	142,906	154,692
Other liabilities	35,651	30,893
Total current financial liabilities	178,798	185,716
Total financial liabilities	311,574	363,240

Financial assets
Financial assets valued at amortized cost

Other non-current receivables chiefly consist of rental deposits and interest-bearing financial claims on various counterparts. Rental deposits have a maturity corresponding to their respective leases. Reported value is deemed equivalent to the fair value.

Accounts receivable denominated in foreign currencies are measured at the closing rate. Accounts receivable in the BTS North America operating unit constitute 46 percent (43) of the Group's total accounts receivable. The table below shows the distribution of accounts receivable by currency.

Group

SEK thousands	12-31-22	12-31-21
USD	363,966	269,430
EUR	136,334	91,586
GBP	74,000	76,594
SEK	45,033	26,195
Other currencies	103,813	93,048
Total accounts receivable	723,145	556,852

Historically the Group has had very low credit losses on accounts receivable. The spread of risk is good among companies, sectors, and geographic markets. Fair value agrees with the carrying amount and no significant impairment of accounts receivable has been recognized during the year, same principle as in the previous year. The Group applies the simplified method for calculating expected loan losses. The method means that expected losses during the entire term of the loan are used as a basis for accounts receivable and contract assets. Expected credit loss is based on the customers' payment and loss history.

At December 31, 2022, accounts receivable totaling 104,306 (74,996) were more than 30 days past due. The maturity structure is shown in the table below.

Group

SEK thousands	12-31-22	12-31-21
Total accounts receivable	723,145	556,582
whereof 1–30 days overdue	117,064	92,858
whereof 31–60 days overdue	43,144	31,153
whereof more than 60 days overdue	61,162	43,843

Group
Loss allowance

SEK thousands	12-31-22	12-31-21
Opening balance	1,600	2,742
Translation differences	163	167
Acquisitions	–	666
Loss allowance for the year	1,895	669
Reversal of previous loss allowance	–197	–
Confirmed losses	–771	–2,644
Closing balance	2,689	1,600

Cash and cash equivalents

On the balance sheet date, there were mainly bank balances, in addition, short-term investments in accordance with the decided financial policy.

Financial liabilities
Financial liabilities valued at amortized cost

Financial liabilities held during the year are measured at the amortized cost using the effective interest method. At year-end 2022 the financial liabilities consisted of accounts payable and non-current liabilities.

Accounts payable are deemed reasonably approximate to their fair value. All accounts payable fall due within 12 months, of which most are due within a month, which is why they are not discounted to present value.

Financial liabilities at fair value through profit or loss

BTS only has contingent purchase consideration attributable to business combinations that are measured at fair value through profit or loss.

Calculation of fair value

When the fair value of an asset or liability is to be determined, the Group uses observable data to the greatest extent possible. Real values are categorized at different levels in a real value hierarchy based on input data used in the valuation technique as follows:

Level 1: according to prices quoted in an active market for identical instruments.

Level 2: based on directly or indirectly observable market data that is not included in Level 1.

Level 3: based on input data that are not observable in the market.

The fair value corresponds to the carrying amount, with the exception of the bond loan. The following summarizes the methods and assumptions that were mainly used to determine fair value of the Group's financial instruments.

Conditional additional purchase prices

Contingent consideration is valued at market value according to Level 3, i.e. fair value based on input data that is not observable in the market. The calculation of contingent consideration depends on the parameters in each agreement. These parameters are mainly linked to expected results for the acquired companies over the next three years. An increase in the expected results means a higher liability for contingent consideration. However, there is usually a ceiling for each conditional purchase price that limits how large the debt can be. The maximum payment for contingent consideration was SEK 350 million (330) at the balance sheet date.

The Group's reported provisions only include provisions for conditional additional purchases. Reported items regarding conditional additional purchases (Level 3) are reported as Non-current and Current provisions in the Consolidated balance sheet and are presented below. None of the changes in 2022 have been recognized in the Consolidated income statement.

SEK thousands	12-31-22	12-31-21
Opening balance	276,555	148,742
Paid price	-14,968	-88,290
Translation differences	30,022	9,323
Additional consideration	-	206,780
Closing balance	291,609	276,555

Foreign exchange risk

The Group is exposed to foreign exchange risks associated with the translation of foreign subsidiaries, thus influencing profit and equity in the Group. The currencies that have the greatest influence are USD, EUR, and GBP. Transaction exposure is limited because revenues and expenses are primarily denominated in the same currency in each market. BTS does not normally hedge its foreign exchange exposure. The sensitivity analysis below shows the effects on operating profits based on BTS's 2022 income statement and should only be seen as an indication of the significance of the different currencies.

SEK thousands	Percentage change	Change in profit		Change in equity	
		2022	2021	2022	2021
SEK/USD	+/-10%	24,191	19,021	59,202	52,674
SEK/EUR	+/-10%	8,157	6,692	8,541	8,441
SEK/GBP	+/-10%	1,896	1,103	6,688	6,044

Credit risk

Credit risk refers to companies not getting paid, fully or partially, for their accounts receivable from customers. BTS only accepts creditworthy counterparties in financial transactions, and the limit is determined individually for each customer. Creditworthy refers to companies that have undergone customary credit checks with

satisfactory results. The intention is for credit limits to reflect the solvency of each customer. BTS has sufficiently diversified risk. BTS's accounts receivable and sales are spread among a large number of companies operating in a variety of sectors.

The maximum credit risk exposure on accounts receivable at year-end was 723,145 (556,852). Fair value agrees with book value.

Liquidity risk and interest rate risk

Cash and cash equivalents exclusively consists of bank balances. BTS manages liquidity risk by maintaining sufficient cash and cash equivalents including unutilized parts of approved overdraft facility. Interest rates on the Group's financial assets and liabilities are usually fixed for short periods. Interest rate risk refers to changes in the market interest rate that affect BTS's results negatively.

	Percentage change in market interest rate	Change in interest expense, SEK thousands, 2022
Interest bearing liabilities	+/-10%	-948

BTS's policy is to allow borrowing with the Board's approval. Any surplus cash in subsidiaries should first of all be used to repay loans. Interest risk for interest income is limited to the fluctuating return on cash and cash equivalents invested at variable rates.

Group

SEK thousands	12-31-22	12-31-21
Cash and cash equivalents	577,061	594,435
Unutilized portion of bank overdraft facility	19,670	26,838
Cash and cash equivalents available	596,731	621,273

Capital risk

BTS's goal for its capital structure is to safeguard the Group's ability to continue to expand its operations so that they continue to generate a return for shareholders and benefit other stakeholders, while at the same time keeping the cost of capital at a reasonable level.

To maintain or change the capital structure, the dividends can be raised or lowered, shares can be issued or repurchased, and assets can be bought or sold.

BTS's financial objective – and a measure of its capital risk – is that its equity/assets ratio never remains less than 50 percent over extended periods. At year-end, the Group's equity/assets ratio was 44 percent (39).

Reconciliation net liabilities (net cash)

SEK thousands	12-31-22	12-31-21
Cash and cash equivalents	577,061	594,435
Non-current loans	-77,753	-124,505
Current loans	-142,906	-156,357
Net cash	356,403	313,574

Change net liabilities (net cash)

SEK thousands	Cash and cash equivalents	Current loans	Non-current loans	Net
Opening balance 01-01-22	594,435	156,357	124,505	313,574
Translation differences	67,807	-	-	67,807
Cash flow	-85,181	-13,451	-46,752	-24,978
Closing balance 12-31-22	577,061	142,906	77,753	356,403

SEK thousands	Cash and cash equivalents	Current loans	Non-current loans	Net
Opening balance				
01-01-21	591,171	169,082	235,220	186,870
Translation differences	33,742	–	–	33,742
Cash flow	–30,478	–34,390	–44,747	48,659
Forgiven PPP loan	–	–	–47,972	47,972
Non cash flow impact	–	21,664	–17,995	–3,669
Closing balance				
12-31-21	594,435	156,357	124,505	313,574

Leases are not included in the Group's definition of net debt. Total leases as of December 31, 2022 amounted to 140,342 (141,263).

Liabilities to credit institutions

SEK thousands	12-31-22	12-31-21
Non-current liabilities	77,753	124,505
Current liabilities	142,906	156,357
Total	220,658	280,862

Maturity analyses for liabilities to credit institutions

SEK thousands	12-31-22
2023	142,906
2024	44,747
2025	33,005
Total	220,658

NOTE 20 | Non-current liabilities

Non-current liabilities refer to interest-bearing loans from credit institutions which will be repaid as follows. The amounts include the agreed interest rate.

Group	12-31-22
SEK thousands	
2024	47,114
2025	33,998
Total	81,112

Parent company

SEK thousands	12-31-22
2024	47,114
2025	33,998
Total	81,112

NOTE 21 | Bank overdraft facility

Group

SEK thousands	12-31-22	12-31-21
Approved credit limit	117,828	116,783
Unutilized portion	–19,670	–26,838
Credit utilized	98,158	89,945

Parent company

SEK thousands	12-31-22	12-31-21
Approved credit limit	100,000	100,000
Unutilized portion	–1,842	–10,055
Credit utilized	98,158	89,945

NOTE 22 | Accrued expenses and prepaid income

Group

SEK thousands	12-31-22	12-31-21
Accrued salaries incl. social security contributions	315,807	244,255
Accrued income (current contract assets attributable to consulting services)	281,035	301,540
Other items	80,326	74,082
Total	677,169	619,876

Parent company

SEK thousands	12-31-22	12-31-21
Other items	280	280

NOTE 23 | Pledged assets

Group

SEK thousands	12-31-22	12-31-21
Assets pledged for debts to credit institutions		
Company mortgages	10,000	10,000

NOTE 24 | Contingent liabilities on behalf of Group companies

Parent company

SEK thousands	12-31-22	12-31-21
Guarantee commitments on behalf of subsidiaries	5,871	5,087

NOTE 25 | Events after the close of the fiscal year

No material events occurred after the close of the fiscal year.

The Board of Directors and Chief Executive Officer affirm that the consolidated financial statements were prepared in accordance with *International Financial Reporting Standards* (IFRS) and that the Annual report was prepared in accordance with generally accepted accounting principles in Sweden. The Annual report and consolidated financial statements, respectively, provide a true and fair view of the Parent company's and the Group's financial positions and earnings.

The management report for the Parent company and the Group provides a fair review of developments in the Parent company's and the Group's operations, financial position, and earnings and describes the material risks and uncertainties facing the Parent company and the companies that are part of the Group.

The undersigned hereby also submits the BTS Group's *Sustainability report* regarding 2022.

The consolidated income statement and balance sheet, as well as the Parent company's income statement and balance sheet, will be submitted for adoption to the Annual General Meeting of May 12, 2023.

Stockholm, Sweden, April 20, 2023

Henrik Ekelund
Chairman of the Board

Jessica Skon
Chief Executive Officer

Reinhold Geijer
Member of the Board

Mariana Burenstam Linder
Member of the Board

Anna Söderblom
Member of the Board

Stefan Gardefjord
Member of the Board

Our audit report was submitted on April 21, 2023
Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorized Public Accountant

Auditor's report

Unofficial translation

To the general meeting of the shareholders of BTS Group AB,
corporate identity number: 556566-7119

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of BTS Group AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 15–45 in this document.

In our opinion, the annual accounts have been prepared in accordance with the *Annual Accounts Act* and present fairly, in all material respects, the financial position of the Parent company and the Group as of 31 December, 2022 and its financial performance and cash flow for the year then ended in accordance with the *Annual Accounts Act*. The consolidated accounts have been prepared in accordance with the *Annual Accounts Act* and present fairly, in all material respects, the financial position of the Group as of 31 December, 2022 and their financial performance and cash flow for the year then ended in accordance with *International Financial Reporting Standards* (IFRS), as adopted by the *European Union* (EU), and the *Annual Accounts Act*. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent company's Board of Directors 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.

The BTS Group comprises approximately 45 units whereof a large number are limited in size. All of the units in Sweden and the three largest units in the US, two of the units in the UK, one unit in Spain, and all of the units in Australia and Singapore have been audited as a part of our Group audit and represent 74 percent of the total Group revenue. The audit of the units in Sweden, Spain, and in the US has been performed by the central team. Where work has been executed by unit auditors, the central team in Sweden has determined the level of our required involvement in their audit work. We have done this to be able to conclude whether sufficient and appropriate audit evidence has been obtained in order to provide an opinion on the Group's financial reports in their entirety. As a part of our work, we have obtained written reports from the subsidiaries' auditors. During the year, we also discussed significant accounting issues and observations from the audit with company management and with the local auditors.

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 judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. 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 matter

How our audit addressed the Key audit matter

Revenues and work in progress

See also Note 2 (*Significant accounting policies*), Note 10 and Note 17, respective Note 22.

We decided to focus on revenues as the Group's revenues are primarily generated through various projects based on client agreements, and these agreements can have either short or longer tenors. In order to secure a correct view of the Group's results for the year, the reporting of work in progress must be reliable. Revenue recognition is also dependent on management's assessments as to the progress of the respective projects at the point of reporting, that is, in conjunction with book closing. The Group's balance sheet includes accrued revenue of SEK 128,451 thousand and deferred income of SEK 281,035 thousand.

In our audit, we have performed a number of audit measures to assess the reporting of revenue in the income statement and of work in progress in the balance sheet. Our audit has included a review of the routines and processes for revenue recognition, of selected controls, of selected projects against agreements, of internal delivery evidence supporting the reported degree of completion, and of invoices and payments received.

We examined a selection of items in the bookkeeping against client invoices in order to verify that these items were reported in the correct year. With the aim of verifying the reasonability of the company's model for calculating degree of completion, and in order to ensure that shorter assignments have been invoiced at the right time, we executed a trend analysis of the allocation of revenue over the year to identify any possible unexplained peaks and dips in the revenue flow during the year. Finally, we assessed the completeness and accuracy of the disclosures in the Annual report.

Key audit matter
Impairment testing of goodwill

See also Note 2 (*Significant accounting principles*) and Note 8.

The Group's balance sheet includes goodwill totaling SEK 908,882 thousand, equal to 33 percent of the balance sheet total as of December 31, 2022.

Goodwill is not amortized but is subject to an annual impairment test. The valuation of goodwill is based on company management's subjective assessments regarding future cash flows and on assumptions regarding the yield requirement, etc. which implies that the valuation is in its nature characterized by uncertainty, since it might be affected by unexpected future events.

The company's impairment testing has not resulted in a write-down.

How our audit addressed the Key audit matter

Our audit of goodwill has taken place through our examination of company management's impairment testing and we verified that that the testing is documented and executed in accordance with the applicable accounting principles and generally accepted valuation models.

We have examined the manner in which the valuation model has been determined and have studied the budgets and forecasts for future cash flows. We have verified that these agree with company management's plans and intentions.

We studied company management's significant assumptions in determining, for example, sales growth in the forecasts and the yield requirement applied in discounting the cash flows (*Weighted Average Cost of Capital – WACC*). We also examined the prepared sensitivity analyses.

We compared the values produced according to the above with the operating capital for the segment.

Finally, we assessed the completeness and accuracy of the disclosures in the Annual report.

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 1–14, 51–65, and 74–76. Additional information can be found on pages 1–6, 43–57, and 66–68 in *BTS Årsredovisning 2022* (Annual report 2022 – Swedish version) which can be found on the company website. A report presented to the Annual General Meeting at the same time as the Annual report, the "*Management remuneration report 2022*" also comprises other information. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the *Annual Accounts Act* and, concerning the consolidated accounts, in accordance with *IFRS* as adopted by the *EU*. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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 the *Swedish Inspectorate of Auditors'* website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination 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 Directors and the Managing Director of BTS Group AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the Parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. The proposal of a dividend 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 are otherwise 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 a 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 the *Swedish Inspectorate of Auditors'* website: 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 BTS Group AB (publ) for the financial year 2022.

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

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

Basis for Opinions

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 BTS Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with 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 form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the *Swedish Securities Market Act (2007:528)*, based on the procedures performed.

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

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

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

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

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of BTS Group AB (publ) by the general meeting of the shareholders on May 13, 2022 and has been the company's auditor since February 22, 1999.

Stockholm, April 21, 2023
Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorized Public Accountant

Sustainability report

BTS Sustainability Report has been prepared in accordance with the provisions of Chapters 6 and 7 of the *Swedish Annual Accounts Act* and encompasses the BTS Group in its entirety. BTS Board of Directors is responsible for this Sustainability report.

BTS as a catalyst for change and transformation

BTS is a global professional services company for the implementation of strategies and culture shifts, founded in 1986. The company is headquartered in Stockholm, Sweden, with about 1,200 professionals located on six continents and is listed on Nasdaq Stockholm.

BTS focuses on the employees when organizations are changing their strategy and culture, and works with leaders at all levels to improve their leadership and decision-making skills, as well as how to convert those decisions to actions and to deliver results through alignment, changed mindsets, and developed capabilities.

BTS has been designing engaging and powerful experiences for over 35 years, that have had a profound and lasting impact on clients' participants and their careers. BTS inspires new ways of thinking – building critical capabilities and behaviors that employees and leaders need to improve business outcomes. *It's strategy made personal.*

BTS's holistic view on sustainability

BTS's perspective on sustainability is holistic and includes both social, business and environmental perspectives. The company has, from these perspectives, developed a sustainable focus with relevant goals and activities where the company can make an impact as well as contribute to a better environment. It is a combination of important areas, considered by BTS as crucial for the sustainability work, that includes activities for the company's employees, clients and contractors.

BTS's sustainability policy, vision and values, and overall strategic sustainability goals form the basis of the company's work in this area which includes efforts to increase environmental, economic, and social responsibility. BTS has UN's Agenda 2030 as a starting point within the following areas:

- Strong business ethics and responsible entrepreneurship for sustainable business culture.
- A sustainable and equal workplace.
- Actions for a positive impact on the environment and climate.
- Supporting clients in implementing strategies within sustainability.
- Social responsibility with impact.

BTS's overall and strategic goal for sustainability summarizes the company's view on sustainability:

BTS shall in an active way contribute to UN's Agenda 2030 with a special focus on high business ethics, an equal and developing workplace, a positive climate impact, and a strong sense of social responsibility.

A first, overall and measurable sub-goal, in order to externally verify that the company is moving towards this overall and strategic goal, is to achieve a score of at least 50 out of 100 in the *EcoVadis* scorecard in 2023. *EcoVadis* is a global provider of holistic sustainability ratings service of companies. In 2022, BTS scored 53 (bronze position). Additionally, BTS is following up the sustainability work by continuously measuring the company's progress in relation to the following goals per focus area (see next page).



Focus area	What BTS measures	Goals 2025	Outcome 2022 (2021)	UN's Sustainable Development Goals
Strong business ethics and responsible entrepreneurship for a sustainable business culture	BTS's Code of Business Conduct signed by all employees	100%	100% (100%)	
	Number of subcontractors who have signed BTS's Code of Business Conduct	100%	100% (Initiated follow-up 2021)	
	Number of reported cases of corruption or other violations of the rules against BTS's Code of Business Conduct	0	0 (0)	
A sustainable and equal workplace	Number of women in the company	50%	54% (52%)	 
	Number of women in the Group management team	50%	40% (20%)	
	Number of women at higher leader levels	45–55%	32% (24%)	
	Number of employees promoted	15–20%	20% (20%)	
	Number of employees with access to health and stress support	100%	99% (99%)	
	Attrition rate	<10%	14% (13%)	
Actions for a positive environmental and climate impact	CO ₂ impact from flying	<15,000 tons	6,000 tons (1,200) (21,000 tons 2019)	 
	Absorption of CO ₂ through preserved rainforest		16.4 million tons (12.4)	
Supporting clients in implementing strategies within sustainability	Number of customers BTS supports with strategy implementation, innovation, and DEI culture (Diversity, Equity, Inclusion)	30	33 (10)	  
Social responsibility with impact	Number of microentrepreneurs, leaders and students that have participated in BTS's sponsored programs, accumulated	1,000,000	754,573 (650,000)	 
	Number of CSR (Corporate Social Responsibility) partners	5	3 (3)	 

Strong business ethics and responsible entrepreneurship for a sustainable business culture



Strong sustainable business culture

Sustainability is, and has always been, a prerequisite for BTS's growth and ability to attract new employees and clients. The culture is recognized by a strong work ethic and good business ethics internally, and on all assignments BTS is engaged in.

Employees cannot accept payments or other benefits from third parties who might influence, or be perceived to influence, objectivity when making business decisions. Potential risks include partnerships that require the purchase of material or services from specific vendors, clients' expectation to be compensated for attending BTS client events, and the benefits the BTS sales organization offers when a client is evaluating suppliers. The processes followed by local leadership and management ensure that these risks are reduced to a minimum. BTS has not had any reported cases of corruption or violations of rules during the year.

Important policies for IT-security

IT security is a prioritized area as BTS's operations are built on different data and educational platforms, and as different levels of confidential documentation are handled in client engagements. In addition, BTS's own immaterial assets and

systems need to be protected from breaches. The company has nine different IT and security policies that regulate the use of equipment, behavior, systems and applications. New employees are informed about the company's policies as a part of the onboarding program, and compliance is tested continuously among all employees through random controls.

During 2022, the company ran two digital education programs for all employees which focused on *General Data Protection Regulation* (GDPR) and security in email communication and on different social platforms.

Certified data and systems suppliers

BTS suppliers are data security certified to ensure they have the systems and procedures in place to protect data privacy.

BTS's Code of Business Conduct for subcontractors

BTS's suppliers are mainly contracted consultants within leadership, sales training, and coaching. These consultants follow the same quality demands as the company's employees, and they must also follow the same *BTS's Code of Business Conduct*, customized to their external role.

A sustainable and equal workplace



A business culture characterized by diversity, equity, and inclusion

People make the difference; within all enterprises, people create value. Attracting talent, as well as developing and retaining skilled employees, is critical for BTS to be able to deliver favorable results and achieve long-term success. This is especially important in the professional services industry where the quality of employees' work has a direct positive correlation with customer satisfaction and profitability. As a result, BTS offers many benefits, and maintains a sound company culture, to ensure that BTS remains an attractive employer and a great partner to its clients.

Today's labor market is significantly more mobile than ever before. Employees are more focused on sustainability, individual development, and demand better support, training, and a good work environment. As a result, employers must make a strong effort to attract and retain the right people. BTS's global recruitment process helps match BTS's business expectations with employee expectations.

BTS leaders continuously listen to their employees in order to remain an attractive employer. Management conducts an

employee survey every year to analyze the current attitudes of its employees, the culture, and the workplace, as well as to ask for feedback on improvement opportunities. From this information, leaders formulate action plans, together with the employees, to ensure that BTS continues to have engaged personnel.

Employees' health and security in focus

One of the greatest risks in business today is employees pushing themselves to the limit, which may lead to stress and fatigue. Through BTS's global planning teams and local leadership, BTS mitigates this risk by acting early when BTS sees patterns of excess working hours beginning to develop.

The nature of work at BTS can influence the work-life balance as assignments may require travel, sometimes to other regions. The new way of working, with an increase in virtual meetings and deliveries, has presented new opportunities for employees to be more flexible in where they work, generally reducing the level of stress.

In 2022, BTS invested in 1,200 workdays of virtual personal health support

In 2022, BTS continued offering activities to create a workplace of comfort and safety with different initiatives and offerings to support employees' health – like stress management, physical activities, and different types of consultation – offered via the virtual support organization *TaskHuman*. Employees were offered support in areas such as mental and physical health, finance, home and family, diet, and personal development. In total, the company invested 1,200 workdays of time in virtual person-to-person conversations, together with *TaskHuman*.

Gender balance is a priority

For BTS's long-term sustainability, the gender balance is important, and taken into consideration in the recruitment and selection process. The share of female employees was 53.7 percent for 2022 (the company goal is 50 percent), an increase from 52.4 percent in 2021.

BTS's average number of employees and gender balance during 2022

Men	Women	Total
522	606	1,129
46%	54%	100%

The gender balance was equal at the lower and mid-levels. At the higher leader level, 2022 represented a strong positive trend with more women in senior positions. In the Board of Directors, 50 percent were women, in the Group management team 40 percent were women, and for higher leader levels, both consultants and operational employees, 32 percent were women.

Equal treatment is fundamental

BTS believes it is fundamental that all employees, without discrimination, are given the same opportunities for personal development and job satisfaction, enjoyment at work, and understanding of their role in the organization. BTS offers a safe and healthy working environment, characterized by equality, pluralism and respect for the individual based on the following principles:

- Everyone has the right to be treated with dignity and respect.
- BTS does not tolerate discrimination or harassment on the grounds of gender, ethnicity, disability, nationality, religion, philosophical belief, political belief, age, sexual orientation, family status, trade union activity, or any other factors.
- BTS adopts fair and inclusive practices throughout BTS operations and seeks to eliminate all prejudice, discrimination, bullying and harassment.

All employees have signed the *BTS's Code of Business Conduct* and have a personal responsibility for the practical application of these principles in their day-to-day activities and must report if they have an experience that contradicts these

principles. Noncompliance with policy will not be tolerated and is acted on accordingly by senior local management. BTS reported one case of violation against rules during the year and it was resolved successfully.

Diversity, Equity, and Inclusion workshops delivered globally

In 2022, BTS continued to implement a more direct and collective approach to questions that concern *diversity, equity, and inclusion* (DEI), with workshops conducted globally.

Through a cross-regional program, the company developed a well-thought-out client orientation for diversity, equality, and inclusion that builds on the program BTS South Africa established during the last couple of years. The company has made intentional efforts to ensure that BTS's core values around diversity, equity, and inclusion are maintained consequently in client engagements and the internal culture.

Personal development

During 2022, BTS offered consultants and operational employees continuous training and development in different skills BTS needs to be able to develop and deliver experiences to our clients successfully.

During the year, a global senior consultants and operational leaders conference was held in London with 600 employees attending. The conference included six hours of learning and development per day for three days, rendering a total of 10,800 hours of learning and development. The focus of the conference was on:

- BTS's direction and priorities in executing on the company's strategy 2025.
- BTS clients' specific needs in 2023, and how BTS can support them.
- BTS culture drivers and key success factors.

During 2022, all employees took part in a 30-minute self-paced program on data security.

For employees at pivotal levels of leadership, BTS has mandatory development programs to support personal development, and to keep the company culture intact. These programs have been designed to make sure that leaders lead according to BTS's values, and to ensure that the culture evolves sustainably.

In addition, training for specific job roles has been delivered where needed.

During BTS's two-week onboarding program, new employees are introduced to BTS's vision, mission, and ways of working within BTS's ten areas of expertise. This ensures that they gain a better understanding of BTS's responsibility to its clients, fellow employees, and the environment. Senior leaders deliver these onboarding programs, allowing them to connect with the new hires by listening and discussing. For employees at a higher level, a similar milestone program is offered to strengthen their network and leadership. In addition, a Leader's Playbook summarizes key elements of what great leadership means at BTS.



Personal development plans with increased accountability

The company has clear, personal development plans for varying levels of competence – one plan for consultants, and one for operational and administrative personnel. The number of people who took a career step to the next level was 235, corresponding to 20 percent of all employees.

Human rights

BTS follows the *United Nation's* declaration of human rights and does not see any risks that violate human rights in BTS's operations. BTS follows the labor laws that are applicable in the countries and states where the company operates.

The company has clarified the employees' rights in a *Health and Security Policy* that aims to make sure that all employees get the support and backup they need in different situations within, and outside of, BTS. The policy is a guide for management teams in different countries and shall connect to the laws and regulations that are applicable in the countries and states where BTS operates. Areas included are: terms of employment, norms of behaviors, code of conduct and how deviations are reported, employees' development, support for better health, and norms for work at the office or from home.

BTS's core values

BTS's core values are designed to maintain BTS's unique culture of respect and trust. They play a critical role in employee development, evaluating the yearly performance of leaders, and employees, as well as in appraisal discussions.

P Positive spirit and fun

- We believe that a "can do" attitude and humor enhance a successful business.
- We believe in looking at problems openly and to view them as opportunities.
- We strive to maintain a good spirit.

E Honesty and integrity

- We believe in being loyal to those who are not present.
- We believe in giving and receiving feedback constructively.
- We believe in treating people as equals and in respecting others' differences.

O Opportunities based on merit

- We reward and provide people with opportunities based on results and competencies.
- We make decisions and evaluate ideas based on their facts and merits.
- We achieve success through hard and effective work.

P Putting the team first

- We believe that BTS's success depends on teamwork, and if the team needs support, we do our very best to provide it.
- We believe in putting the team first in individual decisions and in thinking of the individual in team decisions.

L Lasting value for clients and people

- We strive to build up long-term relationships with our clients to create a legacy for the client and his or her staff.
- We focus on driving results forward – in learning, improved behavior and business performance.
- We encourage the learning, development and rewarding of BTS and its staff.
- We create our growth through our clients' success and our active business generation.

E Excellence through professionalism

- We strive to deliver top-quality solutions and services, within deadlines, to exceed client expectations.
- We balance clients' and BTS's competencies, best practices and methods, to achieve optimal results.

BTS has again been recognized as a "Great Place to Work" by the company *Great Place to Work*.



Actions for a positive environmental and climate impact

BTS supports the environment in two ways:

1. By minimizing the environmental impact in daily work.
2. Through supporting organizations that work to improve the environment.

Reduce environmental impact and recycle

As a professional services organization, without production or manufacturing functions, BTS's environmental impact is mainly limited to offices and business travel. Nevertheless, BTS actively works to minimize its environmental impact, and contributes to a more sustainable society by optimizing energy consumption, and by using environmentally friendly products and services.

In service of this, BTS uses video-conferencing and other technology to connect virtually, as much as possible, rather than by physically traveling, and by helping BTS's clients to hold more digital conferences to improve the environment.

BTS also focuses on recycling consumables in the business. In addition, operations at BTS comply with the principles of efficient resource usage (optimized use of non-renewable

resources) and adopts an eco-cycle approach (recycling of resources). Of the company's offices, 41 percent reported having a sorting process for recycling at the office. A prerequisite for this is countries' organization and infrastructure for recycling.

Due to the nature of BTS's business, the company has decided not to set specific environmental targets for indicators such as energy consumption, water consumption, hazardous waste, and non-hazardous waste since these are not material factors of sustainability for BTS.

Reducing global carbon emissions

BTS's ambition is to become carbon negative and has, since 2010, invested in protecting the planet's most threatened rainforests and animal species by supporting the organization *Rainforest Trust*¹⁾. They in turn help to protect endangered rainforest areas in South America, Asia, and Africa. BTS provides both funding – to acquire acres of rainforest – and digital engagement, to the trust to support fundraising and generate awareness.

BTS investments together with the Rainforest Trust¹⁾

In 2022, BTS continued to support the *Rainforest Trust* with a project called *Save the Brazilian Amazon*. The donation protects 9,346 acres²⁾ (35,440,032 trees) from deforestation. A match set-up, where other partners match BTS's investment, saved an additional 28,038 acres. In total, the protected areas keep approximately 10,714,254 metric tons of carbon safely stored.

Since 2010, BTS's total investments, including the matching investments, have helped preserve 101,143 acres of rainforest that yearly absorbs 16.4 million tons of carbon dioxide (from being emitted into the atmosphere) and that also protects endangered animal species.

Below is a breakdown of BTS's contributions and the acres preserved:

- 2010 and 2011 – Donation of \$20,000 to Las Tangaras, Colombia → 200 acres
- 2014 and 2015 – Donation of \$12,000 to El Jaguar, Colombia → 300 acres
- 2015 – Donation of \$10,000 to Sumatra, Indonesia → 2,933 acres
- 2016 – Donation of \$431 to Balanga, Congo → 560 acres
- 2016 – Donation of \$10,000 to Airo Pai, Peru → 9,009 acres
- 2017 and 2018 – Donation of \$20,000 to Borneo, Indonesia → 10,000 acres
- 2019 – Donation of \$10,000 to the Community Empowerment Project, Liberia → 4,310 acres
- 2020 – Donation of \$10,000 to Save West Africa's Last Intact Forests, Liberia → 2,786 acres
- 2021 – Donation of \$10,000 to Create a Wildlife Corridor, Thailand → 1,016 acres
- 2022 – Donation of \$10,000 to Save the Brazilian Amazon → 9,346 acres

¹⁾ Rainforest Trust invests in, and preserves, the most threatened tropical forests, and helps to save endangered species.

²⁾ One acre corresponds to 4,047 square meters.

Since March 2020, virtual ways of working became the norm for BTS, as well as for their clients, which reduced BTS's and the clients' carbon footprint considerably. BTS's flight footprint during 2022 was an estimated total emission of 6,000 tons of carbon dioxide, which is 70 percent less in comparison with 2019 when the estimated emission was 21,000 tons. During the same period, the number of consultants grew by approximately 30 percent.

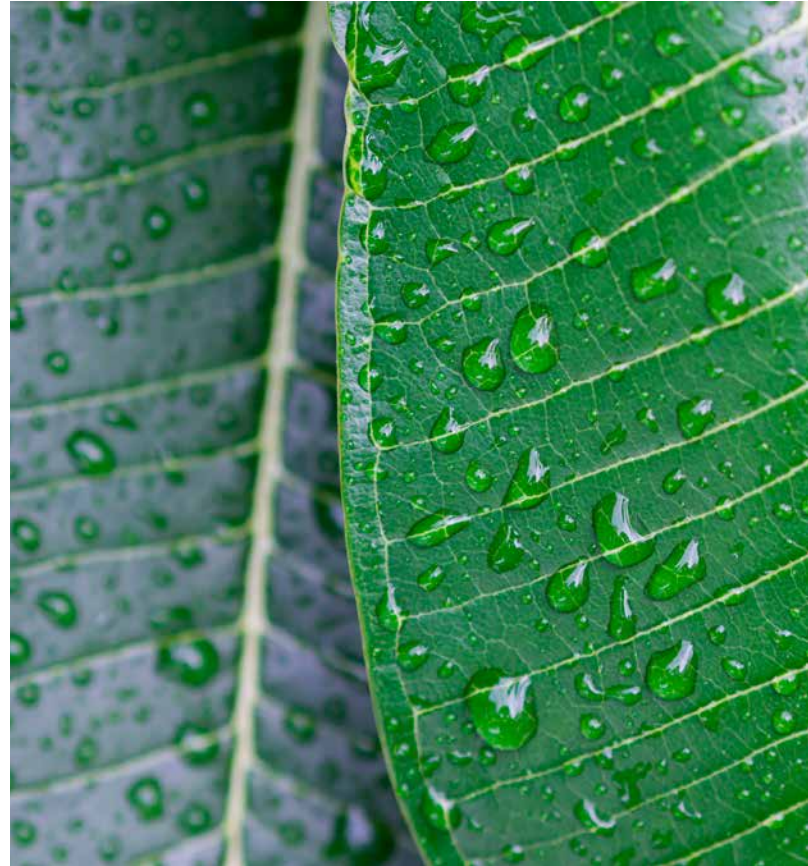
To support the need to reduce carbon dioxide emissions, BTS is driving a number of different initiatives:

Within BTS:

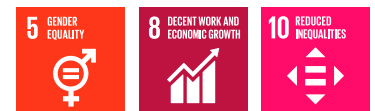
1. Continuing to use virtual meeting platforms to reduce traveling (internal meetings, sales meetings, project meetings).
2. Investing in activities, together with the Rainforest Trust, to preserve rainforests and endangered species.

For BTS's clients:

1. Offering digital, and virtual, learning and communication platforms to reduce the need to travel. Conducting cross-regional meetings online has a strong, positive impact on the environment.
2. Providing self-paced, virtual studies through digital learning solutions.
3. Providing digital communication platforms in physical programs and workshops, thereby reducing the need for printed materials.



Supporting clients in implementing strategies within sustainability



A part of BTS's operations is customized programs that support clients in their sustainability work. The programs expose clients' employees to different situations where they learn to do trade-offs between short- and long-term results with regards to environmental and safety impact. Thereby, leaders and employees get a better understanding of long-term success in developing sustainable business processes.

BTS was engaged in supporting the implementation of eight clients' sustainability strategies and innovation processes during the year, and supported 25 clients with culture change in regard to diversity and inclusion.

During 2022, BTS continued to support its clients in webinars, for larger target audiences, and through focused events and workshops with themes around how they coach teams in the new, challenging environments that combine both distance work and work in the office.

"BTS is truly a big-hearted and high-performing organization! I love being challenged by both colleagues and clients to deliver great work, and that BTS allows me to grow as a person."

– Senior consultant at BTS



Social responsibility with impact

BTS supports entrepreneurship and leadership for a more sustainable world

Social responsibility is at the core of the BTS identity. By investing in people and societies across the world, BTS is working to provide better living conditions and to create a better world. This is why BTS has branded their corporate social responsibility work; *BTS Social Impact*.

Through a stronger focus on creating impact, BTS provides skills training for entrepreneurs, underserved populations, students, and teachers. The company equips education and non-profit leaders to drive a bigger impact in their work and thus invests in our planet for a sustainable future. BTS Social Impact has, since it started, helped more than 760,000 participants.

BTS partners with a number of important stakeholders to help them reach their target audiences. These include:

- **Educational institutions:** BTS develops school leaders and administrators.
- **Non-profit organizations:** BTS offers educational programs that improve leadership.
- **Communities:** BTS develops selected populations and increases citizens' quality of life.
- **BTS clients:** BTS partners to support their clients' selected Corporate Social Responsibility (CSR) efforts – strategy, innovation processes, diversity, and inclusion.
- **Non-profit divisions of banks:** BTS supports small business owners who receive micro-finance loans.
- **CSR institutes:** BTS joins forces to develop both female and male entrepreneurs in developing countries.



BTS's Social Impact domains

Equipping education and non-profit leaders to drive bigger impact

BTS Spark:

Leadership development and mindset coaching, workshops, webinars delivered by BTS network of facilitators

Multipliers program for non-profit organizations:

Traditional (client-specific) leadership programs and open enrollment sessions delivered by BTS

Providing skills training for entrepreneurs, underserved populations, communities, families, and students

BTS One for One for improved entrepreneurship:

Business simulations to promote micro-entrepreneurship and financial literacy, delivered by BTS partners

BTS Sustainable community:

Supporting development of local communities' sustainability through educational programs for communities, entrepreneurs, families, and students

Equipping education and non-profit leaders to drive bigger impact

BTS Spark

BTS Spark (btsspark.org) is dedicated to enabling education and not-for-profit leaders to access world-class leadership coaching. Spark leverages the best of BTS – an extensive leadership curriculum and professional leadership coaches – and makes this available to leaders of schools and NGOs (non-governmental organizations) at a subsidized price.

During 2022, BTS coaches supported education and not-for-profit leaders in the United Kingdom, United States of America, Canada, Australia, Singapore, China, Indonesia, Kenya, and South Africa. Our clients included school districts, departments of education, school networks, individual schools, universities, professional associations, and global NGOs. BTS Spark also ran personal leadership programs for 468 young people in schools.

In 2022, BTS Spark hosted eight webinars with global thought leaders in education such as *John Hattie* and *Pasi Sahlberg*, attracting an audience of 1,950 educators. BTS's extensive insights on leadership development were also shared through 14 BTS Spark articles, with a total readership of 63,000 educators.

Up until the close of 2022, 17,973 leaders in schools, colleges, and universities have engaged in BTS Spark programs. These leaders are responsible for 800,000 teachers and 12 million students.

The Leadership program Multipliers for non-profit organizations

From its office network, BTS offers leadership development through the program Multipliers which is aimed at non-profit organizations that have other important non-profitable goals for their operations. The leadership programs consist of traditional (client-specific) seminars, as well as open enrollment sessions, delivered by BTS.

"In addition to our significant and tangible impact on the companies that we work with, our culture is one of the main reasons we are such a talent magnet. We have been told that our high energy and fun spirit in combination with our engaging solutions is truly unmatched. It also does not hurt that we are tech savvy thought leaders. Challenging status quo is in our DNA. I will probably work here forever, and that is not an exaggeration. BTS truly is the coolest consultancy on the planet."

– Business Analyst at BTS

Providing skills training for entrepreneurs, underserved populations, communities, families, and students

BTS One for One for improved entrepreneurship

The ambition of *BTS One for One* is to offer a participant in an underserved environment a free, or highly subsidized, education for every paid client participant at a BTS program, thereby supporting training for entrepreneurs, students, families in developing countries, or underserved populations in developed countries.

In collaboration with BTS, *Deutsche Sparkassenstiftung for International Kooperation* (DSIK) is currently implementing three Business Simulations (*Savings Game*, *Micro Business Simulation*, *Farmers Business Simulation*) worldwide within the scope of its project work. The Business Simulations promote financial literacy and entrepreneurial competence. Participants experience significant learning success, as they not only listen and memorize but can actively apply their learning in the game and continue to expand on it after the training is over.

In 2022, the collaboration on a new simulation was continued: In this Farmers Business Simulation, participants will obtain a core understanding of climate change in their region by playing a reality-based scenario, they will also learn about opportunities to adapt their agricultural business to climate change and are taught risk management techniques.

During the development and design process of this program, a large team of experts, including banking professionals, DSIK project staff, various agricultural experts, and experts on climate change, were consulted. The anticipated launch of the business simulation is May 2023.

Since the beginning of the cooperation with BTS, DSIK has reached more than 164,573 participants worldwide. 25,317 persons participated during 2022, in 1,579 training sessions, in 30 countries.

BTS's support for sustainable communities

BTS's main partner in this area is *Avo Vision* in South Africa, of which 49 percent is owned by BTS. Through *Avo Vision*, BTS offers subsidized education for local communities and institutions, primarily in South Africa, with programs for entrepreneurs, families, students, immigrants, and other underserved populations. The programs mainly address various development initiatives such as housing, financial literacy, and tree felling, in combination with entrepreneurship, water and energy supply; learning to make better decisions for quality of life and to create a more sustainable society.

In 2022, *Avo Vision* reached an accumulated audience of 484,929 participants, with an increase of 42,999 participants.



Example of how BTS supports educational leaders with leadership skills and coaching

During 2022, BTS completed the pilot of our *Young people's programme*, funded by the *Jack Petchey Foundation* and known as the *Jack Petchey Spark Programme*, reaching 1,144 young people, aged 12–14 in six London schools over the 2021–2022 academic year.

The program aimed to help students:

- Build a sense of purpose and drive – getting clear on what matters to them and how this can keep them motivated.
- Enhance their personal resourcefulness by learning how to manage their emotional state, bounce back from setbacks and overcome limiting beliefs.
- Develop a greater sense of personal and collective agency – feeling more able and committed to making a difference for themselves and others.

Through this program, BTS aims to help students navigate the challenges and opportunities they face more successfully on their journey to adulthood by enhancing their wellbeing, and by helping them to build important capabilities for the future.

The program comprised of three, half-day workshops (*Finding My Spark*, *Keeping My Spark*, and *Sharing My Spark*) delivered by our team of freelance facilitators, with six follow-up sessions that teachers were asked to deliver between the three workshops. Delivery in the first three schools, which finished in spring 2022, was supported by six volunteers from the BTS London office.

Feedback from students and school staff was positive, with students particularly highlighting that the program had helped them build the following strengths:

- Greater self-awareness, self-belief, and determination.
- Improved understanding of personal strengths, values, and motivations (things that matter to them).
- A better understanding of personal responses to emotional triggers, and insight into strategies and tools to manage their state to enable more helpful responses.
- Greater interest in, and commitment to, helping others.

Illustrative comments from school staff told BTS how the program was helpful for students:

- *"To have the space and time to reflect on themselves, and who they are in the world."*
- *"To think more deeply about themselves, and what drives and motivates them."*
- *"To discover what triggers a negative mindset and to gain strategies to cope better."*
- *"To work with, and hear from, new voices and adults."*
- *"To focus on softer skills and wellbeing."*

Other examples of BTS's projects for sustainability

How BTS supports clients with implementation of strategies, innovation, and strengthening a culture of diversity and inclusion.

Enterprise Development Initiatives – Avo Vision Charcoal Incubator Grants

In 2021, BTS kicked off a relationship with *Avo Vision* and *Matatiele*, a charcoal business in eastern South Africa. An incubator – a facility designed to nurture and accelerate the growth of new businesses – was set up to capacitate local companies. They local companies were supported in setting themselves up to use *Alien & Invasive Plant* (IAP) species as feedstock to manufacture charcoal. IAP are considered to be plant pests that wreck the local water table. Every hectare of IAPs cleared, results in millions of liters of water returning to circulation in a water-starved region. Specifically, *Avo Vision* has supported two businesses based in the villages of Colana and Nqumane in South Africa, with grant finance to pay off part of their outstanding loans, entailing them to get some breathing room on the cash-flow front. This support has continued into 2022, and these businesses have taken on additional staff as a result. This is particularly important in an area of the country that has an unemployment rate of over 80 percent.

Avo Vision also contributed to accredited training activities in the incubator as a whole, helping staff members obtain certification for key skills like chainsaw operation, herbicide application, and fire safety training.



Anglo American Leadership Journey, GameChangers

BTS has continued the partnership and collaboration with the British mining company *Anglo American* and the *Cambridge Institute for Sustainable Leadership (CISL)*. *Anglo American* have set ambitious targets across their global sustainability pillars: *Trusted Corporate Advisor*, *Thriving Communities*, and *Healthy Environment*. Targets include carbon neutrality for some operations by 2030, and for all by 2040. Other targets include water and energy reduction, school education, and increased biodiversity for areas within the influence of their mining operations.

BTS partnered with CISL, to create a customized four months, multi-module leadership journey, that included a digital simulation experience; In teams, the leaders strategically managed a simulated mining operations for 15 fictive years, where they would experience sustainability-related challenges and opportunities. The teams experienced the short- and long-term impact of their decision-making across different stakeholder groups and ultimately had to balance key financial, environmental and societal metrics.



Vocational training – Learnership

Avo Vision funded a learnership, as well as monthly stipends for a woman in Gauteng, who has a physical disability. This accredited learnership allowed her to engage a number of important topics around business and administration. She completed, and passed, this learnership in 2022.

Avo Vision also sponsored the university tuition for an honors degree of a student who is now a BTS intern.

EU Taxonomy

The EU Taxonomy regulation is a common classification system within EU, to define environmentally sustainable investments and economic activities, and it includes environmental goals and rules. It is an important part of EU's action plan for more sustainable growth, and a prerequisite for investors and companies to be able to direct capital towards sustainable alternatives. 2022 is the base year for taxonomy alignment reporting, which means that no changes can be reported.

The EU Taxonomy facts

To meet the EU Taxonomy requirements for alignment, the company:

1. Must substantially contribute to at least one of the six environmental objectives as defined in the regulation.
2. *Does not significantly harm* (DNSH) any of the other five environmental objectives, as defined in the regulation.
3. Must comply with minimum safeguards.

The EU Taxonomy is based on six environmental objectives

1. Climate change mitigation.
2. Climate change adaptation.
3. Sustainable use and protection of water and marine resources.
4. Transition to a circular economy.
5. Pollution prevention and control.
6. Protection and restoration of biodiversity and ecosystems.

BTS Taxonomy results 2022

The BTS share of the Taxonomy eligible activities is identified based on materiality. In 2022, BTS reports the percentage of turnover, capital expenditures (CapEx) and operating expenditures (OpEx) that are eligible for and aligned with the taxonomy.

1. Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		TSEK	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)									
Total A.1 + A.2									
		0	0%						
		0	0%						
B. TAXONOMY NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)									
TOTAL (A+B)									
		2,530	100%						
		2,530	100%						

Turnover

Total turnover has been defined as the Group's *Net sales* in accordance with IFRS 15. The taxonomy-aligned share of the net sales for the type of services that BTS conducts is considered negligible. In the few exceptions where BTS uses their dedicated servers for a client to store digital learning solutions, this cost is not disclosed separately in the accounting. No turnover is therefore deemed to fall within the scope of the taxonomy during the 2022 fiscal year. For more information regarding net sales, see Note 10 *Segment reporting*.

CapEx

Total CapEx has been defined as *Investments in intangible assets, Investments in Property, plant and equipment* as well as new and renegotiated right of use assets for the fiscal year of 2022. The reported CapEx that is considered taxonomy-

eligible includes new and renegotiated right-of-use assets. For more information on investments see Note 5 *Leases*, Note 8 *Intangible assets* and Note 9 *Property, plant, and equipment*.

OpEx

With regard to the taxonomy's definition of OpEx, BTS's assessment is that no taxonomy-eligible OpEx was carried out during the fiscal year of 2022, and therefore no taxonomy-eligible OpEx are reported.

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year 2022 (18)	Taxonomy-aligned proportion of turnover, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Percent	Percent	Enabling	Transitional
							%		%	

2. Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of CapEx (4)	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		TSEK	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Acquisition and ownership of buildings ¹⁾									
	7.7	5,499	9%						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)									
		0	0%						
Total A.1 + A.2									
		5,499	9%						
B. TAXONOMY NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities (B)									
		60,189	91%						
TOTAL (A+B)									
		65,688	100%						

¹⁾ New rental contracts during 2022 disclosed as *Right-of-use assets* in the balance sheet.

3. Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of OpEx (4)	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		TSEK	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)									
		0	0%						
Total A.1 + A.2									
		0	0%						
B. TAXONOMY NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities (B)									
		0	0%						
TOTAL (A+B)									
		0	0%						

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Percent	Percent	Enabling	Transitional
							%		%	

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year 2022 (18)	Taxonomy-aligned proportion of OpEx, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Percent	Percent	Enabling	Transitional
							%		%	

Auditor's report on the statutory Sustainability report

To the annual meeting of the shareholders of BTS Group AB, corporate identity number: 556566-7119.

Engagement and responsibilities

The Board of Directors is responsible for the Sustainability report for 2022 on pages 51–65 and that it has been prepared in accordance with the *Swedish Annual Accounts Act*.

The scope and extent of review

Our examination of the statutory Sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 – Auditor's report on statutory Sustainability report. This means that our examination of the statutory Sustainability report is different and substantially less in scope than an audit

conducted in accordance with *International Standards on Auditing* (ISA) and generally accepted auditing in Sweden. We believe that the examination provides us with a sufficient basis for BTS opinion.

Opinion

A Sustainability report has been prepared.

Stockholm, April 21, 2023

Öhrlings PricewaterhouseCoopers AB

Magnus Thorling

Authorized Public Accountant

Corporate governance report

BTS Group AB is a public limited liability company based in Stockholm, Sweden, and listed on NASDAQ Stockholm AB. Consequently the BTS Group's corporate governance is based on Swedish legislation and regulations such as the *Companies Act*, the set of rules for issuers on NASDAQ Stockholm, the *Swedish Code of Corporate Governance* (the Code) and the company's own articles of association.

Since 2008, BTS Group follows the Code in all essential parts with few deviations. In 2022, the Code was applied with one deviation, regarding the company's auditors have not reviewed BTS's half-year or nine-month report.

Corporate governance structure

The corporate bodies of BTS Group AB comprise the following: Annual General Meeting (AGM) – highest decision-making body

Board of Directors – has ultimate responsibility for the company's organization and management

Chief Executive Officer (CEO) – has responsibility for day-to-day management

Auditors – audit the Board of Directors' and CEO's management at the request of the shareholders/Annual General Meeting.

Shareholders

The total number of shares outstanding is 19,374,347, consisting of 853,800 Class A and 18,520,547 Class B shares. Each Class A share entitles the holder to ten votes per share, each Class B one vote per share.

At December 31, 2022, BTS Group AB had 4 145 shareholders. The ten largest shareholders had total shareholdings corresponding to 79.9 percent of shares and 85.6 percent of votes. A list of the largest shareholders is found on page 11 in this Annual report.

Annual General Meeting

BTS's highest decision-making body is the Annual General Meeting (AGM). Notice of the AGM shall be published no earlier than six weeks and no later than four weeks before the AGM and shall through a press release and thereafter kept available on the company's website, and appear in *Post- och Inrikestidningar* and *Svenska Dagbladet*. All shareholders entered in the share register on the record date who have notified the company in time of their intention to participate in the AGM may do so. Shareholders unable to attend can be represented by proxy.

The AGM elects the company's Board and the Chairman of the Board. The business of the AGM includes:

- Adopting the income statement and balance sheet.
- Determining the appropriation of the company's earnings.
- Determining whether to discharge the members of the Board and the CEO from liability to the company.
- Electing auditors.
- Determining fees to be paid to the Board and auditors.
- Adopting guidelines for remuneration to senior executives.
- Deciding on changes in the number of shares and their structure.

2022 Annual General Meeting

The 2022 AGM was held on Friday, May 13, in the Company's head office in Stockholm. 57 shareholders attended, representing 78.3 percent of the number of shares outstanding and 84.5 percent of the votes. Decisions made included the following:

- The income statement and balance sheet and the consolidated income statement and balance sheet for the fiscal year 2021 were adopted.
- The proposed dividend for the fiscal year 2021, of SEK 4.80 per share was approved, to be paid in an amount of SEK 2.40 on two occasions.
- The Board of Directors and CEO were discharged from liability for management during the fiscal year as recommended by the auditors.
- A total of SEK 1,655,000 in fees was approved to be paid to members of the Board, of which SEK 500,000 shall be paid to the Chairman and SEK 225,000 each to other members, and SEK 55,000 to deputy board member. For work on Board committees, fees totaling SEK 200,000 shall be paid.
- Auditors' fees were approved to be paid based on approved invoices.
- For the period until the next Annual General Meeting Mariana Burenstam Linder, Henrik Ekelund, Stefan Gardefjord, Reinhold Geijer and Anna Söderblom were re-elected as members of the Board, and Olivia Ekelund was re-elected as deputy to the Board. Henrik Ekelund was appointed Chairman of the Board.
- For the period until the next Annual General Meeting the accounting firm Öhrlings PricewaterhouseCoopers (PwC) was re-elected as auditor with Magnus Thorling as managing auditor for the audit.
- Authorized the Board to make a decision on the issue of shares or convertibles (maximum 1,200,000 Series B shares) in connection with company acquisitions no later than the next Annual General Meeting. The Board was also authorized to decide on the issue of shares or convertibles (maximum 1,200,000 Series B shares) until the next Annual General Meeting in order to obtain financial readiness to act. If both authorizations are exercised, a maximum of 1,930,000 shares may be issued.

2022 Extraordinary General Meeting

The Extraordinary General Meeting was held on Friday, July 8, in the Company's head office in Stockholm. Shareholders were also given the opportunity to exercise their voting rights through postal voting. 40 shareholders attended, representing 45.9 percent of the number of shares outstanding and 61.3 percent of the votes. Decisions made included the following:

- Guidelines for compensation and other terms of employment for senior executives
- To establish the employee stock option program 2022/2027 and related hedging measures.

Nominating committee

The nominating committee has the task of preparing and submitting proposals to the AGM concerning the following, when relevant:

- Election of a president for the AGM.
- Election of the Chairman of the Board and other members of the Board.
- Board fees: in total and divided among the Chairman and other members of the Board as well as compensation for work on committees.
- Audit fees.
- Election of auditor and deputy auditor.
- Adoption of a policy for appointing the nominating committee.

A nominating committee for BTS Group AB was appointed on November 15, 2022. BTS's three largest shareholders in consultation with Henrik Ekelund, Chairman of the Board, appointed Anders Dahl (representing Henrik Ekelund), Johan Lannebo (representing Lannebo Fonder), Stefan af Petersens (own holdings) and Henrik Ekelund to the committee. Anders Dahl was appointed chairman of the nominating committee. The Nomination Committee has applied Rule 4.1 of the *Swedish corporate governance code* as its diversity policy in the preparation of its motion concerning directors. This means the Board of Directors is to have an appropriate composition taking into consideration the company's operations, stage of development and other circumstances. It shall be characterized by versatility and breadth concerning the elected directors' expertise, experience and background, and an even gender balance to be sought after.

Shareholders in BTS Group AB have been able to contact the nominating committee to propose candidates to the Board.

All of the nominating committee's candidates based on the above will be announced in the notice for the 2023 AGM. The nominating committee's statement supporting its proposal for the Board of Directors of BTS Group AB as well as the information about the candidates recruited by the committee will be published on BTS's website when the proposal is announced.

Board of Directors

The Board's responsibility and working methods

The Board of Directors has ultimate responsibility for the company's organization and management and is appointed by the shareholders at each AGM for the period from that AGM until the end of the next. BTS's Board decides on issues such as strategic direction, acquisitions, investments, financing, and Group-wide policies. The Board continuously assesses the Group's financial situation and evaluates the operational management. BTS's Board shall also insure proper disclosure to BTS's various stakeholders.

The articles of association specify that BTS's Board shall consist of no fewer than three and no more than eight members. The AGM held on May 13, 2022, decided that for the period until the next AGM the Board would consist of five members and one deputy member. The nomination committee applies the *Swedish corporate governance code*, section 4.1, as its diversity policy. The objective is to propose the composition of a Board with complementary experience and skills, while also demonstrating diversity in terms of age, gender, nationality, and industry experience. The composition of the present Board is the result of the work of the nomination committee prior to the 2022 Annual General Meeting. The Board comprises of members with experience in various industries, and there is even gender distribution.

Once each fiscal year, the work of the Board is assessed, either by the Board alone or with external assistance, providing a basis for the Board's procedures in the future.

The Board is deemed to comply with the NASDAQ Stockholm marketplace rules and the Swedish Code of Corporate Governance regarding requirements on independence of members of the Board in relation to the company, company management and large shareholders.

Information about the Board of Directors is to be found on pages 72–73 in this Annual report.

Composition and independence of the 2022 Board

Member	Position	Elected	Committee work	Independent	Board meeting attendance
Henrik Ekelund	Chairman of the Board ¹⁾	1986		No ²⁾	9/9
Reinhold Geijer	Member ¹⁾	2016		Yes	9/9
Mariana Burenstam Linder	Member	2004		Yes	9/9
Stefan Gardefjord	Member	2003	Audit and risk committee	Yes	9/9
Anna Söderblom	Member	2017	Audit and risk committee	Yes	9/9
Olivia Ekelund	Deputy	2021		No ³⁾	9/9

¹⁾ Henrik Ekelund Chairman of the Board from the Annual General Meeting 2022. Reinhold Geijer Chairman of the Board until the same Annual General Meeting.

²⁾ Henrik Ekelund is the largest shareholder in the BTS Group.

³⁾ Not independent in relation to major shareholders.

The work of the Board of Directors

In addition to legislation and recommendations, a written set of procedures adopted annually governs the work of the Board. The Board's set of procedures is intended to clarify and regulate the Board's tasks and how it works as well as the division of responsibilities among the Chairman, other Board members, and the CEO. According to these procedures, the Board shall normally hold a minimum of four ordinary meetings. At each of these meetings, the Board deals with issues of material significance to the company. In addition, the Board receives reports from senior management about current business conditions in the Group's market segments.

Board meetings are held periodically in connection with the company's financial reports, and otherwise as required. The Board deals with the year-end report and proposed appropriation of earnings in February, interim reports in April, August, and October–November, and the budget for the coming year in December. Occasionally, an issue is delegated to the Chairman of the Board and the CEO for joint deliberation. The company's CFO serves as Board secretary. During the past year, nine meetings were held.

Evaluation of the Board and the CEO

Every year the Board makes an evaluation of the work of the Board. The purpose of the evaluation is to get an opinion on the Board members' views on how the board work is conducted, and what measures can be taken to streamline the board work. The Nomination Committee has been informed of the content of the 2022 evaluation.

The Board continuously evaluates the CEO's work by following the development of the business towards set goals as well as through an annual CEO's evaluation.

Compensation to the Board

The AGM held on May 13, 2022, approved a total of SEK 1,655,000 in fees to be paid to the Board, such that SEK 500,000 be paid to the Chairman and SEK 225,000 each to the members, and SEK 55,000 to the deputy member.

The AGM also approved a fee for committee work shall be paid in a total of SEK 200,000 in fees for committee work, to be distributed among the members of the company's committees. The AGM also determined that auditors' fees will be paid based on approved invoices.

The Members of the Board are not included in any incentive programs for Group employees that are based on shares or share prices.

Compensation committee

The compensation committee has the task of reviewing and recommending to the Board policies for compensation for the company's senior executives, including performance-based payments and pension benefits. Issues concerning the CEO's terms of employment, compensation, and benefits are prepared by the compensation committee and decided by the Board. The duties of the compensation committee were performed during the year by the Board as a whole.

Audit committee

The Board has appointed an audit committee. The purpose of the committee is to facilitate and streamline the Board's work, strengthen internal control and facilitate communication between the Board and the auditors. The committee's tasks include, among other things, preparation of the Board's work on quality assurance of financial and operational reporting, monitoring the effectiveness of BTS's internal control and risk management and evaluation of the ongoing audit efforts. Furthermore, the audit committee shall establish guidelines for which services other than auditing the company may purchase from the company's auditors. The committee also has the task of giving its evaluation of the audit work to the nomination committee and to assist the nomination committee in preparing the nomination committee's proposal for the Annual General Meeting regarding the election of auditors and the size of the audit fees. The audit committee has two members and consists of Stefan Gardefjord (Chairman of the Committee) and Anna Söderblom. The company's CFO participates in all committee meetings. The audit committee held four meetings in 2022.

Auditors

The auditors examine the management of the company by the Board and CEO and the quality of the company's accounts and they report the results of their audit to the shareholders through the audit report, which is submitted at the AGM.

In addition, the auditor participates in the Board meeting when the financial accounts are presented and submits a report on the audit of the company's earnings, financial position, and internal control. The company's auditor may also submit a statement of his findings directly to the Chairman of the Board, if deemed necessary. The Board shall at least once a year, without the presence of the CEO or other members of management, meet the company's auditor. During the year, the auditor participated in one board meeting, and on this occasion also reported the audit in writing.

The auditor is elected by the AGM for a period of one year. The 2022 AGM re-elected the registered public accounting firm PwC with Magnus Thorling as managing auditor for the period until the end of 2023 AGM.

More information about compensation to auditors is found in Note 4 of this Annual report.

For 2022, the company's auditors did not review BTS's semi-Annual report or the nine-month interim report, which deviates from the Code. The Board has so far determined that the company does not need further review, as the financial reporting is considered to be of high quality and that the internal control is deemed to be good and therefore the additional cost for such an audit cannot be justified. The Board continuously monitors the issue and, if it feels justified, will reconsider its decision.

Senior executives

BTS's senior executives include: Jessica Skon, President & CEO of BTS Group AB, Philios Andreou, President and CEO of BTS Other markets and Deputy CEO of BTS Group AB, and Stefan Brown, CFO and Vice President of BTS Group AB. Information about senior executives is found on pages 74–75 in this Annual report.

Guidelines for compensation and other terms of employment for senior executives

The Extraordinary General Meeting held on July 8, 2022, adopted guidelines for remuneration and other terms of employment for senior executives.

A successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, presupposes that the company can recruit and retain qualified employees. This requires that the company can offer competitive remuneration. The decided guidelines contribute to BTS's business strategy, long-term interests and sustainability by providing an opportunity to offer senior executives a competitive total remuneration. Remuneration to senior executives must be market-based and may consist of basic salary/fixed remuneration, variable remuneration, pension and other benefits. The Annual General Meeting may in addition – and independently of these guidelines – decide on, for example, share and share price-related remuneration.

The guidelines are found on pages 34–35 in this Annual report.

Information and communication

The overall goal of BTS's communication is to provide shareholders and employees, actors in the market, and other stakeholders with an up-to-date, true, and fair view of the company and its business operations. Communication shall be correct, credible, characterized by good relevance to the company's stakeholders, and based on on-going contacts, clarity, and good ethics. BTS believes that high-quality communication efforts actively help bolster confidence in the company and the management, making it easier to achieve business objectives.

BTS publishes up-to-date information about the company on its website. Interim reports and Annual reports are published in Swedish and English. Events that could be expected to affect the share price are announced in press releases. In addition, the company communicates with mass media, capital markets, and shareholders when interim reports are published and also participates in other marketing activities on an ongoing basis.

The Board of Directors' description of internal control concerning financial reports

Good corporate governance is about organization and routine in a good control environment, the proper handling of financial information, and minimizing risk. A good control environment is also based on an organizational structure with explicit

and documented delegation of decision-making authority, straightforward policies and guidelines, and a corporate culture with good common values.

Control environment

Internal control at BTS is based on a control environment embracing the organization, lines of decision-making, authority, and responsibility. The Board of Directors has a written set of procedures that clarifies the Board's responsibility and regulates how Board tasks are delegated. The set of procedures also specifies which issues are submitted to the Board for a decision. How roles are divided between the Board and the CEO is established in the Board's set of procedures and its instructions to the CEO. The Board and the CEO also manage the business with reference to the Companies Act, other laws and regulations, rules and regulations for stock market companies, and the Code, etc.

The company has established policies in areas such as financial reporting, IT and IT security, human resources (compensation to senior executives), sustainability etc. The Board's instructions to the CEO specify financial responsibilities and authority, as do procedures adopted for signing off. To limit and control financial risk, the Board has adopted a financial policy.

The company's operating organization is adopted and communicated through an organization chart augmented by the assignment of roles and responsibilities.

The Board of Directors follows up to insure that policies adopted for financial reporting and internal control are adhered to and maintains appropriate relationships with the company's auditors. company management is responsible for the system of internal controls required for managing significant risks in operating activities.

Risk assessment and control activities

The Board of Directors has ultimate responsibility for risk management. A well-defined organization and decisionmaking procedure are intended to foster prudent risk taking and good awareness of risk among employees. To insure that internal routines and controls have worked adequately and uniformly, the most important processes have procedural descriptions. Built-in checkpoints also minimize the risk of errors in accounting. Likewise, procedures for the company's accounting and consolidation systems have been documented. Ongoing activities aim at maintaining good internal control, thus avoiding and detecting risks.

Information and communication

Significant guidelines, policies, and such that govern financial reporting are updated and communicated on an ongoing basis to personnel affected in the Group. Formal as well as informal channels to company management and the Board exist to transmit significant information from employees. For external communication, the company follows the governing regulations discussed above.

Follow-up

The Board of Directors continuously evaluates the information provided by company management. The work of the Board includes insuring that actions are taken concerning any deficiencies or proposals for corrective action arising from external audits.

The auditors' reporting regarding to internal control is discussed at the audit and risk committee meetings. The auditors' remarks on possible shortcomings and BTS's documented action proposals are discussed and approved. Thereafter, the auditors' report is discussed with the company's action plans at the next board meeting.

BTS has no internal audit unit of its own, based on the assessment that there are no special circumstances in operating activities according to Group size, organization and reporting structure or other conditions to justify such a unit. The follow-up performed by the Board and management is considered to meet the need.

Auditor's report on the corporate governance statement

To the general meeting of shareholders in BTS Group AB (publ), corporate identity number 556566-7119.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2022 found on pages 67–71 and that it has been prepared in accordance with the *Annual Accounts Act*.

The scope of the audit

Our examination has been 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 a sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, Paragraph 2, Points 2–6 of the *Annual Accounts Act* and Chapter 7, Section 31, Paragraph 2 of the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the *Annual Accounts Act*.

Stockholm, April 21, 2023
Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorized Public Accountant

The Board of Directors and auditor



Henrik Ekelund

Chairman of BTS Group AB since 2022.

Born 1955.

Shareholdings in BTS Group AB (including companies): 816,000 Class A shares, 2,789,034 Class B shares, totally 3,605,034 shares.

Henrik Ekelund is the founder of BTS and was its CEO from its inception in 1986 until 2022. Henrik Ekelund has comprehensive experience as a board member and owner of growth enterprises. Henrik Ekelund graduated in business administration at the Stockholm School of Economics.

Independent of the company, not independent to its major shareholders.



Mariana Burenstam Linder

Member of the Board of BTS Group AB since 2004.

Born 1957.

Other assignments: Member of the Board of Latour AB, CEO of ProactiveMedicine AB.

Shareholdings in BTS Group AB: 22,100 Class B shares.

Mariana Burenstam Linder has extensive experience from management positions in several Swedish companies. Former positions include founder and CEO of Burenstam & Partners, CEO of Ainax, Head of Enskilda Banken with global responsibility for Private Banking, deputy CEO of SEB, CIO of Trygg-Hansa and later the SEB Group, CEO of ABB Financial Consulting and CEO of Nordic Management AB. Mariana Burenstam Linder graduated in business administration at the Stockholm School of Economics.

Independent of the company and its major shareholders.



Stefan Gardefjord

Member of the Board of BTS Group AB since 2003.

Born 1958.

President and CEO of Swedish Space Corporation.

Other assignments: Member of the Board of Knowit AB.

Shareholdings in BTS Group AB: 20,000 Class B shares.

Stefan Gardefjord has been CEO of Logica Sverige AB and member of the executive management of Logica. He has since 1987 held several senior positions in the WM-data Group, including CEO of different subsidiaries, business area head, and Group director of marketing, sales, and information. Stefan Gardefjord graduated upper secondary school in business.

Independent of the company and its major shareholders.



Reinhold Geijer

Member of the Board of BTS Group AB since 2016.

Born 1953.

Other assignments: Board member of Skandia, The Swedish Export Credit Corporation, Eterna Invest and Zacco A/S.

Shareholdings in BTS Group AB: 10,000 Class B shares.

Reinhold Geijer was CEO of The Royal Bank of Scotland's Nordic branch 2003–2015, and also CEO of Nordisk Renting AB 2001–2015. He has also served as CFO of Telia, CEO of Förenings Sparbanken (now Swedbank), worked within Ericsson, SSAB Swedish Steel and Weyerhaeuser Company in the United States.

Reinhold Geijer graduated in business administration at the Stockholm School of Economics.

Independent of the company and its major shareholders.



Anna Söderblom

Member of the Board of BTS Group AB since 2017. Teacher and researcher at the Stockholm School of Economics.

Born 1963.

Other assignments: Chairperson of Proact IT Group AB. Board member in Länsförsäkringar Liv AB, Midway Holding AB, B3 Consulting Group AB and Dedicare AB.

Shareholdings in BTS Group AB: 500 Class B shares.

Anna Söderblom has earlier among other things been operational as the head of technical support and marketing director at Microsoft Nordic, marketing director at Sweden Post, Letter Division, and investment manager at Industrifonden. Anna Söderblom has a university degree in mathematics from Lund University and a PhD in business administration from Stockholm School of Economics.

Independent of the company and its major shareholders.



Olivia Ekelund

Deputy Board member of BTS Group AB since 2021.

Born 1994.

Marketing Coordinator at Staccs AB.

Master of Philosophy from The University of Edinburgh.

Shareholdings in BTS Group AB: 0.

Independent of the company, not independent to its major shareholders.

AUDITOR

Öhrlings PricewaterhouseCoopers AB.
Managing Auditor: Magnus Thorling,
Authorized Public Accountant.

The above information on shareholdings was correct at December 31, 2022.

Senior executives and global partners



Jessica Skon
Global Partner.
CEO of BTS Group AB since 2022.
Born 1977.
Employee of BTS since 1999.
Other assignments: Member of the Board of Trustees of Harvey Mudd College.
Shareholdings in BTS Group AB: 19,264 Class B shares, 50,000 Class B share call options and 200,000 Class B share stock options.
Jessica Skon graduated in International Business and French at The University of Minnesota.



Philios Andreou
Global Partner.
Deputy CEO of BTS Group AB. President and CEO of BTS Other markets.
Born 1967.
Employee of BTS since 2003.



Stefan Brown
CFO and Executive Vice President of BTS Group AB.
Born 1963.
Employee of BTS since 1990.



Kathryn Clubb
Global Partner. Executive Vice President, Global Head of Change & Transformation. President and CEO of BTS North America.
Born 1957.
Employee of BTS since 2019.



Joel Sigrist
Global Partner. Executive Vice President, President and CEO of BTS Europe.
Born 1972.
Employee of BTS since 2003.



David Ackley
Global Partner. Executive Vice President, Global Head of BTS Digital.
Born 1969.
Employee of BTS since 1996.



Rommin Adl
Global Partner. Executive Vice President.
Born 1964.
Employee of BTS since 1994.



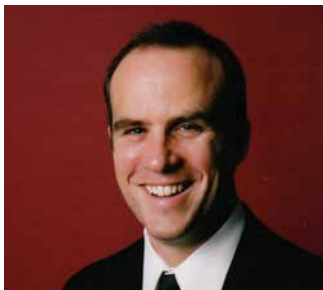
Todd Ehrlich
Global Partner. Executive Vice President.
Born 1968.
Employee of BTS since 1995.



Patrick Fei
Global Partner.
Executive Vice President,
Managing Director Asia.
Born 1974.
Employee of BTS since 2000.



Stefan Hellberg
Global Partner.
Executive Vice President.
Global Head of Sustainability
Born 1957.
Employee of BTS since 1986.



Peter Mulford
Global Partner.
Executive Vice President,
Global Head of Innovation and
Digital Transformation.
Born 1968.
Employee of BTS since 1997.



Dan Parisi
Global Partner.
Executive Vice President, Global
Head of Strategy Execution &
Business Acumen.
Born 1968.
Employee of BTS since 1995.



Fredrik Schuller
Global Partner.
Executive Vice President,
Global Head of BTS Coach.
Born 1978.
Employee of BTS since 2004.



Steve Toomey
Global Partner.
Executive Vice President.
Born 1963.
Employee of BTS since 1995.



Marta Zaragoza
Global Partner.
Executive Vice President,
Managing Director Southern
Europe & Latin America.
Born 1971.
Employee of BTS since 2006.



Jonathan Hodge
President and
CEO of APG.
Born 1972.
Employee of BTS since 2006.

Shareholder information

Annual General Meeting 2023

Shareholders in BTS Group AB (publ) are invited to the AGM on Friday, May 12, 2023 at 2 p.m. in the head office, Grevgatan 34, 5th Floor, Stockholm.

Shareholders wishing to participate must be entered in the share register maintained by *Euroclear Sweden AB* no later than Thursday May 4, 2023, and must have notified BTS Group AB no later than Friday May 5, 2023.

Shareholders may notify by writing BTS Group AB, Grevgatan 34, SE-114 53 Stockholm or e-mail at ir@bts.com or phone at +46 8 58 70 70 00. The notification should include the shareholder's name, personal identification number or corporate identification number, address, phone number, and the number of shares held.

To participate in the AGM, shareholders who have registered their shares under the name of a trustee must temporarily register them with Euroclear Sweden AB under their own name. Any such re-registration request should be made well in advance of Monday May 8, 2023.

Dividend

The Board proposes a dividend of SEK 5,40 per share, amounting to 104,6 million (93.0), disbursed in two payments of SEK 2,70 each.

2023 reporting dates and financial information

Interim reports:	
January–March	May 12, 2023
January–June	August 18, 2023
January–September	November 10, 2023
Year-end report	February, 2024

The above reports can be ordered from BTS Group AB, Grevgatan 34, SE-114 53 Stockholm, phone +46 8 58 70 70 00 or e-mail ir@bts.com. Financial information from BTS Group AB is also published on www.bts.com.

Definitions

BTS Group AB, BTS Group AB (publ), BTS, the company BTS Group AB with or without the Group's subsidiaries (unless otherwise indicated by the context).

Every care has been taken in the translation of this Annual report. In the event of discrepancies, however, the Swedish original will supersede the English translation.



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Printer: Exakta, Sweden, April 2023.

Sweden**HEAD OFFICE**

Grevgatan 34
114 53 Stockholm
Tel: +46 8 587 070 00

Argentina

Reconquista 657
PB 3 CP1003 CABA.
Buenos Aires
Tel: +54 911 5795 5721

Australia

Level 24
570 Bourke Street
Melbourne VIC 3000
Tel: +61 3 7001 1811

Level 6
10 Barrack Street
Sydney NSW 2000
Tel: +61 02 8243 0900

Brazil

Rua Geraldo Flausino Gomes,
85, cj 42
04575-060 São Paulo – SP
Tel: +55 (11) 5505 2070

Canada

460 Richmond Street W.
Suite 700
Toronto, ON M5V 1Y1
Tel: +1 416 848 3744

China

1376 West Nanjing Road
Suite 531, East Office Tower
Shanghai Centre
Shanghai 200040
Tel: +86 21 6289 8688

France

57 Rue de Seine
75006 Paris
Tel: +33 1 40 15 07 43

Germany

Ritterstraße 12
D-50668 Cologne
Tel: +49 221 270 70 763

India

1701, 17th Floor, DLH Park
Near MTNL Staff quarters,
S.V. Road, Goregaon (West).
Mumbai - 400062
Tel: +91 22 6196 6800

10th Floor, Parinee Crescenzo,
G block, Bandra Kurla Complex,
Bandra East,
Mumbai - 400051
Tel: +91 98 1993 4615

Italy

Corso Venezia 7
20121 Milan
Tel: +39 02 6611 6364

Viale Abruzzi, 13
20131 Milan
Tel: +39 02 69015719

Japan

TS Kojimachi Bldg. 3F
6-4-6 Kojimachi Chiyoda-ku
Tokyo 102-0083
Tel: +81 (3) 6272 9973

Malaysia

Suite 8 & 9
Level 23, NU Tower 2,
Jalan Tun Sambanthan,
KL Sentral,
50470 Kuala Lumpur
Tel: +603-2727 1616

Mexico

Edificio Torre Moliere
Calle Moliere 13 – PH
Col Chapultepec Polanco
C.P. 11560 México, D.F.
Tel: +52 (55) 52 81 69 72

The Netherlands

Barbara Strozzi laan 201
1083 HN Amsterdam
Tel: + 31 (0)20 615 15 14

Singapore

1 Finlayson Green
Suite 16-01
Singapore 049246
Tel: +65 63043032

Spain

Simon Bolivar 27-1,
Office No. 4
Bilbao 48013
Tel: +34 94 423 5594

Paseo de la Castellana 91
5th Floor
28046 Madrid
Tel: +34 91 417 5327

Netmind SL.
Carrer dels Almogàvers 123
08018 Barcelona
Tel: +34 93 304 1720

Netmind SL.
Calle Bambú 8v
28036 Madrid
Tel: +34 914 427 703

South Africa

267 West Avenue, 1st Floor
Centurion 0046,
Gauteng
Tel: +27 12 663 6909

South Korea

2nd Floor, Golden Nugget
3 Itaewon-ro 55ga-gil
Yongsan-gu, Seoul 04348
Tel: +82 2 539 7676

Switzerland

Winkelriedstrasse 35
9000 St. Gallen
Tel: +41 71 845 5936

Taiwan

7 F., No. 307,
Dun-Hua, North Road
Taipei 105
Tel: +886 2 8712 3665

Thailand

Phayathai Plaza Building,
4th Floor, Room D-128/38,
Phayathai Road,
Thungphayathai Sub-District,
Ratchathewi District,
Bangkok Metropolis 10400
Tel: +66 2 216 5974

UK

1 Queen Caroline Street
London W6 9YN
Tel: +44 20 7368 4180

Unit 307 East Wing
Building 1000
Lakeside North Harbour
Western Road
Portsmouth PO6 3EN
Tel: +44 2393 162686

United Arab Emirates

14th Floor, Suite 1401, Reef Tower
Cluster O, Jumeirah Lakes Towers
Dubai
Tel: +971 4 589 6143

USA

200 South Wacker Drive
Suite 850
Chicago, IL 60606
Tel: +1 312 509 4750

350 Fifth Avenue
Suite 5020
New York, NY 10118
Tel: +1 646 378 3730

4742 N. 24th Street
Suite 120
Phoenix, AZ 85016
Tel: +1 480 948 2777

222 Kearny Street
Suite 1000
San Francisco, CA 94108
Tel: +1 415 362 4200

Rapid Learning Institute
435 Devon Park Drive, Bldg. 510,
Wayne, PA 19087
Tel: (toll free) +1 877 792 2172

Bates Communications Inc.
40 Walnut Street
Suite 302
Wellesley, MA 02481
Tel: +1 800 908 8239

Advantage**Performance Group**

100 Smith Ranch Road, Suite 306
San Rafael, CA 94903
USA
Tel: +1 800 494 6646

Strategy made

personal