Annual Report 2018/2019

// INNOVATION
We want to accelerate the rate of innovation with a focus on customer insight.

// PEOPLE
We believe in openness and a willingness to change in combination with clear decentralised responsibility.

// BRANDS
We invest purposefully in building strong premium brands.

BERGMAN & BEVING

2018/2019

Contents

Operations

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249
EBITA, MSEK

3,945
Revenue, MSEK

3.00
Dividend per share, SEK

1,031
Employees

22%
Return on working capital

6.25
Earnings per share, SEK

This Annual Report describes the operations of Bergman & Beving AB and the financial results for 2018/2019, and includes a Corporate Governance Report and Sustainability Report. The statutory Annual Report comprises pages 22-74. Comparisons given in brackets pertain to the corresponding amount from the preceding year. The statutory Sustainability Report in accordance with the Swedish Annual Accounts Act can be found on pages 14-17.

This Annual Report is in all respect a translation of the Swedish original Annual Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

Bergman & Beving in brief

REVENUE 2018/2019

Per geographic area and customer segment

Geographic area

Revenue 2018/2019[1]

- **41%** Sweden
- **29%** Norway
- **8%** Finland
- **6%** The Baltics
- **3%** Poland
- **3%** The UK
- **10%** Other

Customer segment

Revenue 2018/2019[2]

- **55%** Manufacturing
- **5%** Other
- **40%** Construction

1) Based on the domicile of the customers.
2) Pertains to the portion of external revenue, rounded to the nearest 5 percent.

- **Bergman & Beving** develops, acquires and provides premium brands for the manufacturing and construction sectors
- **The Group consists** of the brands Arbesko, Belano, BVS, Cresto, ESSVE, Fireseal, Guide, KGC, L.Brador, Limit, Luna, Mareld, Miller's, Skydda, Tengtools, Uveco and Zekler, among others
- **Through our strong** brands, we are represented in more than 30 countries and over 4,000 stores
- **Our main markets** are Sweden, Norway and Finland, which account for approximately 80 percent of revenue
- **The Group's operations** are run independently of each other, with decentralised responsibility

Vision

Our vision is to be northern Europe's leading supplier of proprietary, sustainable and value-creating products and services for the construction and manufacturing sectors. Leading means having a strong market position with the ability to deliver good profitability.

Financial targets

Bergman & Beving's financial targets are to achieve average earnings growth of more than 15 percent per year over a business cycle and a return on working capital in which operating profit (P) in relation to working capital (WC) exceeds 45 percent (P/WC).

Group strategies

- Innovation and product development
- International expansion
- Acquisitions

Our core values

Bergman & Beving's business concept is reflected in our culture and our values, which are based on genuine entrepreneurship. Responsibility, freedom and simplicity are important concepts in Bergman & Beving's values. Based on these values, our aim is to build a company marked by a willingness to change and faith in the future.

Simplicity: Striving towards clear goals with simple methods and clear responsibilities. We identify what is important and monitor our performance using simplified performance measures.

Responsibility and freedom: Each subsidiary conducts its own operations under its own responsibility with a large degree of freedom.

Efficiency: We strive to do the right things the right way. We try to avoid administration and bureaucracy.

Openness and willingness to change: The willingness to change and the ability to adapt are prerequisites for successful business in a changing world. We see possibilities instead of problems and learn from each other.

President's statement

Earnings improvement and investments in growth

The 2018/2019 financial year

For Bergman & Beving, 2018/2019 was an eventful year, with continued positive growth and several important steps in establishing the Group. We reported positive trends in terms of both earnings and the operating margin in every quarter, with earnings ultimately growing 11 percent and the EBITA margin increasing from 5.8 to 6.3 percent. The return on working capital (P/WC) amounted to 22 percent and the year's cash flow from operating activities reached a strong MSEK 258.

Our sound cash flow allowed us to increase the dividends to our shareholders and to continue our acquisition of profitable companies in order to accelerate our development.

Our dependence on a small number of major customers gradually decreased during the year, and our focus on expanding the customer portfolio resulted in increased sales to new customers and in new markets. Our customer structure is now more differentiated and sustainable than before, even if we still have a way to go when it comes to organic growth. Growth is a top priority for our strong brands, and we are continuing to methodically carry out targeted growth investments in product development, sales and marketing. Sales of proprietary products increased steadily throughout the year and amounted to 63 percent of the Group's revenue. Our intent is to further increase this share, which will also be positive for our margins, which are generally higher for proprietary products than for the distribution business.

The focus in the Group's distribution business during the year was on restructuring and improved profitability. I am especially pleased with the ongoing adjustments within the subsidiary Luna, which is part of the Tools & Consumables division, have been successful and the division's earnings improved significantly towards the end of the year. We are, however, not satisfied with the level of earnings and our measures for improved profitability will continue.

Two companies were acquired during the year that contributed annual revenue of approximately MSEK 90. After the end of the period, two additional strategic acquisitions were made with a total annual volume of approximately MSEK 120. We also initiated a strategic collaboration with Sundström Safety within the highly attractive area of technical protection products. Thanks to our strong cash flow, we were also able to complete the cancellation of one million previously repurchased shares, which was positive for our shareholders. Acquisitions remain an important part of our growth strategy and we see many opportunities to continue acquiring attractive companies with proprietary products. We also see acquisitions as an opportunity to accelerate our international growth ambitions.

A new, exciting 2019/2020

Our portfolio of proprietary products is strong, and our sales and marketing initiatives were positively received in the market, as was the establishment of several of our brands as independent units. Profitable growth is the primary focus in our product business, while improved profitability is a top priority for our distribution business. Investments in product development and international expansion are areas that will support future growth. Sustainability is becoming increasingly integrated in our business development. Our companies are focusing on new ideas and solutions in order to make their operations more sustainable. Our strong financial position means that we can continue to pursue an active acquisition agenda. All in all, I feel positive about the future.

In conclusion, I would like to take this opportunity to extend my sincere thanks to all dedicated employees for your commitment during the year. I would also like to thank customers and business partners for continuing to believe in us. I look forward to an exciting operating year together with you all and many interesting business opportunities ahead of us in 2019/2020.

Pontus Boman
President & CEO

Vision, business concept, objectives and strategies

We aim to be northern Europe's leading supplier of proprietary, sustainable and value-creating products and services.

Vision

Our vision is to be northern Europe's leading supplier of proprietary, sustainable and value-creating products and services to the construction and manufacturing sectors.

For us, leading means the long-term ability to create value through sustainable development, growth and profitability. For each of our brands, this vision means securing a top three market position in their selected niche in their main markets. This vision also means that we strive to be a driving force for sustainable development.

Business concept

Bergman & Beving develops, designs and acquires strong products and brands for the manufacturing and construction sectors.

Financial targets

Bergman & Beving's financial targets are to achieve average earnings growth of more than 15 percent per year over a business cycle and a performance measure for returns in which EBITA (P) in relation to working capital (WC) exceeds 45 percent (P/WC).

These targets provide the conditions for each individual profit unit in the Group, and in practice mean that we double our earnings every five years. The performance measure for returns means that we aim to achieve both a high level of earnings and a low level of tied-up capital, which will provide us with strong opportunities for a positive cash flow and long-term profitable growth.

Strategies

Bergman & Beving consists of a portfolio of strong brands with potential for growth through proprietary products and international expansion. We rely on our decentralised organisation to develop, market and sell our products and brands, and our strength lies in our customer closeness in the markets where we operate. Our strong individual brands differentiate themselves through high recognition and high preference level in their target groups. Focus on strong brands and high-quality proprietary products is central to our strategies. In a more digital world with growing transparency, brands are also becoming increasingly important for building trust and for differentiating oneself in the market. Brand equity and innovation in combination with development of high-quality proprietary products is the engine for creating organic growth. This also enables higher margins. Acquisitions are used to accelerate development.

Innovation and product development

Investments in innovation and product development are central elements in our strategy and are key to strengthening our offering. These investments are intended to increase our sales of sustainable, value-generating proprietary products and solutions over the long term. We focus on both new production innovations and continual improvements of existing concepts in order to best meet the needs of our target groups. Our proximity to customers and understanding of their needs and behaviour allow us to generate healthy returns on our investments in development. In practice, this means that we work close to the users in a defined target group, study their needs, interview them, record videos, discuss and pay attention to what can be done differently. We aim to develop products and solutions for specific problems and situations. In the long term, we strive for each brand to have a complete offering within its niche or for its target group. The companies in the Group have their own development resources and also seek out collaborations within or outside the Group – for example, within the areas of environmentally friendly material and surface treatments, recyclable packaging or digitisation. Through these initiatives, we want to gradually increase the share of sales generated by products and services launched less than five years ago. A high rate of innovation also creates the conditions for achieving a high share of revenue from available sales channels in existing markets and for expansion to new markets.

International expansion

Bergman & Beving has several leading brands with strong positions and development potential in a network of resellers in our home markets. We strive to leverage our strong position in the Nordic region to create growth for new concepts and to spread our national incumbent brands. It is our experience that there is growing international demand among professional users for products and solutions that meet their increased need for security, quality and, not least, design. This means that we also have favourable conditions for growing through international expansion. Currently, we have our own sales companies in nine markets outside our main markets. In markets where we do not have our own sales company, sales and marketing are conducted through contracted distributors. We focus our investments in selected brands with strong offerings and high international competitiveness. We expand by organically building sales and organisations in new markets and can also expand through acquisitions.

Acquisitions

Acquisitions are an important strategy for achieving profitable growth. Acquiring companies with strong proprietary products and healthy profitability is prioritised. We primarily look for companies that supplement our existing product positions and, after that, companies in new product areas or that target customer groups where we lack an offering. We ensure that acquired companies create possibilities for international expansion.

Values and corporate culture

Our strong brands and our employees are the foundation for our success. Our decentralised organisation has shared values based on responsibility and freedom, simplicity and efficiency as well as openness and a willingness to change. In practice, this means that our employees prioritise initiatives and take decisions as close to their customers and market as possible. This creates a sense of motivation and allows our employees to devel-

Our values:

- Responsibility and freedom
- Simplicity and efficiency
- Openness and a willingness to change

op. We act with integrity, are considered a good role model and take responsibility for sustainable development and value creation. The Group has implemented a whistleblowing system where both internal and external stakeholders can report suspected misconduct in our operations. Each company in the Group has its own unique corporate culture based on our shared values.

Market/operations

Bergman & Beving focuses on professional users within construction and manufacturing. Operations are primarily conducted in Sweden, Norway and Finland, which together account for the majority of the Group's revenue. A large portion of the market consists of consumables and aftermarket services. Demand from customers is driven primarily by public economic growth factors where the employment rate, industrial production, new construction and renovations are important drivers. We are also experiencing a general growing market demand for personal protective equipment, driven both by regulations and an increased focus on health, work environment and user safety. Bergman & Beving acts as a supplier in the value chain and sales are made through different reseller channels to the end customers. Bergman & Beving has limited own production, and thus mainly collaborates with external manufacturers. Our offering consists of a portfolio of strong brands, in which the share of proprietary product brands accounts for 63 percent of total sales. The offering consists of high-quality innovative products supplemented with a high degree of skill and various types of product information. The share of sales conducted through digital channels is steadily increasing, which is why we continuously develop product information and digital interfaces so as to support our various business partners and simplify the use of our products for end customers. We actively market our brands to end customers, which creates demand for our reseller partners. The aim of our sales model is to have the greatest possible customer proximity balanced with resource efficiency and geographic coverage. We cultivate the market together with our reseller partners and offer sales support and digital tools, sales-promoting store concepts, training and technical consulting.

Growth through acquisitions

We continuously keep our eyes open for entrepreneurs and owners of companies with strong premium brands, successful product concepts or other strong elements of product ownership where there is potential to take leading positions. We also carry out smaller supplementary acquisitions that can further strengthen the market positions of our existing companies. Bergman & Beving is a long-term owner with the strength and experience to persevere in further developing the companies we acquire.

Acquired companies bring different strategic advantages, but perhaps most important of all, they bring skilled employees with a strong sense of entrepreneurship. Through the years, Bergman & Beving has acquired and integrated numerous companies. One part of the process, which should not be underestimated, is to establish mutual trust between the seller and us as the buyer. The goal of all acquisitions is for the new company to contribute to the Group's short- and long-term profitability and to offer healthy growth prospects.

Why sell to Bergman & Beving?

We firmly believe that business decisions should be taken as close to the customer as possible. One consequence of this is that the management of each company has considerable freedom but also bears a large responsibility to continue to independently develop the business. Acquired companies can thus retain their independent identity and their business acumen, while Bergman & Beving adds financial strength. Our experience is that many privately owned companies are attracted by our model and think it is an excellent combination of the advantages of an independent company with those of a large corporate group.

Division

Building Materials

Market leader in fastening technology, fire seals and consumables
The Building Materials division primarily develops products and services for the construction sector and customised solutions for the manufacturing sector. The division includes the five brands ESSVE, Miller's, KGC, FireSeal and BVS, all with leading or strong positions in their niche in each of their home markets. Together, proprietary brands account for approximately 95 percent of the division's total revenue.

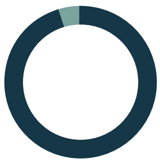
Digitisation

During the year, the industry-unique documentation system Fireseal Doc was launched for fire sealing feedthroughs.

FIGURES 2018/2019

1,055	88
Revenue, MSEK	**EBITA, MSEK**
8.3%	222
EBITA margin	**Employees**

Sales
Proprietary products



95% Proprietary products

Sales
Customer segment

80% Construction
20% Manufacturing

ESSVE
ESSVE has the industry's broadest range of fastening products for professional trade workers, and fastening solutions for the manufacturing industry. For customers in construction, ESSVE has a comprehensive product offering of construction fasteners characterised by innovation and quality as well as services such as technical consulting, training and dimensioning support.

When it comes to the manufacturing industry, product development takes place in close collaboration with the customer, which results in a complete and customised product solution that includes automated integration into customers' manufacturing processes.

ESSBOX – market-leading, flexible packaging system

KGC
KGC offers a comprehensive range of high-quality tools, machines and accessories for tiling, bricklaying and grouting. KGC has a market-leading position in Sweden. The offering is based on quality and supply reliability in combination with insight into the end user's needs. Sales are conducted in Sweden and Norway.

KGC Verktyg & Maskiner AB was acquired by Bergman & Beving on 1 May 2019.

FireSeal
FireSeal was founded just over 40 years ago, with a focus on fire sealing feedthroughs in Swedish nuclear power plants. From this platform, the company has taken a market-leading position in Sweden. The product offering consists of soft fire-sealing systems for feedthroughs of piping and cables, targeted at customers in the marine and offshore sectors as well as the construction sector. An important part of its operations is consulting and training installation engineers.

FireSeal operates in the marine and offshore sectors in the global market, offering system solutions for specific fire sealing needs, construction materials and feedthroughs.

Miller's
For 116 years, Miller's has been one of the leaders in hardware fittings in Sweden. Miller's is a strong brand within hardware fittings and is associated with high quality and delivery precision. The product range includes over 5,000 items, everything from door handles to floor covers. Sales are conducted in the Nordic region, with Sweden as the primary market. The company was acquired in April 2019.

BVS
Brannvernsystemer (BVS) has been operating within fire protection for 15 years. BVS offers fire protection solutions for the construction sector, focusing on fire curtains and smoke ventilation. The primary market is Norway, where it offers installation and service in addition to products. BVS also has operations in Sweden and Hungary.

Miller's – synonymous with quality hardware fittings since 1903

Revenue: approximately MSEK 1,000

Primary markets: Northern Europe, Eastern Europe and China


ESSVE – one of Europe's leading supplier of fastening products

KGC

- ANNO 1950 -

Revenue: approximately MSEK 80

Primary markets: Sweden and Norway

FireSeal

Revenue: approximately MSEK 50

Primary markets: Northern Europe, China, South Korea and the US


Fireseal – systems for fire sealing feedthroughs

MILLER'S

BESLAG SEDAN 1903

Revenue: approximately MSEK 40

Primary markets: Sweden

BVS BRANNVERNSYSTEMER AS OFFSHORE-ONSHORE-SHIPPING

Revenue: approximately MSEK 20

Primary markets: Norway

KGC – complete range in grouting and tiling

// Product and service development are pursued based on insight into customer needs and behaviours in collaboration between the company's engineers, end users, external institutes and consultants.

MAX LAGERSTEDT

Division Head, Building Materials


BVS – comprehensive supplier of fire protection solutions

Division

Workplace Safety

Industry experts in workplace safety

The Workplace Safety division develops products and services in workplace safety. The division contains five independent brands, and proprietary products account for approximately 70 percent of revenue. The brands are specialised in various areas; together, they offer a comprehensive range of protection solutions. The division also includes Skydda, which combines carefully selected protective equipment with advanced knowledge, training and services for a safer work experience.

Digitisation

During the year, Skydda's new e-commerce platform was launched, with an increased, customised functionality.

www.skydda.se

FIGURES 2018/2019

1,355
Revenue, MSEK

118
EBITA, MSEK

8.7%
EBITA margin

328
Employees

Sales
Proprietary products

70% Proprietary products

Sales
Customer segment

70% Manufacturing
20% Construction
10% Other

Guide

Guide is a market leader in the Nordic countries in protective and work gloves for the manufacturing and construction sectors. Based on the end user's protection needs, Guide develops innovative solutions that, in combination with groundbreaking material, create market-leading products with attractive designs. Guide emphasises the user's requirements within safety, protective function and ergonomics.

Arbesko

Arbesko is a leading supplier of protective and work shoes for the manufacturing and construction sectors. The products are characterised by the highest quality and safety in combination with a good fit. The company's history is unique within the Swedish shoemaking tradition. All development and manufacturing is carried out by the company itself so that customers' high demands for quality can be met.

Cresto

Cresto is a market leader in the Nordic region for fall-protection solutions for professionals in the energy, manufacturing and construction sectors. Equipment for industrial climbers meets special load requirements and must withstand work in extreme environments and heights. A significant portion of its operations consist of services such as training, maintenance and installation.

Zekler

Zekler is currently one of the Nordic region's leading brands in eye protection, hearing protection and respiratory protection. Zekler's goal is to offer a comprehensive portfolio of head protection solutions for professional users.

L.Brador

L.Brador has a clear position as a premium workwear brand of the highest quality with a focus on attractive design, best fit, mobility and sustainability. In its product development, the company always looks for the latest material and works with known material suppliers.

Skydda

Skydda is the Nordic region's leading knowledge company in workplace safety and makes the work experience safer and more efficient for Nordic trade workers, safety officers and employers. With market-leading products in combination with advanced consulting, training and service, Skydda has created safer workplaces for over 40 years.

Skydda's report on the use of personal protective equipment in the construction industry

Zekler – a complete offering of head protection solutions

SKYDDA
PROTECTING PEOPLE

Revenue: approximately MSEK 700

Primary markets: Sweden, Norway and Finland

Guide – market leader in protective and work gloves

GUIDE

Revenue: approximately MSEK 300

Primary markets: Nordics, Poland, Germany, the Netherlands, Belgium and Baltics

CRESTO

Revenue: approximately MSEK 200

Primary markets: Nordics

Cresto – leading fall protection and rescue solutions for professionals working at heights

ARBESKO

Revenue: approximately MSEK 200

Primary markets: Sweden, Norway, the Netherlands and Belgium

L.BRADOR

Revenue: approximately MSEK 150

Primary markets: Sweden, Norway, the Netherlands and Belgium

L. Brador – high-quality, well-designed work and protective clothing

ZEKLER

Revenue: approximately MSEK 50

Primary markets: Nordics

Arbesko – leading supplier of protective and work shoes

Division

Tools & Consumables

A complete toolbox for professionals

The Tools and Consumables division consists of the distributor Luna Group and several proprietary brands targeted at professional users. The division consists of four niche companies. With its broad product and brand portfolio, Luna Group is the Nordic region's leading supplier of high-quality tools and consumables. The share of proprietary products totals 35 percent.

Digitisation

Luna has established a new digital assistant to help users choose the right tool for the job.

www.lunatoolfinder.com

FIGURES 2018/19

1,579 **Revenue, MSEK**	62 **EBITA, MSEK**
3.9% **EBITA margin**	327 **Employees**

Sales
Proprietary products

35% Proprietary products

Sales
Customer segment

70% Manufacturing
30% Construction

Luna Group

Luna Group is the Nordic region's leading tool and consumables distributor. Its offering includes the market's broadest product range for professional users in manufacturing and construction. As a value-creating link between suppliers and resellers, Luna offers a high degree of availability with an offering that includes over 100,000 products from 500 strong brands. External brands are supplemented with brands from within the Bergman & Beving portfolio.

Limit

Limit has supplied professional users with measuring tools for more than 90 years. Its product range is the widest on the market within areas such as manufacturing, electricity, climate, environment, lasers, scales and inspection. The products are characterised by high usability and precise results. Limit has a good international presence with customers in over 30 countries.

Mareld

Mareld offers work lighting for professional trade workers, mechanics and technicians. The products are divided into three segments – Power, Precision and Performance – to help the end user choose the right lighting solution for their work.

Luna

Luna offers a complete range of electrical hand tool accessories. It includes over 3,000 products that meet the high expectations for quality and safety from professional users within construction and manufacturing.

Teng Tools

Teng Tools offers premium hand tools in stationary and mobile storage solutions for manufacturing work within light industry as well as for car mechanics and engineering workshops. In addition to tools, the range also includes innovative storage solutions, from toolboxes to cabinets of various sizes.

Teng Tools has a good international presence with customers in over 30 countries.

Teng Tools – tool carts streamline and simplify work in all engineering workshops

Niche companies Uveco, Belano, Lidén Weighing and Lindahl & Nermark

Uveco

Offers tools for construction and ventilation sheet-metal workers. The product range includes products from market-leading manufacturers and is sold through local and national wholesalers.

Belano Maskin

Founded in 1957 and a leading supplier of machinery, spare parts and services to construction and ventilation sheet-metal workers.

Lidén Weighing

Offers a broad product range of scales for several areas, including office, health and healthcare, and manufacturing. Use ranges from checkweighers for heavy weighing to precision scales and analytical balances.

Lindahl & Nermark

Supplies a broad product range of conventional machines, both for wood and metal work, as well as machine guarding systems, accessories and related services.

The company services, repairs and calibrates machines and torque tools in its fully equipped measuring laboratory.


Teng Tools – storage solutions and premium tools

LUNA GROUP

Revenue: approximately MSEK 1,200

Primary markets: Nordics, Poland and Baltics


Limit – comprehensive range of measuring tool products

TENGTOOLS

Revenue: approximately MSEK 250

Primary markets: Nordics, the UK, Benelux and New Zealand

Luna

Revenue: MSEK 80

Primary markets: Nordics, Poland and Baltics

LIMIT

Revenue: approximately MSEK 20

Primary markets: Nordics, Poland and Spain

MARELD PRO LIGHTING

Revenue: approximately MSEK 20

Primary markets: Nordics, Poland


Luna – complete offering of electrical hand tool accessories

LIDÉN WEIGHING

UVECO

BELANO MASKIN AB

Revenue: approximately MSEK 150

Primary markets: Nordics


Mareld – flexible workplace lighting solutions

Sustainability

– a responsible company

Bergman & Beving has prepared a Sustainability Report for the 2018/2019 financial year covering the Parent Company, Bergman & Beving AB (publ), Corporate Registration Number 556034–8590, and its subsidiaries. Bergman & Beving aims to be a sustainable company whose operations contribute to a sustainable environment and thus to creating long-term value. The Group’s work to achieve this goal is presented in this Sustainability Report. By signing the 2018/2019 Annual Report, the Board of Directors has also approved the Sustainability Report.

Stakeholder Analysis

Through employee surveys and interviews with customers, suppliers, investors and societal stakeholders, Bergman & Beving has compiled a stakeholder analysis in order to, based on the business model, define the Sustainable Development Goals where the Group is deemed to have the greatest possible impact, based on its business model. The aggregate results with respect to the priorities expressed by the stakeholders and management were used to conduct a materiality analysis and focus areas for the operations were identified.

> // Sustainability is becoming increasingly integrated in our business development. Our companies are focusing on working with new ideas and solutions.
>
> **PONTUS BOMAN**
> *President & CEO*

Stakeholder	Key topics, requirements	Status
Employees	Sustainable business integrated into the corporate culture. In addition to salary, safety, health, social conditions, job satisfaction and opportunities for growth are important requirements.	Bergman & Beving's decentralised management model makes the Group's companies attractive employers with a workplace where employees thrive, feel involved and can develop. All managers in the Group are to clearly communicate Bergman & Beving's core values and culture. During the year, performance appraisals were conducted and employees were offered skills development and preventive healthcare.
Customers	Demand for sustainable products is increasing. Bergman & Beving is primarily affected by customer requirements regarding product certification where specific legislation must be fulfilled.	During 2018/2019, Bergman & Beving took an active role in reducing workplace accidents by conducting a study and releasing the report "Safe Workplace – A report on attitudes towards and use of personal protection in the construction industry" (Swedish: "Säker Arbetsplats – en rapport om attityder till och användning av personligt skydd i byggbranschen"). Additionally, we assisted the Swedish Construction Federation with building a national safety training facility for skilled workers, supervisors, safety officers, etc. across the entire construction sector.
Suppliers	Clear guidelines, long-term and open relationships to ensure the right quality, financial stability and sustainable development.	Suppliers must comply with our Code of Conduct, and we expect them to share the Group's values. We conduct ongoing audits of supplier sustainability efforts, and in 2018/2019 we conducted 89 audits. Suppliers satisfactorily fulfilled the Group's requirements.
Owners	Reduce risks, create business opportunities and demonstrate a trustworthy and future-oriented sustainability agenda.	Value is generated for owners by integrating sustainable development into the strategy.
Society	Sustainable business that demonstrably reduces the impact on the climate, paying tax and engaging with the communities where our companies operate.	The companies in the Group contribute to society through engagement in business, supporting non-profit organisations and paying tax. Neither Bergman & Beving nor any of the companies in the Group are to apply any kind of tax planning but instead always pay tax pursuant to applicable legislation.

Sustainable Development Goals		Focus areas, goal formulation and performance measures		
5 GENDER EQUALITY	***We operate in*** a male-dominated industry, and can make a difference with respect to diversity and equality	**Equality and diversity**	***An inclusive*** work climate where differences are utilised and where all employees have equal conditions and opportunities	• Percentage women • Percentage women, managers • Percentage women, all newly recruited salaried employees
8 DECENT WORK AND ECONOMIC GROWTH	***The Group's operations*** and products promote positive working conditions and economic growth	**Employees**	***Attract and develop*** employees through safe work environments, skills development and the possibility of personal growth	• Employee index, NMI
		Product portfolio	***Offer*** innovative, sustainable, certified and safe products and solutions	• Share of revenue from new products • Share of revenue from certified products and services
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	***Through active requirement specifications*** for suppliers and own production, combined with a life cycle analysis, we can reduce our environmental impact	**Sustainable value chain**	***Responsible*** purchasing that complies with our values with respect to human rights, prohibitions on child and forced labour, and equitable working conditions.	• Share of procurement volume from certified suppliers • Share of procurement volume with an approved Code of Conduct
		Materials and waste	***Recycling*** and/or reuse of material and raw materials processing. Resource efficiency and circular flows.	• Consumption of packaging and packing materials
13 CLIMATE ACTION	***Through smart transportation*** and energy solutions in our operations, we can reduce our environmental impact	**Environment**	***Minimize*** emissions from transport and increase the share of renewable energy in properties.	• Coefficient of fullness, incoming freight (see diagram on p. 17) • Coefficient of fullness, incoming freight

Framework for the focus areas

Management has formulated the Group's sustainability goals based on the stakeholder analysis, structured in a framework of focus areas deemed to be material for long-term success in sustainable development and growth. The focus areas are Group-wide, and the respective divisions can implement unit-specific goals. The section "The Group's risks and uncertainties" provides an overview of how the Group manages identified risks.

Group management chose the four Sustainable Development Goals of Gender Equality, Decent Work and Economic Growth, Responsible Consumption and Production, and Climate Action. The operations measure and follow up measures in six focus areas that strive to meet the sustainable vision connected to the chosen Sustainable Development Goals.

Equality and diversity

Bergman & Beving aims to offer an inclusive work climate where all employees have equal conditions and opportunities, differences are utilised and the attitude is that diversity enriches us. To provide customers with the best service possible, it is important to build competent teams and have a leadership that reflects the values of both the Group and society.

During the financial year, the operations continued to strive to integrate an equal treatment perspective into their operative and daily work and into all decisions made. Managers and supervisors have a responsibility to combat discrimination and support equal treatment in their work and management. All employees also have a responsibility to follow our guidelines and rules and to help us combat discrimination and support equal treatment through respect and inclusiveness.

Bergman & Beving strives to achieve a balance between male and female employees in a male-dominated industry, since we want to better reflect social and customer structures as well as lead the way for the industry as a whole to become more balanced. We believe the gain will be that more balanced decisions are made and helps the industry to be perceived as more open for everyone, regardless of gender. One indicator used to measure our performance in this area is the distribution between men and women in newly recruited salaried positions in the Group. During 2018/2019, the distribution between newly recruited men and women was 36 percent (37), which can be compared with the total distribution between men and women of 31 percent (30).

Employees

Bergman & Beving's greatest asset is its competent employees, and their commitment is an important prerequisite for continuing to develop new and existing business. Our ambition is to take advantage of our employees' interest in developing within the operations. Bergman & Beving's management model, with clearly decentralised responsibility and decision-making, is important for achieving this, but also for attracting new committed and skilled employees. Our management model includes an internal business school for training employees in business issues, sharing experiences with other business units and explaining and discussing Bergman & Beving's values. The Group takes a positive view toward internal recruitment, and the majority of employees with managerial responsibilities in the Group began their career in one of the subsidiaries.

Bergman & Beving's employee philosophy focuses on being an attractive employer with a workplace where people enjoy working, feel they are involved and can develop. Commitment and employee satisfaction are monitored through regular employee surveys. Through these surveys, the Group gains an understanding of its employees' attitudes towards their tasks as well as creating a link between employees' well-being, attitudes and values and the requirements for earnings performance from our owners. The employee survey is conducted roughly every 18 months. The next employee survey is planned for the end of 2019.

Product portfolio

Bergman & Beving's customers should be able to choose safe, sustainable products, and the Group is able to offer a broad portfolio of premium brands. The Group's innovative product development helps to create a sustainable product portfolio in terms of design, materials selection, manufacturing and use. Products should be safe to use and correctly labelled. The development and positioning of the proprietary product and brand portfolio is expected to fuel growth and profitability in the future.

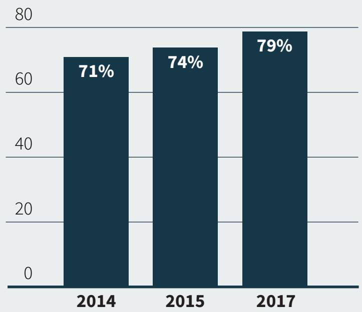
Bergman & Beving's share of revenue from products launched in the last three years increased from 7.5 percent in 2015/2016 to 15.8 in 2018/2019. The goal is that 20 percent of revenue should come from new product launches. Product development also enables an increase in revenue from proprietary products within Bergman & Beving. Proprietary products represent a large share of revenue, totalling approximately 63 percent during the latest operating year. The goal is that 70 percent of total revenue should come from proprietary products.

Sustainable value chain

A sustainable value chain means responsible purchasing that complies with the Group's values with respect to business ethics, human rights, prohibitions on child and forced labour, and equitable working conditions.

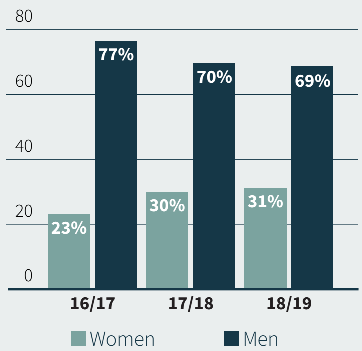
To achieve the Group's environmental, financial and social goals, a Supplier Code

EMPLOYEE INDEX



We have chosen to monitor the employee index (EI), which is a measure of commitment. Some of the EI's indicators are the balance between management and employees, involvement in the development of operations, and whether there is a work climate in which everyone has the same opportunities to contribute to a profitable, healthy and successful organisation. Bergman & Beving's goal is to have an EI of over 75 percent, where an EI of over 70 percent is an acceptable level.

PERCENTAGE OF FEMALE EMPLOYEES



of Conduct has been developed and implemented. The Code imposes requirements on suppliers to respect fundamental human rights and to treat their labour force fairly and with respect. The suppliers also ensure that their sub-suppliers, contractors and agents act in accordance with Bergman & Beving's Code of Conduct and assess their performance in relation to this Code. It is important to the Group that its business partners meet its expectations, and that every supplier actively approves and confirms that they will observe Bergman & Beving's Code of Conduct. Audits are conducted regularly, by both independent external consultants and internal personnel, to ensure that the Group's suppliers are meeting its expectations. The Group conducted 89 audits during the operating year, spread among the various divisions, compared with 146 audits in 2017/2018.

Materials and waste

Bergman & Beving works to limit the environmental impact of its operations. The focus in this area is increased resource efficiency, circular flows, and recycling and reusing more material and raw material.

Some actual examples from the operations are product development at Teng Tools, which strives for new products to be easily dismantled and for the materials to be mixed as little as possible to increase their recyclable potential. FireSeal offers all acrylic-based joint and fire seal compounds in larger and more environmentally friendly formats to reduce the amount of packaging material in the form of plastic cartridges. Waste from insulation in their fire sealing systems can be directly re-used in the system, which customers also appreciate.

A new KPI was developed in 2017/2018 to measure consumption of packaging and packing materials. The KPI is hg of packaging material per delivered cubic metre from our central warehouse in Ulricehamn. This year's result was 101 hg/m3, compared with 98 hg/m3 in the preceding year. This somewhat worse outcome can be explained by the relocation of the subsidiary Luna's logistics, which resulted in fewer opportunities for bundling.

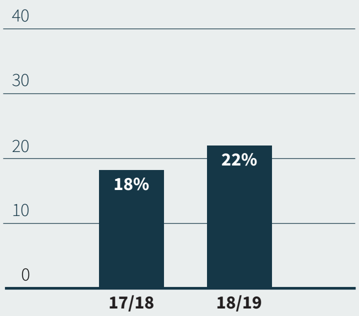
Environment

Bergman & Beving's operations are built on a large share of purchasing occurring in Asia, which is then shipped to the Group's central warehouses in Sweden and from there on to the customers. Efficient transport solutions therefore have a major effect on the Group's total emissions. The Group has selected ships as the means of transport between continents. The containers loaded onto the ships should achieve a certain coefficient of fullness in order to be efficient, as regards both costs and reducing emissions. The Group's coefficient of fullness for incoming freight amounts to a yearly average of 71 percent (72). Bergman & Beving's goal for its current purchasing structure and product mix is to have a coefficient of fullness of 80 percent.

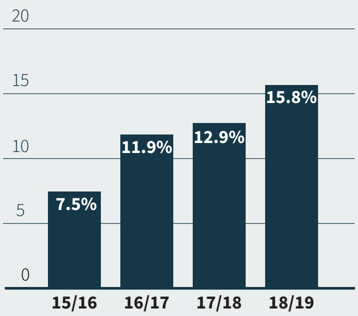
The coefficient of fullness is also measured on all transports leaving the Group's central warehouse in Ulricehamn, where deliveries to customers go by truck. Currently, there is a monitoring target of 50 percent coefficient of fullness for outgoing freight, which pertains to all aggregate deliveries leaving Ulricehamn. The outcome for the 2018/2019 operating year was 49.43 percent.

The Group is able to influence the environmental impact of its own premises by choosing renewable energy from suppliers as well as through specific activities that reduce consumption. Since 1 January 2018, the electricity in the Group's Swedish properties has come from renewable sources. The work on reducing electricity consumption is continuing.

PERCENTAGE OF FEMALE MANAGERS



SHARE OF REVENUE FROM NEW PRODUCTS



THREE EXAMPLES FROM THE BUILDING MATERIALS DIVISION

PRODUCT PORTFOLIO

Fastening elements

Low-energy process

No acids and minimal waste products

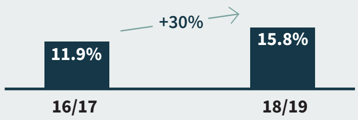
50–100% better rust protection

Adhesives and sealing materials

Water-based solutions

Free from volatile gases (lisocyanate)

SHARE OF REVENUE FROM NEW PRODUCTS[1]



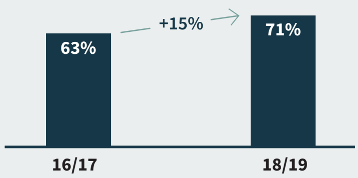
ENVIRONMENT

Transportation via pallets

30% higher coefficient of fullness in containers

Using much less packing material and not using pallets.

COEFFICIENT OF FULLNESS[2], INCOMING FREIGHT



1) Share of revenue from products launched in the last three years, goal 20%
2) Coefficient of fullness for freight, goal 80%

The share

The Bergman & Beving share

The Bergman & Beving Class B share has been listed on the Stockholm Stock Exchange since 1976. The Company's market capitalisation as of 31 March 2019 was MSEK 2,879 (2,409).

Share capital and growth in 2018/2019

Bergman & Beving's Class B share is currently listed on the Mid Cap list under the ticker BERG-B. Bergman & Beving's market capitalisation as of 31 March 2019 was MSEK 2,879. On the last trading day of the previous financial year, 29 March 2018, the closing price was SEK 84.70. The closing price as of 29 March 2019 was SEK 106.60.

Share capital

As of 31 March 2019, the share capital amounted to MSEK 57. The total number of shares was 27,436,416, of which 1,062,436 were Class A shares and 26,373,980 were Class B shares. Each Class A share entitles the holder to ten votes and each Class B share to one vote. Only the Class B share is listed on the Stockholm Stock Exchange.

In accordance with a resolution by Bergman & Beving's Annual General Meeting on 23 August 2018, the number of Class B shares outstanding was reduced by 1,000,000.

Repurchase of own shares

Bergman & Beving's Class B shares held in treasury as of 31 March 2019 amounted to 426,706 (1,426,706), corresponding to 1.6 percent of the total number of shares and 1.2 percent of the total number of votes. Of the total number of shares held in treasury, 370,000 Class B shares are reserved to cover the Company's obligations to the holders of call options for repurchased Class B shares issued by Bergman & Beving.

As of 31 March 2019, Bergman & Beving had two outstanding call option programmes totalling 370,000 Class B shares. The programmes are targeted at 16 senior managers in the Group.

The redemption price for call options issued in connection with the share-based incentive programme for 2017 is SEK 118.10 and the redemption period is from 14 September 2020 until 11 June 2021, inclusive.

The redemption price for call options issued in connection with the share-based incentive programme for 2018 is SEK 117.90 and the redemption period is from 13 September 2021 until 10 June 2022, inclusive.

For further information regarding the terms of the share-based incentive programmes, refer to Note 5 on pages 48–50.

Dividend

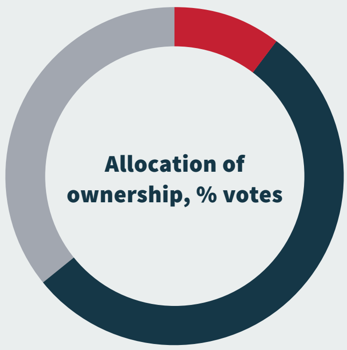
The Board of Directors' proposal for the dividend for the 2018/2019 operating year is SEK 3.00 (2.50) per share, corresponding to a total of MSEK 81 (68). The pay-out ratio is 48 percent (44) of earnings per share. Over the past ten years (since 2009/2010), the average pay-out ratio, including the proposed dividend for the year, amounted to approximately 43 percent of earnings per share.

Ownership structure

As of 31 March 2019, Bergman & Beving had 5,432 shareholders (6,316). Institutional investors, such as mutual funds, insurance companies and pension funds in Sweden and abroad, own approximately 78 percent (77) of the total number of shares. The proportion of foreign ownership is approximately 14 percent (20) of the total number of shares. The table on the right shows the ownership structure on 31 March 2019.

SHARE DATA 2018/2019

Listing: Nasdaq Mid Cap list
Ticker: Berg B
Sector classification:
Industrial Goods & Services
ISIN Code: SE0000101362



10.44% Foreign owners
53.88% Swedish private individuals and companies
35.68% Swedish institutes

Classes of shares as of 31 March 2019[1)]

	No. of shares	Proportion of capital	Proportion of votes
Class A shares	1,062,436	3.9%	28.7%
Class B shares	26,373,980	96.1%	71.3%
Total number of shares before repurchasing	**27,436,416**	**100%**	**100%**
Total repurchased Class B shares	-426,706	1.6%	1.2%
Total number of shares outstanding	**27,009,710**		

1) Source: Euroclear Sweden.

Ownership structure as of 31 March 2019 [1)]

	Owners		Shares	
Holding	Number	% of total	Number	% of total
1–500	4,106	75.6%	527,026	1.9%
501–1,000	562	10.3%	459,209	1.7%
1,001–5,000	497	9.1%	1,152,100	4.2%
5,001–10,000	102	1.9%	747,244	2.7%
10,001–50,000	101	1.9%	2,178,791	7.9%
50,001–100,000	15	0.3%	1,107,465	4.0%
100,001–	49	0.9%	21,264,581	77.6%
Total	**5,432**	**100%**	**27,436,416**	**100%**

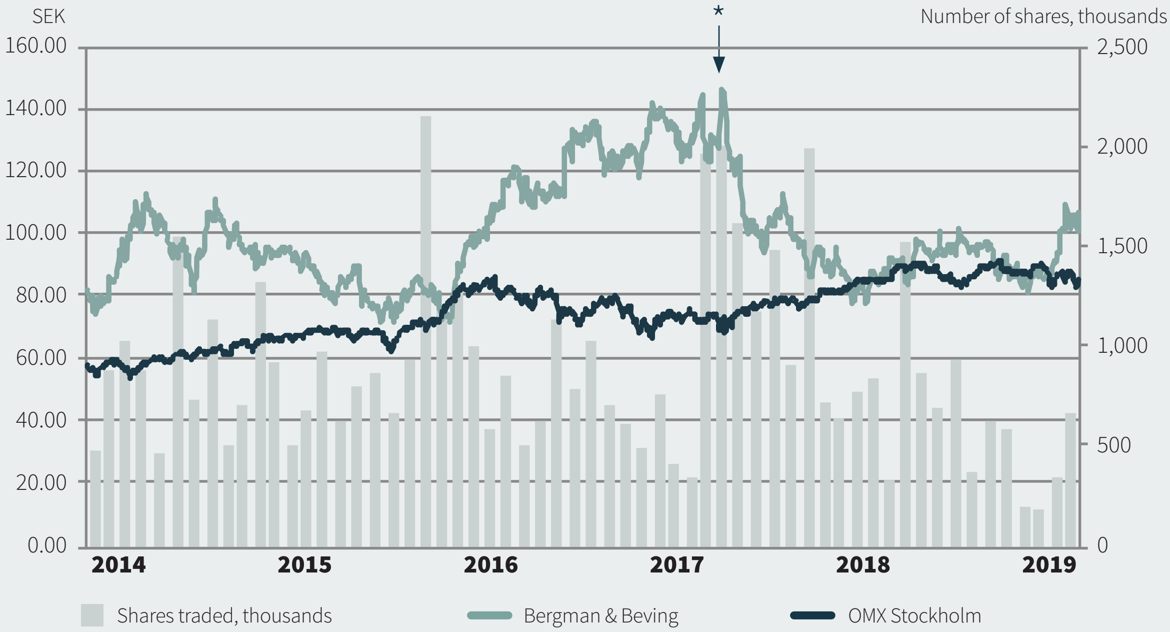
1) Source: Euroclear Sweden.

Major shareholders as of 31 March 2019[1)]

	No. of Class A shares	No. of Class B shares	% of Capital	% of Votes
Anders Börjesson (with family/companies)	497,192	2,066,843	9.4	19.0
Tom Hedelius	493,124	0	1.8	13.3
Swedbank Robur Fonder		2,971,496	10.8	8.0
SEB Investment Management		1,888,284	6.9	5.1
Handelsbanken Pensionsstiftelse & Pensionskassa		1,500,000	5.5	4.1
Lannebo Fonder		1,489,935	5.4	4.0
Handelsbanken Fonder		1,407,000	5.1	3.8
Fourth AP Fund		1,310,829	4.8	3.5
Sandrew Aktiebolag		800,000	2.9	2.2
Brown Brothers Harriman & CO., W9		660,107	2.4	1.8
Third AP Fund		521,939	1.9	1.4
Catella Fondförvaltning		488,748	1.8	1.3
Björn Nordenvall		485,300	1.8	1.3
CBNY-DFA-INT SML CAP V		417,630	1.5	1.1
Other	72,120	9,939,163	38.0	30.1
	1,062,436	**25,947,274**	**100**	**100**
Additional: Repurchased Class B shares		426,706	–	–
Total	**1,062,436**	**26,373,980**	**100**	**100**

1) Source: Euroclear Sweden.

SHARE PRICE DEVELOPMENT 2013–2019



* Distribution of Momentum Group to shareholders.

Contents

2018/2019

Annual Report

Administration Report

with Corporate Governance Report 1 April 2018–31 March 2019

The Board of Directors and President & CEO of Bergman & Beving AB (publ), Corporate Registration Number 556034-8590, hereby submit the Annual Report and consolidated financial statements for the 1 April 2018–31 March 2019 financial year. The following Corporate Governance Report, income statements, balance sheets, statements of comprehensive income, statements of changes in equity, cash-flow statements and notes constitute an integrated part of the Annual Report and have been reviewed by the Company's auditors. The statutory Sustainability Report in accordance with the Swedish Annual Accounts Act can be found on pages 14–17.

Bergman & Beving is a Swedish listed group that develops, acquires and provides strong brands for professional users in the manufacturing and construction sectors.

Bergman & Beving has approximately 50 independent subsidiaries in 15 countries. The Group's revenue amounts to approximately SEK 4 billion, with about 60 percent attributable to proprietary products and 40 percent to goods for resale. Since 2017/2018, the Company has been organised into three divisions: Building Materials, Workplace Safety and Tools & Consumables.

REVENUE AND PROFIT

Revenue

Revenue amounted to MSEK 3,945 (3,833). For comparable units, revenue declined by 2 percent in local currency and acquisitions had a positive impact of 2 percent on revenue. Exchange-rate fluctuations had a positive impact of 3 percent on revenue.

Profit

The Bergman & Beving Group's EBITA totalled MSEK 249 (224), corresponding to an EBITA margin of 6.3 percent (5.8).

Net profit included no items affecting comparability, while EBITA for the preceding year was impacted positively in an amount of MSEK 2.

EBITA was charged with depreciation and impairment losses of MSEK -44 (-14) on tangible non-current assets and amortisation and impairment losses of MSEK -4 (-3) on intangible non-current assets.

Net financial items amounted to MSEK -20 (-24) and profit after financial items to MSEK 216 (192). Net profit totalled MSEK 169 (158), corresponding to earnings per share of SEK 6.25 (5.70).

OPERATIONS

The year ended with an improved result, with positive earnings and operating margin trends reported in every quarter of the year. Cash flow from operating activities was also strong at MSEK 258.

The Group noted varying signals from its main markets. In the Swedish market, demand from industrial customers remained favourable, while a lower level of activity in the construction market was reflected in a cautious attitude among customers toward the end of the year. In the Norwegian market, demand from industrial customers and construction customers was stable.

Our strategy of making targeted investments in product development, sales and marketing of our strong brands continued. Revenue and the share of proprietary product brands increased. Our focus on broadening the customer base intensified and sales to new customers and markets increased. Sales in the Workplace Safety division were favourable but were affected by a temporary negative margin at the end of the year impact as a result of targeted growth initiatives. Investments in international expansion within the Building Materials division yielded positive results, which partially offset the cautious attitude in the Swedish market. The ongoing adjustments within the Tools & Consumables division have been successful and the division's earnings have improved significantly.

Building Materials

The Building Materials division primarily develops input products for the construction sector. The division previously included two independent brands: ESSVE and FireSeal. Both command leading positions in their respective home markets. During the year, the acquired company BVS was also added as brand.

Revenue amounted to MSEK 1,055 (1,009) and EBITA to MSEK 88 (92). Profit for the comparative year was impacted negatively by items affecting comparability of approximately MSEK 2.

Workplace Safety

The Workplace Safety division develops products and services in workplace safety, and is one of the Nordic region's leading suppliers to the manufacturing and construction sectors. The division includes six independent brands. The brands are specialised in various areas of workplace safety; together, they offer comprehensive protection solutions for the user.

Revenue amounted to MSEK 1,355 (1,317) and EBITA to MSEK 118 (103). Profit for the preceding year was impacted negatively in an amount of approximately MSEK 9 due items affecting comparability.

Tools & Consumables

Tools & Consumables is the Nordic region's leading supplier of high-quality tools and machinery. The division contains the independent Teng Tools brand of hand tools, the Limit measuring tools brand and the distributor Luna, with its broad product and brand portfolio.

Revenue amounted to MSEK 1,579 (1,504) and EBITA to MSEK 62 (22). Profit for the preceding year was impacted negatively in an amount of approximately MSEK 12 due items affecting comparability.

Group-wide and eliminations

Group-wide expenses and eliminations amounted to MSEK -19 (7). Profit for the preceding year was impacted positively by items affecting comparability amounting to MSEK 24.

Parent Company

The Parent Company's revenue amounted to MSEK 30 (25) and profit after financial items to MSEK 28 (17). Profit includes Group contributions received in a net amount of MSEK 50 (-24).

The Parent Company's balance-sheet total amounted to MSEK 2,782 (2,863), with equity accounting for 48 percent (47) of total assets. At year-end, cash and cash equivalents amounted to MSEK 0 (0) and interest-bearing liabilities excluding pension liabilities to MSEK 441 (437), of which MSEK 0 (0) comprised intra-Group loans.

CORPORATE ACQUISITIONS

In early April, the Building Materials division acquired all shares in BVS Brannvernsystemer A/S (BVS) and its group companies. BVS is a provider of passive fire protection solutions focusing on fire curtains, smoke ventilation and inspection hatches under its own brand names Flammatex and Inspecto. The business is primarily aimed at the Norwegian market, but the company also has a sales company in Sweden and own production in Hungary. The company, based in Stavanger, generates annual revenue of approximately MNOK 20 and has 15 employees.

In early May, Tools & Consumables a division of the Bergman & Beving Group, acquired all shares in Belano Maskin AB (Belano). Belano is a leading supplier of machinery, spare parts and service focused on the attractive niche of construction and ventilation sheet-metal workers. The business is primarily aimed at the Swedish market. The company, based in Alingsås, generates annual revenue of approximately MSEK 65 and has ten employees.

During the third quarter, a minor company within weighing was also acquired.

PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group's profitability, measured as the return on working capital, P/WC (EBITA in relation to working capital), increased to 22 percent (20) for the financial year. The return on capital employed was 9 percent (8 at the beginning of the year) and the return on equity was 11 percent (9 at the beginning of the year).

Cash flow from operating activities for the period amounted to MSEK 258 (109), with cash flow for the year-earlier period including discontinued operations. Working capital remained essentially unchanged from the preceding year. During the year, the Group's inventories increased by MSEK 52 and operating receivables increased by MSEK 24. Operating liabilities rose by MSEK 74.

Cash flow for the financial year was also impacted in an amount of MSEK -80 (-5) pertaining to investments and divestments of non-current assets and an amount of MSEK -68 (-191) pertaining to the acquisition and divestment of operations.

The Group's operational net loan liability at the end of the period amounted to MSEK 356 (370), excluding pension obligations of MSEK 646 (623). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 444 (530). Liabilities to credit institutions amounted to MSEK 441 (437).

Maturity periods and interest rates are presented in Note 25 Financial instruments and financial risk management.

The equity/assets ratio at the end of the reporting period was 43 percent, unchanged from 43 percent at the beginning of the year. Equity per share totalled SEK 61.35 at the end of the financial year, compared with SEK 56.10 at the beginning of the year. Equity per share after dilution totalled SEK 61.35 at the end of the financial year, compared with SEK 56.15 at the beginning of the year.

The Swedish tax rate, which also applies to the Parent Company, was 22 percent during the financial year. The Group's normalised tax rate, with its current geographic mix, is approximately 22 percent.

EMPLOYEES

At the end of the financial year, the number of employees in the Group amounted to 1,031, compared with 1,028 at the beginning of the year. The average number of employees during the year was 1,028 (1,458), of which 0 were employed in discontinued operations (380).

Employees	2018/19	2017/18*	2016/17
Average no. of employees	1,028	1,458	2,641
Percentage women	30%	28%	23%
Percentage men	70%	72%	77%
Distribution by age			
29 years or younger	8%	10%	9%
30–39 years	26%	26%	23%
40–49 years	32%	31%	30%
50–59 years	24%	23%	27%
60 years or older	10%	10%	11%
Length of employment			
Less than 2 years	33%	28%	15%
2–5 years	21%	21%	27%
6–10 years	15%	18%	21%
11–15 years	12%	13%	12%
16 years or more	19%	20%	24%

***** Includes Momentum Group up until 21 June 2018.

ENVIRONMENTAL IMPACT

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

RESEARCH AND DEVELOPMENT

With the aim of strengthening and developing Bergman & Beving's position as one of the leading suppliers of strong brands to the manufacturing and construction sectors in the Nordic region, the Group primarily invests its resources in the continued development of proprietary product brands and various concepts and service solutions for its customers and partners. Activities implemented during 2018/2019 included continued product development within the framework of the Company's proprietary brands, digitisation, the development of various service concepts and customer solutions, the development of logistics and e-commerce solutions for resellers and end customers, and training for end users.

FINANCIAL AND BUSINESS RISKS

Efficient and systematic risk assessment of financial and business risks is important for the Bergman & Beving Group. The Group's Financial Policy establishes guidelines and goals for managing financial risks in the Group and regulates the distribution of responsibility between the Board of Directors of Bergman & Beving AB, the President & CEO and the CFO as well as the presidents and CFOs of the subsidiaries. All foreign-currency management and granting of credit to customers are handled within the framework of the established policy. For a detailed account of financial and business risks and the Group's management thereof, refer to pages 38–39 and Note 25 Financial instruments and financial risk management on pages 64–68.

FUTURE DEVELOPMENT

Market trends in 2019/2020 will be carefully monitored by the Group's businesses. Bergman & Beving has good potential to continue improving its profitability in many areas. During the year, the focus will be on volume growth, increased profitability and a reduction in funds tied up in working capital in the Group. The Group companies will continue developing services and proprietary product brands, which have accounted for an increased portion of the Group's total sales in recent years.

The Group's strong balance sheet has created the right conditions for interesting corporate acquisitions. The Group's goal is for its earnings growth over a business cycle to amount to at least 15 percent annually.

SHARE STRUCTURE AND REPURCHASE OF SHARES

At the end of the financial year, share capital totalled MSEK 56.9. In accordance with a resolution by Bergman & Beving's Annual General Meeting on 23 August 2018, the number of Class B shares outstanding was reduced by 1,000,000. The distribution by class of share is as follows:

Class of share	No. of shares	No. of votes	% of capital	% of votes
Class A shares, 10 votes per share	1,062,436	10,624,360	3.9	28.7
Class B shares, 1 vote per share	26,373,980	26,373,980	96.1	71.3
Total number of shares before repurchasing	**27,436,416**	**36,998,340**	**100.0**	**100.0**
Of which, repurchased Class B shares	-426,706		1.6	1.2
Total number of shares after repurchasing	**27,009,710**			

The share price as of 31 March 2019 was SEK 106.60. The average number of treasury shares was 1,011,891 during the period and 426,706 at the end of the period. The average purchase price for the repurchased shares is SEK 92.83 per share.

TRANSACTIONS WITH RELATED PARTIES

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

DIVIDEND

The Board proposes a dividend of SEK 3.00 (2.50) per share. The proposed dividend corresponds to 48 percent of the Group's earnings per share for the 2018/2019 financial year.

The Board of Directors has assessed the Company's and the Group's financial position and the Company's and the Group's ability to meet their short and long-term obligations. A total of approximately MSEK 81 is required for the proposed dividend payment, which means that, all other things being equal, the Group's equity/assets ratio would decrease 2.1 percentage points as of 31 March 2019. After payment of the proposed dividend and taking into consideration the prevailing market conditions, the Company's and the Group's equity/assets ratio is deemed to meet the demands placed on the operations conducted by the Group.

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

Proposed appropriation of profit

The Board's and the CEO's proposed appropriation of profit is presented on page 74.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Election Committee

Bergman & Beving's Election Committee has proposed that Jörgen Wigh be elected as the Chairman of Bergman & Beving AB.

Acquisition of Bröderna Miller AB

On April 1, the Building Materials division acquired Bröderna Miller AB. Bergman & Beving acquired only the hardware fittings operations, while the owner – the Miller family – will continue to manage the company's bathroom operations. The company is a leader in hardware fittings in Sweden and sells most of its products under its own Miller's brand. The fittings operations generate annual revenue of approximately MSEK 40 and has 11 employees. The acquisition is expected to have a marginally positive impact on Bergman & Beving's earnings per share for the 2019/2020 operating year.

Acquisition of KGC Verktyg & Maskiner AB

On April 10, the Building Materials division acquired KGC Verktyg & Maskiner AB. For more than 60 years, KGC has developed and delivered quality tools and accessories for bricklayers and tilers under its own KGC brand. The company generates annual revenue of approximately MSEK 80 and has 24 employees. The acquisition is expected to have a marginally positive impact on Bergman & Beving's earnings per share for the 2019/2020 operating year.

New jointly owned company

On May 7, the Workplace Safety division and Sundström Safety AB established the jointly owned company Zekler Safety AB with Bergman & Beving as the majority shareholder. The Zekler brand was established by Bergman & Beving in 2003 and is currently one of the Nordic region's leading brands in eye protection, hearing protection and respiratory protection. Sundström was founded in 1926 and is currently a world leader in advanced respiratory protection.

No other significant events affecting the Group have occurred since the end of the financial year.

Corporate Governance Report

THE SWEDISH CORPORATE GOVERNANCE CODE AND BERGMAN & BEVING'S CORPORATE GOVERNANCE REPORT

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

This Corporate Governance Report for the 2018/2019 financial year was prepared in accordance with the recommendations of the Code. The report also contains an account of the work of the Election Committee in preparation for the 2019 Annual General Meeting. Bergman & Beving deviates from the recommendations of the Code in two areas: the Chairman of the Election Committee and the auditors' review of the Company's six-month or nine-month interim reports. These deviations from the Code are reported in further detail in the relevant sections below. The Corporate Governance Report constitutes a part of the formal annual accounts and has been reviewed by the Company's auditors.

DISTRIBUTION OF RESPONSIBILITY AND ARTICLES OF ASSOCIATION

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

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

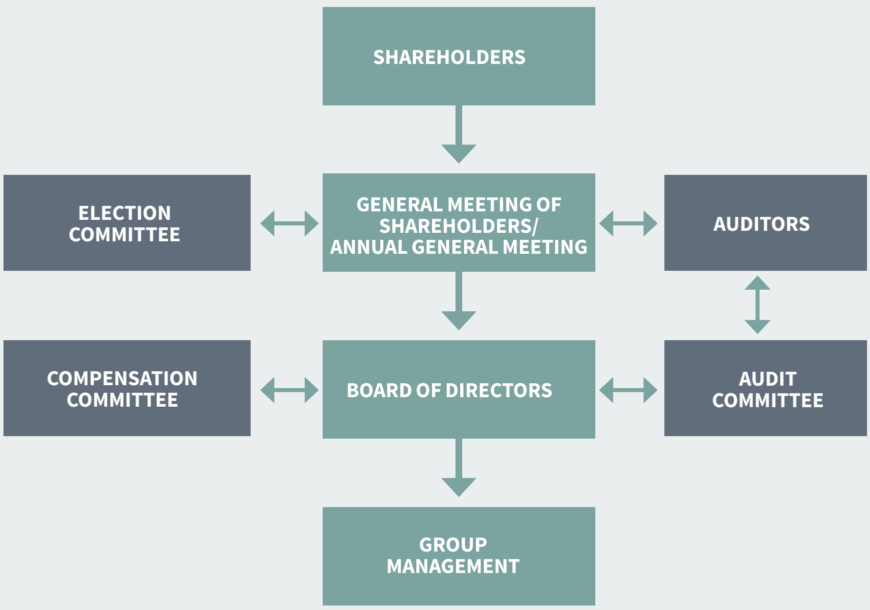
The Articles of Association are available in full on the Company's website at www.bergmanbeving.com.

SHARE STRUCTURE, SHAREHOLDERS AND REPURCHASE OF OWN SHARES

As of 31 March 2019, Bergman & Beving AB had approximately 5,432 shareholders. The share capital amounted to approximately MSEK 57. The distribution by class of share is as follows:

Class of share	As of 31 March 2019
Class A shares	1,062,436
Class B shares	26,373,980
Total number of shares before repurchasing	**27,436,416**
Less: Repurchased Class B shares	-426,706
Total number of shares after repurchasing	**27,009,710**

Bergman & Beving's corporate governance structure



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

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

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

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

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

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

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

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

According to Chapter 6, Section 2a of the Swedish Annual Accounts Act, listed companies are required to submit information concerning certain circumstances that may affect opportunities to take over the Company through a public takeover bid for the shares in the Company. The Company's lenders are entitled to cancel approved committed credit facilities if the Company's shares are delisted from the Stockholm Stock Exchange or in connection with public takeover bids if the bidder secures a shareholding of more than 50 percent of the number of shares in the Company or controls at least 50 percent of the votes in the Company. Otherwise the Company has not entered into any significant agreements with suppliers or employees that would be affected, change, expire or stipulate the payment of financial remuneration should control of the Company change as a result of a public takeover bid for the shares in the Company.

As of 31 March 2019, Anders Börjesson (with companies) held 19.02 percent and Tom Hedelius held 13.33 percent of the total number of votes in the Company. No other shareholders had direct or indirect shareholdings in the Company representing more than one-tenth of the total number of votes.

Further information regarding Bergman & Beving's shares and ownership structure is presented in the section on Bergman & Beving's share on pages 18–19.

Repurchase of own shares and incentive programmes

The number of Class B shares held in treasury as of 31 March 2019 amounted to 426,706, corresponding to 1.6 percent of the total number of shares and 1.2 percent of the total number of votes. The quotient value of this holding amounted to SEK 884,517 as of 31 March 2019.

Of the total number of shares held in treasury, 160,000 Class B shares are reserved to cover the Company's obligations in the call option programme issued by Bergman & Beving AB in September 2017, which extends through 11 June 2021. The redemption price for the call options in this programme is SEK 118.10.

Of the total number of shares held in treasury, 210,000 Class B shares are also reserved to cover the Company's obligations in the call option programme issued by Bergman & Beving AB in September 2018, which extends through 10 June 2022. The redemption price for the call options in this programme is SEK 117.90.

The Board has decided to propose that the Annual General Meeting in August 2019 resolve to authorise a repurchase of own shares. In brief, this motion entails that the Annual General Meeting would authorise the Board, during the period until the next Annual General Meeting, to repurchase a maximum number of own shares through Nasdaq Stockholm so that the Company's holding of treasury shares at no time exceeds 10 percent of the total number of shares in the Company. This authorisation would enable the Board to use repurchased shares to pay for acquisitions or to sell the shares in a manner other than through Nasdaq Stockholm in order to finance acquisitions and to fulfil the Company's obligations in connection with its share-based incentive programmes for senior management.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the Company's highest decision-making body where shareholders exercise their voting rights. At the Annual General Meeting, decisions are made concerning the Annual Report, dividends, the election of the directors and auditors, directors' and auditors' fees, and other matters in accordance with the Swedish Companies Act and the Articles of Association. The Company does not apply any special arrangements with respect to the function of the General Meeting of Shareholders due to the provisions of the Articles of Association or due to any shareholders' agreement known to the Company.

Annual General Meeting 2018

The Annual General Meeting of Bergman & Beving AB was held on 23 August 2018 in Stockholm, Sweden. The notice of the Annual General Meeting and the supporting documentation for the Meeting were published in accordance with the Company's Articles of Association. The Meeting was held in Swedish and, based on the composition of the shareholder base, interpreters to other languages were deemed unnecessary. The notice of the Meeting and other materials were available in Swedish and English. A total of 112 shareholders participated in the Meeting, representing a combined total of 60.1 percent of the votes in the Company.

All six regular directors and the Company's auditors attended the Meeting. Among other decisions, the Annual General Meeting resolved to pay a dividend of SEK 2.50 per share. The Company's President & CEO Pontus Boman commented on the Group's operations, the 2017/2018 financial year, the Group's performance in the first quarter of the new financial year and the Group's future prospects. Anders Börjesson, Roger Bergqvist, Johan Sjö, Malin Nordesjö, Henrik Hedelius and Louise Undén were re-elected to the Board of Directors. Johan Sjö was elected Chairman of the Board.

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

ELECTION COMMITTEE

The Annual General Meeting in August 2018 resolved to authorise the Chairman of the Board to contact the largest shareholders, in terms of votes, not later than 31 January 2019 and request that they appoint four members who, together with the Chairman of the Board, will constitute an Election Committee to prepare motions to the 2019 Annual General Meeting. The Election Committee is to prepare motions regarding the Chairman of the Annual General Meeting, the number of directors, the election of directors, the Chairman of the Board and auditors, fees to be paid to each director and the auditors, and any changes to the selection criteria and principles for appointing the next Election Committee (in accordance with a resolution passed by the 2012 Annual General Meeting).

In accordance with this authorisation, the Election Committee for the Annual General Meeting in August 2019 comprises Chairman of the Board Johan Sjö, Anders Börjesson, Tom Hedelius, Caroline Sjösten (representing Swedbank Robur Fonder) and Per Trygg (representing SEB Fonder).

The other members appointed Anders Börjesson as Chairman of the Election Committee. Caroline Sjösten was appointed spokesperson for the Election Committee at the upcoming Annual General Meeting. The composition of the Election Committee was presented in conjunction with the publication of the Interim Report on 8 February 2019.

The election of the Chairman of the Election Committee deviates from the rules of the Code, which state that the Chairman of the Election Committee should not be a director of the Company. The reason for this deviation is that the other members of the Election Committee feel it is important that the Chairman of the Election Committee has a good understanding of the work and composition of the present Board of Directors and can clearly identify any need for complementary skills. The Election Committee has also deemed it appropriate that the Chairman of the Election Committee is the member representing the largest group of shareholders.

The Election Committee's motion regarding the Chairman of the Board was published on 7 May 2019, and the motion regarding the rest of the Board of Directors was published on 11 June. The motion regarding auditors will be presented in the notice of the 2019 Annual General Meeting and on the Company's website. The Election Committee will present and motivate its motion regarding the Board of Directors and auditors on the Company's website in conjunction with the publication of the notice of the Meeting and at the Annual General Meeting itself.

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

THE BOARD OF DIRECTORS 2018/2019

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

Directors

The Board of Directors of Bergman & Beving AB currently comprises six regular directors elected by the Annual General Meeting on 23 August 2018: Johan Sjö (Chairman), Roger Bergqvist, Anders Börjesson, Malin Nordesjö, Henrik Hedelius and Louise Undén. A detailed presentation of these directors, including information on other assignments and work experience, is available on page 80-71 and on the Company's website. All directors are independent in relation to the Company and senior management. Three directors are dependent in relation to the Company's major shareholders.

Accordingly, the Board of Directors meets the requirement that at least two of the directors who are independent in relation to the Company also be independent in relation to major shareholders.

According to the resolution of the Annual General Meeting, each director elected by the Annual General Meeting is to receive a fee of SEK 275,000. The Chairman of the Board is to receive a fee of SEK 600,000. Accordingly, the total fee to be paid in accordance with the resolution of the Annual General Meeting amounts to SEK 1,975,000. The Meeting resolved that the following additional fees are to be paid for committee work: SEK 50,000 to each member of the Compensation Committee and SEK 50,000 to the Chairman of the Audit Committee. Refer to the table below for a summary of the members of the Board, their participation in committees, attendance at Board meetings, dependency and fees. The Board also includes two employee representatives: Lillemor Backström and Anette Swanemar.

Chairman of the Board

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

Duties of the Board

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

Work of the Board

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

Board composition, attendance, dependency conditions and fees for 2018/2019

			No. of meetings attended			Dependent in relation to [1]		
Regular directors	Year of election	Position	Board of Directors	Audit Committee	Compensation Committee	Bergman & Beving	Major shareholders	Fee, SEK[2]
No. of meetings			10	3	1			
Johan Sjö	2017	Chairman	10	3	1	No	No	700,000
Roger Bergqvist	2012	Director	10	3	1	No	No	275,000
Anders Börjesson	1990	Director	10	3		No	Yes	275,000
Henrik Hedelius	2015	Director	10	3		No	Yes	275,000
Malin Nordesjö	2017	Director	10	3	1	No	Yes	325,000
Louise Undén	2017	Director	10	3		No	No	275,000

[1] According to the definitions in the Swedish Corporate Governance Code.
[2] Including fees for committee work.

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

In addition to the statutory meeting, the Board of Directors convened on ten occasions during the 2018/2019 financial year. The Board's work during the year focused on issues pertaining to the Group's strategic development and future organisation, ongoing business operations, earnings and profitability trends, corporate acquisitions and the Group's financial position. Refer to the table on this page for information regarding attendance at Board and committee meetings.

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

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

Compensation Committee

The Compensation Committee appointed by the Board prepares the Board's motion regarding "Guidelines for determining remuneration and other terms of employment for the President & CEO and other members of Group management." The proposed guidelines are addressed by the Board and then presented to the Annual General Meeting for resolution.

Based on the resolution of the Annual General Meeting, the Compensation Committee submits a motion concerning remuneration of the President & CEO to the Board for approval, decides on remuneration to the other members of Group management and draft motions for any incentive programmes. The Compensation Committee informs the Board of its decisions. The Committee is then responsible for monitoring and evaluating the application of the guidelines for determining remuneration to Group management as adopted by the Annual General Meeting (refer to Note 5 Employees and personnel costs on pages 48–50). The Compensation Committee also monitors and evaluates any ongoing programmes for variable remuneration for Group management as well as any programmes concluded during the year.

The Compensation Committee consists of Chairman of the Board Johan Sjö (Chairman of the Compensation Committee) and Director Malin Nordesjö (as of the scheduled Board meeting in conjunction with the Annual General Meeting). Director Anders Börjesson was Chairman and Johan Sjö a member of the Compensation Committee prior to that. President & CEO Pontus Boman presents reports to the Committee. The President & CEO does not report on his own remuneration. The Compensation Committee convened on one occasion during the 2018/2019 financial year, during which minutes were taken. During the year, SEK 50,000 was paid to each of the two committee members for their work on the Compensation Committee.

Audit Committee

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

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

The Audit Committee includes all regular directors, and Chairman Johan Sjö serves as the Chairman of the Committee. The Chairman possesses accounting and audit expertise.

Directors Roger Bergqvist and Louise Undén are independent in relation to the Company's major shareholders and possess accounting expertise. The Audit Committee held three meetings during the 2018/2019 financial year, during which minutes were taken.

During the year, a fee of SEK 50,000 was paid to Audit Committee Chairman Johan Sjö. Other than this, no separate remuneration was paid for work on the Audit Committee.

PRESIDENT & CEO AND GROUP MANAGEMENT

Pontus Boman is President & CEO of Bergman & Beving. Pontus Boman has been employed by the Group since 2007 and served as Executive Vice President of Bergman & Beving between 2016 and 2017. Pontus Boman previously serviced as President of ESSVE (2011–2016) and held senior positions at Accenture and Boston Consulting Group (BCG).

The President & CEO manages the operations in accordance with the Swedish Companies Act and the framework established by the Board. With respect to the authority of the President & CEO to make decisions regarding investments, corporate acquisitions, corporate sales and financing issues, the rules approved by the Board of Directors apply. In consultation with the Chairman of the Board, the President & CEO prepares the necessary information and supporting data for Board meetings, reports on various matters and explains the motivation for motions presented for resolution. The President & CEO leads the work of Group management and makes decisions in consultation with the other members of management.

Bergman & Beving's Group management comprised President & CEO Pontus Boman and CFO Peter Schön. Remuneration to Group management for the 2018/2019 financial year and a description of the company's incentive programmes are presented in Note 5 Employees and personnel costs on pages 48–50.

For more detailed information about Group management, refer to page 82-83.

AUDITORS

According to the Articles of Association, a registered accounting firm (or, alternatively, one or two authorised public accountants) is to be elected as auditor. KPMG was elected as the Company's auditor at the 2018 Annual General Meeting for the period until the end of the 2019 Annual General Meeting. The Auditor in Charge is Håkan Olsson Reising. KPMG performs the audit of Bergman & Beving AB and most of its subsidiaries.

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

The independence of the external auditors is regulated through special instructions established by the Board, which state the areas which may be addressed by the external auditors in addition to the normal audit work. KPMG continuously assesses its independence in relation to the Company and provides the Board with written assurance of the auditing firm's independence in relation to Bergman & Beving each year. During the past year, the auditors were mainly consulted on issues regarding corporate law. The total fee for KPMG's services in addition to the audit assignment amounted to MSEK 1 (2) during the 2018/2019 financial year.

ETHICAL GUIDELINES

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

GUIDELINES FOR DETERMINING REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR THE PRESIDENT & CEO AND OTHER MEMBERS OF GROUP MANAGEMENT

The Board aims to ensure that the remuneration system in place for the President & CEO and the other members of the Group's senior management team ("Group management") is competitive and in line with market conditions. Accordingly, the Board intends to propose that the Annual General Meeting to be held on 26 August 2019 pass a resolution concerning the 2019/2020 guidelines for determining remuneration and other terms of employment for the President & CEO and other members of Group management that corresponds with the guidelines for remuneration adopted by the Annual General Meeting held in August 2018 (refer to Note 5 Employees and personnel costs on pages 48–50).

INTERNAL CONTROL OF FINANCIAL REPORTING

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

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

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

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

Bergman & Beving has established control structures to manage the risks that the Board of Directors and corporate management consider to be significant to the Company's internal control with respect to financial reporting. Examples include transaction-related controls, such as regulations concerning attestation and investments, as well as clear payment procedures and analytical controls performed by the Group's controller organisation. Controllers at all levels in the Group play a key role in terms of integrity, competence and the ability to create an environment that is conducive to achieving transparency and true and fair financial reporting. The monthly earnings follow-up conducted via the internal reporting system is another important overall control activity. The earnings follow-up includes reconciliations with previously set goals and the most recent forecast as well as follow-up of adopted key financial ratios. This follow-up of earnings also functions as an important complement to the controls and reconciliations performed in the actual financial processes. Follow-ups to assure the quality of the Group's internal control are performed within the Group in various ways. The central finance function works proactively through its participation in various projects aimed at developing internal control. Under the supervision of the Group's CFO, the Group's finance function conducts an annual evaluation of the internal control of the companies. Each company conducts an evaluation in the form of a self-assessment based on predefined questions prepared by the finance function in consultation with the Group's auditors. This evaluation is intended to provide information about the Group's internal control processes and compliance. Each year, the Board of Directors assesses whether this procedure is appropriate and, in consultation with the Company's auditors, suggestions changes to the internal control processes.

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

Internal audit

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

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

Neither Bergman & Beving's six-month report nor its nine-month report for the 2018/2019 financial year were reviewed by the Company's external auditors, which is a deviation from the rules of the Code.
The Board of Directors has determined that the additional expense that would be incurred by the Company for an expanded review of the six-month report or nine-month report by the Company's auditors is not warranted.

NON-COMPLIANCE

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

Group

Income statement

MSEK	Note	2018/2019	2017/2018
Revenue	2, 4	3,945	3,833
Other operating income	3	11	3
Total operating income		**3,956**	**3,836**
Cost of goods sold		-2,280	-2,196
Personnel costs		-744	-718
Depreciation, amortisation and impairment losses		-31	-25
Other operating expenses		-665	-681
Total operating expenses		**-3,720**	**-3,620**
Operating profit	4, 5, 6	**236**	**216**
Financial income		7	7
Financial expenses		-27	-31
Net financial items	7	**-20**	**-24**
Profit after financial items		**216**	**192**
Taxes	9	-47	-34
Net profit from continuing operations		**169**	**158**
Discontinued operations			
Profit from discontinued operations, net after taxes	31	-	1,091
Net profit		**169**	**1,249**
Of which, attributable to:			
Parent Company shareholders		169	1,249
Earnings per share, SEK			
Earnings per share before dilution	18	6.25	44.95
- Of which, continuing operations	18	6.25	5.70
Earnings per share after dilution	18	6.25	44.90
- Of which, continuing operations	18	6.25	5.70
Proposed/resolved dividend per share, SEK		3.00	2.50

Group

Statement of comprehensive income

MSEK	Note	2018/2019	2017/2018
Net profit		169	1,249
Other comprehensive income			
Components that will not be reclassified to net profit			
Remeasurement of defined-benefit pension plans		-16	-59
Tax attributable to components that will not be reclassified	9	3	13
Total		**-13**	**-46**
Components that will be reclassified to net profit			
Translation differences		5	-2
Fair value changes for the year in cash-flow hedges		5	-10
Tax attributable to components that will be reclassified	9	-1	2
Total		**9**	**-10**
Other comprehensive income		**-4**	**-56**
Comprehensive income		**165**	**1,193**
Of which, attributable to:			
Parent Company shareholders		165	1,193

Group

Balance sheet

MSEK	Note	31 Mar 2019	31 Mar 2018
ASSETS			
Non-current assets			
Intangible non-current assets	10	1,681	1,569
Tangible non-current assets	11	99	88
Shares in associated companies	12	-	-
Financial investments	25	0	0
Other long-term receivables	14	3	2
Deferred tax assets	9	79	81
Total non-current assets		**1,862**	**1,740**
Current assets			
Inventories	15	942	879
Tax assets		54	78
Accounts receivable	25	834	790
Prepaid expenses and accrued income	16	33	46
Other receivables	14	40	33
Cash and cash equivalents		85	67
Total current assets	4, 23, 24, 25	**1,988**	**1,893**
Total assets		**3,850**	**3,633**
EQUITY AND LIABILITIES			
Equity	17		
Share capital		57	57
Other contributed capital		71	71
Reserves		-22	-31
Retained earnings, including net profit		1,551	1,462
Equity attributable to Parent Company shareholders		**1,657**	**1,559**
Non-current liabilities			
Non-current interest-bearing liabilities	25	175	130
Provisions for pensions	19	646	623
Other non-current provisions	20	24	26
Deferred tax liabilities	9	96	89
Total non-current liabilities		**941**	**868**
Current liabilities			
Current interest-bearing liabilities	25	266	307
Accounts payable		580	497
Tax liabilities		26	18
Other liabilities	21	121	122
Accrued expenses and deferred income	22	259	262
Total current liabilities		**1,252**	**1,206**
Total liabilities	4, 23, 24, 25	**2,193**	**2,074**
Total equity and liabilities		**3,850**	**3,633**

Information about Pledged assets and Contingent liabilities, refer to Note 27.

Group

Statement of changes in equity

Equity attributable to Parent Company shareholders

MSEK	Share capital	Other contributed capital	Hedging reserve	Translation reserve	Retained earnings, including net profit	Total equity
Closing equity, 31 March 2017	**57**	**71**	**3**	**-24**	**2,617**	**2,724**
Net profit					1,249	**1,249**
Other comprehensive income			-8	-2	-46	**-56**
Comprehensive income			**-8**	**-2**	**1,203**	**1,193**
Dividend					-141	**-141**
Sale of treasury shares in connection with redemption of share options					3	**3**
Repurchase of own shares					-118	**-118**
Distribution of Momentum Group					-2,102	**-2,102**
Transactions with the Group's owners					**-2,358**	**-2,358**
Closing equity, 31 March 2018	**57**	**71**	**-5**	**-26**	**1,462**	**1,559**
Net profit					169	**169**
Other comprehensive income			4	5	-13	**-4**
Comprehensive income			**4**	**5**	**156**	**165**
Dividend					-68	**-68**
Call options issued					1	**1**
Transactions with the Group's owners					**-67**	**-67**
Closing equity, 31 March 2019	**57**	**71**	**-1**	**-21**	**1,551**	**1,657**

Group

Cash-flow statement

MSEK	Note	2018/2019	2017/2018
Operating activities			
Operating profit		236	216
Adjustments for non-cash items			
Depreciation, amortisation and impairment of non-current assets	10, 11	31	25
Profit from the sale of companies and facilities		0	1
Change in reserve for non-recurring items		-	-75
Change in other provisions		-10	31
Change in pension obligations		23	15
Other non-cash items		-1	-3
Interest received		7	5
Interest paid		-13	-16
Income taxes paid		-13	-74
Cash flow from operating activities before changes in working capital		**260**	**125**
Cash flow from changes in working capital			
Change in inventories		-52	24
Change in operating receivables		-24	90
Change in operating liabilities		74	-104
Changes in working capital		**-2**	**10**
Cash flow from operating activities, discontinued operations	31	-	-26
Cash flow from operating activities		**258**	**109**
Investing activities			
Acquisition of intangible and tangible non-current assets		-80	-29
Sales of intangible and tangible non-current assets		0	24
Acquisition of subsidiaries/operating segments	32	-68	-208
Sales of subsidiaries/operating segments	32	-	17
Investing activities, discontinued operations	31	-	-6
Cash flow from investing activities		**-148**	**-202**
Cash flow before financing		**110**	**-93**
Financing activities			
Borrowings		100	185
Repayment of loans		-96	-72
Pension benefits paid		-30	-28
Purchase of own shares		-	-118
Sale of treasury shares in connection with redemption of share options		-	3
Dividend paid to Parent Company shareholders		-68	-141
Listing expenses	31	-	-14
Financing activities, discontinued operations	31	-	282
Cash flow from financing activities		**-94**	**97**
Cash flow for the year		**16**	**4**
Cash and cash equivalents at the beginning of the year*		**67**	**63***
Cash flow for the year		16	4
Exchange-rate differences in cash and cash equivalents		2	0
Cash and cash equivalents at year-end		**85**	**67**

* Includes cash and cash equivalents in discontinued operations

Parent Company

Income statement

MSEK	Note	2018/2019	2017/2018
Revenue	2	30	25
Other operating income		-	0
Total operating income		**30**	**25**
Personnel costs		-18	-19
Depreciation, amortisation and impairment losses		-	-
Other operating expenses		-18	-19
Total operating expenses	5, 6	**-36**	**-38**
Operating loss		**-6**	**-13**
Profit from financial items:			
Profit from other securities and receivables recognised as non-current assets	7	44	44
Other interest income and similar profit/loss items	7	7	6
Interest expense and similar profit/loss items	7	-17	-20
Profit after financial items		**28**	**17**
Appropriations	8	30	14
Profit before taxes		**58**	**31**
Taxes	9	-13	-7
Net profit		**45**	**24**

Parent Company

Statement of comprehensive income

Amounts in MSEK	Note	2018/2019	2017/2018
Net profit		**45**	**24**
Other comprehensive income			
Components that will not be reclassified to net profit		–	–
Components that will be reclassified to net profit			
Fair value changes for the year in cash-flow hedges		6	-10
Taxes attributable to other comprehensive income	9	-1	2
Other comprehensive income		**5**	**-8**
Comprehensive income		**50**	**16**

Parent Company

Balance sheet

MSEK	Note	31 Mar 2019	31 Mar 2018
ASSETS			
Non-current assets			
Intangible non-current assets	10	0	0
Tangible non-current assets	11	0	0
FINANCIAL NON-CURRENT ASSETS			
Participations in Group companies	29	704	704
Receivables from Group companies	13	1,626	1,627
Deferred tax asset	9	0	2
Total financial non-current assets		2,330	2,333
Total non-current assets		**2,330**	**2,333**
Current assets			
CURRENT RECEIVABLES			
Accounts receivable	25	-	0
Receivables from Group companies		443	483
Tax assets		5	43
Other receivables		2	2
Prepaid expenses and accrued income	16	2	2
Total current receivables		452	530
Cash and bank		0	0
Total current assets		**452**	**530**
Total assets	24	**2,782**	**2,863**
EQUITY, PROVISIONS AND LIABILITIES			
Equity	17		
RESTRICTED EQUITY			
Share capital		57	57
Statutory reserve		86	86
NON-RESTRICTED EQUITY			
Fair value reserve		-1	-6
Retained earnings		1,145	1,188
Net profit		45	24
Total equity		**1,332**	**1,349**
Untaxed reserves	30	**246**	**226**
Provisions			
Provisions for pensions	19	40	44
Total provisions		**40**	**44**
Non-current liabilities			
Liabilities to credit institutions	25	175	130
Total non-current liabilities		**175**	**130**
Current liabilities			
Liabilities to credit institutions	25	266	307
Accounts payable		0	1
Liabilities to Group companies		712	786
Other liabilities		3	12
Accrued expenses and deferred income	22	8	8
Total current liabilities		**989**	**1,114**
Total equity, provisions and liabilities	24	**2,782**	**2,863**

Parent Company

Statement of changes in equity

	Restricted equity		Non-restricted equity				
MSEK	Share capital	Statutory reserve	Treasury shares	Fair value reserve	Retained earnings	Net profit	Total equity
Closing equity, 31 March 2017	**57**	**86**	**-31**	**2**	**1,979**	**130**	**2,223**
Reversal of earnings					130	-130	**0**
Net profit						24	**24**
Other comprehensive income				-8			**-8**
Dividend					-141		**-141**
Distribution of Momentum Group					-633		**-633**
Sale of treasury shares in connection with redemption of share options			2		0		**2**
Repurchase of own shares			-118				**-118**
Closing equity, 31 March 2018	**57**	**86**	**-147**	**-6**	**1,335**	**24**	**1,349**
Reversal of earnings					24	-24	**0**
Net profit						45	**45**
Other comprehensive income				5			**5**
Dividend					-68		**-68**
Call options issued					1		**1**
Redemption of treasury shares			107		-107		**0**
Closing equity, 31 March 2019	**57**	**86**	**-40**	**-1**	**1,185**	**45**	**1,332**

Parent Company

Cash-flow statement

MSEK	Note	2018/2019	2017/2018
Operating activities			
Operating loss		-6	-13
Adjustments for non-cash items			
Depreciation, amortisation and impairment of non-current assets		-	-
Change in pension obligations		-1	4
Other non-cash items		-	1
Interest received		51	47
Interest paid		-17	-17
Income taxes paid		25	-46
Cash flow from operating activities before changes in working capital		**52**	**-24**
Cash flow from changes in working capital			
Change in current receivables and liabilities to Group companies		38	159
Change in operating receivables		1	2
Change in operating liabilities		-4	-16
Changes in working capital		**35**	**145**
Cash flow from operating activities		**87**	**121**
Investing activities			
Shareholders' contribution paid		-	0
Acquisition of tangible non-current assets		0	-
Distribution of Momentum Group		-	-633
Cash flow from investing activities		**0**	**-633**
Cash flow before financing		**87**	**-512**
Financing activities			
Sale of treasury shares in connection with redemption of share options		-	3
Changes in long-term receivables and liabilities to Group companies		2	598
Borrowings		100	185
Repayment of loans		-98	-74
Dividends received from subsidiaries		-	0
Sale of call options		1	-
Dividend paid		-68	-141
Repurchase of own shares		-	-118
Group contributions paid and received		-24	58
Cash flow from financing activities		**-87**	**511**
Cash flow for the year		0	-1
Cash and cash equivalents at the beginning of the year		0	1
Cash and cash equivalents at year-end		**0**	**0**

The Group's risks and uncertainties

RISK/DESCRIPTION

ECONOMY AND MARKET

Demand for Bergman & Beving's products and services is largely impacted by macroeconomic factors that are beyond the Group's control: economic trends in the construction sector, trends and investor willingness in the manufacturing industry, and the conditions in the global capital market. Should these factors deteriorate in the markets where the Group is active, this could have a negative impact on the Group's financial position and earnings.

STRUCTURAL CHANGES

Globalisation, digitisation and rapid technological advancement are fuelling structural changes in customer operations. While this trend could boost demand for Bergman & Beving's advanced services, it could also cause the Group's customers to disappear as a result of mergers, closures and relocation to low-cost countries. Globalisation is also increasing the risk of our customers making their purchases directly from manufacturers in low-cost countries.

COMPETITORS

Most of Bergman & Beving's subsidiaries operate in industries that are exposed to competition. Mergers may also take place between suppliers in the industry, allowing them to create broader offerings, which could result in price pressure. The subsidiaries' future competitive opportunities will depend on their capacity to remain at the cutting edge of technology and respond rapidly to market demands. Intensified competition, or an inability on the part of a subsidiary to meet new market demands, could have a negative impact on the Group's financial position and earnings.

ENVIRONMENT

Global trends with respect to environmental awareness and sustainability along with changes in environmental legislation could impact sales of the Group's products, the transport of goods and the manner in which customers use the Group's products.

There is also a risk that one of the Group's subsidiaries, through its corporate registration number, could be have a historical responsibility under the Swedish Environmental Code.

BERGMAN & BEVING'S RISK MANAGEMENT

Since Bergman & Beving's numerous subsidiaries focus on different product areas and geographic markets, the Group is less sensitive to market fluctuations in individual industrial areas, sectors or geographic areas. The Group also works continuously to develop operations that are less dependent on a specific market and to adapt its costs to specific conditions. Bergman & Beving's sales primarily comprise construction and industrial consumables, which means that the need for short-term investor willingness in the industry is low.

In addition to having an organisation with a willingness to change and a strong entrepreneurial spirit, Bergman & Beving is exposed to a large number of industries, which provides protection against structural changes. The Group also strives to follow global trends and therefore continually invests in new technology, such as digitisation.

To a certain extent, the Group is also protected against any negative impact by the fact that it offers various forms of unique added value: strong product brands, excellent service and long-standing customer relationships. The Group's competitiveness also allows it to deliver outside its immediate geographic area.

Bergman & Beving endeavours to offer products and services for which price is not the sole differentiating factor. The risk of declining demand is mitigated as a result of the Group's supply reliability, service, availability and competitive proprietary brands. Through Bergman & Beving's long-standing tradition of building profitable relationships with suppliers and customers, the Group continuously hones its expertise and competitiveness.

To reduce the risk of competition from suppliers, the Group continually works to ensure that a partnership with Bergman & Beving is the most profitable sales strategy for its suppliers.

Bergman & Beving's subsidiaries primarily focus on trade and operations with a small direct impact on the environment. The Group monitors its operations and environment-related risks through its sustainability reporting, and all companies comply with the Group's Code of Conduct.

Bergman & Beving takes a proactive approach to product development and continuous improvements. The goal is to gradually create new high-quality, environmentally friendly products that improve customers' environmental performance.

In connection with acquisitions, Bergman & Beving analyses the corporate registration numbers of the companies in question in order to mitigate the risk of being held liable for damages for historical environmental issues.

A more detailed description of Bergman & Beving's sustainability initiatives is available in the section on the Sustainability Report.

RISK/DESCRIPTION	BERGMAN & BEVING'S RISK MANAGEMENT
ABILITY TO RECRUIT AND RETAIN EMPLOYEES Bergman & Beving's continued success is dependent on its ability to retain experienced employees with specific skills and to recruit new, talented individuals. There is a risk that one or more members of senior management or other key individuals may leave the Group on short notice. Bergman & Beving's financial position and earnings could be negatively impacted if the Group were to fail to recruit suitable replacements or new, talented key individuals.	Creating the conditions for development and job satisfaction within the Group is a priority. Part of the acquisition strategy involves ensuring that key individuals in all companies are motivated to operate the companies independently as part of the Group. Bergman & Beving's Business School is targeted at both new employees and senior management, and is intended to increase internal knowledge sharing, assist employees in their professional development and improve the corporate culture. The Group conducts regular employee surveys to learn more about the employees' perceptions of their employer, their work situation and areas for improvement and development; refer to the section "Employees" in the Sustainability Report.
SUPPLIERS AND CUSTOMERS In order to deliver its products, Bergman & Beving depends on its external suppliers to fulfil their agreements with respect to, for example, volumes, quality and delivery times. Incorrect or delayed deliveries, or nondeliveries, could have a negative impact on the Group's financial position and earnings. The Group's reputation also depends on its suppliers maintaining a high level of business ethics in such areas as human rights and working conditions. Customer agreements vary in terms of their duration, guarantees and liability limitations. For certain customer and supplier relationships, there are no written agreements in place, which can create legal uncertainty regarding the content of the agreement. There is always a risk that a customer's financial position could change and hinder their ability to pay, which could in turn lead to the Group not receiving payment for products sold.	The Group's long-standing, positive relationships with carefully selected suppliers reduces the risk of not being able to deliver as agreed. To ensure that the Group's high standard of business ethics is maintained, all suppliers are also required to follow a Supplier Code of Conduct. To ensure compliance with the Code of Conduct, the Group regularly inspects external production facilities, especially in high-risk countries. The Group does not have a long-term dependency on any individual supplier. Bergman & Beving focuses its sales on a large number of customers, which means that the Group's exposure is limited when it comes to individual credit losses. To minimise the risk of credit losses, the Group strives as far as possible to acquire customer credit information. In cases where the Group deems the risk of non-payment to be high, it utilises several different risk management tools, such as credit insurance and advance payments.
FINANCIAL RISKS The Group is exposed to various financial risks. Foreign-exchange risk refers to the risk that foreign-exchange rates could have a negative impact on Bergman & Beving's financial position and earnings. Transaction exposure refers to the risk that arises due to payments received and made by the Group as a result of payment flows in foreign currencies. Translation exposure arises as a result of the Group's net investments in foreign currencies through its foreign subsidiaries. The Group is also exposed to financing risk, meaning the risk that financing the Group's capital requirements could become more difficult or more expensive. Interest-rate risk refers to the risk that unfavourable changes in interest rates could have a negative impact on the Group's financial position and earnings.	In accordance with the Financial Policy established by the Board of Directors, Bergman & Beving aims to manage the financial risks that arise in the operations in a structured and efficient manner. The Financial Policy stipulates the Group's aim to identify, minimise and control financial risks, and defines how responsibility for managing these risks is to be distributed within the organisation. The goal is to minimise the consequences of the financial risks on earnings. A more detailed description of Bergman & Beving's management of financial risks is available in Note 25 Financial instruments and financial risk management.
CORRUPTION AND BRIBES Corruption is illegal but nevertheless prevalent throughout the world. Unfortunately, although many people associate corruption with countries with a weak democracy, corruption also arises in various forms in openly democratic countries. Swedish companies are often unaware of the risks facing their operations. Companies must look for signs of corruption in all areas of their export business and foreign operations.	Bergman & Beving has a policy of zero tolerance toward bribes and corruption, which is stated clearly in the Code of Conduct. The Code of Conduct is to be communicated to and followed by all employees in the Bergman & Beving Group. Through the Group's whistleblowing function, employees are encouraged to report all cases of unethical behaviour and have the option to remain anonymous. The Group's Financial Policy also requires internal control systems to be used for all payments.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND LEGISLATION

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

The Annual Report and consolidated financial statements were approved for publication by the Board of Directors and President & CEO on 12 June 2019. The Group's and the Parent Company's income statements and balance sheets are subject to approval by the Annual General Meeting to be held on 26 August 2019.

BASIS APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS

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

Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments and financial assets available for sale. Preparing the financial statements in accordance with IFRS requires that management makes judgments and estimates and makes assumptions that affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgments. The estimates and judgments are reviewed on a regular basis. Changes in estimates are recognised in the period when the change is made if the change affects this period only, or in the period when the change is made and in future periods if the change affects the current period as well as future periods. Judgments made by management when applying IFRS that have a significant effect on the financial statements and estimates made which can lead to substantial adjustments in the following year's financial statements are described in more detail in Note 34 Key estimates and judgments.

Events after the balance-sheet date refer to both favourable and unfavourable events that occur between the balance-sheet date and the date at the beginning of the following financial year when the financial statements are signed by the members of the Board of Directors and the President & CEO. Information is provided in the Annual Report about any significant events after the balance-sheet date that were not accounted for when the financial statements were adopted. Such events that confirm the circumstances prevailing at the balance-sheet date are taken into account at the time of adoption of the financial statements.

Non-current assets and disposal groups held for sale are recognised at the lower of their recognised carrying amount at the time of classification and their fair value after a deduction for selling expenses.

Offsetting of receivables and liabilities and of income and costs occurs only when required or when expressly permitted in an accounting recommendation.

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

AMENDED ACCOUNTING POLICIES

IFRS has issued the new standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, which took effect on 1 January 2018 and have been applied by Bergman & Beving as of 1 April 2018. Other amendments to IFRS applicable as of 1 January 2018 have not had a material impact on the Group's financial reporting.

IFRS 9 Financial Instruments

IFRS 9 establishes principles for the recognition and measurement of financial assets, financial liabilities and certain contracts for the purchase or sale of a non-financial items. This standard came into effect for Bergman & Beving on 1 April 2018, replacing IAS 39 Financial Instruments: Recognition and Measurement. The new standard contains new parameters for the classification and measurement of financial instruments, a forward-looking impairment model and simplified conditions for hedge accounting. The applicable parts of IFRS 9 have been applied prospectively from 1 April 2018, whereas disclosures for the preceding year are based on IAS 39.

The classification of financial assets under IFRS 9 is generally based on the company's business model for holding the financial assets and the characteristics of the contractual cash flows from the financial asset. The new classification criteria did not have any impact on how the Group's financial assets and liabilities are measured – financial assets that up until 2017 were classified as loan receivables and accounts receivable and measured at amortised cost are classified from 2018 as financial assets measured at amortised cost; derivatives continue to be recognised as hedging instruments at fair value in the balance sheet; financial assets that up until 2017 were classified as financial assets available for sale are classified from 2018 as financial assets measured at fair value through profit or loss. IFRS 9 did not result in any change to the classification or measurement of financial liabilities.

The Group has decided to continue to apply IAS 39 Financial Instruments: Recognition and Measurement to its hedge accounting. The analysis performed prior to the introduction of IFRS 9, involving a forward-looking model of expected credit losses on accounts receivable, concluded that the new standard would not have any material impact on the financial statements. Accordingly, Bergman & Beving did not recognise any remeasurements that impacted equity as of 1 April 2018 due to this new standard.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is a comprehensive standard for determining the amount of revenue to be recognised and when such revenue will be recognised. It replaces the existing IFRS related to revenue recognition, such as IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is based on revenue being recognised once control of the goods or services has been transferred to the customer, which differs from the existing basis of the transfer of risks and benefits.

Bergman & Beving has analysed a selection of standard contracts from its various operating areas and has not identified any material impact on its financial statements.

Bergman & Beving's revenue is mainly derived from sales of goods, with a marginal share derived from sales of services. With respect to sales of both goods and services, risk and control are transferred to the buyer upon delivery. Sales are made on normal credit terms and Bergman & Beving does not offer any other financing. Bergman & Beving is always the principal in the sales process. Accordingly, revenue from the sale of goods is recognised immediately upon delivery. Revenue from service assignments is recognised when the service is performed. The principles of the percentage-of-completion method are applied to revenue from service assignments. Provisions are made for customer bonuses in the same period as revenue is recognised. The new standard will entail no transition effects for Bergman & Beving and thus there is no need to adjust equity at the beginning of the 2018/2019 financial year.

NEW OR AMENDED IFRS THAT WILL BE APPLIED IN COMING PERIODS

A number of new and amended IFRS have not yet come into effect and have not been applied in advance in the preparation of these financial statements. Listed below are the IFRS that may have an impact on the consolidated financial statements. Other than the IFRS described below, no other new or amended standards approved by the IASB as of 31 March 2019 are expected to have a material impact on the consolidated financial statements.

IFRS 16 Leases

Bergman & Beving will apply IFRS 16 Leases from 1 April 2019. IFRS 16 introduces a single lessee accounting model requiring lessees to recognise a right-of-use asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments. The previous principle of only a straight-line expense for operating leases in profit or loss has been replaced with instead recognising expenses for depreciation and interest in profit or loss and an intangible asset (right-of-use) and an interest-bearing lease liability in the balance sheet.

IFRS 16 Leases replaces the existing IFRS related to the recognition of leases, such as IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

The Group will apply the relief rule of "inheriting" the former definition of leases on transition. This means that the Group will apply IFRS 16 to all leases that were signed prior to 1 April 2019 and that have been identified as leases under IAS 17 and IFRIC 4.

During 2018/2019, Bergman & Beving has prepared for the transition to the new IFRS 16 Leases. The leases in all of the Group's companies have been reviewed and evaluated, and system support for managing and reporting leases has been implemented. When the new standard takes effect for the Group on 1 April 2019, Bergman & Beving will apply the modified retrospective approach, which entails that the opening balance will be adjusted in an amount corresponding to the accumulated effect of the initial application of the standard on the initial application date and that comparative years will not be restated.

The lease liability is initially measured at the present value of the remaining lease payments and the right-of-use asset for all leases is recognised in an amount corresponding to the lease liability adjusted for any prepaid and accrued lease payments recognised on 31 March 2019.

An incremental borrowing rate has been established for each country. The average incremental borrowing rate on 1 April 2019 amounted to approximately 3 percent. The transition will have no impact on equity.

The Group has chosen to exclude short-term leases with a term of 12 months or less and leases where the underlying asset has a low value (assets valued approximately SEK 50,000 or less when new). This primarily includes personal computers, printers and other office equipment. Minimum lease payments for low-value assets are included up until 31 March 2019 in Note 26 Operating leases at an estimated present value of less than MSEK 1. This amount is excluded from the stated calculations of lease liabilities under IFRS 16.

For open-ended leases for office and warehouse premises, the Group has determined that, based on experience and past history, a five-year time horizon can generally be used, even if the formal lease term is shorter than five years.

The Group has no material leases in which the Group is the lessor. Nor does the Group have any finance leases on transition to IFRS 16. The established lease portfolio includes approximately 600 leases and mainly comprises leases for offices, warehouse premises, company cars, warehouse vehicles and other warehouse equipment that are currently classified as operating leases. The total right-of-use asset and corresponding lease liability have been calculated at approximately MSEK 500 as of 1 April 2019.

Dividing the lease liability into depreciation and interest will have a marginally positive impact on operating profit (EBITA) and a marginally negative impact on net financial items. Tax is not affected. The balance-sheet total will increase as a result of increased non-current assets and net loan liability. The main payment will not be recognised as financing activities and will reduce the cash flow from financing activities, with a corresponding increase in cash flow from operating activities. The interest portion of the lease payments will remain cash flow from operating activities and be included in net financial items, paid.

SEGMENT REPORTING

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

CLASSIFICATION, ETC.

Non-current assets and non-current liabilities in the Group and the Parent Company essentially consist only of amounts that are expected to be recovered or paid later than 12 months from the balance-sheet date.

Current assets and current liabilities in the Group and the Parent Company essentially consist only of amounts that are expected to be recovered or paid within 12 months from the balance-sheet date.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

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

Subsidiaries are recognised in accordance with the purchase method of accounting. This method entails that the acquisition of a subsidiary is viewed as a transaction through which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities. The acquisition analysis determines the fair value, on the date of acquisition, of the identifiable assets, assumed debts and any non-controlling interests. Transaction fees, except for transaction fees attributable to issues of equity instruments or debt instruments, that arise are recognised directly in net profit.

In the case of business combinations where the transferred remuneration, any non-controlling interests and the fair value of previously held participations (step acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are to be recognised separately, the difference is recognised as goodwill. Should the difference be negative, which is known as a bargain purchase, it is recognised directly in net profit. Contingent considerations are measured at fair value on the date of acquisition. If the contingent consideration is classified as an equity instrument, no remeasurement is performed and the adjustment is made to equity. Other contingent considerations are remeasured for each financial statement and the difference is recognised in net profit.

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

For step acquisitions, goodwill is determined on the date on which controlling influence is reached. Previous holdings are measured at fair value and the change in value is recognised in net profit.

For divestments that lead to a loss of controlling influence but where a holding remains, the holding is measured at fair value and the change in value is recognised in net profit.

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

Associated companies

Associated companies are companies over which the Group has a significant, but not controlling influence in terms of operational and financial control, usually through a holding of between 20 and 50 percent of the total number of votes. From the time at which significant influence is achieved, shares in associated companies are recognised in the consolidated financial statements using the equity method. According to the equity method, the carrying amount of the shares in associated companies recognised in the Group should correspond to the Group's share of the equity in the associated companies and consolidated goodwill and any other residual value for the consolidated surplus or deficit value. In the consolidated income statement, the Group's share of the associated company's profit, adjusted for any depreciation, amortisation, impairment losses or reversals of acquired surplus or deficit values, is recognised as "Shares of profit in associated companies." These shares of profit less dividends received from associated companies represent the main change in the carrying amount of shares in associated companies. The Group's portion of other comprehensive income in associated companies is recognised in a separate line in the Group's other comprehensive income.

Any differences during the acquisition between the cost of the holding and the holding company's portion of the net fair value of the associated company's identifiable assets and liabilities are recognised in accordance with the same principles as in the acquisition of a subsidiary. Transaction fees, except for transaction fees attributable to issues of equity instruments or debt instruments, that arise are included in cost. When the Group's portion of the recognised losses in the associated company exceeds the carrying amount of the shares in the Group, the value of these shares is reduced to zero. Settlement of losses also occurs for long-term financial transactions without collateral, which, in financial terms, are part of the holding company's net investment in the associated company. Continued losses are not recognised, provided that the Group has not issued guarantees to cover losses arising in the associated company. The equity method is applied until the time at which the significant influence is terminated.

Transactions eliminated in consolidation

Intra-Group receivables and liabilities, income or expenses, and unrealised gains or losses arising in intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements. Unrealised gains that arise in transactions with associated companies are eliminated to an extent corresponding to the Group's participating interest in the company. Unrealised losses are eliminated in the same manner as unrealised gains, but only insofar as no impairment requirement exists.

NOTE 1 cont.

FOREIGN CURRENCY

Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency using the exchange rate prevailing on the transaction date. The functional currency is the currency of the primary economic environments in which the companies conduct their operations. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate prevailing on the balance-sheet date. Exchange-rate differences that arise during translation are recognised in net profit. Non-monetary assets and liabilities recognised at historical cost are translated at the exchange rate prevailing on the transaction date.

Financial statements of foreign entities

Assets and liabilities in foreign entities, including goodwill and other consolidated surplus values and deficits, are translated from the foreign entity's functional currency to the Group's reporting currency, SEK, at the exchange rate prevailing on the balance-sheet date. Income and expenses in foreign entities are translated to SEK at the average exchange rate, which constitutes an approximation of the foreign-exchange rates prevailing at each transaction date. Translation differences arising as a result of the translation of a foreign net investment are recognised directly in other comprehensive income and are accumulated in a separate equity component, referred to as the translation reserve. When a foreign entity is divested, the accumulated translation differences attributable to the entity are realised, by which they are reclassified from the translation reserve in equity to net profit.

REVENUE

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

Sale of goods

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

Service assignments

Revenue from service assignments is normally recognised when the service is performed. Revenue from service assignments is recognised in accordance with the principles of the percentage-of-completion method. The degree of completion is normally determined based on the relationship between accrued expenditure on the balance-sheet date and the estimated total expenditure. Probable losses are recognised immediately in consolidated earnings.

Rental income

Rental income from real estate is recognised in net profit on a straight-line basis based on the terms of the lease. The aggregate cost of benefits provided is recognised as a reduction of rental income on a straight-line basis over the term of the lease.

Revenue from property sales

Revenue from property sales is recognised on the day of taking possession, provided control has not been passed on another date.

OPERATING EXPENSES AND FINANCIAL INCOME AND EXPENSES

Operating leases

Costs related to operating leases are recognised in net profit on a straight-line basis over the term of the lease. Benefits received in connection with the signing of a contract are recognised in net profit as a straight-line reduction in lease payment over the term of the lease. Variable fees are expensed in the periods in which they arise.

Financial income and expenses

Financial income and expenses consist of interest income on bank funds and receivables, interest expenses on loans, dividend income and exchange-rate differences. Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the rate that discounts the estimated future receipts and disbursements during the financial instrument's expected term to the cost of the financial receivable or the liability. Interest expense includes the accrued amount of issuance costs and similar direct transaction costs in connection with borrowing.

Dividend income is recognised when the right to receive payment has been determined.

Exchange gains and losses are recognised in a net amount.

FINANCIAL INSTRUMENTS

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

Recognition in and derecognition from the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party under the contractual terms of the instrument in question. A financial asset, or a portion of a financial asset, is derecognised from the balance sheet when the contractual rights are realised, fall due or the Group loses control over them. A financial liability, or a portion of a financial liability, is derecognised from the balance sheet when the obligation in the contract is fulfilled or ceases to apply in some other way.

Financial assets and financial liabilities are offset and recognised as a net amount in the balance sheet only when there is a legal right to offset the amounts and when there is an intention to settle the items in a net amount or to realise the asset and settle the liability simultaneously.

Acquisitions and disposals of financial assets are recognised on the transaction date, which is the date when the Group undertakes to acquire or dispose of assets.

Classification and measurement – from 1 April 2018

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

Financial investments

Shares and participations among financial non-current assets not recognised as subsidiaries, associated companies or joint ventures are recognised in this category. The Group measures these at fair value through profit or loss. Bergman & Beving has unlisted holdings in this category and the value does not total a significant amount.

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

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

Financial liabilities measured at amortised cost

This category includes loans, accounts payable and certain other operating liabili-

NOTE 1 cont.

ties. Borrowing is recognised at amortised cost and any differences between the loan amount (net after transaction costs) and the repayable amount are recognised in net profit distributed over the term of the loan and by applying the effective interest method. Borrowing is classified as a current liability if the Company does not hold an unconditional right to defer payment for a minimum of 12 months after the balance-sheet date. Accounts payable and other operating liabilities are not discounted since they do not have a material impact.

Financial liabilities measured at fair value through profit or loss

Liabilities for contingent additional purchase considerations arising in business combinations are measured at fair value through profit or loss. Measurement of these liabilities takes place under Level 3 of the fair value hierarchy, meaning that it is based on the expected future financial performance of the acquired operations as assessed by management.

Derivatives and hedge accounting

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

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

Any gains or losses attributable to any ineffective portion are recognised immediately in profit or loss. Accumulated amounts in equity are reversed to net profit in the periods in which the hedged item affects profit or loss (for example, when the forecast sale that is hedged affects profit or loss). If the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories), the hedging reserve is dissolved in other comprehensive income and included in the initial carrying amount of the asset or liability.

Comparative year under IAS 39

Financial instruments are recognised according to IAS 39 for the 2017/2018 comparative year. IAS 39 has different categories of classification compared with IFRS 9. Nevertheless, the categories of classification under IAS 39 resulted in the same recognition at amortised cost and fair value through profit or loss or other comprehensive income.

Furthermore, IAS 39 had a different method for reserves for credit losses, entailing that reserves were made in connection with a confirmed credit event as opposed to the IFRS 9 method whereby reserves are made for expected credit losses. There are no other differences between the standards for the Group. The Group did not incur any material effects on the transition from IAS 39 to IFRS 9, refer to the above under amended accounting policies.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet include liquid bank funds, available cash balances and current deposits with a remaining term of three months or less on the acquisition date.

TANGIBLE NON-CURRENT ASSETS

Owned assets

Tangible non-current assets are recognised as assets in the balance sheet if it is probable that future financial benefits will accrue to the Group and the cost of the asset can be calculated in a reliable manner. Tangible non-current assets are recognised in the Group at cost, less accumulated depreciation and any impairment losses. The cost includes the purchase price and costs directly attributable to the asset to bring it to location and make it usable for the purpose intended with its procurement. Examples of directly attributable costs included in the cost are expenses for shipping and handling, installation, legal ratification, consulting services and legal services. Borrowing costs that are directly attributable to the purchase, design or production of assets that require a significant amount of time to prepare for their intended use or sale are included in the cost.

Tangible non-current assets that consist of parts with different useful lives are treated as separate components of tangible non-current assets.

The carrying amount of a tangible non-current asset is derecognised from the balance sheet upon disposal or sale, or when no future financial benefits are expected to be derived from the use or disposal/sale of the asset. Gains or losses that arise upon the sale or disposal of an asset are defined as the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains and losses are recognised as other operating income/expenses.

Leased assets

Leases are classified in the consolidated financial statements as either financial or operating leases. Leases where essentially all of the financial risks and benefits associated with ownership have been transferred to the lessee are classified as finance leases. Where this is not the case, the lease is an operating lease.

Assets that are leased in accordance with finance leases are recognised as non-current assets in the balance sheet and are initially measured at the lower of the leased asset's fair value and the present value of the minimum lease fees at the time the contract is entered into. Obligations to pay future lease payments are recognised as non-current and current liabilities. The leased assets are depreciated over the useful life of the asset in question, while the lease payments are recognised as interest and amortisation of the liabilities.

Assets that are leased in accordance with operating leases are generally not recognised as an asset in the balance sheet. Nor do operating leases result in a liability.

Recognition of sale and leaseback transactions

A sale and leaseback (SLB) transaction comprises the sale of an asset according to a purchase agreement and a subsequent lease of the same asset with the original owner as the lessee. Recognition of such transactions depends on the classification of the lease transaction, which is assessed based on customary principles for classifying leases (also refer to the section Leased assets above). In the event that an SLB transaction results in a finance lease, the amount by which the sale amount exceeds the carrying amount (capital gain) is not recognised directly in the profit or loss of the seller, but rather is allocated on a straight-basis over the term of the lease.

In the event that an SLB transaction results in an operating lease, the amount by which the sale amount exceeds the carrying amount (capital gain) is recognised in the period when sale occurs, provided the transaction is based on the fair value. According to the Group's assessment, all SLB transactions have been or will be conducted as arm's length transactions at a price that corresponds to fair value. Revenue attributable to SLB transactions that fulfil the requirements for revenue recognition are recognised according to the prevailing principles for revenue recognition (refer to the section Revenue). In the case of SLB transactions pertaining to property, revenue is normally recognised on the date on which possession is taken, unless the risks and benefits have been transferred to the buyer on an earlier date. Control of the asset may have been transferred prior to the date on which possession is taken and, in such cases, the sale of the property is recognised as revenue from this earlier date.

Additional expenditures

Additional expenditures are added to the cost only to the extent that it is probable that the future financial benefits associated with the asset will accrue to the Group and the cost can be calculated in a reliable manner. All other additional expenditures are recognised as an expense in the period in which they arise.

Depreciation policies

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

Estimated useful lives:

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

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

NOTE 1 cont.

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

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

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

INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between the consideration transferred for a business combination and the fair value of the acquired assets and assumed debt. Goodwill is measured at cost, less any accumulated impairment losses. Goodwill is distributed to cash-generating units and is not amortised continuously. Instead, impairment testing is conducted on an annual basis. For business combinations for which the consideration transferred is less than the fair value of the acquired assets and assumed debt, known as a bargain purchase, the difference is recognised directly in net profit.

Research and development

Costs for research aimed at gaining new technical expertise are recognised as an expense when they arise.

Costs for development, for which the results or other expertise is applied to bring about new or improved products or processes, are recognised as an asset in the statement of financial position if the product or the process is technically and commercially viable and the Company has sufficient resources to complete development and subsequently use or sell the intangible asset. The carrying amount includes all directly attributable expenses, for example materials or services, remuneration of employees, registration of legal rights, amortisation of patents and licences and borrowing costs in accordance with IAS 23. Other costs for development are recognised in net profit as an expense when they arise. Development costs in the statement of financial position are recognised at cost less accumulated amortisation and any impairment.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and impairment losses and comprise customer relations, brands, capitalised IT expenditure for development, supplier contracts and purchases of software. Accrued expenses for internally generated goodwill and internally generated brands are recognised in net profit when the cost is incurred.

Additional expenditures

Additional expenditures for capitalised intangible assets are recognised as an asset in the balance sheet only to the extent that they increase the future financial benefits of the specific asset to which they are attributable. All other expenditures are expensed as incurred.

Amortisation policies

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

Estimated useful lives:

Brands, supplier contracts, customer relations	3–10 years
Software, IT investments	3–10 years
Product development	3–5 years

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

INVENTORIES

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

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

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

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

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

EQUITY

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

Repurchase of own shares

Holdings of treasury shares and other equity instruments are recognised as a reduction of equity. Acquisitions of such instruments are recognised as a deduction item against equity. Proceeds from the disposal of equity instruments are recognised as an increase in equity. Any transaction costs are recognised directly against equity.

Dividends

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

EARNINGS PER SHARE

The calculation of earnings per share before dilution is based on consolidated net profit attributable to the Parent Company shareholders and on the weighted average number of shares outstanding during the year. When calculating earnings per share on a fully diluted basis, the average number of shares outstanding is adjusted by taking into account the theoretical dilution of the number of shares outstanding, which during reported periods is attributable to call options issued to employees.

EMPLOYEE BENEFITS

Defined-contribution pension plans

Obligations pertaining to fees for defined-contribution pension plans are recognised as an expense in net profit at the rate they are accrued as the employees perform services for the Company during a specific period.

Defined-benefit pension plans

The Group's net obligations pertaining to defined-benefit pension plans are calculated separately for each plan in the form of an estimate of the future remuneration that the employee has earned as a result of his/her employment in both the current and prior periods. These calculations are performed by a qualified actuary using the projected unit credit method. The obligations are measured at the

NOTE 1 cont.

present value of expected future payments, with due consideration for future salary increases. The discount rate used is the interest rate on the balance-sheet date for an investment grade corporate bond or housing bonds with a term equivalent to the Group's pension obligations. When there is no functioning market for such bonds, the market rate for government bonds with an equivalent term is used. In the case of funded plans, the fair value of the plan assets reduces the calculated value.

When the calculation leads to an asset for the Group, the carrying amount of the asset is limited to the lowest of the surplus on the plan and the asset limitation calculated utilising the discount rate. The asset limitation comprises the present value of the future financial benefits in the form of lower future contributions or cash repayment. Any minimum funding requirements are taken into consideration when calculating the present value of future repayments or payments.

Other significant assumptions and judgments, in addition to the discount rate for the purpose of calculating the Group's defined-benefit plans, comprise future salary increases, inflation and expected length of life. Expected salary increases are based on a combined assessment of the Group's own history, market expectations and forecasts from market surveys. Inflation assumptions are based on a combined assessment of such factors as the inflation targets of central banks, implicit market expectations and long-term analyst forecasts. Length of life assumptions are based on mortality tables that apply a Swedish study known as DUS14 from 31 March 2016.

Obligations for retirement pensions to salaried employees in Sweden in accordance with the ITP plan are handled mainly within the so-called FPG/PRI system. However, obligations for family pensions are secured by insurance with Alecta. These obligations are also defined-benefit obligations, although the Group has not had access to the information necessary to recognise these obligations as a defined-benefit plan. Therefore, these pensions secured by insurance with Alecta are recognised as defined-contribution plans. As of 31 December 2018, Alecta's surplus in the form of its collective solvency margin was 142 percent (2017: 154 percent). The collective solvency margin is defined as the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond with IAS 19. Alecta's surplus can be distributed to the policy holders and/or the insured.

When the benefits under a plan are improved, the proportion of the increase in benefits pertaining to the employees' service during prior periods is recognised as an expense in net profit. The carrying amount for pensions and similar commitments in the balance sheet corresponds to the present value of the commitments at year-end, less the fair value of the plan assets.

Interest expense/income net on the defined-benefit commitment/asset is recognised in net profit under net financial items. Net interest income is based on the interest rate arising on the discounting of the net obligation, meaning the interest on the obligation, plan assets and the interest on the effect of any asset limitations. Other components are recognised in operating profit/loss. Remeasurement effects comprise actuarial gains and losses, the difference between actual returns on plan assets and the total included in net interest income, and any changes to the effects of asset limitations (excluding interest included in net financial items). Remeasurement effects are recognised in other comprehensive income. The special payroll tax comprises a portion of the actuarial assumptions and, accordingly, is recognised as a portion of the net obligation/net asset. The portion of the special payroll tax calculated based on the Swedish Pension Obligations Vesting Act in legal entities is recognised, for reasons of simplification, as accrued expenses instead of as a portion of the net obligation.

Yield tax is recognised continuously in profit or loss for the period to which the tax pertains and thus is not included in the liability calculation. For funded plans, the tax is charged to the return on plan assets and is recognised in other comprehensive income. For unfunded or partly unfunded plans, tax is charged to net profit.

Benefits in the case of termination

In connection with the termination of employment, a provision is recognised only in cases when the Company is obligated either to terminate an employee's or a group of employees' employment before the normal point in time, or when benefits are given as an offer to encourage voluntary employment termination. In the latter case, a liability and expense are recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-based benefits

The 2017 and 2018 Annual General Meetings resolved that call option programmes would be offered to members of senior management of the Group. Since a market premium was paid for the options, no personnel costs were incurred at the time of issuance. However, the terms stipulate that the employee may receive a certain subsidy for the premiums paid to the employee, provided that certain terms and conditions are fulfilled. The subsidy will be expensed and paid in September 2019 and September 2020 on the condition that all acquired call options remain and that the individual has remained an employee of the Bergman & Beving Group.

PROVISIONS

A provision is recognised in the balance sheet when the Group has a current legal or informal obligation resulting from a transpired event and when it is probable that an outflow of financial resources will be required to settle the obligation, and an accurate assessment of the amount can be made. When the effect of the timing of the payment is significant, provisions are calculated based on a discount of the expected future cash flow at an interest rate before taxes that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

Guarantees

A provision for guarantees is recognised when the underlying products or services are sold. The provision is based on historical data on guarantees and a total assessment of the possible outcomes in relation to the probabilities associated therewith.

Restructuring

A provision for restructuring is recognised when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either begun or been publicly announced. No provisions are set aside for future operating expenses.

Onerous contracts

A provision for onerous contracts is recognised when the benefits that the Group expects to receive from a contract are lower than the inevitable costs to fulfil the obligations in accordance with the contract.

TAXES

Income taxes consist of current taxes and deferred taxes. Income taxes are recognised in net profit, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity.

Current taxes are taxes to be paid or refunded relating to the current year, with the application of the tax rates resolved, or in practice resolved, as of the balance-sheet date. Current taxes also include adjustments of current taxes attributable to earlier periods.

Deferred taxes are calculated in accordance with the balance-sheet method based on temporary differences between the carrying amount of assets and liabilities and the value of assets and liabilities for tax purposes. Temporary differences arising from the recognition of consolidated goodwill are not taken into account. Nor are temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future. The measurement of deferred taxes is based on how the carrying amount of assets or liabilities is expected to be realised or settled. Deferred taxes are calculated using the tax rates and tax rules resolved, or in practice resolved, as of the balance-sheet date.

Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are recognised only to the extent that it is probable that it will be possible to utilise them. The value of deferred tax assets is reduced when it is no longer deemed probable that it will be possible to utilise them.

CONTINGENT LIABILITIES

A contingent liability is recognised when there is a possible undertaking arising from events that have occurred and the existence of which are confirmed only by the occurrence of one or more future uncertain events, or when an undertaking is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

When a non-current asset (or a disposal group) is classified as held for sale, this means that its carrying amount will essentially be recovered through a sale and not through use. A discontinued operation is a part of a company's operations that represents an independent operating segment, or a significant business in a geographic area, or is a subsidiary acquired solely for the purpose of being resold.

NOTE 1 cont.

Classification as a discontinued operation occurs upon sale or at an earlier point in time when the operation fulfils the criteria of being classified as held for sale. A disposal group that is to be closed can also qualify for classification as a discontinued operation, provided that it fulfils the size criteria outlined above.

Net profit from discontinued operations is recognised in a separate line in profit or loss and other comprehensive income. When an operation is classified as discontinued, the presentation of profit or loss and other comprehensive income for the comparative year is changed so that it is recognised as though the discontinued operation had discontinued at the start of the comparative year. The presentation of the balance sheet for the current and preceding year are not changed in a corresponding manner.

In accordance with IFRIC 17 Distributions of Non-cash Assets to Owners, a liability measured at fair value is recognised when the decision regarding the distribution is taken. A corresponding reduction in equity is recognised on the same date. On each occasion when a financial report is prepared, the liability is remeasured at fair value and any change in value is recognised in equity. If there is a difference between the fair value and consolidated value on the distribution date, this difference is recognised in profit or loss as a discontinued operation.

CONSOLIDATED CASH-FLOW STATEMENT

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

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

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

Cash and cash equivalents include cash and bank flows, as well as current investments whose conversion to bank funds may occur at an amount that is usually known in advance. Cash and cash equivalents include current investments with a term of less than three months.

PARENT COMPANY ACCOUNTING POLICIES

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

Amended accounting policies

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

Subsidiaries

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

Tangible non-current assets

For leased assets in the Parent Company, all leases are recognised in accordance with the rules for operating leases.

Employee benefits

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

Taxes

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

Financial guarantee agreements

In accordance with RFR 2, the Parent Company has elected not to apply the provisions in IAS 39 concerning financial guarantee agreements on behalf of subsidiaries.

Group contributions and shareholders' contributions

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

NOTE 2 DISTRIBUTION OF REVENUE

	Group		Parent Company	
	2018/2019	2017/2018	2018/2019	2017/2018
Revenue				
Sale of goods	3,879	3,768	-	-
Service assignments	63	58	28	21
Rental income	3	7	2	4
Commissions, bonuses and similar income	0	0	-	-
Total	**3,945**	**3,833**	**30**	**25**

Income in the Parent Company pertains to intra-Group services totalling MSEK 28 (21).

NOTE 3 OTHER OPERATING INCOME

	Group	
	2018/2019	2017/2018
Grants from EU, central and local government	0	0
Capital gain, sale of tangible non-current assets	0	0
Capitalised work for own account	10	-
Other	1	3
Total	**11**	**3**

NOTE 4 SEGMENT REPORTING

Bergman & Beving comprises three divisions: Building Materials, Workplace Safety and Tools & Consumables. The divisions are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group-wide includes the Group's management, finance, logistics, IT and legal affairs functions.

Bergman & Beving specialises in premium brands that offer innovation and quality for professional users in the construction and industrial sectors. Building Materials develops and markets a wide range of products and solutions in fastening elements and develops and sells fire sealing systems. Its products are offered under the ESSVE and Fireseal brands. Workplace Safety develops concepts within personal protective equipment for the manufacturing and construction sectors and offers proprietary brands such as Zekler, Guide, L. Brador, Cresto, Arbesko and Skydda. Tools & Consumables offers the market's broadest product range of tools and machinery for professional users in industry, construction and public sector operations. Tools & Consumables includes Luna, which is currently the Nordic region's leading supplier of high-quality tools and machinery, and the brands Teng Tools, Mareld, Limit, Ferax and Hvid. Both Luna and Teng Tools offers hand tools and smart storage solutions for professional users in the construction, engineering and automotive industries.

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

	2018/2019					
Revenue	Building Materials	Workplace Safety	Tools & Consumables	Group-wide	Eliminations	Group total
External customers	1,052	1,315	1,574	4	0	**3,945**
Internal customers	3	40	5	283	-331	**0**
Total	**1,055**	**1,355**	**1,579**	**287**	**-331**	**3,945**
Operating profit/loss	**88**	**115**	**53**	**-20**	**0**	**236**
Net financial items	-	-	-	-20	-	**-20**
Profit/loss after net financial items	**88**	**115**	**53**	**-40**	**0**	**216**
Goodwill	554	567	351	-	-	**1,472**
Other assets	758	906	1,156	1,323	-1,765	**2,378**
Total assets	**1,312**	**1,473**	**1,507**	**1,323**	**-1,765**	**3,850**
Liabilities	678	750	1,187	1,343	-1,765	**2,193**
Other disclosures, continuing operations						
Investments	18	27	17	18		**80**
Depreciation and amortisation	-4	-9	-12	-6		**-31**

	2017/2018					
Revenue	Building Materials	Workplace Safety	Tools & Consumables	Group-wide	Eliminations	Group total
External customers	1,009	1,308	1,501	15	0	**3,833**
Internal customers	0	9	3	351	-363	**0**
Total	**1,009**	**1,317**	**1,504**	**366**	**-363**	**3,833**
Operating profit	**92**	**100**	**17**	**7**	**0**	**216**
Net financial items	–	–	–	-24	-	**-24**
Profit/loss after net financial items	**92**	**100**	**7**	**-17**	**0**	**192**
Goodwill	542	566	322	–	–	**1,430**
Other assets	721	819	1,095	1,415	-1,847	**2,203**
Total assets	**1,263**	**1,385**	**1,417**	**1,415**	**-1,847**	**3,633**
Liabilities	654	688	1,217	1,362	-1,847	**2,074**
Other disclosures, continuing operations						
Investments	5	4	3	17		**29**
Depreciation and amortisation	-3	-9	-7	-6		**-25**

In addition to depreciation, amortisation and impairment losses, other non-cash items included in operating profit/loss pertain to changes to pension obligations totalling MSEK -36 (-32), of which MSEK -13 (-9) in Building Materials, MSEK -7 (-6) in Workplace Safety, MSEK -12 (-12) in Tools & Consumables and MSEK -4 (-4) in Group-wide.

INFORMATION ON GEOGRAPHIC AREA

The Group primarily conducts operations in Sweden, Norway and Finland. Revenue presented for the geographic markets is based on the domicile of the customers, while non-current assets are based on the geographic location of the operations.

	2018/2019		2017/2018	
	External revenue	Non-current assets	External revenue	Non-current assets
Sweden	1,633	1,651	1,692	1,549
Norway	1,151	63	1,042	46
Finland	325	6	336	7
Other countries	836	60	763	55
Group total	**3,945**	**1,780**	**3,833**	**1,657**

NOTE 5 EMPLOYEES AND PERSONNEL COSTS

Average no. of employees by country	2018/2019 No.	2018/2019 Of whom, women %	2017/2018 No.	2017/2018 Of whom, women %
Sweden, Parent Company	6	17	5	20
Sweden, other Swedish companies	562	34	848	30
Norway	118	13	203	16
Finland	40	33	102	20
Denmark	14	36	20	35
Estonia	54	28	54	28
Brazil	53	34	42	36
Poland	44	27	47	26
Other countries	137	31	137	29
Group total	**1,028**	**30**	**1,458**	**28**
Of which, discontinued operations	-	-	380	19

The number of full-time employees at year-end was 1,031 (1,028).

Percentage of women on Bergman & Beving's Board of Directors and senior management

Parent Company	2018/2019	2017/2018
Board of Directors	33%	33%
Group management	0%	0%
Group		
Boards of directors	5%	5%
Senior management	16%	17%

The category Senior management includes individuals in the management groups of other Group companies, totalling 110 employees (111).

Remuneration and other benefits	Group 2018/2019	Group 2017/2018
Salaries and other remuneration	520	529
Share-based benefits, call option programmes	-	-
Pension costs, defined-benefit plans	17	15
Pension costs, defined-contribution plans	44	40
Social security contributions	147	147
Total	**728**	**731**

Parent Company Remuneration and other benefits	2018/2019 Senior management	2018/2019 Other employees	2018/2019 Total	2017/2018 Senior management	2017/2018 Other employees	2017/2018 Total
Salaries and other remuneration	6	7	13	7	3	**10**
of which, variable remuneration	-	-	-	-	-	**-**
Social security contributions	4	2	6	4	5	**9**
of which, pension costs	2	0	2	2	2	**4**

The category Senior management includes members of Group management employed by the Parent Company.
The Parent Company's PRI pension obligations to President & CEO and Chairman of the Board amount to SEK 642 thousand (1,129), of which SEK 642 thousand (405) pertains to the President & CEO and SEK 0 thousand (724) pertains to the Chairman of the Board.

NOTE 5 cont.

PREPARATION AND DECISION-MAKING PROCESS CONCERNING REMUNERATION TO THE BOARD OF DIRECTORS, THE PRESIDENT & CEO AND OTHER MEMBERS OF SENIOR MANAGEMENT

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

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

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

Remuneration to directors, SEK thousand	Group	
	2018/2019	2017/2018
Chairman of the Board	700	520
Other directors	1,475	1,300
Total	**2,175**	**1,820**

Fees to the Board

In accordance with the resolution passed by the Annual General Meeting in August 2018, the directors received directors' fees for their work on Bergman & Beving AB's Board of Directors during the 2018/2019 operating year.

REMUNERATION AND OTHER BENEFITS TO GROUP MANAGEMENT IN 2018/2019

SEK thousand	Fixed salary	Variable salary	Long-term incentive (LTI)	Other benefits	Pension costs	Total remuneration and other benefits	Call options outstanding (no.)
Pontus Boman, President & CEO	3,794	-	300	128	1,138	**5,360**	60,000
Other members of Group management (1 position)	2,020	-	-	95	522	**2,637**	40,000
Total	**5,814**	**-**	**300**	**223**	**1,660**	**7,997**	**100,000**

REMUNERATION AND OTHER BENEFITS TO GROUP MANAGEMENT IN 2017/2018

SEK thousand	Fixed salary	Variable salary	Long-term incentive (LTI)	Other benefits	Pension costs	Total remuneration and other benefits	Call options outstanding (no.)
Ulf Lilius, President & CEO, April–14 June	926	-	-	19	200	**1,145**	-
Pontus Boman, President & CEO, 14 June–March	2,882	-	300	73	864	**4,119**	40,000
Other members of Group management (1 position)	2,596	-	-	113	719	**3,428**	20,000
Total	**6,404**	**-**	**300**	**205**	**1,783**	**8,692**	**60,000**

PRESIDENT & CEO

Pontus Boman assumed the position of President & CEO of Bergman & Beving on 14 June 2017 in conjunction with the separate listing of the Momentum Group operating segment. In the preceding year, Ulf Lilius was President & CEO of Bergman & Beving AB and head of the Momentum Group operating segment for the period from 1 April 2017 to 14 June 2017.

Remuneration to the President & CEO of Bergman & Beving AB comprises fixed salary, variable salary, participation in the call option programmes 2017/2021 and 2018/2022 (see below for a more detailed description), other benefits and pension. For the Company's President & CEO, variable salary can amount to a maximum of 30 percent of fixed salary, based on the Group's earnings. In addition, a premium of 20 percent of the variable salary can be paid as a consideration for the entire variable portion being used to acquire shares in Bergman & Beving AB.

From the age of 65, the President & CEO is covered by a defined-contribution pension, whose size depends on the outcome of the pension insurance policies taken out. Pension premiums paid include premiums for health insurance. In the event of termination of employment at the initiative of the Company, the period of notice is 12 months. Aside from salary and other benefits during the period of notice, no severance pay will be issued to the President & CEO in the event of termination of employment at the initiative of the Company.

OTHER MEMBERS OF GROUP MANAGEMENT

Other members of Group management during the period from 1 April 2017 to 14 June 2017 included Pontus Boman, Executive Vice President with overall responsibility for the Bergman & Beving operating segment, and Peter Schön, CFO of Bergman & Beving AB. During the period from 14 June 2017 to 31 March 2019, Peter Schön, CFO of Bergman & Beving AB, was the only other member of Group management.

Remuneration to other members of Group management comprises fixed salary, variable salary, participation in the call option programmes 2017/2021 and 2018/2022 (see below for a more detailed description), other benefits and pension. The variable salary amounts to a maximum of 30 percent of fixed salary, based on the Group's earnings. In addition, a premium of 20 percent of the variable salary can be paid as a consideration for the entire variable portion being used to acquire shares in Bergman & Beving AB.
From the age of 65, the other members of Group management are covered by pension entitlements based on individual agreements. The existing pension solutions are mainly defined-contribution pensions, whose size depends on the outcome of the pension insurance policies taken out. Pension premiums paid include premiums for health insurance.

Outstanding defined-benefit pension obligations according to the ITP plan total SEK 0 thousand (6). In the event of termination of employment at the initiative of the Company, the period of notice is a maximum of nine months. In addition to salary and other benefits during the notice period, a severance payment of not more than three months' salary is payable by the Company.

LONG-TERM INCENTIVE (LTI) PROGRAMMES

In 2016, the Board of Bergman & Beving AB decided to offer a long-term incentive programme to Pontus Boman involving an annual cash-based gross remuneration amount of SEK 300 thousand over a three-year period starting in 2016/2017. Payment of the cash-based gross remuneration amount was conditional on an initial investment in Bergman & Beving shares of approximately MSEK 2.5, with continued employment by the Company. As in 2017/2018, gross remuneration of SEK 300 thousand was paid for the 2018/2019 financial year.

NOTE 5 cont.

GUIDELINES FOR DETERMINING REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR THE PRESIDENT & CEO AND OTHER MEMBERS OF GROUP MANAGEMENT

For the Board of Directors, it is crucial that the Company is able to recruit, provide long-term motivation for and retain competent employees who create long and short-term shareholder value. To achieve this goal, it is important that the Company is able to offer competitive terms. The Company's remuneration levels and remuneration structure for Group management are to be in line with market conditions. The total remuneration package for the individuals in question is to comprise a balanced combination of fixed salary, variable salary, long-term incentive programmes, pension benefits and other benefits. Variable salary and long-term incentive programmes should primarily be linked to the Group's earnings and value performance.

- Fixed salary is to be adjusted to market conditions and be based on responsibility, competence and performance. Fixed salary is determined based on market principles and is reviewed annually.
- Variable salary is to be determined in relation to fixed salary and is set as a function of the Group's earnings.
- Members of Group management are to be included in a long-term incentive programme (LTI programme).
- Pension benefits are to comprise either a defined-benefit pension plan or a defined-contribution plan, whose annual premium is determined as a function of fixed salary, variable remuneration and age. Certain individual adjustments occur. The retirement age for Group management is currently 65.
- Other benefits are to be in line with market conditions and enable the members of Group management to perform their duties.
- In the event of termination of employment at the initiative of the President & CEO or another member of Group management, the period of notice is six months. In the event of termination of employment on the initiative of the Company, the period of notice is a maximum of 12 months. Severance pay may amount to a maximum of 12 months' salary.

The Board is entitled to deviate from the above guidelines in individual cases if special reasons exist.

Guidelines established at the Annual General Meeting of Bergman & Beving AB held on 23 August 2018. These guidelines have been applied to all agreements entered into with the President & CEO and other members of Group management during 2018/2019.

CALL OPTION PROGRAMME 2018/2022

Following a resolution passed by the Annual General Meeting in August 2018, 16 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 210,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 210,000, corresponding to 0.8 percent of the total number of shares and 0.6 percent of the votes. The price per call option is SEK 7.10, equivalent to the market value according to the external valuation performed by Nordea Bank according to the Black & Scholes model. Each option entitles its holder to purchase one Class B share in Bergman & Beving AB at a redemption price of SEK 117.90, with a redemption period from 13 September 2021 until 10 June 2022, inclusive. The programme was secured in its entirety through repurchase of treasury shares.

This offering is linked to a subsidy corresponding to the paid option price. This means that an amount of SEK 7.10 per acquired call option can be paid to the holder. The subsidy is to be paid by the holder's employer in September 2020 on the condition that all originally acquired call options in this programme remain and that the individual has remained an employee of the Bergman & Beving Group.

CALL OPTION PROGRAMME 2017/2021

Following a resolution passed by the Annual General Meeting in August 2017, ten senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 160,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 160,000, corresponding to 0.6 percent of the total number of shares and 0.4 percent of the votes. The price per call option is SEK 8.20, equivalent to the market value according to the external valuation performed by Nordea Bank according to the Black & Scholes model. Each option entitles its holder to purchase one Class B share in Bergman & Beving AB at a redemption price of SEK 118.10, with a redemption period from 14 September 2020 until 11 June 2021, inclusive. The programme was secured in its entirety through repurchase of treasury shares.

This offering is linked to a subsidy corresponding to the paid option price. This means that an amount of SEK 8.20 per acquired call option can be paid to the holder. The subsidy is to be paid by the holder's employer in September 2019 on the condition that all originally acquired call options in this programme remain and that the individual has remained an employee of the Bergman & Beving Group.

The table below shows the options issued and options outstanding as of 31 March 2019:

	Date of issue	Redemption period	Redemption price, SEK	No. of options issued	No. of options outstanding	Settlement method
Group						
Call option programme 2017/2021	Sep 2017	14 Sep 2020–11 Jun 2021	118.10	160,000	160,000	Physical delivery
Call option programme 2018/2022	Sep 2018	13 Sep 2021–10 Jun 2022	117.90	210,000	210,000	Physical delivery
Parent Company						
Call option programme 2017/2021	Sep 2017	14 Sep 2020–11 Jun 2021	118.10	80,000	80,000	Physical delivery
Call option programme 2018/2022	Sep 2018	13 Sep 2021–10 Jun 2022	117.90	80,000	80,000	Physical delivery

No call options were redeemed in 2018/2019.

NOTE 6 FEES AND REIMBURSEMENT TO AUDITORS

	Group		Parent Company	
	2018/2019	2017/2018	2018/2019	2017/2018
Audit assignment				
KPMG	4	4	1	1
Other auditors	1	0	-	-
Fees for audit assignment	**5**	**4**	**1**	**1**
Audit activities in addition to audit assignment				
KPMG	0	2	-	-
Other auditors	0	0	-	-
Fees for audit activities in addition to audit assignment	**0**	**2**	**-**	**-**
Tax advisory services				
KPMG	0	0	0	0
Other auditors	0	0	-	-
Fees for tax advisory services	**0**	**0**	**0**	**0**
Other assignments				
KPMG	1	0	0	0
Fees for other assignments	**1**	**0**	**0**	**0**
Total fees to auditors	**6**	**6**	**1**	**1**

Audit assignment refers to statutory auditing of the Annual Report and accounting as well as the administration of the Board of Directors and the President & CEO, and auditing and other reviews carried out in accordance with the law, agreements or contracts.

This includes other work assignments that are incumbent upon the Company's auditors as well as advisory services or other assistance occasioned through the findings of such reviews or the performance of such other work assignments.

Other assignments comprise advisory services concerning accounting issues. In addition, KPMG had assignments related to discontinued operations in an amount of MSEK 0.8 in 2017/18.

NOTE 7 NET FINANCIAL ITEMS

Group	2018/2019	2017/2018
Interest income	7	7
Dividends	0	0
Net exchange-rate changes	0	-
Other financial income	0	0
Financial income	**7**	**7**
Interest expense	-14	-14
Net interest income on defined-benefit pensions	-12	-12
Net exchange-rate changes	-	-2
Other financial expenses	-1	-3
Financial expenses	**-27**	**-31**
Net financial items	**-20**	**-24**

Parent Company

Interest income and similar profit/loss items	2018/2019	2017/2018
Interest income, Group companies	44	44
Interest income, other	6	6
Net exchange-rate changes	1	-
Total	**51**	**50**

Parent Company

Interest expenses and similar profit/loss items	2018/2019	2017/2018
Interest expenses, Group companies	-1	-1
Interest expenses, other	-16	-15
Net exchange-rate changes	-	-3
Other financial expenses	0	-1
Total	**-17**	**-20**

NOTE 8 APPROPRIATIONS

	Parent Company	
	2018/2019	2017/2018
Tax allocation reserve, provision for the year	-20	-11
Tax allocation reserve, reversal for the year	0	49
Group contributions received	159	142
Group contributions paid	-109	-166
Total	**30**	**14**

NOTE 9 TAXES

TAXES RECOGNISED IN PROFIT OR LOSS	Group		Parent Company	
	2018/2019	2017/2018	2018/2019	2017/2018
Current tax				
Tax expense for the period	-43	-28	-13	-7
Deduction of foreign taxes	-1	0	-	-
Adjustment of taxes attributable to earlier years	-1	1	0	0
Total current tax	**-45**	**-27**	**-13**	**-7**
Deferred tax				
Deferred tax attributable to temporary differences	-5	-8	0	0
Effect of other tax rates and changed tax legislation	3	1	-	-
Utilisation of previously capitalised tax loss carryforwards	0	0	-	-
Total deferred tax	**-2**	**-7**	**0**	**0**
Total tax	**-47**	**-34**	**-13**	**-7**

RECONCILIATION OF EFFECTIVE TAXES

Group

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

Reconciliation of effective taxes	2018/2019	2017/2018
Profit before taxes, continuing operations	216	192
Taxes at an average tax rate of 22 percent (21)	-48	-40
Tax effect of:		
Changed tax rate	3	1
Standard rate on tax allocation reserve	0	0
Taxes attributable to earlier years	-1	1
Utilisation of previously non-capitalised tax loss carryforwards	1	-
Non-deductible expenses	-3	-3
Non-taxable income	1	5
Other items	0	2
Total tax	**-47**	**-34**

Parent Company

The relationship between the Swedish tax rate of 22 percent (22) and recognised taxes for the Parent Company is presented in the following table:

Reconciliation of effective taxes	2018/2019	2017/2018
Profit after financial items and Group contributions	79	-7
Tax at a tax rate of 22 percent (22)	-17	2
Tax effect of:		
Appropriations	4	-8
Standard rate on tax allocation reserve	0	0
Taxes attributable to earlier years	0	0
Non-deductible expenses	0	-1
Non-taxable income	-	0
Total tax	**-13**	**-7**

TAXES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME AND DIRECTLY AGAINST EQUITY

Tax items recognised in comprehensive income in the Group and the Parent Company or directly against equity in the Parent Company	Group		Parent Company	
	2018/2019	2017/2018	2018/2019	2017/2018
Deferred tax on defined-benefit pension plans	3	13	-	-
Deferred tax on hedge accounting of financial instruments	-1	2	-1	2
Total	**2**	**15**	**-1**	**2**

NOTE 9 cont.

DEFERRED TAX RECOGNISED IN THE BALANCE SHEET

Deferred tax assets and liabilities

Deferred tax assets and liabilities in the balance sheet are attributable as follows:

	31 Mar 2019			31 Mar 2018		
Group	Receivables	Liabilities	Net	Receivables	Liabilities	Net
Intangible assets	-	-26	**-26**	3	-22	**-19**
Land and buildings	-	0	**0**	-	0	**0**
Machinery and equipment	0	-	**0**	0	-	**0**
Financial non-current assets	4	-	**4**	2	-	**2**
Inventories	10	-	**10**	10	-	**10**
Accounts receivable	0	-	**0**	1	-	**1**
Untaxed reserves	0	-57	**-57**	-	-52	**-52**
Pension provisions	58	-2	**56**	57	-2	**55**
Other provisions	1	2	**3**	2	1	**3**
Other	5	-13	**-8**	5	-14	**-9**
Tax loss carryforwards	1	-	**1**	1	-	**1**
Total	**79**	**-96**	**-17**	**81**	**-89**	**-8**

	31 Mar 2019			31 Mar 2018		
Parent Company	Receivables	Liabilities	**Net**	Receivables	Liabilities	**Net**
Financial non-current assets	0	-	**0**	2	-	**2**
Pension provisions	-	-	-	-	-	**-**
Total	**0**	**-**	**0**	**2**	**-**	**2**

Non-capitalised tax loss carryforwards in the Group amounted to MSEK 0 (0).

A reconciliation of deferred net receivables (net liability) from the beginning of the year until year-end is shown in the tables below:

Group	31 Mar 2019	31 Mar 2018
Opening balance at the beginning of the year, net	-8	4
Acquisition of subsidiaries and other business units	-8	-11
Discontinued operations	-	-10
Taxes charged against net profit, continuing operations	-2	-7
Taxes on items recognised in consolidated comprehensive income	2	15
Translation differences	-1	1
Closing balance at year-end, net	**-17**	**-8**

Parent Company	31 Mar 2019	31 Mar 2018
Opening balance at the beginning of the year, net	2	0
Taxes charged against net profit	-1	0
Taxes on items recognised in the Parent Company's comprehensive income	-1	2
Closing balance at year-end, net	**0**	**2**

Changes in temporary differences during the year are recognised in profit or loss in accordance with the table below, including the statement of comprehensive income, for continuing operations.

Group	31 Mar 2019	31 Mar 2018
Intangible assets	4	0
Land and buildings	0	0
Machinery and equipment	0	0
Financial non-current assets	-1	2
Inventories	1	-18
Accounts receivable	0	0
Untaxed reserves	-6	11
Pension provisions	0	12
Other provisions	1	0
Other	1	1
Tax loss carryforwards	0	0
Total	**0**	**8**

Parent Company	31 Mar 2019	31 Mar 2018
Financial non-current assets	0	2
Total	**0**	**2**

NOTE 10 INTANGIBLE NON-CURRENT ASSETS

	2018/2019					2017/2018					
	Acquired intangible assets					Internally generated	Acquired intangible assets				
Group	Goodwill	Brands	Customer relations	Other	Total	Software	Goodwill	Brands	Customer relations	Other	Total
Accumulated cost											
At the beginning of the year	1,430	70	113	114	1,727	26	1,837	58	139	156	2,216
Investments	-	-	-	45	45	-	-	-	-	5	5
Acquisition of subsidiaries	39	-	32	1	72	-	40	16	11	10	77
Discontinued operations	-	-	-	-	-	-26	-444	-4	-39	-61	-574
Sales and disposals	-	-	-32	-	-32	-	-	-	-	-5	-5
Reclassifications	-	-	-	10	10	-	-	-	-	8	8
Translation differences	3	-	1	0	4	-	-3	-	2	1	0
At year-end	**1,472**	**70**	**114**	**170**	**1,826**	**-**	**1,430**	**70**	**113**	**114**	**1,727**
Accumulated amortisation											
At the beginning of the year	-	-5	-75	-78	-158	-	-	-8	-71	-114	-193
Amortisation for the year	-	-2	-11	-4	-17	-	-	-1	-7	-3	-11
Acquisition of subsidiaries	-	-	-	-1	-1	-	-	-	-	-7	-7
Discontinued operations	-	-	-	-	-	-	-	4	4	38	46
Sales and disposals	-	-	32	0	32	-	-	-	-	6	6
Translation differences	-	-	-1	0	-1	-	-	-	-1	2	1
At year-end	**-**	**-7**	**-55**	**-83**	**-145**	**-**	**-**	**-5**	**-75**	**-78**	**-158**
Impairment losses on cost											
At the beginning of the year	-	0	-	0	0	-	-	0	-	0	0
At year-end	**-**	**0**	**-**	**0**	**0**	**-**	**-**	**0**	**-**	**0**	**0**
Carrying amount at the beginning of the year	1,430	65	38	36	1,569	26	1,837	50	68	42	2,023
Carrying amount at year-end	**1,472**	**63**	**59**	**87**	**1,681**	**-**	**1,430**	**65**	**38**	**36**	**1,569**

	2018/2019	2017/2018
Parent Company	**Software**	**Software**
Accumulated cost		
At the beginning of the year	4	4
At year-end	**4**	**4**
Accumulated amortisation		
At the beginning of the year	-4	-4
At year-end	**-4**	**-4**
Carrying amount at the beginning of the year	**0**	**0**
Carrying amount at year-end	**0**	**0**

NOTE 10 cont.

IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH AN INDEFINABLE USEFUL LIFE

Recognised goodwill values were tested prior to the balance-sheet date on 31 March 2019, using the balance sheet on 28 February 2019 as a base. As of the 2017/2018 operating year, Bergman & Beving's operating segments comprise Building Materials, Workplace Safety and Tools & Consumables. The divisions are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations.

The Group's total goodwill value of MSEK 1,472 (1,430) has been allocated by operating segment according to the table below:

	31 Mar 2019	31 Mar 2018
Building Materials	554	542
Workplace Safety	567	566
Tools & Consumables	351	322
Total goodwill	**1,472**	**1,430**

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

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

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

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

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

BRANDS

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

NOTE 11 TANGIBLE NON-CURRENT ASSETS

Group	2018/2019 Land and buildings	2018/2019 Leasehold improvements	2018/2019 Machinery and equipment	2018/2019 Construction in progress	2018/2019 Total	2017/2018 Land and buildings	2017/2018 Leasehold improvements	2017/2018 Machinery and equipment	2017/2018 Construction in progress	2017/2018 Total
Accumulated cost										
At the beginning of the year	56	26	218	5	**305**	35	62	399	6	**502**
Investments	-	2	12	21	**35**	-	2	9	13	**24**
Acquisition of subsidiaries	4	0	2	-	**6**	125	-	50	1	**176**
Sales and disposals[1]	7	-	-4	-	**3**	-68	-	-5	-	**-73**
Discontinued operations	-	-	-	-	**-**	-35	-39	-237	-3	**-314**
Reclassifications	-	2	1	-13	**-10**	-	1	-	-12	**-11**
Translation differences	0	0	0	-	**0**	-1	-	2	-	**1**
At year-end	**67**	**30**	**229**	**13**	**339**	**56**	**26**	**218**	**5**	**305**
Accumulated depreciation										
At the beginning of the year	-24	-7	-184		**-215**	-28	-27	-334		**-389**
Depreciation for the year	-1	-2	-11		**-14**	-2	-2	-10		**-14**
Acquisition of subsidiaries	-3	0	-2		**-5**	-49	-	-45		**-94**
Sales and disposals[1]	-7	-	4		**-3**	27	-	4		**31**
Discontinued operations	-	-	-		**-**	28	22	200		**250**
Reclassifications	-	-	0		**0**	-	-	-		**-**
Translation differences	-1	0	0		**-1**	-	-	1		**1**
At year-end	**-36**	**-9**	**-193**	**-**	**-238**	**-24**	**-7**	**-184**	**-**	**-215**
Impairment losses on cost										
At the beginning of the year	-	-2	0		**-2**	-	-1	0		**-1**
Impairment losses for the year	-	-	-		**-**	-	-1	-		**-1**
Translation differences	-	-	0		**0**	-	-	-		**-**
At year-end	**-**	**-2**	**0**	**-**	**-2**	**-**	**-2**	**0**	**-**	**-2**
Carrying amount at the beginning of the year	**32**	**17**	**34**	**5**	**88**	**7**	**34**	**65**	**6**	**112**
Carrying amount at year-end	**31**	**19**	**36**	**13**	**99**	**32**	**17**	**34**	**5**	**88**

Parent Company	2018/2019 Leasehold improvements	2018/2019 Equipment	2018/2019 Total	2017/2018 Leasehold improvements	2017/2018 Equipment	2017/2018 Total
Accumulated cost						
At the beginning of the year	3	5	**8**	3	5	**8**
Investments	0	-	**0**	-	-	**-**
At year-end	**3**	**5**	**8**	**3**	**5**	**8**
Accumulated depreciation according to plan						
At the beginning of the year	-2	-5	**-7**	-2	-5	**-7**
Depreciation for the year according to plan	-	-	**-**	-	-	**-**
At year-end	**-2**	**-5**	**-7**	**-2**	**-5**	**-7**
Impairment losses on cost						
At the beginning of the year	-1	-	**-1**	-1	-	**-1**
At year-end	**-1**	**-**	**-1**	**-1**	**-**	**-1**
Carrying amount at the beginning of the year	**0**	**0**	**0**	**0**	**0**	**0**
Carrying amount at year-end	**0**	**0**	**0**	**0**	**0**	**0**

[1] The loss on the disposal of tangible non-current assets amounted to MSEK 0 (0).

NOTE 12 SHARES IN ASSOCIATED COMPANIES

	Group	
Carrying amount	31 Mar 2019	31 Mar 2018
At the beginning of the year	-	9
Discontinued operations	-	-9
Share of profit	-	-
At year-end	**-**	**-**

All shares in associated companies were included in discontinued operations in 2017/18.

NOTE 13 RECEIVABLES FROM GROUP COMPANIES

Parent Company	31 Mar 2019	31 Mar 2018
Carrying amount at the beginning of the year	**1,627**	**2,285**
Additional assets	11	0
Deducted assets	-12	-658
Carrying amount at year-end	**1,626**	**1,627**

NOTE 14 LONG-TERM RECEIVABLES AND OTHER RECEIVABLES

Group	31 Mar 2019	31 Mar 2018
Long-term receivables classified as non-current assets		
Pension funds	1	1
Other receivables	2	1
Total	**3**	**2**

Group	31 Mar 2019	31 Mar 2018
Other receivables classified as current assets		
Advance payments	7	3
Derivatives	1	0
VAT receivable	12	12
Receivable from pension foundations	5	5
Other receivables	15	13
Total	**40**	**33**

NOTE 15 INVENTORIES

Group	31 Mar 2019	31 Mar 2018
Finished goods and goods for resale at the beginning of the year	**879**	**1,595**
Change in discontinued operations	-	-848
Change for the year	62	122
Impairment losses	-8	-5
Reversal of previous impairment losses	9	15
Finished goods and goods for resale at year-end	**942**	**879**

The cost of goods sold includes impairment of inventories in the amount of MSEK -8 (-5) and the reversal of previous impairment of MSEK +9 (+15), yielding a net amount of MSEK +1 (+10).

NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
Prepaid expenses				
Rent	11	12	1	1
Insurance premiums	1	1	-	-
Marketing costs	2	1	-	-
Leases	2	1	-	-
Computer costs	4	2	-	-
Packaging	2	2	-	-
Licences	2	2	0	0
Other prepaid expenses	4	11	1	1
Accrued income				
Commission and bonus income	4	10	-	-
Other accrued income	1	4	-	-
Total	**33**	**46**	**2**	**2**

NOTE 17 RESERVES AND EQUITY

Group	31 Mar 2019	31 Mar 2018
Translation reserve		
Opening translation reserve	-26	-24
Translation differences for the year	5	-2
Tax attributable to change for the year	-	-
Closing translation reserve	**-21**	**-26**
Hedging reserve		
Opening hedging reserve	-5	3
Cash-flow hedges recognised in other comprehensive income:		
Hedging for the year	-2	-7
Transferred to profit or loss	7	-3
Tax attributable to hedges for the year	-1	2
Closing hedging reserve	**-1**	**-5**
Total reserves		
Opening reserves	-31	-21
Change in reserves for the year:		
Translation reserve	5	-2
Hedging reserve	5	-10
Tax attributable to changes in reserves for the year	-1	2
Closing reserves	**-22**	**-31**

NOTE 17 cont.

REPURCHASED OWN SHARES INCLUDED IN THE EQUITY ITEM RETAINED EARNINGS, INCLUDING NET PROFIT

	31 Mar 2019	31 Mar 2018
Opening repurchased Class B shares	1,426,706	**184,300**
Repurchase of own shares	-	1,255,706
Sale of treasury shares in connection with redemption of share options	-	-13,300
Reduction in no. of shares	-1,000,000	-
Closing repurchased own shares	**426,706**	**1,426,706**

SHARE CAPITAL

Stated in thousands of shares	31 Mar 2019	31 Mar 2018
Issued as of 1 April	28,436	28,436
Reduction in no. of shares	-1000	-
Issued as of 31 March – paid in full	**27,436**	**28,436**

As of 31 March 2019, the registered share capital comprised 1,062,436 Class A shares and 26,373,980 Class B shares. All shares have a quotient value of SEK 2.07 (2.00). All shares entitle their holders to the same rights to the Company's remaining net assets. For shares held in treasury (see below), all rights are rescinded until these shares have been reissued.

OTHER CONTRIBUTED CAPITAL

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

RESERVES

Translation reserve

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

Fair value reserve

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

RETAINED EARNINGS, INCLUDING NET PROFIT

Retained earnings, including net profit, include profit earned in the Parent Company, its subsidiaries and associated companies. Earlier allocations to the statutory reserve, not including share premium reserves, are included in this capital item.

REPURCHASED SHARES

Repurchased shares include the acquisition cost of treasury shares held by the Parent Company, its subsidiaries and associated companies. As of 31 March 2019, the Group held 426,706 own shares (1,426,706) in treasury.

CALL OPTION PROGRAMME 2017/2021

Following a resolution passed by the Annual General Meeting in August 2017, ten senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 160,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 160,000, corresponding to 0.6 percent of the total number of shares and 0.4 percent of the votes. The call options were conveyed at a price of SEK 8.20 per call option, equivalent to the market value of the options according to an external valuation performed by Nordea Bank. The redemption price for the call options is SEK 118.10 and the redemption period is from 14 September 2020 until 11 June 2021, inclusive.

CALL OPTION PROGRAMME 2018/2022

Following a resolution passed by the Annual General Meeting in August 2018, 16 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 210,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 210,000, corresponding to 0.8 percent of the total number of shares and 0.6 percent of the votes. The call options were conveyed at a price of SEK 7.10 per call option, equivalent to the market value of the options according to an external valuation performed by Nordea Bank. The redemption price for the call options is SEK 117.90 and the redemption period is from 13 September 2021 until 10 June 2022, inclusive.

APPROPRIATION OF PROFIT

The Board of Directors proposes a dividend of SEK 3.00 (2.50) per share, totalling SEK 81,029 thousand calculated based on the number of shares as of 31 March 2019, and with due consideration for the 426,706 repurchased shares held in treasury.

SEK thousand	
Retained earnings	1,144,128
Net profit	44,843
	1,188,971
The Board of Directors proposes that the available funds be allocated as follows:	
Dividend to shareholders, SEK 3.00 per share	81,029
To be brought forward	1,107,942
Total	**1,188,971**

During the past ten years, the ordinary dividend has amounted to approximately 43 percent of earnings per share.

Year	Earnings per share 1)	Dividend 1)	Pay-out ratio, %
2018/2019	6.25	3.00	48%
2017/2018	5.70	2.50	44%
2016/2017	8.40	5.00	60%
2015/2016	12.90	5.00	39%
2014/2015	10.90	4.00	37%
2013/2014	7.60	3.50	46%
2012/2013	7.90	3.00	38%
2011/2012	8.10	3.00	37%
2010/2011	6.90	3.00	43%
2009/2010	4.80	2.50	52%
Total	**79.45**	**34.50**	**43%**

1) Earnings per share for 2017/2018 pertain only to continuing operations. No recalculation took place for 2016/2017 or for preceding years. Accordingly, Earnings per share and Dividends pertain to the B&B TOOLS Group including Momentum Group.

CAPITAL MANAGEMENT

Bergman & Beving's long-term targets

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

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

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

NOTE 18 EARNINGS PER SHARE

EARNINGS PER SHARE FOR THE GROUP AS A WHOLE

	Before dilution		After dilution	
SEK	2018/2019	2017/2018	2018/2019	2017/2018
Continuing operations	6.25	5.70	6.25	5.70
Discontinued operations	-	39.25	-	39.20
Earnings per share	6.25	44.95	6.25	44.90

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

EARNINGS PER SHARE BEFORE DILUTION

The calculation of earnings per share for 2018/2019 was based on net profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 169 (1,249) and a weighted average number of shares outstanding during 2018/2019 amounting to 27,010,000 (27,785,000). The two components have been calculated in the following manner:

Net profit attributable to Parent Company shareholders, before dilution

	2018/2019	2017/2018
Net profit attributable to Parent Company shareholders	169	1,249
Profit attributable to Parent Company shareholders, before dilution	**169**	**1,249**

Weighted average number of shares outstanding, before dilution

Stated in thousands of shares	2018/2019	2017/2018
Total number of shares, 1 April	28,436	28,436
Reduction in no. of shares	-1,000	-
Effect of holding of treasury shares	-426	-651
Number of shares for calculation of earnings per share	**27,010**	**27,785**

EARNINGS PER SHARE AFTER DILUTION

The calculation of earnings per share after dilution for 2018/2019 was based on profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 169 (1,249) and a weighted average number of shares outstanding during 2018/2019 amounting to 27,010,000 (27,816,000). The two components have been calculated in the following manner:

Net profit attributable to Parent Company shareholders, after dilution

	2018/2019	2017/2018
Net profit attributable to Parent Company shareholders	169	1,249
Profit attributable to Parent Company shareholders, before dilution	**169**	**1,249**

Weighted average number of shares outstanding, after dilution

Stated in thousands of shares	2018/2019	2017/2018
Total number of shares, 1 April	28,436	28,436
Reduction in no. of shares	-1,000	-
Effect of holding of treasury shares	-426	-651
Effect of option programmes	-	31
Number of shares for calculation of earnings per share	**27,010**	**27,816**

As of 31 March 2019, Bergman & Beving AB had two outstanding call option programmes, for both of which the redemption price exceeded the share price as of 31 March 2019. Details about these call option programmes are provided in Note 5 Employees and personnel costs.

NOTE 19 PROVISIONS FOR PENSIONS

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

DEFINED-CONTRIBUTION PENSION PLANS

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

DEFINED-BENEFIT PENSION PLANS

These plans mainly cover retirement pensions. Vesting is based on the number of years of service. For each year of service, the employee earns an increased right to pension, which is recognised as benefits earned during the year and as an increase in pension obligations. The defined-benefit plans are exposed to actuarial risks, such as length of life, currency, interest-rate and investment risks. Approximately 94 percent of the pension obligations' gross present value pertains to Swedish PRI pensions, which are unfunded pension plans.

Commitments for employee benefits, defined-benefit plans

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

Group	31 Mar 2019	31 Mar 2018
Pension obligations unfunded plans, present value	642	620
Pension obligations funded plans, present value	37	39
Plan assets, fair value	-34	-37
Net pension obligations	**645**	**622**

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

	31 Mar 2019	31 Mar 2018
Plan assets for pension obligations	-1	-1
Provisions for pensions and similar commitments	646	623
Net liabilities according to the balance sheet	**645**	**622**
Of which, credit insured through PRI Pensionsgaranti	356	352

Performance of pension obligations and plan assets

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

Pension obligations unfunded plans	31 Mar 2019	31 Mar 2018
Opening balance	620	577
Benefits earned during the year	17	14
Interest expense	12	11
Benefits paid	-22	-21
Other	0	1
Remeasurement recognised in other comprehensive income, see separate specification	15	59
Discontinued operations	-	-21
Translation differences	0	0
Pension obligations unfunded plans, present value	**642**	**620**

NOTE 19 cont.

Pension obligations funded plans	31 Mar 2019	31 Mar 2018
Opening balance	39	48
Benefits earned during the year	0	1
Interest expense	1	1
Benefits paid	-2	-2
Remeasurement recognised in other comprehensive income, see separate specification	0	1
Acquired operations	-	4
Discontinued operations	-	-14
Other	-1	-1
Translation differences	0	1
Pension obligations funded plans, present value	**37**	**39**

Present value of pension obligation specified by category (%)	31 Mar 2019	31 Mar 2018
Active	13	13
Paid-up policy holders	40	40
Pensioners	47	47
Total	**100**	**100**

Plan assets	31 Mar 2019	31 Mar 2018
Opening balance	37	48
Interest income recognised in profit or loss	1	0
Funds contributed by employers	1	1
Funds paid to employers	-2	-2
Remeasurement recognised in other comprehensive income, see separate specification	-1	1
Acquired operations	-	3
Discontinued operations	-	-15
Other	-1	0
Translation differences	-1	1
Plan assets, fair value	**34**	**37**

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

Plan assets	31 Mar 2019	31 Mar 2018
Cash and cash equivalents	1	2
Equity instruments	4	4
Debt instruments	24	27
Properties	4	3
Other assets	1	1
Plan assets, fair value	**34**	**37**

All plan assets are managed by an insurance company and are included in the insurance company's asset portfolio. The assets are thus not considered to be traded on an active market from Bergman & Beving's perspective. Estimated pension payments from funded pension obligations over the next ten-year period are calculated at approximately MSEK 24 and the liquidity risk is thus clearly limited with respect to the correlation between plan assets and obligations.

Net change in defined-benefit obligations during the year	31 Mar 2019	31 Mar 2018
Opening balance	622	577
Pension costs, defined-benefit plans	29	27
Benefits paid	-24	-23
Funds contributed by employer	-1	-1
Funds paid to employer	2	2
Remeasurement recognised in other comprehensive income, see separate specification	16	59
Acquired operations	-	1
Discontinued operations	-	-20
Other	0	0
Translation differences	1	0
Closing balance	**645**	**622**

Pension costs

Costs recognised in net profit	2018/2019	2017/2018
Pensions earned during the period	17	15
Net interest expense	12	12
Pension costs, defined-benefit plans	**29**	**27**
Pension costs, defined-contribution plans	44	40
Pension costs in net profit	**73**	**67**

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

Remeasurement recognised in other comprehensive income	2018/2019	2017/2018
Actuarial gains and losses attributable to demographic assumptions	0	0
Actuarial gains and losses attributable to financial assumptions	-25	-30
Actuarial gains and losses attributable to experience-based assumptions	9	-30
Total remeasurement, pension obligations	**-16**	**-60**
Difference between actual return and return according to discount rate on plan assets	0	1
Total remeasurement included in other comprehensive income	**-16**	**-59**

Actuarial assumptions

2018/2019	Sweden	Norway	Taiwan
Discount rate, 31 March, %	2.10	2.50	0.90
Expected salary increase, %	2.75	2.50	2.75
Expected inflation, % 1)	1.75	0.00	0.00
Expected remaining period of service, years	13.5	7.9	15.0
2017/2018	**Sweden**	**Norway**	**Taiwan**
Discount rate, 31 March, %	2.10	2.50	1.20
Expected salary increase, %	2.75	2.25	2.75
Expected inflation, % 1)	1.50	0.00	0.00
Expected remaining period of service, years	12.5	2.3	15.0

1) Inflation assumption is equivalent to pension indexation, which applies in both Sweden and Norway.

Length of life assumptions

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

	Sweden	Norway	Taiwan
Length of life assumptions at 65 years of age – retired members:			
Men	21.7	21.6	18.3
Women	23.4	24.8	21.5
Length of life assumptions at 65 years of age for members who are 40 years of age:			
Men	24.2	23.8	18.3
Women	25.2	27.1	21.5

Sensitivity analysis

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

Changes in pension obligations due to changed assumptions (MSEK):	Liability (increase/	decrease):
Discount rate, -0.50%/+0.50%	55	-48
Salary increases, +0.50%/-0.50%	20	-17
Inflation, +0.50%/-0.50%	45	-41
Length of life, +1 year/-1 year	25	-25

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

NOTE 19 cont.

Financing

As of 31 March 2019, the average weighted term of the total pension obligation was 17.5 years (17.1), of which unfunded PRI pensions in Sweden had an average weighted term of 17.7 years (17.6).

Bergman & Beving estimates that approximately MSEK 25 (24) will be paid in 2019/2020 to funded and unfunded defined-benefit pension plans recognised as defined-benefit plans and approximately MSEK 12 (9) will be paid in 2019/2020 to defined-benefit plans recognised as defined-contribution plans. The latter pertains exclusively to ITP2 in Swedish companies.

Parent Company

A discount rate of 3.84 percent (3.84) was applied to the calculation of the amount of the pension obligation for the Parent Company. As of 31 March 2019, the Parent Company has one defined-benefit plan pertaining to PRI Pensionsgaranti. These obligations are recognised in the balance sheet in the following amounts:

	31 Mar 2019	31 Mar 2018
Pension obligations unfunded plan, present value	40	44
Net pension obligations and net liability according to the balance sheet	**40**	**44**
Of which, credit insured through PRI Pensionsgaranti	40	44

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

Pension obligations unfunded plans	31 Mar 2019	31 Mar 2018
Opening balance	44	45
Benefits earned during the year [1]	-2	1
Interest expense	2	2
Benefits paid	-4	-4
Closing balance	**40**	**44**

Pension costs	2018/2019	2017/2018
Benefits earned during the year, personnel costs [1]	-2	1
Interest expense	2	2
Pension costs, defined-benefit plans	**0**	**3**
Pension costs, defined-contribution plans	2	3
Pension costs in net profit	**2**	**6**

[1] Benefits earned in 2018/2019 include mortality gains of MSEK 4.

NOTE 20 OTHER PROVISIONS

Group	31 Mar 2019	31 Mar 2018
Provisions classified as non-current liabilities		
Guarantee commitments	0	1
Restructuring	23	25
Other	1	-
Total	**24**	**26**

Specification – non-current liabilities	31 Mar 2019	31 Mar 2018
Carrying amount at the beginning of the period	**26**	**29**
Provisions made during the period	-	25
Dissolutions made during the period	-2	-
Discontinued operations	-	-28
Translation differences	-	0
Carrying amount at the end of the period	**24**	**26**

NOTE 21 OTHER LIABILITIES

Group	31 Mar 2019	31 Mar 2018
Other current liabilities		
Derivatives	2	11
Advance payments from customers	2	1
Employee withholding taxes	13	14
VAT liability	98	91
Other operating liabilities	6	5
Total	**121**	**122**

NOTE 22 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
Accrued expenses				
Salaries and remuneration to employees	91	79	3	1
Pension costs	1	0	-	-
Social security contributions	46	42	3	4
Bonuses, refunds to customers/suppliers	84	85	-	-
Car and travel expenses	1	2	-	-
Directors' and auditors' fees	3	3	0	1
Other consulting fees	1	2	-	-
Marketing costs	2	3	-	-
Guarantee costs	0	0	-	-
Shipping costs	3	8	-	-
Operating and lease costs	19	26	-	-
Interest expense	0	0	0	0
Restructuring	3	11	-	-
Other accrued expenses	5	1	2	2
Total	**259**	**262**	**8**	**8**

NOTE 23 SPECIFICATION OF INTEREST-BEARING NET LOAN LIABILITIES BY ASSET AND LIABILITY

	31 Mar 2019			31 Mar 2018		
Group	Interest-bearing	Non-interest bearing	Total	Interest-bearing	Non-interest bearing	Total
ASSETS						
Intangible non-current assets	-	1,681	**1,681**	-	1,569	**1,569**
Tangible non-current assets	-	99	**99**	-	88	**88**
Financial non-current assets	3	-	**3**	2	-	**2**
Deferred tax assets	-	79	**79**	-	81	**81**
Total non-current assets	**3**	**1,859**	**1,862**	**2**	**1,738**	**1,740**
Current assets						
Inventories	-	942	**942**	-	879	**879**
Tax assets	-	54	**54**	-	78	**78**
Accounts receivable	-	834	**834**	-	790	**790**
Prepaid expenses and accrued income	-	33	**33**	-	46	**46**
Other receivables	-	40	**40**	-	33	**33**
Cash and bank	85	-	**85**	67	-	**67**
Total current assets	**85**	**1,903**	**1,988**	**67**	**1,826**	**1,893**
Total assets	**88**	**3,762**	**3,850**	**69**	**3,564**	**3,633**
LIABILITIES						
Non-current liabilities						
Non-current interest-bearing liabilities	175	-	**175**	130	-	**130**
Provisions for pensions	646	-	**646**	623	-	**623**
Other provisions	-	24	**24**	-	26	**26**
Deferred tax liabilities	-	96	**96**	-	89	**89**
Total non-current liabilities	**821**	**120**	**941**	**753**	**115**	**868**
Current liabilities						
Current interest-bearing liabilities	266	-	**266**	307	-	**307**
Accounts payable	-	580	**580**	-	497	**497**
Tax liabilities	-	26	**26**	-	18	**18**
Other liabilities	-	121	**121**	-	122	**122**
Accrued expenses and deferred income	-	259	**259**	-	262	**262**
Total current liabilities	**266**	**986**	**1,252**	**307**	**899**	**1,206**
Total liabilities	**1,087**	**1,106**	**2,193**	**1,060**	**1,014**	**2,074**
Interest-bearing net liabilities	**-999**			**-991**		

NOTE 24 EXPECTED RECOVERY PERIODS FOR ASSETS, PROVISIONS AND LIABILITIES

Group

Amounts expected to be recovered	Within 12 months	After 12 months	Total
ASSETS			
Intangible non-current assets[1)]	22	1,659	**1,681**
Tangible non-current assets[1)]	14	85	**99**
Financial non-current assets			
Shares in associated companies	-	-	**-**
Other securities held as non-current assets	-	0	**0**
Other long-term receivables	0	3	**3**
Deferred tax assets	-	79	**79**
Total non-current assets	**36**	**1,826**	**1,862**
Current assets			
Inventories	942		**942**
Tax assets	54		**54**
Accounts receivable	834		**834**
Prepaid expenses and accrued income	33		**33**
Other receivables	40		**40**
Cash and bank	85		**85**
Total current assets	**1,988**		**1,988**
Total assets	**2,024**	**1,826**	**3,850**

Group

Amounts expected to be paid	Within 12 months	After 12 months	After 5 years	Total
LIABILITIES				
Non-current liabilities				
Non-current interest-bearing liabilities	-	175	-	**175**
Provisions for pensions	25	102	519	**646**
Other provisions	-	24	-	**24**
Deferred tax liabilities	17	63	16	**96**
Total non-current liabilities	**42**	**364**	**535**	**941**
Current liabilities				
Current interest-bearing liabilities	266			**266**
Accounts payable	580			**580**
Tax liabilities	26			**26**
Other liabilities	121			**121**
Accrued expenses and deferred income	259			**259**
Total current liabilities	**1,252**			**1,252**
Total liabilities	**1,294**	**364**	**535**	**2,193**

[1)] Expected annual depreciation and amortisation are recognised in the amounts expected to be recovered within 12 months.

Parent Company

Amounts expected to be recovered	Within 12 months	After 12 months	Total
ASSETS			
Intangible non-current assets[1)]	0	0	**0**
Tangible non-current assets[1)]	0	0	**0**
Financial non-current assets			
Participations in Group companies	-	704	**704**
Receivables from Group companies	-	1,626	**1,626**
Deferred tax assets	-	0	**0**
Total non-current assets	**0**	**2,330**	**2,330**
Current assets			
Accounts receivable	-		**-**
Receivables from Group companies	443		**443**
Tax assets	5		**5**
Other receivables	2		**2**
Prepaid expenses and accrued income	2		**2**
Cash and bank	0		**0**
Total current assets	**452**		**452**
Total assets	**452**	**2,330**	**2,782**

NOTE 24 cont.

Parent Company

Amounts expected to be paid	Within 12 months	After 12 months	After 5 years	Total
PROVISIONS				
Provisions for pensions and similar commitments	3	14	23	**40**
Total provisions	**3**	**14**	**23**	**40**
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions		175		**175**
Total non-current liabilities		**175**		**175**
Current liabilities				
Liabilities to credit institutions	266			**266**
Accounts payable	0			**0**
Liabilities to Group companies	712			**712**
Other liabilities	3			**3**
Accrued expenses and deferred income	8			**8**
Total current liabilities	**989**			**989**
Total provisions and liabilities	**992**	**189**	**23**	**1,204**

[1)] Expected annual depreciation and amortisation are recognised in the amounts expected to be recovered within 12 months.

NOTE 25 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

FINANCIAL RISKS

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

FINANCIAL OPERATIONS

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

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

FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

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

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

FOREIGN-EXCHANGE RISKS

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

Transaction exposure

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

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

Annual net flow by currency, MSEK

Currency	2018/2019	2017/2018
NOK	701	755
EUR	150	198
USD	-286	-248
TWD	-347	-372
DKK	47	54
PLN	43	67
CNY	-47	-12
GBP	-10	-13
JPY	-16	-16

The Group has its primary customer markets in Sweden, Norway and Finland, with sales in SEK, NOK and EUR, respectively. A large portion of purchasing takes place outside the Nordic region and is mainly paid in EUR, USD and TWD.

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

Group companies hedge parts of their future currency outflows in foreign currency using foreign-exchange forward contracts, in accordance with the Financial Policy. Most of the hedging of exchange-rate changes is conducted for the period deemed necessary to allow sales prices to be adjusted to the new foreign-exchange rates. A smaller proportion of foreign-exchange forward contracts have terms of six to 12 months and are based on forecasts. Corresponding foreign-exchange forward hedging takes place for sales in foreign currencies when the costs are in local currency. All foreign-exchange forward contracts outstanding refer to cash-flow hedges. The item Fair value changes for the year in cash-flow hedges in Other comprehensive income is divided into Hedges outstanding of MSEK -2 (-7) and Reversed to profit or loss of MSEK 7 (-3); both amounts are before tax. Reversed to profit or loss was recognised against Cost of goods sold.

The nominal amounts of outstanding foreign-exchange forward contracts as of 31 March 2019 were as follows:

MSEK Foreign-exchange contract	Nominal value as of 31 Mar 2019	Nominal value as of 31 March 2018
NOK/SEK	432	462
USD/SEK 1)	36	65
EUR/SEK	66	61
TWD/USD	-	-
DKK/SEK	-	-
USD/CNY	-	-
JPY/SEK	-	-
PLN/SEK	-	-

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

Translation exposure of earnings

The Group's earnings are affected by the translation of the income statements of foreign subsidiaries, for which translation is carried out at the average exchange rate for the financial year. In cases when the local currency of the foreign subsidiary changes in relation to SEK, the Group's recognised revenue and earnings that were translated to SEK also change. Currency translation for the financial year generated an impact on operating profit of approximately MSEK 6 (1) compared with the preceding year's average rates. The table below shows how much the currency translation impacted the Group's revenue.

Group	Revenue
Revenue in 2018/2019 translated to the average rate for 2017/2018	3,850
Currency translation	
NOK	50
EUR	29
Other currencies	16
Total currency translation	**95**
Revenue in 2018/2019	**3,945**

The Group has net exposures in several foreign currencies. If the prices of the exposure currencies were to change by 5 percent based on the 2018/2019 income statement, the effect on revenue would amount to approximately MSEK 99 (92) and on operating profit to approximately MSEK 7 (5) over a 12-month period, all other things being equal. The largest exposure to revenue is in NOK with MSEK 56 (51) and EUR with MSEK 25 (25). Currency translation for the financial year generated an impact on operating profit of approximately MSEK 6 (1) compared with the preceding year's average rates.
The following rates were applied in the year-end accounts:

	Average rate		Balance-sheet rate	
Currency	**2018/2019**	**2017/2018**	**31 Mar 2019**	**31 Mar 2018**
DKK	1.391	1.311	1.394	1.380
EUR	10.374	9.757	10.403	10.280
GBP	11.753	11.100	12.090	11.753
NOK	1.075	1.027	1.073	1.068
PLN	2.419	2.314	2.418	2.441
CNY	1.334	1.263	1.380	1.320
TWD	0.294	0.279	0.301	0.282
USD	8.933	8.349	9.278	8.299

Translation exposure of equity

The value of the net assets of foreign subsidiaries is translated to SEK at year-end at the exchange rate in effect on the balance-sheet date. The exchange-rate difference between the years is recognised against equity under other comprehensive income. Translation of the balance sheets of foreign subsidiaries caused equity to increase by approximately MSEK 5 (-2) during the year.

Bergman & Beving has no derivatives for hedging equity in foreign subsidiaries as of 31 March 2019 and no translation differences from previous translation of foreign subsidiaries was reversed to profit or loss during the financial year.

Currency	31 Mar 2019	31 Mar 2018
NOK	168	131
EUR	135	118
TWD	57	50
CNY	30	31
PLN	26	22
BRL	18	14
GBP	14	6
DKK	10	8

INTEREST-RATE RISKS

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

At times, the Group uses different forms of interest derivatives for the purpose of managing the risk of higher market interest rates in the future. As of 31 March 2019, Bergman & Beving had no outstanding interest derivatives.

If market interest rates were to increase by 1 percent, the impact on net interest income on an annual basis would be MSEK 4, based on the loan structure as of 1 April 2019.

Borrowing and maturity structure

The Group's borrowing amounted to MSEK 441 (437). Overall, the average remaining maturity for both the Group's and the Parent Company's interest-bearing financial liabilities is 1.1 years (1.2 years). See the tables below.

Group	31 Mar 2019		Matures		
Maturity structure	Carrying amount	Future payment amount	within 3 months	after 3 months within 1 year	after 1 year within 5 years
Interest-bearing financial liabilities	441	448	2	269	177
Accounts payable and other non-interest-bearing financial liabilities	700	700	700		
Total financial liabilities	**1,141**	**1,148**	**702**	**269**	**177**

	31 Mar 2018		Matures		
Maturity structure	Carrying amount	Future payment amount	within 3 months	after 3 months within 1 year	after 1 year within 5 years
Interest-bearing financial liabilities	437	447	2	311	134
Accounts payable and other non-interest-bearing financial liabilities	619	619	619		
Financial liabilities	**1,056**	**1,066**	**621**	**311**	**134**

NOTE 25 cont.

Parent Company

Maturity structure	31 Mar 2019 Carrying amount	Future payment amount	Matures within 3 months	after 3 months within 1 year	after 1 year within 5 years
Interest-bearing financial liabilities	441	448	2	269	177
Liabilities to Group companies (excluding interest) 1)	712	712	712		
Accounts payable and other non-interest-bearing financial liabilities	3	3	3		
Total financial liabilities	**1,156**	**1,163**	**717**	**269**	**177**

Maturity structure	31 Mar 2018 Carrying amount	Future payment amount	Matures within 3 months	after 3 months within 1 year	after 1 year within 5 years
Interest-bearing financial liabilities	437	447	2	311	134
Liabilities to Group companies (excluding interest) 1)	786	786	786		
Accounts payable and other non-interest-bearing financial liabilities	13	13	13		
Total financial liabilities	**1,236**	**1,246**	**801**	**311**	**134**

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

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

Financial risk management

Group	31 Mar 2019	31 Mar 2018
Non-current liabilities[1)]		
Bank loans	175	130
Total non-current liabilities	**175**	**130**
Current liabilities		
Committed credit facility	266	307
Total current liabilities	**266**	**307**
Total interest-bearing liabilities	**441**	**437**

Bank loans	Currency	Nominal interest	Maturity	Nominal value	Group 31 Mar 2019 Carrying amount	Group 31 Mar 2018 Carrying amount	Parent Company 31 Mar 2019 Carrying amount	Parent Company 31 Mar 2018 Carrying amount
Non-current liabilities								
Interest-only bank loan	SEK	1.10%	8 May 2021	75	75	130	75	130
Interest-only bank loan	SEK	0.95%	29 May 2020	100	100	-	100	-
Total non-current liabilities					**175**	**130**	**175**	**130**
Current liabilities								
Committed credit facility								
Approved credit limit					400	400	400	400
Unutilised portion					-134	-93	-134	-93
Utilised credit amount		**0.77%**			**266**	**307**	**266**	**307**
Total, loans from credit institutions					**441**	**437**	**441**	**437**

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

Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 444 (530).

LIQUIDITY AND REFINANCING RISKS

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

Borrowing and trading in financial instruments is conducted with one of the large Nordic commercial banks and the management of loans is handled by the Parent Company's Treasury function. At financial year-end, the Parent Company had access to a committed credit facility of MSEK 400 (400), of which MSEK 134 was unutilised. The credit facility is renewed on an annual basis with a maturity date of 31 December. In addition to this committed credit facility, the Group has an unutilised loan commitment totalling MSEK 225. The Parent Company renegotiated the loan structure at the start of the financial year, with terms applying as of 1 June 2018. The maximum loan commitment, excluding short-term committed credit facilities, now amounts to MSEK 400, compared with the previous amount of MSEK 500. The new loan commitment is distributed between a loan of MSEK 300 maturing on 8 May 2021 and MSEK 100 maturing on 29 May 2020. Of these amounts, MSEK 75 of the MSEK 300 commitment and MSEK 100 of the MSEK 100 commitment had been utilised as of 31 March 2019. MSEK 75 bears variable interest (Stibor 3 months + the bank's margin), MSEK 100 fixed interest, the utilised committed credit facility variable interest (Stibor 3 months + the bank's margin) and the rate of ordinary interest for the entire credit facility framework. Current interest rates on the balance-sheet date are presented in the table Borrowing and maturity structure.

In addition to bank loans and credit facilities in the Parent Company, there were also local committed credit facilities in Estonia and Poland for a total of MSEK 4 (4) as of 31 March 2019, none of which had been utilised on the balance-sheet date.

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

The Group's net loan liability, comprising interest-bearing liabilities and provisions less interest-bearing assets, is presented in Note 23.

NOTE 25 cont.

Classification of financial instruments

Group	31 Mar 2019	31 Mar 2018
Financial assets		
Financial assets measured at fair value		
Shares and participations (fair value through profit or loss)	0	0
Derivative hedging instruments	1	0
Financial assets measured at amortised cost		
Long-term receivables	2	1
Accounts receivable	834	790
Other receivables	39	33
Cash and cash equivalents	85	67
Total financial assets	**961**	**891**
Financial liabilities measured at fair value		
Derivative hedging instruments	2	11
Additional purchase considerations (fair value through profit or loss)	3	-
Financial liabilities measured at amortised cost		
Bank loans	441	437
Accounts payable	580	497
Other liabilities	116	111
Total financial liabilities	**1,142**	**1,056**

Parent Company	31 Mar 2019	31 Mar 2018
Financial assets		
Financial assets measured at fair value		
Derivative hedging instruments	1	0
Financial assets measured at amortised cost		
Receivables from Group companies	2,069	2,110
Accounts receivable	0	0
Other receivables	1	2
Total financial assets	**2,071**	**2,112**
Financial liabilities measured at fair value		
Derivative hedging instruments	2	11
Financial liabilities measured at amortised cost		
Bank loans	441	437
Liabilities to Group companies	712	786
Accounts payable	1	1
Other liabilities	1	1
Total financial liabilities	**1,157**	**1,236**

The carrying amounts for financial assets and financial liabilities above are equivalent to fair value in all material respects due to the fact that current market interest rates on bank loans do not differ appreciably from the contracted interest of the loans and other items have short terms.

Derivatives

Derivatives belong to Level 2 of the fair value hierarchy. The fair value of derivatives comprising foreign-exchange forward contracts and interest swap agreements is based on listings with banks. Similar contracts are traded on an active market and the prices reflect the actual transactions of comparable instruments.

Additional purchase considerations

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

CREDIT RISK

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

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

However, a significant share of the Group companies' revenue is attributable to the TOOLS chain, with operations in Sweden, Norway and Finland. The TOOLS chain is part of Momentum Group, which was previously part of the Group but after its distribution to the shareholders of Bergman & Beving in June 2017 became a fully free-standing Group through a separate listing on Nasdaq Stockholm. Revenue from the TOOLS chain declined significantly due to a change in supplier agreements for goods for resale, which were previously invoiced onward via Bergman & Beving when the TOOLS chain was part of the same Group. The TOOLS chain remains the Group's overall largest customer. The credit risk with respect to companies in the TOOLS chain is, however, deemed to be very low. No other individual customer accounts for a significant share of the Group's revenue.

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

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

The analysis performed prior to the introduction of IFRS 9 Financial Instruments, involving a forward-looking model of expected credit losses on accounts receivable, confirmed that the new standard would not have any material impact on the financial statements. Accordingly, the Bergman & Beving Group did not recognise any remeasurements that impacted equity as of 1 April 2018 due to this new standard.

Reserves for expected credit losses and maturity structure are presented in the table below.

Accounts receivable	Group		Parent Company	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
Accounts receivable	847	803	-	-
Accumulated reserve for expected credit losses	-13	-13	-	-
Accounts receivable, net	**834**	**790**	**-**	**-**
A maturity analysis is presented below:				
Maturity analysis:				
– not past due	777	705	-	-
– receivables past due by 1–30 days	41	73	-	-
– receivables past due by 31–60 days	8	9	-	-
– receivables past due by 61–90 days	3	4	-	-
– receivables past due by >90 days	18	12	-	-
Total receivables	**847**	**803**	**-**	**-**

NOTE 25 cont.

Changes in liabilities from financial activities

Group 2018/2019	At the beginning of the year	Cash flow	Acquisitions and divested business[1)]	Discontinued operations[1)]	Change in fair value through other comprehensive income	Translation differences	At year-end
Current interest-bearing liabilities	307	30	-71	-	-	0	266
Non-current interest-bearing liabilities	130	45	-	-	-	0	175
Derivatives	11	-4	-	-	-5	-	2
Additional purchase considerations	-		3	-	-	-	3
Total liabilities from financing activities	**448**	**71**	**-68**	**0**	**-5**	**0**	**446**

Group 2017/2018	At the beginning of the year	Cash flow	Acquisitions and divested business[1)]	Discontinued operations[1)]	Change in fair value through other comprehensive income	Translation differences	At year-end
Current interest-bearing liabilities	123	149	-233	268	-	0	307
Non-current interest-bearing liabilities	200	-70	-	-	-	0	130
Derivatives	0	1	-	-	10	-	11
Total liabilities from financing activities	**323**	**80**	**-233**	**268**	**10**	**0**	**448**

1) Refer also to Note 31 Discontinued operations and Note 32 Acquisitions and disposals of operating segments.

Parent Company 2018/2019	At the beginning of the year	Cash flow	Discontinued operations	Change in fair value through other comprehensive income	Translation differences	At year-end
Current liabilities to credit institutions	307	-41	-	-	-	266
Non-current liabilities to credit institutions	130	45	-	-	-	175
Current liabilities to Group companies	786	-74	-	-	-	712
Derivatives	11	-3	-	-6	-	2
Total liabilities from financing activities	**1,234**	**-73**	**0**	**-6**	**0**	**1,155**

Parent Company 2017/2018	At the beginning of the year	Cash flow	Discontinued operations	Change in fair value through other comprehensive income	Translation differences	At year-end
Current liabilities to credit institutions	122	185	-	-	-	307
Non-current liabilities to credit institutions	200	-74	4	-	-	130
Current liabilities to Group companies	696	146	-56	-	-	786
Non-current liabilities to Group companies	60	-60	-	-	-	-
Derivatives	0	1	-	10	-	11
Total liabilities from financing activities	**1,078**	**198**	**-52**	**10**	**0**	**1,234**

NOTE 26 OPERATING LEASES

	Group		Parent Company	
	2018/2019	2017/2018	2018/2019	2017/2018
Leases in which the Group/the Company is the lessee [1]				
Non-terminable lease payments amount to:				
Within 1 year	110	80	5	5
Between 1 and 5 years	250	197	10	2
Later than 5 years	100	127	-	-
Total	**460**	**404**	**15**	**7**
Expensed lease payments for the period				
Assets held through operating leases				
Minimum lease fees [2]	125	124	5	5
Total lease costs	**125**	**124**	**5**	**5**

1) Refer to Note 27 Pledged assets and contingent liabilities
2) New leases were signed in conjunction with the property sales in 2013/2014 and 2014/2015. Commitments under signed leases and lease costs are included in the table above since after testing they were classified as operating leases.
Refers to costs for assets held through operating leases, such as rented premises, vehicles, other machinery and equipment.

NOTE 27 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent Company	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
Pledged assets				
IN THE FORM OF PLEDGED ASSETS FOR OWN LIABILITIES AND PROVISIONS				
Corporate mortgages	-	-	-	-
Total pledged assets	**-**	**-**	**-**	**-**
Contingent liabilities				
Guarantees for subsidiaries [1]			316	308
Guarantees, other	28	27	1	1
Total contingent liabilities	**28**	**27**	**317**	**309**

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

In conjunction with the sale of the logistics properties in Alingsås and Ulricehamn in December 2012, one of the Group's companies entered into leases that expire at the end of 2027. In conjunction with the split of the Group into two independent companies, Bergman & Beving and Momentum Group, the original lease was also split. The Parent Company, Bergman & Beving, has issued a guarantee for the Group company's fulfilment of its share of the lease with a total annual lease cost of approximately MSEK 24.

NOTE 28 RELATED PARTIES

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

The TOOLS chain, which was part of Momentum Group, was formerly a related party, but transactions now take place on market terms. However, a significant share of the Group companies' revenue is attributable to the TOOLS chain, with operations in Sweden, Norway and Finland. The TOOLS chain was previously part of the Group but now that Momentum Group has been distributed to the shareholders of Bergman & Beving in June 2017 the parties cannot be deemed to be related parties.

NOTE 29 GROUP COMPANIES

SPECIFICATION OF THE PARENT COMPANY'S DIRECT HOLDINGS OF PARTICIPATIONS IN SUBSIDIARIES

	Corp. Reg. No.	Reg. office	No. of participa-tions	Holding %	Carrying amount as of 31 March 2019	Carrying amount as of 31 March 2018
Tengtools AB	556616-0353	Stockholm	1,000	100	1	1
Bergman & Beving Invest AB	556706-2699	Stockholm	1,000	100	693	693
Bergman & Beving Fastigheter AB	556787-7559	Stockholm	1,000	100	10	10
Total					**704**	**704**
Carrying amount at the beginning of the year					**704**	**704**
Accumulated cost						
At the beginning of the year					704	704
Acquisition of shares in Momentum Group AB					-	629
Distribution of shares in Momentum Group AB					-	-629
Carrying amount at year-end					**704**	**704**

SPECIFICATION OF THE PARENT COMPANY'S DIRECT AND INDIRECT HOLDINGS OF PARTICIPATIONS IN SUBSIDIARIES

	Reg. office, country	Holding % 31 Mar 2019	Holding % 31 Mar 2018
Tengtools AB	Sweden	100	100
Bergman & Beving Invest AB	Sweden	100	100
Bergman & Beving Fastigheter AB	Sweden	100	100
Bergman & Beving Logistics AB	Sweden	100	100
Bergman & Beving Operations AB	Sweden	100	100
Bergman & Beving Leo AB	Sweden	100	100
Essve Produkter AB	Sweden	100	100
ESSVE Sverige AB	Sweden	100	100
FireSeal AB	Sweden	100	100
Luna AB	Sweden	100	100
Luna Sverige AB	Sweden	100	100
Tengtools International Sweden AB	Sweden	100	100
Luna International AB	Sweden	100	100
G & P Lidén Weighing AB	Sweden	100	100
Bergman & Beving Safety AB	Sweden	100	100
Cresto AB	Sweden	100	100
Skydda i Sverige AB	Sweden	100	100
Bergman & Beving Holding AB	Sweden	100	100
Bergman & Beving Development AB	Sweden	100	100
Bergman & Beving Carolix AB	Sweden	100	100
Arbesko-Gruppen AB	Sweden	100	100
Arbesko AB	Sweden	100	100
Arbesko Skofabrik AB	Sweden	100	100
Oksebra Trading AB	Sweden	100	100
Arbesko Fastigheter AB	Sweden	100	100
Strömstad Skee 2:1 AB	Sweden	100	100
Arbesko Förvaltning AB	Sweden	100	100

	Reg. office, country	Holding % 31 Mar 2019	Holding % 31 Mar 2018
Stålex AB	Sweden	100	100
Uveco AB	Sweden	100	100
BVS Brannvernsystemer AB [1)]	Sweden	100	-
Belano Maskin AB [1)]	Sweden	100	-
Luna Norge AS	Norway	100	100
ESSVE Norge AS	Norway	100	100
SKYDDA Norge AS	Norway	100	100
AAK Safety AS	Norway	100	100
BVS Brannvernsystemer AS [1)]	Norway	100	-
Skydda Suomi Oy	Finland	100	100
Essve Suomi Oy	Finland	100	100
Skydda Danmark AS	Denmark	100	100
ESSVE Poland Sp.z o.o.	Poland	100	100
Luna Polska Sp.z o.o.	Poland	100	100
B&B TOOLS Estonia AS	Estonia	100	100
Luna Group Estonia AS [2)]	Estonia	100	-
B&B TOOLS Latvia SIA	Latvia	100	100
B&B Tools Lietuva, UAB	Lithuania	100	100
TengTools UK Limited	UK	100	100
TengTools Ireland Limited	Ireland	100	100
ESSVE Ukraine Ltd	Ukraine	100	100
B&B TOOLS (Shanghai) Co., Ltd	China	100	100
Oksebra do Brasil	Brazil	99	99
BVS Fireprotection Kft [1)]	Hungary	100	-

1) Company acquired in 2018/2019.
2) Company formed in 2018/2019.

NOTE 30 UNTAXED RESERVES

The distribution of untaxed reserves recognised in the Parent Company's balance sheet is shown below. For the Group, these reserves are eliminated in their entirety. Refer to Accounting Policies in Note 1. Of the Parent Company's total untaxed reserves of MSEK 246 (226), MSEK 51 (50) comprises deferred taxes included in the Group's recognised deferred tax liability.

	Parent Company	
	31 Mar 2019	31 Mar 2018
Tax allocation reserve		
Allocation 2013/2014	45	45
Allocation 2014/2015	63	63
Allocation 2015/2016	67	67
Allocation 2016/2017	40	40
Allocation 2017/2018	11	11
Allocation 2018/2019	20	-
Total	**246**	**226**

NOTE 31 DISCONTINUED OPERATIONS

On 14 June 2017, an Extraordinary General Meeting of Shareholders resolved to distribute all of Bergman & Beving's shares in Momentum Group to the shareholders of Bergman & Beving AB, meaning that for each Class A share in Bergman & Beving the shareholders received one Class A share in Momentum Group and for each Class B share in Bergman & Beving the shareholders received one Class B share in Momentum Group. The first day of trading in Momentum Group shares on Nasdaq Stockholm took place on 21 June.

Profit from the discontinued operations amounted to MSEK 1,077, which pertains to the difference between the market value of Momentum Group AB of MSEK 2,102 (based on the average trading price on the first day of trading) and the consolidated value of MSEK 1,025. The consolidated value mainly pertained to goodwill and other current assets. The capital gain includes transaction costs of MSEK 16.

Total cash flow from discontinued operations amounted to MSEK 236, of which MSEK 277 pertained to settled internal loans between Momentum Group AB and Bergman & Beving AB, which are recognised under financing activities.

The shares in the discontinued operation Momentum Group are recognised in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Discontinued operations are recognised separately from continuing operations in profit or loss with retroactive effect for prior periods. Momentum Group's earnings up until the distribution date and the non-cash proceeds generated by the distribution of Momentum Group in accordance with IFRIC 17 have been recognised as a line item in the income statement along with the listing expenses linked to the distribution. The Group has also recognised profit after taxes from the discontinued operations up until the distribution date as well as other expenses linked to the distribution.

All figures pertaining to the income statement have been divided between continuing and discontinued operations, with retroactivity from 1 April 2016, which means that for the current year Momentum Group reported profit up until the listing date in June. All figures relating to the balance sheet refer to continuing operations from 1 April 2017, without retroactivity for prior periods, which means that cash flow pertaining to Momentum Group has not been calculated for the comparative period.

INCOME STATEMENT

MSEK	2018/2019	2017/2018
Revenue	-	917
Other operating income	-	1
Total operating income	**-**	**918**
Cost of goods sold	-	-579
Personnel costs	-	-202
Depreciation, amortisation and impairment losses	-	-5
Other operating expenses	-	-114
Total operating expenses	-	**-900**
Operating profit	**-**	**18**
Profit from discontinued operations	-	1,077
Financial income	-	0
Financial expenses	-	-1
Net financial items	**-**	**1,076**
Profit after financial items	**-**	**1,094**
Taxes	-	-3
Net profit from discontinued operations	**-**	**1,091**
Earnings per share before dilution	-	39.25
Earnings per share after dilution	-	39.20

CONSOLIDATED CASH-FLOW STATEMENT

MSEK	2018/2019	2017/2018
Cash flow from operating activities	-	-26
Cash flow from investing activities	-	-6
Cash flow from financing activities	-	268
Cash flow for the period, discontinued operations	**-**	**236**

NOTE 32 ACQUISITIONS AND DISPOSALS OF OPERATIONS

ACQUISITIONS

In early April, the Building Materials division acquired all shares in BVS Brannvernsystemer A/S (BVS) and its group companies. BVS is a provider of passive fire protection solutions focusing on fire curtains, smoke ventilation and inspection hatches under its own brand names Flammatex and Inspecto. The business is primarily aimed at the Norwegian market, but the company also has a sales company in Sweden and own production in Hungary. The company, based in Stavanger, generates annual revenue of approximately MNOK 20 and has 15 employees.
In early May, Tools & Consumables, acquired a division of the Bergman & Beving Group, acquired all shares in Belano Maskin AB (Belano). Belano is a leading supplier of machinery, spare parts and service focused on the attractive niche of construction and ventilation sheet-metal workers. The business is primarily aimed at the Swedish market. The company, based in Alingsås, generates annual revenue of approximately MSEK 65 and has ten employees.
During the third quarter, a minor company within weighing was also acquired.
The acquisition analyses have been finalised.
Given the size of the acquisitions for the Group as a whole, acquired net assets and goodwill are shown at an aggregated level.

Group

Acquisition of subsidiaries and other business units	2018/2019	2017/2018
Acquired assets:		
Intangible non-current assets	32	27
Other non-current assets	2	85
Inventories	8	51
Other current assets	10	53
Cash and cash equivalents	18	10
Total assets	**70**	**226**
Acquired provisions and liabilities:		
Deferred tax liability	-7	-11
Non-current liabilities	-2	-7
Current operating liabilities	-11	-73
Total provisions and liabilities	**-20**	**-91**
Acquired net assets	**50**	**135**
Goodwill	**39**	**40**
Total acquired	**89**	**175**
Purchase consideration paid	-86	-175
Payment for acquisitions in prior years	-	-2
Estimated contingent consideration	-3	-
Total purchase consideration	**-89**	**-177**
Purchase consideration paid	-86	-177
Less: Cash and cash equivalents in acquired companies	18	10
Redemption of interest-bearing liabilities	-	-42
Net change in cash and cash equivalents	**-68**	**-208**

The goodwill value includes the value of employee expertise and efficiency-enhancement measures. No portion of goodwill is expected to be tax deductible.

Group

Proceeds from sale of subsidiaries and other business units	2018/2019	2017/2018
Divested assets:		
Tangible non-current assets	-	18
Other current assets	-	1
Cash and cash equivalents	-	-
Total assets	**-**	**19**
Divested provisions and liabilities:		
Non-current liabilities	-	-4
Current operating liabilities	-	0
Total provisions and liabilities	**-**	**-4**
Profit after taxes	**-**	**2**
Total	**-**	**17**
Purchase consideration received	-	17
Effect on cash and cash equivalents	**-**	**17**

NOTE 33 EVENTS AFTER THE BALANCE-SHEET DATE

ELECTION COMMITTEE
The Election Committee has proposed that Jörgen Wigh be elected as the Chairman of Bergman & Beving AB.

Acquisition of Bröderna Miller AB
On April 1, the Building Materials division acquired Bröderna Miller AB. Bergman & Beving acquired only the hardware fittings operations, while the owner – the Miller family – will continue to manage the company's bathroom operations. The company is a leader in hardware fittings in Sweden and sells most of its products under its own Miller's brand. The hardware fittings operations generate annual revenue of approximately MSEK 40 and have 11 employees. The acquisition is expected to have a marginally positive impact on Bergman & Beving's earnings per share for the 2019/2020 operating year.

Acquisition of KGC Verktyg & Maskiner AB
On April 10, the Building Materials division acquired KGC Verktyg & Maskiner AB. For more than 60 years, KGC has developed and delivered quality tools and accessories for bricklayers and tilers under its own KGC brand. The company generates annual revenue of approximately MSEK 80 and has 24 employees. The acquisition is expected to have a marginally positive impact on Bergman & Beving's earnings per share for the 2019/2020 operating year.

New jointly owned company
On 7 May, the Workplace Safety division and Sundström Safety AB established the jointly owned company Zekler Safety AB with Bergman & Beving as the majority shareholder. The Zekler brand was established by Bergman & Beving in 2003 and is currently one of the Nordic region's leading brands in eye protection, hearing protection and respiratory protection. Sundström was founded in 1926 and is currently a world leader in advanced respiratory protection.

No other significant events occurred after the end of the financial year.

NOTE 34 KEY ESTIMATES AND JUDGMENTS

Estimates and judgments have been made based on the information available at the time this report was submitted. These estimates and judgments may be subject to change at a later date, partly due to changes in factors in the operating environment.

Below is an account of the most significant judgements, which is subject to a risk that future events and new information may change the basis for current estimates and judgements applied.

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

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

Legal proceedings and disputes
The Group recognises a liability when a legal obligation exists and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. Outstanding legal issues are reviewed on a continuous basis to determine the need to set aside provisions in the financial statements. During these reviews, all cases are taken into consideration using the Group's internal legal competence and, when necessary, external legal counsel is also consulted. Insofar as the judgements concerning the factors considered do not correspond to the actual outcome, the financial statements may be affected.

Taxes
Changes in tax legislation in Sweden and other countries where Bergman & Beving conducts business may change the amount of recognised tax liabilities and tax assets. Interpretations of current tax legislation may also affect the recognised tax liability/tax asset.

Judgments are made to determine both current and deferred tax liabilities/tax assets, particularly with respect to the value of deferred tax assets. Judgments are made as to whether the deferred tax assets will be utilised to offset future taxable income. The actual result may differ from these judgments, partly due to changes in business climate, changed tax legislation and the outcome of not yet completed examinations of tax returns by tax courts.

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

NOTE 35 INFORMATION ABOUT THE PARENT COMPANY

Bergman & Beving AB, Corporate Registration Number 556034-8590, is a Swedish limited liability company with its registered office in Stockholm, Sweden. The Parent Company's Class B shares are registered on the Mid Cap list of Nasdaq Stockholm, Sweden. The address of the head office is: Box 10024, SE-100 55 Stockholm, Sweden.

The consolidated financial statements for the 2018/2019 financial year comprise the Parent Company and its subsidiaries, together termed the Group.

Proposed appropriation of profit

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

Retained earnings	SEK 1,144,128 thousand
Net profit	SEK 44,843 thousand
	SEK 1,188,971 thousand

The Board of Directors and the President & CEO propose that the available funds be allocated as follows:

Dividend to shareholders, SEK 3.00 per share	SEK 81,029 thousand[1)]
To be brought forward	SEK 1,107,942 thousand
	SEK 1,188,971 thousand

According to the Board's assessment, the proposed dividend is justifiable in relation to the demands placed on the Group's equity due to the Group's operations, scope and risks, and in relation to the Group's consolidation requirements, liquidity and position in other respects.

The income statements and balance sheets of the Group and the Parent Company are subject to adoption by the Annual General Meeting to be held on 26 August 2019.

BOARD'S ASSURANCE

The Board of Directors and the President & CEO regard this Annual Report to be prepared in accordance with generally accepted accounting policies and the consolidated financial statements in accordance with IFRS as adopted by the EU, and deem them to provide a true and fair view of the Company's and the Group's position and earnings. The Administration Report for the Parent Company and the Group gives a true and fair overview of the Company's and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group. The earnings and position of the Parent Company and the Group are presented in the income statements, balance sheets, cash-flow statements and notes included in the Annual Report.

Stockholm, 12 June 2019

Johan Sjö
Chairman

Roger Bergqvist
Director

Henrik Hedelius
Director

Malin Nordesjö
Director

Anders Börjesson
Director

Louise Undén
Director

Lillemor Backström
Director – employee representative

Anette Swanemar
Director – employee representative

Pontus Boman
President & CEO

Our auditor's report was submitted on 14 June 2019
KPMG AB

Håkan Olsson Reising
Authorised Public Accountant

1) Calculated based on the number of shares as of 31 March 2019, and with due consideration for the 426,706 repurchased Class B shares held in treasury.

Auditor's Report

To the general meeting of the shareholders of Bergman & Beving AB (publ), corp. id 556034-8590

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Bergman & Beving AB (publ) for the financial year 2018-04-01—2019-03-31, except for the corporate governance statement on pages 25-29. The annual accounts and consolidated accounts of the company are included on pages 22-74 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 March 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 March 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 25-29. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of goodwill

See disclosure 10 and accounting principles on page 40 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The carrying value of goodwill is 1 472 MSEK as at 31 March 2019, which represents approximately 38 percent of total assets. Annually, or if certain indicators of impairment exist, goodwill is subject to an impairment test which is complex and contains significant elements of judgment.

The impairment test as required by IFRS is to be performed taking into account both forecasted internal and external assumptions and plans. Examples of such judgments are future cash flows and the discount rate to be used considering that estimated future payments are subject to risk.

Response in the audit

We have obtained and assessed the Group's impairment tests to ascertain whether they are carried out in accordance with the techniques prescribed by IFRS.

In addition, we have assessed the reasonableness of future cash flows and discount rate by obtaining and evaluating the Group's written documentation and plans. We have also performed retrospective review over prior period estimates. An important part of our work has been to look at the Group's sensitivity analysis of their own assessment to evaluate how changes in assumptions may affect the valuation.

We have reviewed the Annual Report disclosures and assessed whether the disclosures are in line with the assumptions used by management in their valuation and that they are, in all material respects, in accordance with disclosures required by IFRS.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-13, 18-21 samt 79-87. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bergman & Beving AB (publ) for the financial year 2018-04-01—2019-03-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 25-29 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Bergman & Beving AB (publ) by the general meeting of the shareholders on 23 August 2018. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 1998.

Stockholm, 14 June 2019

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Bergman & Beving AB (publ), corporate identity number 556034-8590

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the financial year 2018-04-01—2019-03-31 on pages 14-17 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination

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

Opinion

A statutory sustainability report has been prepared.

Stockholm 14 June 2019

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant

Board of Directors

Johan Sjö
Chairman of the Board since 2018.
Director since 2017.
Born: 1967.
Education: M.Sc. Econ.
Other board assignments: Chairman of AddLife AB and OptiGroup AB. Director of Addtech AB, Bufab AB, Camfil AB and M2 Asset Management AB.
Work experience: Former President & CEO for the Addtech Group and senior positions in the B&B TOOLS Group.
Dependency conditions: Independent in relation to the Company and senior management.
Independent in relation to the Company's major shareholders.
Shares owned: 62,500 Class B shares (with family).

Roger Bergqvist
Director since 2012.
Born: 1948.
Education: Degree in market economy.
Other board assignments: Director of Corroventa AB and Lagercrantz Group AB.
Work experience: President and CEO of Addtech. Senior positions at Bergman & Beving.
Dependency conditions: Independent in relation to the Company and senior management.
Independent in relation to the Company's major shareholders.
Shares owned: 40,000 Class B shares.

Anders Börjesson
Director since 1990.
Born: 1948.
Education: M.Sc. Econ.
Other board assignments: Chairman of Addtech AB, Lagercrantz Group AB and Tisenhult-gruppen AB. Director of a number of companies within Tisenhult-gruppen.
Work experience: President & CEO of Bergman & Beving.
Dependency conditions: Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.
Shares owned (including related parties): 497,192 Class A shares and 2,066,843 Class B shares.

Henrik Hedelius
Director since 2015.
Born: 1966.
Education: M.Sc. Econ.
Other board assignments: Director of Addtech AB.
Work experience: Partner at UB Markets LTD ECM. Senior positions at ABN Amro, Kaupthing Bank, Storebrand Asset Management, Remium Nordic AB and Swedbank.
Dependency conditions: Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.
Shares owned: 7,790 Class B shares (with family).

Note: Information on the Board of Directors' holdings of shares pertains to circumstances as of 31 May 2019.

Malin Nordesjö
Director since 2017.
Born: 1976.
Education: M.Sc. Econ.
Other board assignments: Chairman of Boomerang Sweden AB, Expando Electronics AB and Futuraskolan AB. Director of Addtech AB and Tisenhult-gruppen AB.
Work experience: Senior positions at Tisenhult-gruppen and Tritech Technology.
Dependency conditions: Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.
Shares owned: 18,049 Class B shares (with family).

Louise Undén
Director since 2017.
Born: 1976.
Education: M.Sc. Econ.
European Category Director Ovens, Business Area Europe, Electrolux.
Other board assignments: –
Work experience: Former Executive Vice President and Product & Marketing Director at OBH Nordica Group AB.
Dependency conditions: Independent
in relation to the Company and senior management.
Independent in relation to the Company's major shareholders.
Shares owned: 1,000 Class B shares.

Lillemor Backström
Director since 2006.
Employee representative.
Born: 1954.
Receptionist, Luna AB.
Shares owned: –

Anette Swanemar
Director since 2010.
Employee representative.
Born: 1959.
Production Planner,
Bergman & Beving Safety AB.
Shares owned: –

Group management

Fredrik Valentin
Managing Director, Workplace Safety division
Employee of the Group since 2016.
Born: 1974.
Education: M.Sc. Eng.
Other significant board assignments: -
Work experience: CEO of Stena Recycling Poland, senior positions at Accenture Strategy.
Shares owned: 12,491 Class B shares (own holding).
Call options: 40,000.

Max Lagerstedt
Managing Director, Building Materials division.
Employee of the Group since 2008.
Born: 1976.
Education: M.Sc. Eng.
Other significant board assignments: -
Work experience: CEO of ESSVE Produkter AB and ESSVE Sverige AB. Senior positions at Bergman & Beving, Occam Associates and Accenture.
Shares owned: 2,339 Class B shares (own holding).
Call options: 40,000.

Peter Schön
Chief Financial Officer.
Employee of the Group since 2017.
Born: 1969.
Education: M.Sc. Econ.
Other significant board assignments: Director of Axkid AB.
Work experience: Senior positions at Netonnet Group, ProfilGruppen, Brio, Alstom and other companies.
Shares owned: 3,500 Class B shares (own holding).
Call options: 40,000.

Oscar Fredell
Managing Director, Tools & Consumables division
Employee of the Group since 2017.
Born: 1978.
Education: M.Sc. Eng.
Other significant board assignments: -
Work experience: CEO of Luna Group, senior positions at Solar Group and Volvo Cars.
Shares owned: -
Call options: 20,000.

Martin Lundberg
Head of Acquisitions/General Counsel
Employee of the Group since 2008.
Born: 1979.
Education: Law degree, courses in economics.
Other significant board assignments: -
Work experience: Västmanland District Court, MAQS law firm, other senior positions at Bergman & Beving.
Shares owned: 2,000 Class B shares (own holding).
Call options: 18,000.

Pontus Boman
President & CEO
Employee of the Group since 2007.
Born: 1971.
Education: M.Sc. Eng.
Work experience: CEO of ESSVE Produkter. Senior positions at Bergman & Beving, Accenture and Boston Consulting Group (BCG).
Shares owned: 51,745 Class B shares (own holding).
Call options: 60,000.

Ulf Carlsson
Managing Director, Business Development.
Employee of the Group since 1997.
Born: 1957.
Education: M.Sc. Econ.
Other significant board assignments: Tingstad Papper AB.
Work experience: Senior positions at the Procordia Group (Abba and Falcon, TILL-bryggerier).
Shares owned: 7,206 Class B shares (own holding).
Call options: 40,000.

Ten-year summary

Amounts in MSEK	18/19	17/18[5)]	16/17[5)]	15/16	14/15	13/14	12/13[1)]	11/12[1)]	10/11[1)]	09/10
EARNINGS INFORMATION										
Revenue	3,945	3,833	3,834	7,821	7,903	7,648	7,666	8,201	7,885	7,648
Shares of profit in associated companies	-	-	-	0	0	0	0	1	1	1
Other operating income	11	3	0	34	48	15	8[3)]	6[4)]	8	5
Total operating income	**3,956**	**3,836**	**3,834**	**7,855**	**7,951**	**7,663**	**7,674**	**8,208**	**7,894**	**7,654**
Operating expenses, excluding non-recurring items	-3,720	-3,620	-3,576	-7,384	-7,501	-7,323	-7,436	-7,791	-7,547	-7,393
of which, depreciation/amortisation and impairment losses	-31	-25	-17	-28	-28	-45	-66	-67	-65	-69
Operating profit, excluding non-recurring items	236	216	258	471	450	340	238	417	347	261
Non-recurring items	-	-	-	15	-	-	51[3)]	-8[4)]	-	-
Operating profit, including non-recurring items	236	216	258	486	450	340	289	409	347	261
Financial income and expenses	-20	-24	-5	-18	-42	-54	-73	-91	-67	-68
Profit after financial items	216	192	253	468	408	286	216	318	280	193
Taxes	-47	-34	-58	-106	-102	-72	6	-91	-86	-59
Net profit, before profit from discontinued operations	169	158	195	362	306	214	222	227	194	134
Profit from discontinued operations, net after taxes	-	1,091	42	-	-	-	-	-	-	-
Net profit	**169**	**1,249**	**237**	**362**	**306**	**214**	**222**	**227**	**194**	**134**
Of which, attributable to:										
Parent Company shareholders	169	1,249	237	362	306	214	222	227	194	134
Non-controlling interest	-	-	-	-	-	-	-	0	0	0
BALANCE INFORMATION										
Intangible non-current assets	1,681	1,569	2,023	1,821	1,803	1,792	1,781	1,815	1,813	1,857
Tangible non-current assets	99	88	112	100	113	208	252	407	472	505
Financial non-current assets	82	83	121	104	138	118	139	158	149	124
Inventories	942	879	1,595	1,505	1,525	1,414	1,443	1,684	1,523	1,458
Current receivables	961	947	1,656	1,448	1,493	1,509	1,410	1,471	1,389	1,340
Cash and cash equivalents	85	67	63	62	57	53	214	85	92	209
Total assets	**3,850**	**3,633**	**5,570**	**5,040**	**5,129**	**5,094**	**5,239**	**5,620**	**5,438**	**5,493**
Equity attributable to Parent Company shareholders	1,657	1,559	2,724	2,591	2,326	2,203	2,065	1,950	1,840	1,769
Non-controlling interest	-	-	-	-	-	-	-	0	0	0
Total equity	**1,657**	**1,559**	**2,724**	**2,591**	**2,326**	**2,203**	**2,065**	**1,950**	**1,840**	**1,769**
Interest-bearing liabilities	1,087	1,060	905	818	1,218	1,326	1,597	1,962	1,911	1,952
Non-interest-bearing liabilities and provisions	1,106	1,014	1,941	1,631	1,585	1,565	1,577	1,708	1,687	1,772
Total equity and liabilities	**3,850**	**3,633**	**5,570**	**5,040**	**5,129**	**5,094**	**5,239**	**5,620**	**5,438**	**5,493**
Capital employed	2,744	2,619	3,629	3,409	3,544	3,529	3,662	3,912	3,751	3,721
Operational net loan liability [2)]	-356	-370	-260	-217	-530	-819	-914	-1,414	-1,407	-1,734

1) As of 2010/2011, comparative figures were adjusted due to changes in accounting policies.
2) As of 2010/2011, comparative figures were adjusted due to a changed definition (previously, financial net loan liability).
3) Non-recurring items include MSEK +245 relating to capital gains from property sales, which are recognised as Other operating income in the consolidated income statement.
4) Non-recurring items include MSEK +31 relating to capital gains from property sales, which are recognised as Other operating income in the consolidated income statement.
5) All figures relating to the income statement refer to continuing operations excluding the distribution of Momentum Group with retroactivity from 1 April 2016.
All figures relating to the balance sheet refer to continuing operations from 1 April 2017, without retroactivity for prior periods.
6) The share price relates to the price prior to separate listing of Momentum Group. The separate listing took place on 21 June 2017.
7) As proposed by the Board of Directors.

KEY FINANCIAL RATIOS		18/19	17/18[5]	16/17[5]	15/16	14/15	13/14	12/13[1]	11/12[1]	10/11[1]	09/10
Operating margin	%	6.0	5.6	6.7	6.2	5.7	4.4	3.8	5.0	4.4	3.4
Profit margin	%	5.5	5.0	6.6	6.0	5.2	3.7	2.8	3.9	3.6	2.5
Return on total capital	%	7	6	5	10	9	7	5	7	6	5
Return on capital employed	%	9	8	8	14	13	10	8	11	9	7
Return on equity	%	11	9	7	15	14	10	11	12	11	8
Return on equity excluding non-recurring items	%	11	9	7	14	14	10	6	12	11	8
Return on equity after dilution	%	11	9	8	15	14	10	11	12	11	8
Equity/assets ratio	%	43	43	49	51	45	43	39	35	34	32
Other data											
No. of employees at the end of the period		1,031	1,028	2,638	2,623	2,682	2,655	2,780	2,880	2,840	2,844
Average no. of employees		1,028	1,458	2,641	2,673	2,667	2,724	2,827	2,861	2,837	2,980
Cash flow from operating activities	MSEK	258	109	406	493	330	210	262	114	103	368
Per-share data											
Earnings	SEK	6.25	5.70	6.95	12.90	10.90	7.60	7.90	8.10	6.90	4.80
Earnings after dilution	SEK	6.25	5.70	6.90	12.85	10.85	7.60	7.90	8.10	6.90	4.80
Cash flow from operating activities	SEK	9.60	3.90	14.45	17.55	11.75	7.45	9.30	4.05	3.65	13.20
Cash flow from operating activities, after dilution	SEK	9.60	3.90	14.40	17.55	11.75	7.45	9.30	4.05	3.65	13.15
Equity	SEK	61.35	56.10	96.80	92.20	82.80	78.40	73.50	69.40	65.50	63.05
Equity after dilution	SEK	61.35	56.15	96.80	92.25	82.65	78.40	73.50	69.40	65.50	63.00
Share price at 31 March	SEK	106.60	84.70	192.00[6]	149.50	141.00	119.00	85.00	59.25	113.50	105.75
Dividend	SEK	3.00[7]	2.50	5.00	5.00	4.00	3.50	3.00	3.00	3.00	2.50
Other share-related data											
Share price/equity	%	174	151	198	162	170	152	116	85	173	168
Share price/equity after dilution	%	174	151	198	162	171	152	116	85	173	168
P/E ratio	multiple	17	15	28	12	13	16	11	7	16	22
P/E ratio after dilution	multiple	17	15	28	12	13	16	11	7	16	22
Dividend yield	%	2.8[7]	3.0	2.6	3.3	2.8	2.9	3.5	5.1	2.6	2.4

1) As of 2010/2011, comparative figures were adjusted due to changes in accounting policies.
2) As of 2010/2011, comparative figures were adjusted due to a changed definition (previously, financial net loan liability).
3) Non-recurring items include MSEK +245 relating to capital gains from property sales, which are recognised as Other operating income in the consolidated income statement.
4) Non-recurring items include MSEK +31 relating to capital gains from property sales, which are recognised as Other operating income in the consolidated income statement.
5) All figures relating to the income statement refer to continuing operations excluding the distribution of Momentum Group with retroactivity from 1 April 2016.
All figures relating to the balance sheet refer to continuing operations from 1 April 2017, without retroactivity for prior periods.
6) The share price relates to the price prior to separate listing of Momentum Group. The separate listing took place on 21 June 2017.
7) As proposed by the Board of Directors.

Calculation of performance measures and definitions

Bergman & Beving AB uses certain financial performance measures in its analysis of the operations and their performance that are not calculated in accordance with IFRS. The Company believes that these performance measures provide valuable information for investors, since they enable a more accurate assessment of current trends when combined with other key financial ratios calculated in accordance with IFRS. Since listed companies do not always calculate these performance measures ratios in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name.

CHANGE IN REVENUE

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Trading days refer to sales in local currency depending on the difference in the number of trading days compared with the comparative period. Acquisitions/divestments refer to the acquisition or divestment of units during the corresponding period.

Percentage change in revenue for:	**2018/2019**	**2017/2018**
Comparable units in local currency	-2.0	-7.9
Currency effects	2.5	0.2
Acquisitions/divestments	2.4	7.6
Total – change	**2.9**	**-0.1**

EBITA

Operating profit for the period before impairment of goodwill and amortisation and impairment of other intangible assets in connection with corporate acquisitions and equivalent transactions.

MSEK	**2018/2019**	**2017/2018**
EBITA	249	224
Depreciation and amortisation in connection with acquisitions	-13	-8
Operating profit	**236**	**216**

RETURN ON WORKING CAPITAL (P/WC)

Bergman & Beving's profitability target is for each unit in the Group to achieve profitability of at least 45 percent, measured as EBITA (P) for the rolling 12-month period as a percentage of average 12 months' working capital (WC), defined as inventories plus accounts receivable less accounts payable.

All figures pertain to the continuing operations in Bergman & Beving.

MSEK	**2018/2019**	**2017/2018**
EBITA (P)	**249**	**224**
Average working capital (WC)		
Inventories	898	883
Accounts receivable	737	730
Accounts payable	-513	-496
Total – average WC	**1,122**	**1,117**
P/WC, %	**22%**	**20%**

Other definitions

RETURN ON EQUITY
Net profit for the rolling 12-month period divided by average equity.

RETURN ON CAPITAL EMPLOYED
Profit after financial items plus financial expenses for the rolling 12-month period divided by the average balance-sheet total less non-interest-bearing liabilities.

RETURN ON TOTAL CAPITAL
Profit/loss after net financial items, including reversed financial expenses, relative to average total capital.

SHARE PRICE/EQUITY
The share price relative to equity per share at the end of the financial year.

DIVIDEND YIELD
Dividend per share relative to share price at 31 March.

EBITA
Operating profit for the period before impairment of goodwill and amortisation and impairment of other intangible assets in connection with corporate acquisitions and equivalent transactions.

EBITA MARGIN
EBITA for the period as a percentage of revenue.

EQUITY PER SHARE
Equity attributable to Parent Company shareholders divided by the number of shares at the end of the period.

CASH FLOW PER SHARE
Cash flow for the rolling 12-month period from operating activities divided by the weighted number of shares.

OPERATIONAL NET LOAN LIABILITY
Interest-bearing liabilities excluding provisions for pensions less cash and cash equivalents.

P/E RATIO
The share price at 31 March divided by earnings per share.

EARNINGS PER SHARE
Net profit attributable to the Parent Company shareholders divided by the weighted number of shares.

OPERATING MARGIN
Operating profit for the period as a percentage of revenue.

EQUITY/ASSETS RATIO
Equity as a percentage of the balance-sheet total.

CAPITAL EMPLOYED
Balance-sheet total less non-interest-bearing liabilities.

PROFIT MARGIN
Net profit after financial items as a percentage of revenue.

WEIGHTED NUMBER OF SHARES

Average number of shares outstanding before or after dilution. Shares held by Bergman & Beving are not included in the number of shares outstanding. Dilution effects arise due to call options that can be settled using shares in share-based incentive programmes. The call options have a dilution effect when the average share price during the period is higher than the redemption price of the call options.

Amounts
The amounts stated in the Notes refer to MSEK (SEK million)
unless otherwise stated.

Bergman & Beving 2018/2019
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