BERGMAN & BEVING

ANNUAL REPORT
2021/2022

This Annual Report describes the operations of Bergman & Beving AB and the financial results for 2021/2022, and includes the Company's Corporate Governance Report and Sustainability Report. The statutory Annual Report comprises pages 50–103. The statutory Sustainability Report in accordance with the Swedish Annual Accounts Act can be found on pages 29–47. Comparisons given in brackets pertain to the corresponding amount from the preceding year.

CONTENTS

BERGMAN & BEVING

- **Bergman & Beving's business concept** is to attract, acquire and, over the long term, develop leading companies in expansive niches that deliver productive, safe and sustainable solutions to the construction and industrial sectors.
- **The Group consists** of 19 profit units: Albrektsen, Arbesko, Belano, BVS, Cresto Group, ESSVE, Fastit, FireSeal, Germ, Guide, H&H, KGC, Luna Group, Retco, Skydda, SIS Group, Teng Tools, Uveco and Zekler.
- **Through our products,** we are represented at over 4,000 sales outlets in more than 25 countries.
- **Our primary market** is the Nordic region, which accounts for approximately 80 percent of revenue.
- **We aim to be a sustainable company** where we actively work to create long-term value for society and our shareholders while limiting the impact of our operations on the environment.
- **The subsidiaries in the Group** are operated with decentralised business responsibility, with a focus on simplicity, responsibility and freedom, efficiency, openness and a willingness to change.

4,575
Revenue, MSEK

331
EBITA, MSEK

22
Return on working capital (P/WC), %

7.55
Earnings per share before dilution, SEK

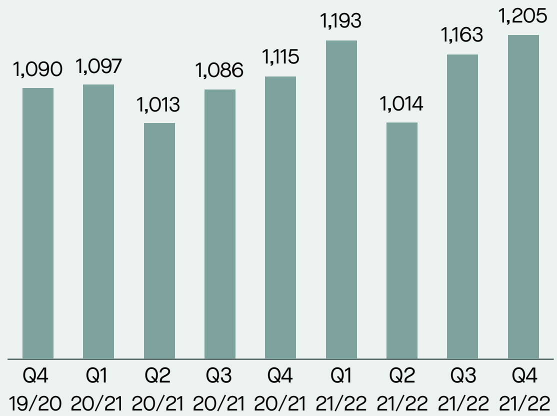
1,227
Employees

"With our committed employees and our decentralised governance model, we have excellent conditions for doubling our operating profit to MSEK 500 within a few years."

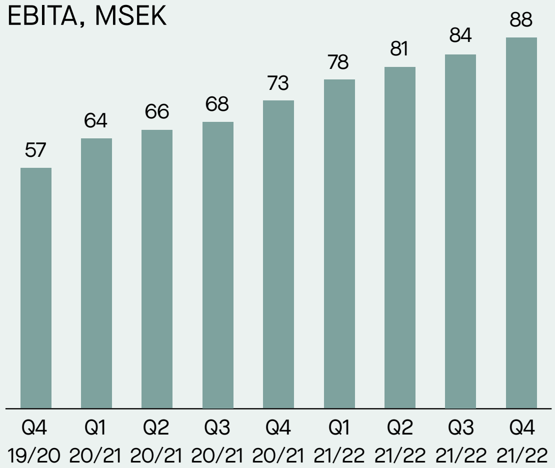
Magnus Söderlind, President & CEO

PROFIT AND REVENUE

Revenue, MSEK



EBITA, MSEK

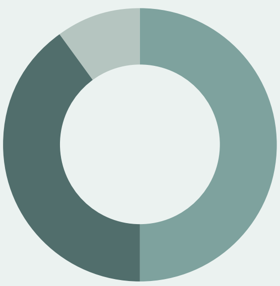


REVENUE 2021/2022

Proprietary products[1]

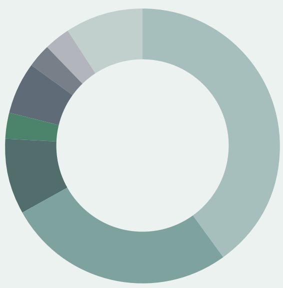
- **68%** Proprietary products
- **32%** Goods for resale

Customer segment[1]



- **50%** Manufacturing
- **40%** Construction
- **10%** Other

Geographic area[2]



- **40%** Sweden
- **27%** Norway
- **9%** Finland
- **3%** Denmark
- **6%** The Baltics
- **3%** Poland
- **3%** The UK
- **9%** Other

1) Pertains to the portion of external revenue. 2) Based on the domicile of the customers.

CEO'S COMMENTS

Platform for continued profitable growth

I've just finished my first year as CEO of Bergman & Beving and can say definitively that the Group's positive performance continued during the 2021/2022 financial year. Profit increased by 22 percent, the margin improved to 7.2 percent and we delivered our highest-ever annual earnings since Momentum Group was listed as a separate company in 2017. It is gratifying to note that the Group posted an overall improvement in earnings across all three divisions, which include a total of 19 profit units, increased revenue, and improved earnings and operating margins.

The past year entailed challenges in the form of supply chain disruptions, the COVID-19 pandemic and increased shipping, material and production costs. However, our decentralised governance model, in which our subsidiaries have the flexibility to find solutions to challenges as they arise, demonstrated its strength.

Russia's invasion of Ukraine is tragic, but had only a marginal impact on the Group during the year. To support Ukraine, we have partnered with the Ukrainian embassy to donate relevant products from several of our companies, valued at approximately MSEK 10.

Overall, we have seen many examples where our managers and leaders have taken responsibility and proactive measures during the year. It is gratifying to see that our governance model, with entrepreneur-run companies close to the market, has proven to be capable of handling the situations that have arisen and creating the conditions for long-term, profitable growth.

To ensure our ability to deliver, we were forced to temporarily increase our inventory levels during the year, a measure that has ensured our delivery capacity and limited disruptions. However, increased buffer inventories meant that we did not achieve the improvement in profitability (P/WC) we expected during the year. Nor am I satisfied with our capital efficiency, and a project has been started at the companies that, over time, will provide the conditions to better optimise working capital.

As a result, I expect a relative decrease in working capital as delivery times normalise and the results of the project are realised. Along with increased earnings, this will improve our profitability and cash flow.

We have deliberately chosen to prioritise earnings growth over revenue growth, which has resulted in increased margins. The preceding year included major non-recurring transactions stemming from the pandemic, which strengthened our revenue. We have also increased our focus on transactions where we offer higher added value and have assigned a lower priority to lower-margin transactions. This is a step in the right direction, but the margin can be strengthened even further.

During the year, we established a plan to double the Group's operating profit in the next four to five years. The plan includes clearer decentralisation, an increased focus on profitability, management by objectives and gradually increasing the rate of acquisition.

Each company is to have strategies and priorities adapted to its individual circumstances. These are to be based on each company's profitability and growth potential and taken together determine the companies' strategic balance between profitability and earnings growth – a set of priorities referred to internally as the "Focus Model."

Thanks to an increased rate of acquisition, we welcomed five new companies to the Group during the year, and one more company after the end of the operating year. Two of this year's acquisitions were add-on acquisitions to Cresto Group to support international growth.

SIS Group also carried out two add-on acquisitions, one to expand geographically and one to secure the company's unique, patented production technology. Two of the acquisitions are new independent companies in the Group that meet the updated acquisition criteria we developed during the year. When conducting acquisitions, our focus is on well-run, highly profitable companies that are market leaders in expansive niches for construction and industrial customers.

As part of strengthening our decentralised governance model, we choose to minimise central functions and resources. One example of this is that we have fewer employees at Bergman & Beving's head office than when I started at the Group. However, our ambition is to challenge and support our companies in improving their growth and profitability. That is why we developed practical, concrete tools in several strategic and operating areas. Our companies can, on their own initiative, enjoy access to expertise in areas like working capital, acquisitions, pricing, digitisation and sustainability in projects tailored for the company in question and intended to enable functional skills development and to address tangible opportunities.

Focus on improving earnings and profitability

Our earnings have increased for nine consecutive quarters. After my first year with Bergman & Beving, I believe we have favourable prospects to continue improving profitability, earnings, operating margins and cash flows in all divisions going forward while simultaneously acquiring highly profitable operations.

Our approach to organising operations allows us to retain the flexibility, commitment and decision-making of a small company as well as the resources, stability and financial strength of a large company.

We will continue to implement improvement initiatives through our decentralised governance model, with clear objectives transformed into tangible action plans for each company, with the aim that all of our companies will achieve the Group's profitability target.

We have also intensified our work related to acquisitions, and our ambition is to increase the rate of acquisition through improved cash flow.

When we purchase companies, our goal is not to divest them in the future. Nor do we aim to realise synergies, change processes and systems at the companies, change the company name or relocate independent operations. Instead, our approach is for the companies to continue working as they did before they joined the Group and, with our support, to accelerate their earnings and profitability growth. Since we have a long-term ownership horizon, our companies naturally combine a focus on earnings, profitability and cash flow with continuous initiatives to develop their operations, which can include add-on acquisitions.

Sustainability – a cornerstone of the future of Bergman & Beving

We are convinced that adopting a sustainability perspective is a prerequisite for creating growth opportunities and being viewed as attractive in both the stock market and M&A market as well as among customers and employees. Therefore, it is important that our operations proactively contribute to a more sustainable society, with solutions to increase workplace safety and promote a more sustainable and efficient use of resources. More efficient manufacturing, choosing sustainable materials and moving production to closer geographic areas are other areas that we are focusing on to reduce our environmental impact.

Increased profitability

Our corporate culture is characterised by entrepreneurship, where dedicated leaders grow as they continuously develop and improve their companies. Our ambition is to continue to build a group of highly profitable niche companies.

We live in times of growing inflation and uncertainty about where the economy is heading. The strength of our decentralised model is that it provides us with the preconditions to react quickly, on a company by company basis, if the market conditions change. Assuming that the underlying situation does not dramatically worsen and with our existing companies and increased rate of acquisition, increased profitability and improved cash flow, I believe that we have good potential to double the Group's operating profit within four to five years. Overall, I feel confident as I look ahead to the coming years.

I would like to conclude by offering my sincere thanks to all our dedicated employees for your many outstanding efforts during the year and welcome our new employees to Bergman & Beving.

Magnus Söderlind,
President & CEO

"After my first year with the Company, I believe we have favourable prospects to continue improving profitability, earnings, operating margins and cash flows in all divisions going forward while simultaneously acquiring highly profitable operations."

Magnus Söderlind, President & CEO


CRESTO

BUSINESS CONCEPT, VISION AND OBJECTIVES

BUSINESS CONCEPT

Bergman & Beving's business concept is to attract, acquire and, over the long term, develop leading companies in expansive niches that deliver productive, safe and sustainable solutions to the manufacturing and construction sectors.

We are a long-term owner of companies with solutions that command leading positions in expansive niches aimed at manufacturing and construction companies. "Leading" entails having the long-term ability to create value through sustainable development, growth and profitability. For our companies, this means aiming for market leadership in their selected niches in their markets. The Nordic region is at the international cutting edge in product areas that increase companies' productivity, improve workplace safety and support sustainability. Since our companies' solutions meet Nordic customers' high standards in these areas, this gives our companies excellent opportunities to increase their exports when demand in our product areas grows in countries outside the Nordic region.

Acquiring companies is a part of our business, meaning that it is important to be an attractive buyer so that potential sellers see us as the best alternative among potential owners – and not primarily monetarily. Combined with our long-term approach, our value-generating "toolbox" – consisting of skills, experiences and resources – offers important added value in acquisition discussions.

VISION

Bergman & Beving's vision is to be a leading niche supplier of productive, safe and sustainable solutions to companies.

This vision also means that we strive to be a driving force for sustainable development, including improved safety and productivity in companies. Our companies' solutions strengthen our customers' sustainability, which ensures future growth opportunities.

FINANCIAL TARGETS

Bergman & Beving's goal is to achieve average earnings growth of at least 15 percent per year over a business cycle and profitability (P/WC) of more than 45 percent.

The goal is based on generating cash flow to finance organic growth initiatives ourselves, provide returns to our owners and grow through corporate acquisitions.

In our decentralised model, our companies' strategies and priorities are company-specific, but the Group-wide financial goals govern the companies' priorities between earnings and profitability growth together with the companies' growth potential. Strategies are connected to operational and financial goals in the short, medium, and long term. The companies are governed in a decentralised manner and monitored by the individual subsidiary board, with each company conducting its operations within the framework of agreed objectives.

SUSTAINABILITY GOALS

Our goal is to contribute to a more sustainable economy and society. We see sustainability as a prerequisite for long-term competitiveness where profitability, value generation and social value go hand in hand.

Demand for sustainable solutions has increased in the past year and will continue to do so. All of our subsidiaries aim to continuously develop new solutions and products so that resource use becomes more efficient, including choice of materials, logistics solutions, and increased reuse and recycling. Bergman & Beving's focus areas and sustainability goals are presented in the Sustainability Report.

Read more about our sustainability outcomes on pages **29–47**

VALUES AND CORPORATE CULTURE

Together with our skilled employees and decentralised governance model, our leading companies and solutions are the basis for our success.

As owners, we primarily work through the companies' boards, where we challenge, support and follow up on tasks, but also allow a great deal of freedom in terms of how the companies achieve their goals. Our decentralised model and corporate culture are based on management by objectives and our four values: responsibility and freedom, simplicity, efficiency, and openness and a willingness to change.

Our decentralised model means that our employees prioritise initiatives and make decisions as close to their customers and market as possible. This creates value in our customer relationships while motivating and developing our employees. The founding principles of the Group also include acting with integrity, being considered a good role model and taking responsibility for sustainable, value-creating development. The Group has a whistleblowing system where both internal and external stakeholders can report suspected misconduct in our operations.

Values

Efficiency

We strive to do the right things the right way. We try to avoid administration and bureaucracy, and instead work with short decision paths.

Simplicity

Clear goals, 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, meaning that they drive their own operations forward.

Openness and a willingness to change

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

ESSVE successfully develops its values

"The lack of a qualified workforce means that in the future, ESSVE will need to work on issues related to its culture and values even more. Qualified employees very much identify with their workplaces and are careful to ensure that the company's values are in line with their own. ESSVE has therefore turned the company's core values into a useful governing instrument. This had the bonus of creating a strong, effective and profitable corporate culture."

Christina Åker, Head of HR, ESSVE Produkter AB

OPERATIONS

Strategy

We draw on over 100 years of experience in acquisitions and developing sustainable, profitable companies.

Our decentralised governance model means that we strive for leading positions in:

- Existing niches through organic growth and add-on acquisitions.
- New niches through acquisitions.

Our goals are to be achieved through organic growth and acquisitions

Bergman & Beving has a strong and niche portfolio of companies, with each company striving for a leading position in its product areas. Their products are directed towards expansive niches in the manufacturing and construction sectors, where productive, safe and sustainable solutions are in demand. We build our companies with a decentralised governance model where we acquire and develop sustainable, profitable companies over the long term.

We look for small-scale, entrepreneurial companies to scale up. This allows us to combine the advantages of speed and sense of enterprise found in smaller, flatter organisations with the advantages that larger operations often offer in the form of professionalism, breadth and experience.

Conditions for growth and profitability are central for what Bergman & Beving believes is the companies' strategic balance between profitability and earnings growth – a set of priorities referred to internally as the "Focus Model." Based on the Focus Model, we trust in our decentralised governance model, where each company develops its own strategies and goals. Profitable companies with internationally competitive offerings can evaluate organic or acquisition-driven international expansion.

The Group is divided into three divisions: Building Materials focuses on construction materials, Workplace Safety on personal protective equipment and Tools & Consumables on tools, machinery and consumables.

Acquisitions are an important part of our growth strategy. In addition to add-on acquisitions to our existing companies, we prioritise acquiring highly profitable, market-leading companies focused on new, expansive niche areas.

"During the year, we increased the pace of acquisition in Workplace Safety with four add-on acquisitions – two in the Cresto Group business area and two in the SIS Group business area, both of which operate in areas prioritised for continued growth."

Fredrik Valentin, Head of Workplace Safety


bluewave
OUTREAC
RESCUE TRAIN

Division

BUILDING MATERIALS

"During the year, the construction market was characterised by a turbulent operating environment, resulting in higher prices for raw materials and shipping as well as longer delivery times. The companies in the division successfully tackled these challenges and delivered increased sales as well as higher margins."

Mats Gullbrandsson, Managing Director

1,340
Revenue, MSEK

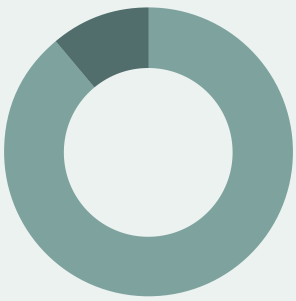
94
EBITA, MSEK

7.0
EBITA margin, %

268
Employees

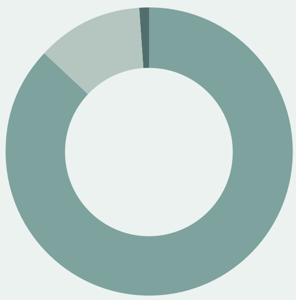
REVENUE 2021/2022

Proprietary products[1]



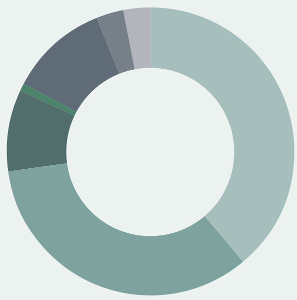
- **89%** Proprietary products
- **11%** Goods for resale

Customer segment[1]



- **87%** Construction
- **12%** Manufacturing
- **1%** Other

Geographic area[2]



- **39%** Sweden
- **34%** Norway
- **9%** Finland
- **1%** Denmark
- **11%** The Baltics
- **3%** Poland
- **3%** Other

1) Pertains to the portion of external revenue. 2) Based on the domicile of the customers.

MARKET LEADER IN FASTENING PRODUCTS, FIRE SEALS AND CONSUMABLES

Building Materials primarily offers products and services for the construction sector and customised solutions for the manufacturing sector. Its customers include construction material resellers and customers in the prefabricated market in northern Europe as well as vehicle and electronics manufacturers and shipyards. The comprehensive product offering for the construction sector includes innovative, high-quality construction fasteners as well as services such as technical consulting and dimensioning support under the ESSVE and H&H brands. ESSVE commands a marketleading position in northern Europe and sells primarily through construction material resellers. Fastit delivers customised fastening products to the manufacturing industry with automated integration into manufacturing processes. The Fire Protection business area offers fire protection solutions for construction customers in northern Europe and around the world. Additionally, the KGC business unit is a market leader in Sweden for high-quality tools, machines and accessories for tiling, bricklaying, plastering and rendering.

THE 2021/2022 FINANCIAL YEAR

The year was characterised by rising costs for raw materials and shipping as well as longer lead times from manufacturers and for shipping. The companies were negatively affected by this situation to an extent, but were largely successful in avoiding material shortages through previously increased buffer inventories. The combination of a shortage of wood products and sheet materials led to challenging conditions for the companies in the division. At the same time, underlying demand remained stable, with demand from consumers decreasing towards the end of the year while demand from professional customers increased.

FUTURE FOCUS

Our focus will be on further strengthening our market-leading position in our home markets. We will accomplish this by continuing to grow in the acquired product area of lightweight wall mounting and broadening our customer base in new areas. As a supplement to this, selected international expansion will continue, primarily within fire protection for ships. Our focus during the year will also be on acquiring profitable product companies.

The division’s business units are:

ESSVE FireSeal H&H KGC BVS Brannvernsystemer AS Fastit

ESSVE'S ACQUISITION OF PATENTS PROVIDES A BETTER WORK ENVIRONMENT, BETTER EFFICIENCY AND REDUCED CLIMATE IMPACT

ESSVE's acquisition of Atricon AB, with patents in lightweight wall mounting, strengthens its position in the market for fastening elements and provides good opportunities to continue developing innovative system solutions.

ESSVE – the Nordic region's market leader in screws and fastening elements – sees great value in efficient lightweight wall mounting systems. Mounting walls needs to be easier, faster and more intuitive, and the ergonomics also need to improve. Through the acquisition of Atricon AB, ESSVE now has access to patented products that make it possible to nail most types of sheet materials. This leads to major time savings and better ergonomics as well as significant environmental benefits.

The acquisition will enable collaboration with the market leaders Knauf Danogips and Norgips, including sales of the patented Nail It Indoor®* system.

Nail It Indoor® reduces waste and provides the most efficient and ergonomic method for mounting sheet material. This method is based on cutting plasterboard on site with the patented Bondfiller joint profile. The board is then fastened using a unique stud and track with double-folded flanges. All products in the patented ESSVE system work together to create a comprehensive solution. Nail It Indoor® from Knauf Danogips has become a much-appreciated system for interior walls. A major advantage is that mounting time is nearly halved, since the builder uses a nail gun instead of a power screwdriver. It also reduces the number of fastening points and the need for additional finishing work.

Another advantage is a 50 percent reduction in sheet material waste and a 20 percent reduction in the number of studs used. This is because sheet material is cut on site and with Bondfiller in between the studs, meaning that they can be spaced further out (600 mm instead of 450 mm). The system thereby enables a better use of materials and reduces the impact on the environment.

This improves the work environment and profitability for builders, since easier mounting means better ergonomics and the efficient system means that builders can carry out more installations per day.

With this acquisition, ESSVE has expanded its offering in lightweight wall mounting, where it can continue to develop innovative system solutions, both independently and together with selected business partners.

*Nail It Indoor® is a registered name of Knauf Danogips. ESSVE's patented system solution is marketed through an exclusive regional contract.

1,068
Revenue, MSEK

Division

WORKPLACE SAFETY

"The world's focus on safe workplaces will continue to increase. We intend to be the primary supplier of products and services that create a safe, comfortable and efficient workday."

Fredrik Valentin, Division Head

1,633
Revenue, MSEK

145
EBITA, MSEK

8.9
EBITA margin, %

467
Employees

REVENUE 2021/2022

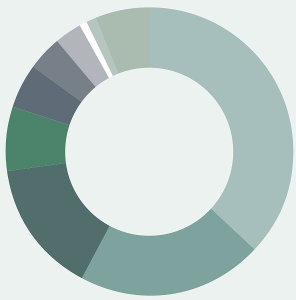
Proprietary products[1]

- **74%** Proprietary products
- **26%** Goods for resale

Customer segment[1]

- **54%** Manufacturing
- **18%** Construction
- **28%** Other

Geographic area[2]



- **37%** Sweden
- **21%** Norway
- **15%** Finland
- **7%** Denmark
- **5%** Benelux
- **4%** The UK
- **3%** Germany
- **1%** The Baltics
- **1%** Poland
- **6%** Other

1) Pertains to the portion of external revenue. 2) Based on the domicile of the customers.

INDUSTRY EXPERTS IN WORKPLACE SAFETY

The companies in the Workplace Safety division offer products and services in workplace safety. Customers primarily include manufacturing and construction material resellers as well as major international manufacturing customers. Most of the business units are market leaders in northern Europe, with complementary international markets. The division's vision is a world where everyone can be safe and healthy on the job. For a wind power service technician, for example, this means that the Cresto Group business area equips turbines with rescue equipment immediately when they are delivered from the factory and that each technician has their own personal rescue equipment they can wear at work every day. Cresto Group also carries out training and annual safety inspections for its equipment. The SIS Group business area consists of several leading companies in safety and workplace signs. Arbesko develops and manufactures high-quality safety shoes. Guide is a leading work glove company. Zekler develops and sells hearing protection, eye protection, respiratory protection and helmets. Skydda is the Nordic region's leading specialist in workplace safety and distribution of personal protective equipment.

THE 2021/2022 FINANCIAL YEAR

During the year, the extraordinary sales of protective equipment to authorities declined, but underlying demand in the core business remained strong. Problems with deliveries from sub-suppliers affected the delivery capacity of some of the units in the division towards the end of the year, despite previously increased inventory buffers.

Four add-on acquisitions were carried out during the year, with combined annual revenue of approximately MSEK 95. Two of these were in the SIS Group business area, as part of strengthening our leading position in northern Europe, and the other two were in Cresto Group, which acquired two units to strengthen its position in the UK and US.

FUTURE FOCUS

Underlying growth for personal protective equipment is also expected to remain high in the coming years. The units in the division will strengthen their leading positions in the Nordic region, and their international expansion into fall protection, rescue equipment, protective gloves and workplace signs will continue. Acquisitions in new niches within workplace safety will also be evaluated.

The division's business units are:

ARBESKO GUIDE ZEKLER CRESTO GROUP EXPECT MORE SISGROUP SKYDDA PROTECTING PEOPLE






CONTINUED ACQUISITIONS STRENGTHEN CRESTO GROUP'S INTERNATIONAL OFFERING

Since 2019, Cresto Group has accelerated its international journey towards becoming one of the leading European companies for safety and rescue solutions for working at heights. To strengthen its offering of products and services as well as to establish itself in new markets, Cresto Group acquired two international corporate groups during the past year.

Cresto Group is the leading specialist in the Nordic region for working at heights. The company develops, manufactures and sells premium fall protection and rescue solutions for professionals who work at height and rescue specialists. The company's comprehensive solutions include products, training, consulting, installation and annual inspections.

The Cresto Group's aggressive growth plan – becoming a leader in Europe in the premium segment for fall protection and rescue solutions – specifically focuses on additional expansion beyond the Nordic region. The operations are to grow by developing a local presence in strategic European markets. To further strengthen its expertise and broaden its customer offering, Cresto Group works continuously to acquire companies that are strong in their local markets. During the previous operating year, Cresto Group acquired Safetime in Slovakia to strengthen its production capacity and geographic position in central Europe.

At the beginning of the year, Cresto Group acquired the UK company group Abtech Group, which includes Abtech Safety, Outreach Safety and Outreach Rescue Medical. These companies are leading suppliers of personal equipment for working at heights and rescue equipment, in addition to specialising in advanced training for emergency services personnel. Safety Technology Ltd, including its US subsidiary Safety Technology USA LLC., was acquired to further strengthen the division's market presence. Safety Technology is a specialised supplier of fall protection and rescue solutions for the energy and wind power sectors with special emphasis on advanced training in working at heights. Together, these acquisitions provide Cresto Group with a platform for the UK market and a base for growth in the US.

The acquisitions will also create opportunities to advance Cresto Group's international offering and develop joint comprehensive solutions for products, training and related services.

277
Revenue, MSEK

WORLD PREMIERE OF THE NEXT GENERATION OF ILLUMINATED SIGNS

One of the flagship workplace sign products in the SIS Group business area is the patented Supernova sign, with a unique ability to display emergency signs and evacuation routes in colour without a power source. These products have played an important part of the company Systemtext's success in the Swedish market over the past 20 years. Now Systemtext is launching the follow-up Supernova+®, which also meets European requirements for colour retention – through a patented, ground-breaking new colour technology that works without an external power source.

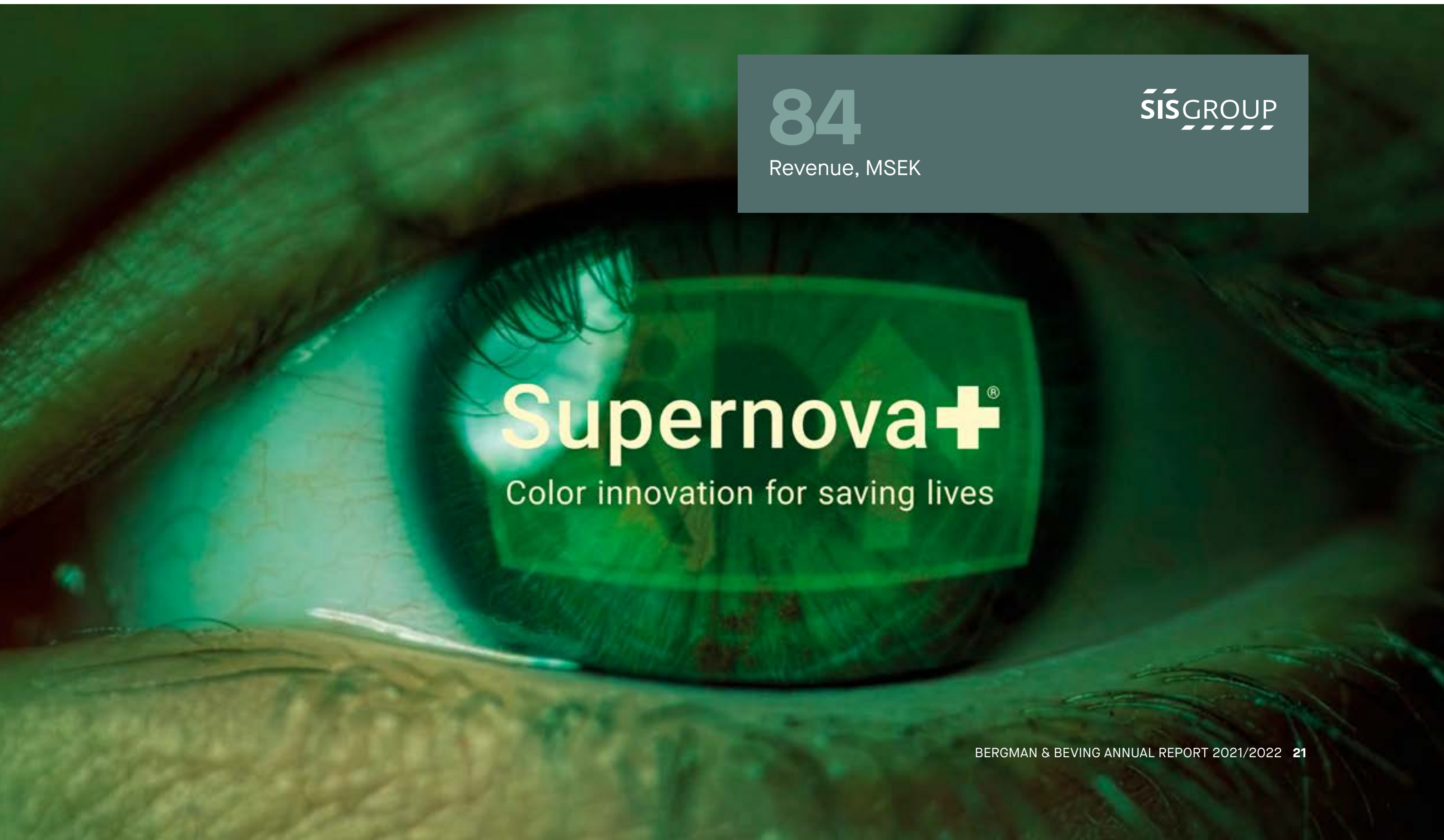
The labour markets in Sweden and Europe are becoming more international. It is therefore important to stay ahead of the competition with workplace signs that follow international standards.

That is why Systemtext has developed the next generation of colour illuminated workplace signs, Supernova+®, which have already been adapted to meet future regulations in the Swedish and European markets. The new sign retains correct signal colours according to ISO 3864 in daylight and in darkness, and all of the pictograms are in accordance with ISO 7010. The sign's illumination value also exceeds the minimum requirements according to ISO 16069, meaning that the Supernova+® has the capability to provide stronger illumination for a longer period of time.

Based on knowledge about the meaning of colour in a sudden emergency, the Supernova+® sign is a high-visibility lifesaver that increases the likelihood of saving people's lives.

Evacuation routes and emergency signs with the patented Supernova+® technology are 80 percent more visible than signs that are only illuminated in white. The unique colour in the Supernova+® is charged by the light in its surroundings, whether daylight or artificial. If the light in its surroundings disappears, for example in an emergency situation, the colour lighting goes into effect and the sign is illuminated like an electronic sign – in the right colours, but without a power source. Together with the colour experience, the extra strong white sections strengthen the message of the sign and simplify evacuations. The Supernova+® sign was introduced in the Nordic market in spring 2022 and received a highly positive response from our customers. Powerful illumination and correct signal colours in the dark save lives!

84
Revenue, MSEK



Division

TOOLS & CONSUMABLES

“Tools & Consumables noted increased customer demand in parallel with learning to navigate challenging logistics chains and phasing out unprofitable businesses. Over the long term, these three factors have strengthened the division’s position and operational ability.”

Oscar Fredell, Division Head

1,641
Revenue, MSEK

103
EBITA, MSEK

6.3
EBITA margin, %

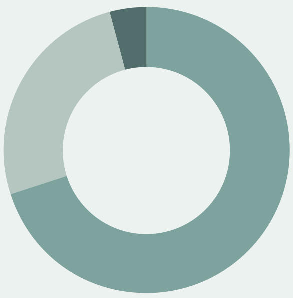
342
Employees

REVENUE 2021/2022

Proprietary products[1]

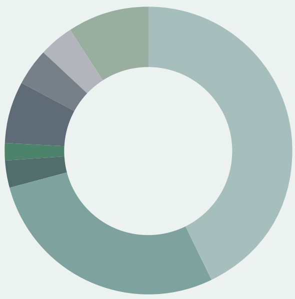
- **55%** Goods for resale
- **45%** Proprietary products

Customer segment[1]



- **70%** Manufacturing
- **26%** Construction
- **4%** Other

Geographic area[2]



- **43%** Sweden
- **28%** Norway
- **3%** Finland
- **2%** Denmark
- **7%** The Baltics
- **4%** The UK
- **4%** Poland
- **9%** Other

1) Pertains to the portion of external revenue. 2) Based on the domicile of the customers.

A COMPLETE TOOLBOX FOR PROFESSIONALS

Tools & Consumables develops, designs, produces and distributes productive, safe and sustainable solutions for the manufacturing and construction sectors. The companies in the division focus on offerings within the areas of tools, machinery and consumables and have their own sales and marketing teams in 12 countries. In everything from business development and logistics to product design and marketing, the division's companies are valuable partners for our customers, which drives both us and our customers forward. The division's largest unit is Luna Group – the Nordic region's leading distributor of tools, machinery and consumables.

Teng Tools offers hand tools in smart packaging solutions for discerning professionals and is the unit with the largest international presence and its own sales offices and partners in over 30 countries. The division currently operates in nine business niches.

THE 2021/2022 FINANCIAL YEAR

During the year, sales of tools and consumables recovered from the negative effects of the COVID-19 pandemic, with a significant improvement in earnings for the division. Problems with deliveries from sub-suppliers affected the delivery capacity of some of the units in the division, albeit to a lesser extent. One add-on acquisition was carried out during the year, with annual revenue of approximately MSEK 20. The acquisition was conducted in the tool fall protection cluster as part of our efforts to strengthen our leading position in the oil and gas industry, which has clear requirements for tool fall protection solutions.

FUTURE FOCUS

The existing units in the division will continue to strengthen their leading positions with a focus on their home markets, while Teng Tools will continue its successful international expansion both organically and through add-on acquisitions. The division sees good opportunities to acquire and develop companies in both existing and new, expansive niches in tools, machinery and consumables. After the end of the financial year, an additional company was acquired.

The division's business units are:

LUNA GROUP
TENG TOOLS
UVECO
LIDÉN WEIGHING
RETCO welding products
www.verktoysikring.no
GERMAB
BELANO MASKIN AB www.belano.se | Alingsås | Tel. 0322-159 40

ALBRETSEN – PROFITABLE ACQUISITION TO ACHIEVE LEADING POSITION IN EXANPSIVE NICHE

Tools that drop from heights account for a large portion of all workplace accidents, which is why the demand for tool safety is steadily increasing and the market is growing rapidly. During the operating year, Bergman & Beving acquired the Norwegian company Albretsen as part of its goal to become a leader in the tool safety niche. The Tools & Consumables division thereby strengthened its offering and gained expertise within the oil and gas industry.

H.M. Albretsen began as an ironmonger's that sold to customers including local industry in the Norwegian town of Brevik. In 1995, the company changed its name to H.M. Albretsen Verktøysikring AS after entering into a partnership with experts in the oil and gas industry. At the time, the industry lacked any requirements for tool safety, which led to the company focusing its operations on safety solutions for objects falling from heights.

Albretsen began product development right away, creating documentation for the stringent requirements and its own standards for tool safety. After years of development and close cooperation with workplace managers and industry organisations such as Samarbeid for Sikkerhet (Eng: Partnership for Safety), Albretsen currently sets a standard recognised and accepted by the oil and gas industry and its important stakeholders.

Albretsen's goal is to become a niche leader in Europe and to continue helping companies ensure that hand tools are ready when new requirements arise. The company will also expand its product offering for onshore industry.

The Tools & Consumables division also offered tool safety products prior to the acquisition. Through the 2021 acquisition of Albretsen, the leading company in its niche within the Nordic region, unsecured tools can also be certified. This creates a unique offering. Albretsen also provides greater access to the Norwegian market and valuable expertise in the oil and gas industry.

The focus on tool safety within Tools & Consumables is yielding results – in two years, the division has doubled its revenue. The goal is to acquire more specialised European tool safety companies in order to advance its position as a European leader in the area.

18
Revenue, MSEK

www.verktoysikring.no

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 2022 was MSEK 3,750 (3,218).

Share capital and growth in 2021/2022

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 2022 was MSEK 3,750. On the last trading day of the previous financial year, 31 March 2021, the closing price was SEK 121.40. The closing price as of 31 March 2022 was SEK 141.40.

Share capital

As of 31 March 2022, 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 (Sweden).

Repurchase of own shares

Bergman & Beving's Class B shares held in treasury as of 31 March 2022 amounted to 913,677 (929,677), corresponding to 3.3 percent of the total number of shares and 2.5 percent of the total number of votes. The repurchased shares are reserved, in part, 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 2022, Bergman & Beving had four outstanding call option programmes totalling 790,000 Class B shares. The programmes are targeted at senior managers in the Group.

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.

The redemption price for call options issued in connection with the share-based incentive programme for 2019 is SEK 107.50 and the redemption period is from 12 September 2022 until 9 June 2023, inclusive.

The redemption price for call options issued in connection with the share-based incentive programme for 2020 is SEK 99.50 and the redemption period is from 11 September 2023 until 7 June 2024, inclusive.

The redemption price for call options issued in connection with the share-based incentive programme for 2021 is SEK 197.30 and the redemption period is from 16 September 2024 until 12 June 2025, inclusive.

For further information regarding the terms of the share-based incentive programmes, refer to Note 5 on pages 78–81.

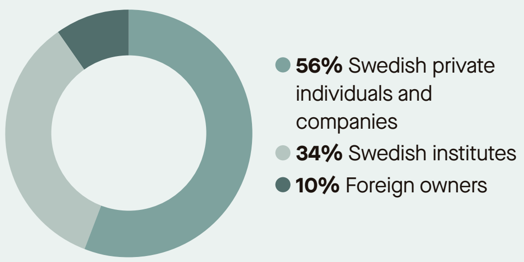
Dividend

The Board of Directors' proposal for the dividend for the 2021/2022 operating year is SEK 3.40 (3.00) per share, corresponding to a total of MSEK 90 (80). The pay-out ratio is 45 percent (49) of earnings per share. Over the past ten years (since 2012/2013), the average pay-out ratio, including the proposed dividend for the year, amounted to approximately 44 percent of earnings per share.

Ownership structure

As of 31 March 2022, Bergman & Beving had 5,626 shareholders (5,311). Institutional investors, such as mutual funds, insurance companies and pension funds in Sweden and abroad, owned approximately 78 percent (78) of the total number of shares (capital), of which the share of foreign owners was approximately 13 percent (12) of the total number of shares (capital). The ownership model based on votes is presented in the diagram below.

Allocation of ownership, % votes



SHARE DATA 2021/2022

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

Classes of shares as of 31 March 2022[1]

		% of	
	No. of shares	capital	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**
Of which, repurchased Class B shares	–913,677	3.3	2.5
Total number of shares after repurchasing	**26,522,739**		

Ownership structure as of 31 March 2022[1]

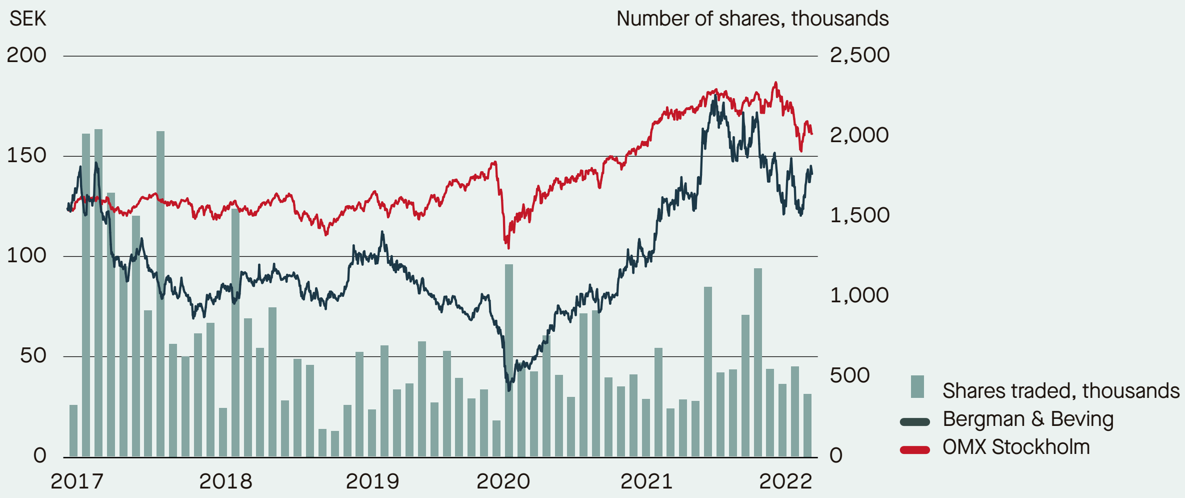
	Owners		Shares	
Holding	Number	% of total	Number	% of total
1–500	4,374	77.7	520,167	2.0
501–1,000	540	9.6	433,407	1.6
1,001–5,000	477	8.5	1,098,593	4.1
5,001–10,000	77	1.4	555,225	2.1
10,001–50,000	96	1.7	1,939,736	7.3
50,001–100,000	17	0.3	1,299,713	4.9
100,001–	45	0.8	20,675,898	78.0
Total	**5,626**	**100**	**26,522,739**	**100**

Major shareholders as of 31 March 2022[1]

	Number		% of	
Holding	Class A shares	Class B shares	Capital	Votes
Anders Börjesson (with family/companies)	497,192	2,166,843	10.04	19.78
Tom Hedelius	493,124	0	1.86	13.67
Lannebo Fonder	0	3,172,569	11.96	8.79
Swedbank Robur Fonder	0	2,654,159	10.01	7.36
Handelsbanken Funds	0	1,519,265	5.73	4.21
Handelsbanken Pensionsstiftelse & Pensionskassa	0	1,500,000	5.66	4.16
Fourth AP Fund	0	1,490,781	5.62	4.13
Sandrew Aktiebolag	0	800,000	3.02	2.22
Brown Brothers Harriman & CO., W9	0	627,920	2.37	1.74
CBNY-DFA-INT SML CAP V	0	464,488	1.75	1.29
SEB AB, LUXEMBOURG BRANCH, W8IMY	0	415,000	1.56	1.14
Carnegie Fonder	0	407,714	1.54	1.13
Per Säve	20,000	160,000	0.68	1.00
Försäkringsaktiebolaget, Avanza Pension	0	352,600	1.33	0.98
Other shareholders	52,120	9,728,964	36.87	28.40
Total (excl. repurchased shares)	**1,062,436**	**25,460,303**	**100**	**100**
Repurchased Class B shares		913,677		
Total number of shares	**1,062,436**	**26,373,980**		

1) Source: Euroclear Sweden.

Share price development 2017–2022



BERGMAN & BEVING

SUSTAINABILITY REPORT 2021/2022

Bergman & Beving has prepared a Sustainability Report for the 2021/2022 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 where we actively work to limit the effect of our operations on the environment and simultaneously create long-term value for society and our share-holders. The Group's work to achieve this goal is presented in this Sustainability Report. By signing the 2021/2022 Annual Report, the Board of Directors has also signed the Sustainability Report.

INCREASED BUSINESS VALUE THROUGH CORPORATE RESPONSIBILITY

In Accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Bergman & Beving has chosen to prepare this statutory sustainability report as a separate report from the statutory annual report. Our Sustainability Report describes our sustainability goals, why we have them and our progress during the year. We also describe several examples of initiatives and activities in our prioritised focus areas that fall outside the scope of measurable targets. The Sustainability Report, structured according to the table of contents below, is in line with our strategy based on our chosen focus areas and UN Sustainable Development Goals (SDGs). Our goals cover all ESG areas (Environmental, Social and Governance).

CONTENTS

WE ARE BUILDING A GROUP OF COMPANIES THAT CONTRIBUTE TO SUSTAINABLE DEVELOPMENT

Bergman & Beving's management works purposefully to contribute to sustainable development and continued to advance our positions in the area during the year. Our business concept is based on the idea that the customer offering from our operations should be a positive force for a sustainable society, since the focus is on providing productive, safe and sustainable solutions to the manufacturing and construction sectors. Sustainability is therefore well in line with our corporate culture and operations, and our increased focus creates both business opportunities and long-term competitiveness. An approach that is reflected in our sustainability agenda.

Demand for sustainable solutions has increased in the past year and will continue to do so. That is why all of our subsidiaries have clear objectives for more efficient resource use as well as increased reuse and recycling. One example of this is Arbesko, which was certified during the year by reThink for its waste management efforts, which are part of its goal to be the most sustainable safety shoe supplier in the market.

Another example is ESSVE's partnership with Knauf Danogips and Norgips, which has resulted in a unique new system that radically reduces material waste and provides the most efficient and ergonomic mounting of drywall in interior walls. A third example is our brand Millers, which has switched all of its plastic packaging to paper. Additionally, we develop products in workplace safety and personal protective equipment, which helps our customers create safe and secure work environments for their employees.

We also require our suppliers and employees to follow our ethical guidelines, which cover anti-corruption and human rights. Our sustainability work is under constant development. That is why we carried out stakeholder dialogues during the year to update our materiality analysis and sustainability strategy. We also procured a system to support climate calculations according to the GHG Protocol.[1] These calculations are the foundation of continued improvements in the area.

Our sustainability report specifies our initiatives and the purposeful work that contributes to sustainable development.

Magnus Söderlind
President & CEO, Bergman & Beving

1) Greenhouse Gas Protocol.

OUR SUSTAINABILITY VISION

Sustainable development refers to development that meets today's needs without jeopardising the ability of future generations to meet their own needs. As a proponent of sustainable development, we take responsibility for the way in which our businesses reach their profitability goals. This responsibility spans the entire value chain – from product development and purchasing to the end of the production cycle.

Our vision is to be the leading niche supplier of productive, safe and sustainable solutions to companies. This vision also means that we strive to be a driving force for sustainable development, including improved safety and productivity in companies. Our companies' solutions strengthen our customers' sustainability.

For us, leading means the long-term ability to create value through sustainable development, growth and profitability. This means being a company that takes responsibility for society and the environment while it strives for higher profitability. Achieving this goal will require, for example, smart product development and responsibility for the working conditions in the supplier chain, dedicated employees that enjoy working for their employer and efficient transports.

Sustainability creates business value in the form of more loyal customers, more satisfied employees and more sustainable products. Simply put, sustainability is a prerequisite for long-term profitability. The purpose is to reduce business risks, create business opportunities and promote a trustworthy and future-oriented sustainability agenda.

GOVERNANCE MODEL

This section describes how we govern our operations according to the sustainability goals we have set and which rules and policies govern our activities. For more information about our corporate governance, refer to our Corporate Governance Report, which is a part of our statutory Annual Report.

How Bergman & Beving governs sustainability

Board of Directors – Establishes Group-wide sustainability goals, responsible for the sustainability strategy and the Code of Conduct as well as decisions on policies.

Management – Breaks down sustainability goals and prioritises work. Monitors and evaluates development.

Business units – Establish their own sustainability goals in addition to the Group-wide ones and conduct sustainability initiatives.

Employees – Carry out sustainability initiatives and develop tools and processes that promote sustainability in the operations.

VALUES AND CORPORATE CULTURE

Our values and corporate culture form the basis of our sustainability agenda. Bergman & Beving's values and corporate culture are based on genuine entrepreneurship. We strive to innovate and develop competitive offerings and build relationships. We summarise our values with keywords such as:

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

Our subsidiaries conduct their operations with a high degree of freedom and are also held accountable for meeting our ambitious objectives. 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 develop. We act with integrity, are considered a good role model and take responsibility for sustainable, value-creating development. The Group has a whistleblowing system where both internal and external stakeholders can report suspected misconduct in our operations.

CODE OF CONDUCT

Our Code of Conduct is a critical tool for supporting Bergman & Beving's decentralised organisation and applies to all employees and suppliers.

The Code of Conduct is based on documents such as the UN Universal Declaration of Human Rights, the ILO (International Labour Organization) Core Conventions, the OECD Guidelines for Multinational Enterprises and requirements in the UN Global Compact. The Group also bases its Code of Conduct on the Code of Business Conduct from the Swedish Anti-Corruption Institute (IMM), a driving force within Anti-corruption in society and business.

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.

Bergman & Beving's Code of Conduct imposes requirements on suppliers to respect fundamental human rights and to treat their labour force fairly and with respect, with the aim of counteracting corruption. The suppliers also ensure that their sub-suppliers, contractors and agents act in accordance with the Group's Code of Conduct and assess their performance in relation to this Code.

It is important to the Group that our business partners meet our expectations, and that every supplier actively approves and confirms that it will comply with the Code of Conduct. Regularly conducted audits, by both independent external consultants and by internal personnel, ensure that the Group's suppliers are meeting our expectations.

We strive for a sustainable value chain by increasing the share of purchases from certified suppliers and the share of purchases from suppliers who have signed the Group's Code of Conduct.

GROUP POLICIES

The Group has a number of employee policies and guidelines, such as guidelines for systematic occupational health and safety, incidents and emergencies, equal treatment as well as guidelines for alcohol, drugs and hazardous substances.

Innovative and forward-looking solutions can make daily life easier for tradesmen while reducing their climate impact. ESSVE's patented system solution Nail It Indoor® reduces sheet material waste by half and requires 20 percent fewer studs. It also improves the work environment through more efficient and ergonomic mounting and improves profitability for mounters, since easier mounting also allows for more installations per day. The system thereby enables a better use of materials and a reduced impact on the environment.

*Nail It Indoor® is a registered name of Knauf Danogips. ESSVE's patented system solution is marketed through an exclusive regional contract.

During the year, Guide Gloves continued to develop the ENVI sustainability concept and designed a new work glove manufactured using a new, more environmentally friendly method where the fabric is based on glucose extracted from sugar beets.

SUSTAINABILITY STRATEGY

STAKEHOLDER DIALOGUES

At Bergman & Beving, we work continuously to prioritise how we can maximise the impact of our sustainability initiatives.

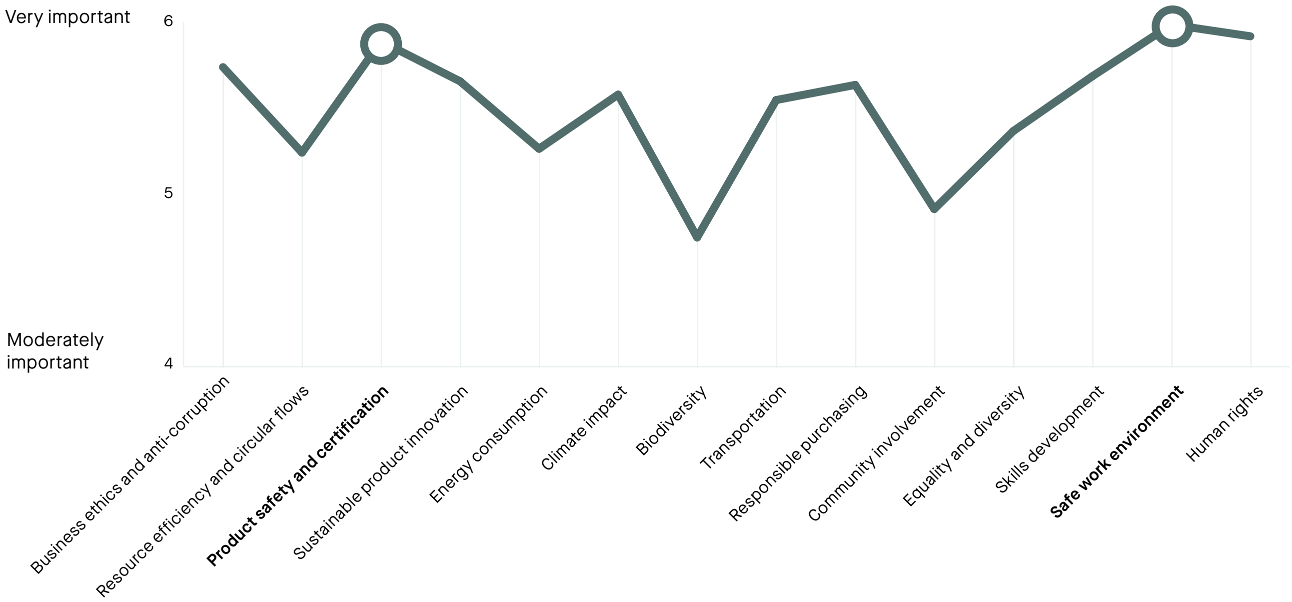
In order to invest its resources purposefully, Bergman & Beving bases its sustainability strategy on a materiality analysis that indicates where we believe we have the greatest opportunity to have an impact. The materiality analysis is, in turn, based on stakeholder dialogues we have conducted. The basis of the Group's current sustainability strategy was established four years ago when the first stakeholder dialogue and subsequent analysis took place.

During the year, an updated stakeholder dialogue was carried out through interviews with owners, stakeholders in society, customers and suppliers. We also sent surveys to several customers and suppliers and to all of our employees. The aggregate results from the stakeholders' and management's priorities were used in the analysis to identify important areas. Management could see that the Group's sustainability goals, which are structured in a framework with focus areas, are still relevant and applicable.

The focus areas apply across all units in the Group, but the respective companies can implement their own goals in addition to the Group-wide focus areas.

The Board monitors sustainability efforts in connection with the annual strategy review. An in-depth stakeholder dialogue and materiality analysis are carried out every three years.

SIGNIFICANT FOR ALL STAKEHOLDERS



As seen in the above diagram, a safe work environment and product safety are the most important sustainability issues for our stakeholders. Biodiversity is currently the lowest priority, but according to external analyses and experiences from external consulting firms we work with when it comes to sustainability, this area will likely be more highly prioritised in the future. This was also evident in the in-depth interviews carried out with a number of stakeholders. The greatest consensus was surrounding transportation, sustainable product innovation and responsible purchasing.

The most important sustainability issues in each stakeholder group are as follows:

- **Investors**: Human rights, business ethics and anti-corruption, safe work environment, and climate impact **Employees**: Safe work environment, human rights, and product safety and certification
- **Customers**: Product safety and certification, safe work environment, and climate impact
- **Suppliers**: Business ethics and anti-corruption, product safety and certification, safe work environment, and climate impact
- **Society**: Responsible purchasing, safe work environment, and climate impact

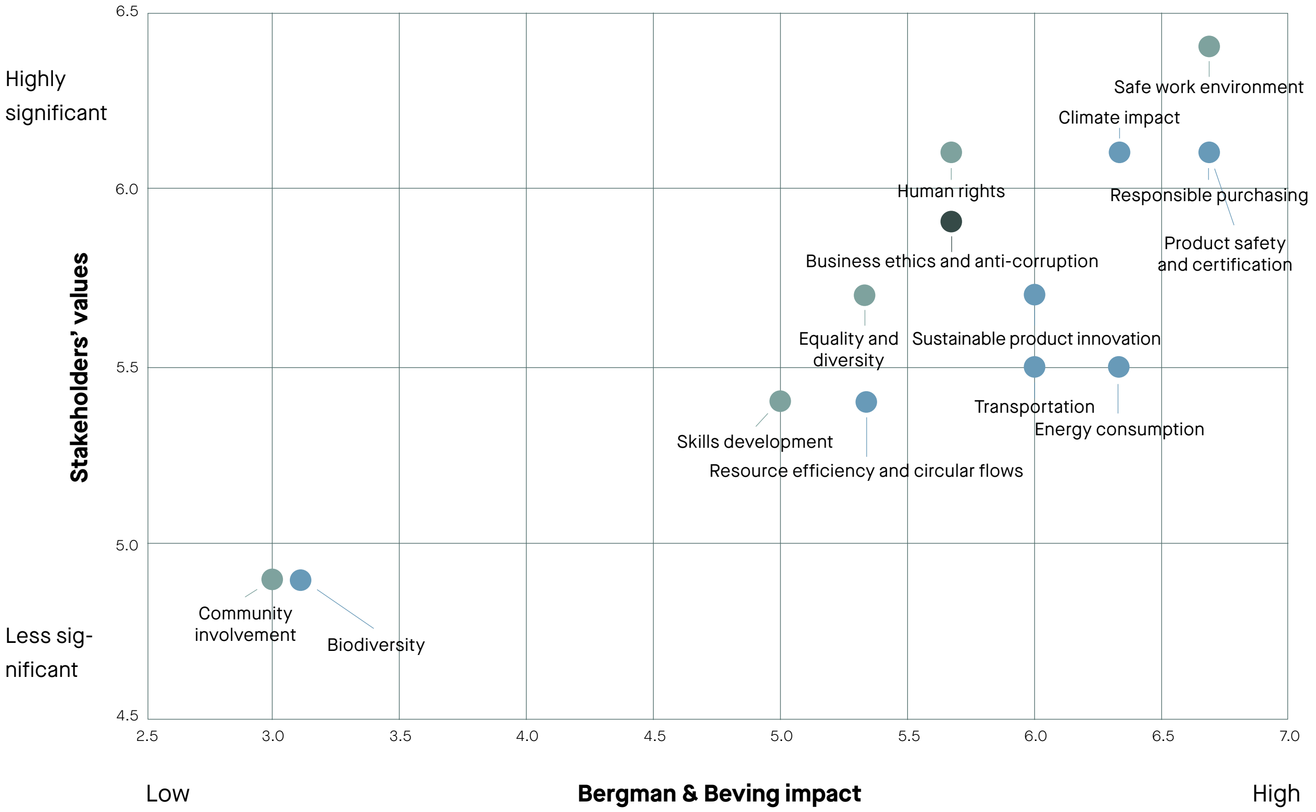
MATERIALITY ANALYSIS

We can see that sustainability requirements and expectations will increase. This will require increasingly stringent controls for supplier risks and measuring climate impact across the entire value chain. Long value chains result in elevated risks when a high level of responsibility rests with suppliers. That is why it is important to actively work together with our suppliers regarding sustainability issues. For our customers, it is important that we build trust and that they are confident that we take responsibility throughout the entire value chain.

We have high ambitions to be clearer and more transparent in our communication and to work towards measurable goals through focused activities where we have the greatest ability to have an impact.

While working on the materiality analysis, we did not see any major change from the previous analysis from four years ago in terms of which issues were considered the most material. Work environment, control over global supply chains, and products that meet the market's expectations for climate impact are the most important areas to address. Stakeholders' collected prioritised areas and the Group's analysis of where we have the greatest ability to have an impact are presented in the illustration below.

MATERIALITY MATRIX



During the coming financial year, we will follow the EU's coming framework for sustainable products (Sustainable Products Initiative, SPI) and the EU law that will require companies to carry out human rights audits across the entire value chain (Human Rights Due Diligence).

FOCUS AREAS AND GOAL FORMULATION

The aggregate results from the stakeholders' and management's priorities were used in the materiality analysis. We could see that the Group's sustainability goals, which are structured in a framework with focus areas, are still relevant and applicable. Calculations for climate impact were included in this year's compilation. This covers all areas but is categorised below in the "Sustainable value chain" focus area. The performance measure "share of companies that measure their climate impact according to the GHG Protocol" has been included and will be monitored going forward.

The focus areas apply across all units within the Group. Each company can implement unit-specific goals in addition to the Group-wide focus areas.

UN SDGs	Focus areas	Goal formulation	Performance measures
5 GENDER EQUALITY	**Equality and diversity**	We operate in a male-dominated industry, and can make a difference with respect to diversity and equality. An inclusive work climate where differences are utilised and where all employees have equal conditions and opportunities. The goal for gender equality is constant improvement towards an even distribution.	Percentage women/men
			Percentage men/women, managers
			Percentage women/men, new salaried employees
8 DECENT WORK AND ECONOMIC GROWTH	**Employees**	Attract and develop employees through safe work environments, skills development and personal growth. The goal is an EI over 70.	Employee index, EI
	Sustainable value chain	The Group's operations and products promote positive working conditions and economic growth in the entire value chain. Through responsible purchasing, we support equitable working conditions and human rights, and conduct operations according to good business ethics and without corruption. The goal is to continuously increase purchases from certified suppliers and suppliers who have signed our Code of Conduct.	Share of procurement volume from certified suppliers
12 RESPONSIBLE CONSUMPTION AND PRODUCTION			Share of procurement volume from suppliers who have signed our Code of Conduct
		By measuring the climate impact of our operations in our value chain, we can implement focused measures to reduce our climate impact and help build better structures for sustainable consumption and production. The goal is for all operations to measure in order to reduce their climate impact and to help reach the goals of the Paris Agreement.	Share of companies that measure according to Scopes 1 and 2 [1]
			Share of companies that measure according to Scope 3, 10 to 15 categories [1]
			Share of companies that measure according to Scope 3, 5 to 10 categories [1]
			Share of companies that measure according to Scope 3, 1 to 5 categories [1]
	Product portfolio	We offer innovative, sustainable, certified and safe products and solutions. The goal is to continuously increase the share of sales of certified products and services.	Share of sales of certified products and services
	Materials, waste and circular flows	We want to improve resource efficiency and circular flows by reducing the consumption of materials and raw goods, and by increasing recycling and reuse in our own manufacturing.	Consumption of packaging
13 CLIMATE ACTION	**Emissions and energy consumption**	Through smart transportation and energy solutions in our operations, we can reduce our environmental impact. The goal is a coefficient of fullness of 80 percent for incoming freight and 50 percent for outgoing freight and to decrease the percentage of air shipments.	Coefficient of fullness, incoming freight
			Coefficient of fullness, outgoing freight
			Percentage air shipments

1) According to the GHG Protocol (Greenhouse Gas Protocol).

ACTIVITIES AND PROGRESS DURING THE YEAR

EU TAXONOMY

The EU taxonomy for sustainable economic activities is an EU initiative to achieve the global environmental objectives as well as the objectives of the Paris Agreement. It is also a classification tool that determines which economic activities are considered sustainable within the EU. The goal is to create a shared language that helps investors and companies navigate the transition to a lower-carbon, resilient and resource-efficient economy, and to direct investments in a more sustainable direction.

THE SIX ENVIRONMENTAL OBJECTIVES

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

For an economic activity to qualify as environmentally sustainable according to the EU taxonomy, it must significantly contribute to one of the six environmental objectives defined by the EU's Taxonomy Regulation. At the same time, it must do no significant harm to any of the other environmental objectives and comply with minimum safeguards.

During the year, we began an analysis of the reporting requirements for our activities. Since our industry is not directly covered by the EU taxonomy, we do not have any outcomes within the parameters below. Preparations are under way for this survey and the analysis will be carried out during the next financial year.

- Proportion of turnover aligned with the taxonomy
- Proportion of OPEX aligned with the taxonomy
- Proportion of CAPEX aligned with the taxonomy

The higher the percentage, the more positive the impact our activities have on the transition to climate neutrality. However, a company cannot be aligned with the taxonomy if these regulations do not apply to its operating industry.

What have we done during the past year within the first two environmental objectives? To be able to achieve qualitative and quantitative goals, it is important to begin measuring your climate impact – your footprint. With this in mind, the Group procured a system during the year that will support the handling of sustainability data and carry out climate calculations. Some companies have already carried out their own climate calculations, but for others the journey has just begun to limit their climate impact, adapt to the prevailing climate changes and actively contribute to this transition. This is only possible if we measure our starting point. Other activities that we carried out during the year are described in further detail in each focus area in the sustainability report on the coming pages. It is our assessment that none of these activities cause significant harm to any of the other environmental objectives.

All activities in the Group must be in line with the Group's governance model. Our current Code of Conduct and other policies ensure that our activities comply with minimum safeguards. The Code of Conduct is based on documents such as the Universal Declaration of Human Rights, the ILO (International Labour Organization) Core Conventions, the OECD Guidelines for Multinational Enterprises and requirements in the UN Global Compact. The Group also bases its Code of Conduct on the Code of Business Conduct from the Swedish Anti-Corruption Institute (IMM), a driving force within anti-corruption in society and business.

THE GROUP'S SUSTAINABILITY TEAM

During the year, a sustainability team was assembled that held a number of meetings covering various topics. The goal of the sustainability team is to create an internal Group network, share initiatives and generate engagement.

We invite external lecturers in to inspire us and improve our expertise. Together, we will ensure that the Group reaches its sustainability goals and that we develop in the right direction in accordance with our vision: to be a leading niche supplier of productive, safe and sustainable solutions to companies.

The sustainability team strives to further increase our sustainability focus.

"We meet digitally every other month to discuss different themes."

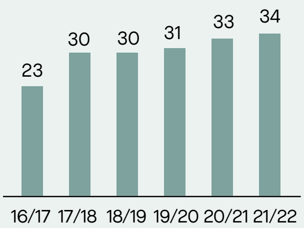
Focus area

EQUALITY AND DIVERSITY

Equality and diversity are considered central issues that affect the entire business model and corporate culture. They have obvious business value and we work purposefully with equality in communication and skills-based, unbiased recruitment. The goal is constant improvement towards an even distribution. 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.

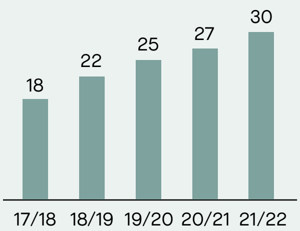
The Group's policy for equal treatment describes how all employees are to conduct themselves to eliminate discrimination and contribute to gender equality and diversity. Bergman & Beving has set a goal to continuously improve the balance between male and female employees in a male-dominated industry. We are very aware that there are several gender identities but in this respect we have chosen to limit ourselves. The goal is 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 better decisions are made and that the industry will be perceived as more open for everyone, regardless of gender. One way to achieve the Group's stated goals of gender equality is to measure the proportion of female managers. The proportion of women on the Board of Bergman & Beving in 2021/2022 was 33 percent (33) while Group management consisted of two men. Since employee turnover is low, this measure of equality and diversity is slow to change.

Percentage women



Increased to 34% (33) during the year.

Percentage women, managers

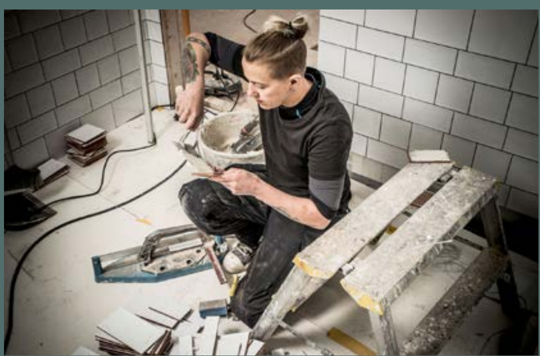


Increased to 30% (27) during the year.

Percentage women, new salaried employees

32%

The goal is to improve the balance between male and female employees in a male-dominated industry.



UNBIASED RECRUITMENT – ONE WAY TO WIDEN THE SEARCH FOR NEW TALENT

During recruitment at KGC Verktyg & Maskiner, it is important to get the right person in the right place. It is also important that those who are applying for jobs are properly assessed and that the choice is based on the applicant's skills and merits. That is why KGC uses an unbiased recruitment process, which includes hiding names, ages, gender and backgrounds of the candidates until they appear for an interview. The selection of candidates is based exclusively on the skills needed to best carry out work-related tasks. This is how KGC can be sure that it hires the most skilled person for the job, without the influence of preconceptions. At the same time, it creates more opportunities to find hidden talent. According to CEO Johan Lundin, the transition has been smooth and the process already feels natural.

"Without thinking about it, most of us make decisions based on our own frame of reference. We gravitate towards individuals who resemble ourselves. That's why it's not so strange that many workplaces choose candidates that 'fit in' with other employees. But, when we let preconceptions influence the recruitment process, we limit our choices and will eventually lack diversity. We want to avoid overly homogeneous groups where everyone has similar approaches, since we've noticed that diversity leads to better business and a higher rate of innovation. It also increases the chance of finding talent we didn't know existed," says Johan Lundin.

Focus area

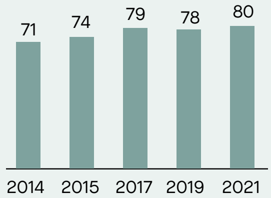
EMPLOYEES

Bergman & Beving's greatest asset is its skilled employees. Their commitment is an important prerequisite for continuing to develop new and existing business. Our ambition is to leverage our employees' desire to develop within the operations. Bergman & Beving's governance model, with clearly decentralised responsibility and decision-making, is important for achieving this, but also for attracting new committed and skilled employees. Our governance model includes an internal business school for training employees in business matters, explaining Bergman & Beving's values and sharing experiences with other business units.

The Group takes a positive view towards internal recruitment, and many 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 have a high degree of job satisfaction, 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 while also creating a link between employees' well-being, attitudes and values as well as the requirements for earnings performance from our owners.

The Group-wide employee survey is conducted roughly every 18 months and the most recent was conducted in 2021. Units can choose to carry out "temperature readings" in between surveys.

Employee index, EI



The Group's goal is an EI over 70, showing that all of the basic conditions are present and well functioning. This year's survey indicated a major EI improvement to 80 percent (78). Areas like "Leadership" and the overall "Vision" area and goals increased significantly.

WORK ENVIRONMENT MONTH

To place extra focus on a sound work environment and to involve employees in the topic, Logistikpartner held various work environment activities in November. Employees had the chance to try yoga, attend a lecture about sustainable teamwork or participate in an activity bingo, among many other choices. We wanted to highlight the psychosocial aspects and connection between physical and mental health.

Focus area

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. Bergman & Beving's Code of Conduct imposes requirements on suppliers to respect fundamental human rights and to treat their labour force fairly and with respect, with the aim of counteracting corruption. The suppliers also ensure that their sub-suppliers, contractors and agents act in accordance with the Group'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 it will observe the Code of Conduct. Regularly conducted audits, by both independent external consultants and by internal personnel, ensure that the Group's suppliers are meeting its requirements. We strive for a sustainable value chain through increasing the share of purchases from certified suppliers and through increasing the share of purchases from suppliers with an approved Code of Conduct.

Share of procurement volume from certified suppliers

75%

We want to ensure the right quality and sustainable development together with our suppliers. Becoming a certified supplier always requires some form of an external audit.

Share of procurement volume from suppliers who have signed our Code of Conduct

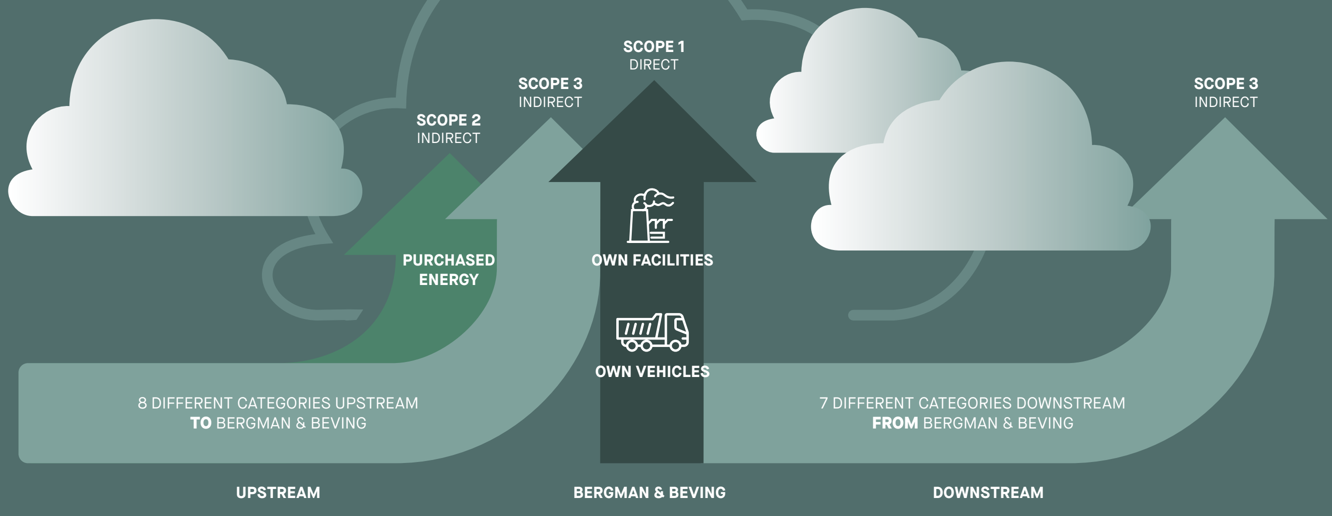
84%

The Code imposes requirements on our suppliers to respect human rights and to treat their labour force fairly and with respect. The Code is also intended to counteract corruption.

By measuring the climate impact of our operations in our value chain, we can implement focused measures to reduce our climate impact. We can also help build better structures for sustainable consumption and production. New performance measures going forward will include how many companies measure their climate impact according to the Scopes given in the GHG Protocol.

INTRODUCING CLIMATE CALCULATIONS

To help our companies take responsibility for a sustainable value chain, the Group procured a system to support climate calculations. This is a way for the Group to support our companies in their sustainability journey. Knowledge about their climate impact across the entire value chain, both upstream and downstream, provides a foundation for driving improvements and development. The system provides climate calculations according to the GHG Protocol. During the year, some companies made progress and carried out their own climate calculations. This means that now, as a Group, we have started our journey of calculating the climate impact of our operations, starting with Scopes 1 and 2 but gradually expanding to include select categories in Scope 3.



Focus area

PRODUCT PORTFOLIO

Bergman & Beving's business concept is based on the idea that the customer offerings from our operations should be a positive force for sustainability, with a focus on providing productive, safe and sustainable solutions to the manufacturing and construction sectors. We want our customers to be able to choose safe, sustainable products, which the Group is able to offer.

All of our subsidiaries have clear goals when it comes to continuously streamlining their resource use and increasing reuse and recycling. During the year, for example, Guide Gloves continued to develop the ENVI sustainability concept and designed a new work glove, the GUIDE 3304. It is manufactured using a new, more environmentally friendly method where the fabric is based on glucose extracted from sugar beets.

Products should be safe to use and correctly labelled. Another way to ensure a sustainable product portfolio is to increase the sales of certified products and services, which we measure and follow up as a performance measure.

Share of sales of certified products and services

84%

The share of sales of sustainable products increased to 84 percent (66) during the year. We are primarily affected by customer requirements regarding certified products. Certified products mean that they are better by comparison, for example are safer or are of a higher quality. This does not always entail external certification.

AN AIR PURIFIER THAT IMPROVES WORK ENVIRONMENTS AND SAVES ENERGY

H&H's air purifier protects builders from breathing in harmful substances and dust. Air purifiers at construction sites have historically required a high level of energy consumption. That is why H&H developed a model that saves electricity equivalent to the amount used by 250 to 300 heated terraced homes per year.

Construction and demolition sites as well as renovations fill the air with harmful substances and dust. Air purifiers are used to minimise air contamination and reduce the risk of spreading it to other nearby areas.

Air purifiers are not usually used optimally in terms of energy and sustainability. That is why H&H developed an air purifier that uses energy-efficient fans that meet the criteria in the EU's Energy Related Products Directive and that also have adjustable circuit breakers. Air purifiers are usually used around the clock. The advantage with the adjustable solution is that they can run at lower levels at designated times of the day. The estimated annual energy savings is 4,150 MWh.

H&H has delivered over 5,000 air purifiers in Europe and received the Finnish Key Flag Symbol in 2021 for its innovative products. This symbol is an approved symbol that shows that the company is responsible, advocates for equal rights, and creates jobs and social benefits locally within Finland.

Focus area

MATERIALS, WASTE AND CIRCULAR FLOWS

Bergman & Beving works to limit the environmental impact of our operations. We want to increase resource efficiency in order to reduce material consumption, recycle and reuse more material and raw goods, and improve circular flows. The performance measure we monitor within the Group is consumption of packaging per delivered cubic metre (m^3) from our central warehouse in Ulricehamn, which many of our units have agreements with and use as a logistics partner. The goal is to gradually reduce the use of packaging. Not all initiatives and activities can be measured in performance measures. We carried out a number of activities in this focus area during the year. Arbesko was certified by reThink for its waste management efforts. This certification awards points based on various criteria, including waste reduction and circular materials. It means that Arbesko participated in an annual audit of its waste management at its shoe factory in Kumla to ensure that the best solutions are used. Arbesko's goal is to be the most sustainable safety shoe supplier in the market, and waste management is an important part of reducing its environmental impact and carbon footprint.

Consumption of packaging per delivered cubic metre

76 hg/m^3

The marginal deterioration compared with the previous year (73) was due to a change in the order structure, where the volume per order decreased by 7 percent. This is the equivalent of an increase of 14 tonnes per year. However, we are actively transitioning to fewer and larger deliveries, which means more pallet deliveries rather than adding our own packaging.

MILLERS ELIMINATING ALL PLASTIC PACKAGING

The broad range of handles, locks and hardware fittings from Millers currently includes roughly 3,000 items. Having numerous items means numerous variations in terms of packaging, which in turn has an environmental impact. To minimise its ecological footprint, Millers has started a packaging project to gradually transition to more material-efficient, environmentally friendly and plastic-free packaging. In addition to evaluating which type of material to use in packaging, the goal is also to make the packaging as compact as possible to minimise wasted space.

Millers is currently focusing on door handles, its largest product segment. Several of its handles were previously packaged in plastic bags or blister packaging. In the very near future, the packaging will instead be FSC-certified corrugated cardboard.

Focus area

EMISSIONS AND ENERGY CONSUMPTION

In our materiality analysis, we have determined that we can affect emissions by eliminating environmentally unfriendly alternatives from our transportation chain. Efficient transport solutions therefore have a major impact 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 coefficient of fullness is also measured on all transports leaving the Group's logistics centre in Ulricehamn, where deliveries to customers go by truck. We also received shipments via rail from Asia, and we are measuring the share of air shipments.

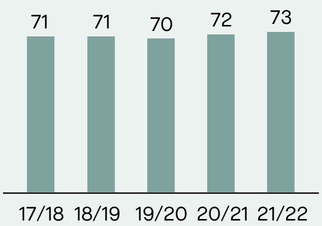
To reduce the environmental impact of our own premises, we choose renewable energy from our electricity suppliers as well as carrying out specific activities that reduce consumption. Electricity in the Group's Swedish properties comes from renewable sources, and our logistics centre has an operational solar cell park. Solar cells were also installed at Arbesko's shoe factory in Kumla, Sweden.

Together with its customers, the Group's logistics centre in Ulricehamn sets goals and creates action plans to increase the coefficient of fullness in outbound packages without risking the safety of the goods. The logistics centre works with its main transport suppliers to determine what they can do together to reduce our climate impact. The logistics centre has actively chosen a partner to carry out this work in a structured manner in our main markets in Sweden and Norway.

Read on the next page

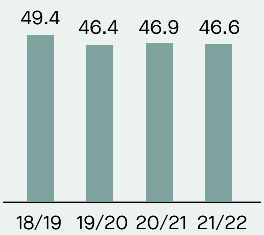
LUNA INVESTS IN THE GREEN TRANSITION

Coefficient of fullness, incoming freight



The coefficient of fullness during the year was 73 percent (72). Bergman & Beving's goal for its current purchasing structure and product mix is to have a coefficient of fullness of 80 percent.

Coefficient of fullness, outgoing freight



The coefficient of fullness decreased to 46.6 percent (46.9) during the year. The goal is to achieve 50 percent.

Percentage air shipments

2.0%

The percentage of air shipments decreased to 2.0 percent (2.5) during the year, which is an improvement. However, the year continued to be impacted by insufficient capacity on shipping vessels as well as growing shortages of important products and input goods. This forced us to use air shipments on several occasions to meet customer obligations.

INVESTMENT IN NEW LOGISTICS FACILITY WITH A FOCUS ON SUSTAINABILITY

Together with Luna, Logistikpartner invested in a modern 20,000 square metre logistics facility in Ulricehamn, Sweden. The new warehouse solution is part of Luna's growth strategy, with a focus on sustainability and social responsibility. Luna will initially move its operations to the new facility, and other companies in the Group will eventually be able to move in. The facility will be equipped with an automated robotics system for efficient storage of stock items. Miljöbyggnad Silver certification ensures that the property meets Luna's and Logistikpartner's sustainability requirements. The roof of the property will be equipped with solar panels.

The building can be extended significantly as customer needs increase. Luna's customers are already growing, both in size and in number.

In all of the Nordic countries, customers expect that suppliers will be able to deliver faster and more sustainably. Luna's fully automated warehouse will eventually use battery-powered robot technology and digital solutions. Deliveries will be carried out by shipping companies that actively strive to reduce their climate impact according to the UN SDGs.

SUSTAINABILITY DATA

PERFORMANCE MEASURES	2021/2022	2020/2021	2019/2020	2018/2019
SOCIAL SUSTAINABILITY				
Equality and diversity				
Gender distribution, % (women/men)	34/66	33/67	31/69	30/70
Gender distribution: managers, % (women/men)	30/70	27/73	25/75	22/78
Gender distribution: newly recruited salaried employees, % (women/men)	32/68	43/57	–	–
Employees				
Employee index	80	–	78	–
ENVIRONMENT AND CLIMATE				
Sustainable value chain				
Share of procurement volume from certified suppliers, %	75.0	73.0	–	–
Share of procurement volume from suppliers who have signed our Code of Conduct, %	83.8	83.9	–	–
Product portfolio				
Share of revenue from certified products and services, %	83.6	66.3	–	–
Materials and waste				
Consumption of packaging (hg/m^3)	76.0	72.8	98.4	101.2
Emissions and energy consumption				
Coefficient of fullness, incoming freight, %	72.3	72.1	70.0	71.0
Coefficient of fullness, outgoing freight, %	46.6	46.9	46.4	49.4
Percentage air shipments, %	2.0	2.5	–	–
EU taxonomy				
Proportion of turnover aligned with the taxonomy %	n/a	–	–	–
Proportion of OPEX (investments) aligned with the taxonomy %	n/a	–	–	–
Proportion of CAPEX (costs) aligned with the taxonomy %	n/a	–	–	–

ANNUAL REPORT 2021/2022

FINANCIAL INFORMATION

OTHER INFORMATION

Administration Report

WITH CORPORATE GOVERNANCE REPORT 1 APRIL 2021–31 MARCH 2022

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 2021–31 March 2022 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 29–47.

Bergman & Beving is a Swedish listed group that sells various niche solutions to the manufacturing and construction sectors. Bergman & Beving has some 20 corporate groups with operations in approximately 25 countries. The Group's revenue amounts to MSEK 4,575, with 68 percent attributable to proprietary products and 32 percent to goods for resale. The Group is organised into three divisions: Building Materials, Workplace Safety and Tools & Consumables.

Revenue and profit

Revenue

Revenue amounted to MSEK 4,575 (4,311). Revenue increased by 5 percent in local currency, most of which was attributable to acquisitions. Exchange-rate fluctuations had a positive impact of 1 percent on revenue.

Profit

The Bergman & Beving Group's EBITA totalled MSEK 331 (271), corresponding to an EBITA margin of 7.2 percent (6.3).

EBITA was charged with amortisation, depreciation and impairment on intangible and tangible non-current assets as well as amortisation, depreciation and impairment in connection with corporate acquisitions. EBITA was also charged with depreciation of right-of-use assets of MSEK –123 (–114).

Net financial items amounted to MSEK –39 (–35) and profit after financial items to MSEK 259 (212). Net profit totalled MSEK 202 (166), corresponding to earnings per share of SEK 7.55 (6.15) before dilution and SEK 7.50 (6.15) after dilution.

Operations

The Group's positive performance continued during the financial year. Profit rose by 22 percent and the margin increased. All three divisions posted increased revenue, profit and EBITA margins.

The year was challenging, with disruptions in the supply chain, the COVID-19 pandemic and increased costs for shipping, materials and production. Since the Group uses a decentralised governance model, where decisions are made in the subsidiaries or in our corporate groups, the Group handled the challenges in a positive manner. Russia's invasion of Ukraine has so far had only a marginal impact on the Group.

Thanks to an increased rate of acquisitions, five new companies joined the Group during the year. The Group made both add-on acquisitions, seen as complements to our existing companies, as well as acquisitions of new, independent companies in niche areas for the manufacturing and construction sectors.

Building Materials

Building Materials focuses on construction materials. The division primarily offers products and services for the construction sector and customised solutions for the manufacturing sector. The division has a wide range of products and solutions in fastening elements, fire protection, tiling and bricklaying.

Revenue amounted to MSEK 1,340 (1,269) and EBITA to MSEK 94 (85). The year was characterised by price adjustments and a shortage of input products, which led to challenging conditions for the companies in the division. At the same time, underlying demand remained stable. The division maintained a good delivery capacity as a result of higher buffer inventories.

Workplace Safety

Workplace Safety focuses on personal protective equipment. The division offers products and services in workplace safety. Customers are primarily manufacturing and construction material resellers, but also include major international manufacturing customers.

Revenue amounted to MSEK 1,633 (1,589) and EBITA to MSEK 145 (137). During the year, additional sales of protective equipment related to COVID-19 declined, but underlying demand in the core business was favourable.

Tools & Consumables

Tools & Consumables focuses on tools, machinery and consumables. The division develops, designs, produces and distributes these products. The largest unit in the division is the Nordic region's leading distributor in this area.

Revenue amounted to MSEK 1,641 (1,495) and EBITA to MSEK 103 (57). During the year, sales of tools and consumables recovered from the negative effects of the COVID-19 pandemic, with a significant improvement in earnings for the division. Most of the division's companies increased their earnings, despite challenging delivery situations.

Parent Company

The Parent Company's revenue amounted to MSEK 35 (32) and profit after financial items to MSEK 22 (26). The item "Appropriations" includes Group contributions received in a net amount of MSEK 27. No Group contributions were received in the preceding year, and the item only included Group contributions paid of MSEK 119.

The Parent Company's balance-sheet total amounted to MSEK 3,383 (3,088), with equity accounting for 35 percent (39) of total assets. The Parent Company is responsible for financing the Group and during the year, interest-bearing liabilities to credit institutions increased to MSEK 1,062 (829).

Corporate acquisitions

On 1 April, Workplace Safety acquired all of the shares in the company group Abtech, consisting of Abtech Safety Ltd, Outreach Organisation Ltd and Outreach Rescue Medic Skills Ltd. Abtech is a leading supplier of personal fall protection and rescue equipment in the UK and also provides training and courses for the industrial sector and rescue specialists. The company group generates annual revenue of approximately MSEK 44 and is part of Cresto Group.

On 6 April, Tools & Consumables acquired all of the shares in H.M. Albretsen Verktøysikring AS. Albretsen develops and manufactures products and solutions within fall protection for tools. Albretsen generates revenue of approximately MSEK 20.

On 1 September, Workplace Safety acquired all of the shares in (3) Screen Tryck AB and the company is part of SIS Group. (3) Screen is a niche producer of workplace safety signage products. The acquisition brings unique production capabilities of patented products.

On 16 November, Workplace Safety acquired all of the shares in the UK company

Safety Technology Ltd, including its US subsidiary Safety Technology USA LLC.
Safety Technology is a specialised supplier of fall protection and rescue solutions with special emphasis on training in working at heights. The company group generates annual revenue of approximately MSEK 20 and is part of Cresto Group.

On 24 February, Workplace Safety acquired 80 percent of the shares in the Norwegian company group BSafe, consisting of the companies BSafe Systems AS and DigiPrint AS. BSafe is a leading player in Norway within safety marking in heavy industry. The company group has annual revenue of approximately MSEK 24 and is part of SIS Group.

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), amounted to 22 percent (20) for the financial year. The return on equity was 11 percent (10).

Cash flow from operating activities for the period amounted to MSEK 225 (383). Working capital increased by MSEK 179 during the period, mainly due to increased buffer inventories.

Cash flow for the financial year was charged with net investments in non-current assets in an amount of MSEK 51 (70) and MSEK 137 (112) pertaining to the acquisition of businesses. Investments in non-current assets consist primarily of product development and production-related equipment.

The Group's operational net loan liability at the end of the period amounted to MSEK 889 (697), excluding pension obligations of MSEK 608 (692) and lease liabilities according to IFRS 16 of MSEK 366 (397). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 618 (809). Maturity periods and interest rates are presented in Note 24 Financial instruments and financial risk management.

The equity/assets ratio was 36 percent (35). Equity per share increased to SEK 72.85, compared with SEK 64.40 at the beginning of the year. There was an insignificant dilution effect since the share price exceeded the redemption price of the options programmes on the balance-sheet date.

Employees

During the year, Bergman & Beving welcomed a new President & CEO to the Group. Magnus Söderlind replaced Pontus Boman on 1 May 2021.

At the end of the period, the number of employees in the Group totalled 1,227, compared with 1,129 at the beginning of the financial year. During the period, 63 employees were gained via acquisitions. The average number of employees during the year was 1,195 (1,079).

Employees	2021/22	2020/21	2019/20
Average no. of employees	1,195	1,079	1,085
Percentage women	34	32	31
Percentage men	66	68	69
Distribution by age, %			
29 years or younger	10	9	8
30–39 years	27	26	26
40–49 years	32	32	32
50–59 years	24	25	26
60 years or older	7	8	8
Length of employment, %			
Less than 2 years	24	23	28
2–5 years	28	28	27
6–10 years	17	16	16
11–15 years	11	12	11
16 years or more	19	21	18

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 niche suppliers of productive, safe and sustainable solutions to the manufacturing and construction sectors, the Group primarily invests its resources in the continued development of various concepts and service solutions for its customers and partners. Activities implemented during 2021/2022 included digitisation and development of various service concepts and customer solutions.

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 risks and the Group's management thereof, refer to pages 58–61 and Note 24 Financial instruments and financial risk management on pages 94–98.

Future development

Market trends in 2022/2023 will be carefully monitored by the Group's businesses. Bergman & Beving has good potential to continue improving its profitability in many areas. However, the world is more uncertain and market conditions are changing more rapidly than previously. Bergman & Beving will maintain a clear focus on the business and continue to work hard on initiatives to improve profitability.

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 3.40 (3.00) per share. The proposed dividend corresponds to 45 percent of the Group's earnings per share for the 2021/2022 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.

Share structure and repurchase of shares

At the end of the financial year, share capital totalled MSEK 56.9. 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	–913,677		3.3	2.5
Total number of shares after repurchasing	**26,522,739**			

The share price as of 31 March 2022 was SEK 141.40. The average number of treasury shares was 921,833 during the period and 913,677 at the end of the period. The average purchase price for the repurchased shares was SEK 87.88 per share.

A total of approximately MSEK 90 is required for the proposed dividend payment, which means that, all other things being equal, the Group's equity/assets ratio would decrease by 1 percentage point as of 31 March 2022. 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 sise 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 103.

Guidelines for remuneration of senior management

For information concerning the current guidelines for remuneration of senior management, adopted at the 2021 Annual General Meeting, see Note 5 Employees and personnel costs.

Events after the end of the financial year

On 1 April 2022, the Tools & Consumables division acquired the Finnish company Retco Oy. Retco is one of Finland's leading players in mechanised and automated welding technology for general industry and has annual revenue of approximately MEUR 5.

On 1 June 2022, the Workplace Safety division acquired Fallskyddspecialisterna i Heby AB. The company is a niche player in fall protection solutions specialising in inspections, installation, rental, and sales of products, with annual revenue of approximately MSEK 23.

No other significant events occurred after the balance-sheet date.

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 2021/2022 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 2022 Annual General Meeting. Bergman & Beving deviates from the recommendations of the Code in one area: the auditors' review of the Company's six-month or nine-month interim reports. This deviation from the Code is 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.

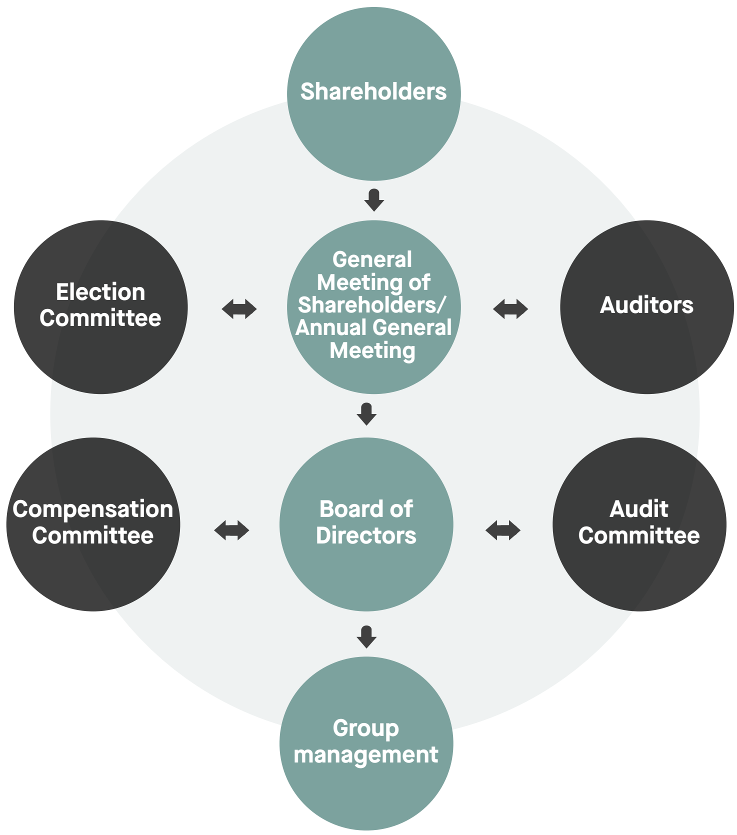
The Articles of Association are available in full on the Company's website at www.bergmanbeving.com.

Share structure, shareholders and repurchase of own shares

As of 31 March 2022, Bergman & Beving AB had 5,626 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 2022
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	–913,677
Total number of shares after repurchasing	**26,522,739**

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 2022, Anders Börjesson (with family/companies) held 19.78 percent and Tom Hedelius held 13.67 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 26–27.

Repurchase of own shares and incentive programmes

The number of Class B shares held in treasury as of 31 March 2022 amounted to 913,677, corresponding to 3.3 percent of the total number of shares and 2.5 percent of the total number of votes. The quotient value of this holding at 31 March 2022 amounted to SEK 1,893,957.

Repurchased shares include the Company's obligations outstanding for the call option programme of repurchased shares totalling 790,000 shares:

- 98,000 Class B shares 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.
- 270,000 Class B shares in the call option programme issued by Bergman & Beving AB in September 2019, which extends through 9 June 2023. The redemption price for the call options in this programme is SEK 107.50.
- 244,000 Class B shares in the call option programme issued by Bergman & Beving AB in September 2020, which extends through 7 June 2024. The redemption price for the call options in this programme is SEK 99.50.
- 178,000 Class B shares in the call option programme issued by Bergman & Beving AB in September 2021, which extends through 12 June 2025. The redemption price for the call options in this programme is SEK 197.30.

The Board has decided to propose that the Annual General Meeting in August 2022 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 2021

The Annual General Meeting of Bergman & Beving AB was held on 31 August 2021 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. Considering the risk of the spread of COVID-19 and the recommendations and advice of the authorities, the shareholders may exercise their voting rights at the Annual General Meeting by voting early through postal voting, in accordance with the Act (2020:198) on Temporary Exceptions to Facilitate the Execution of General Meetings in Companies and Associations. A total of 33 shareholders participated in the Meeting in person, representing a combined total of 48.8 percent of the votes in the Company, and 18.9 of the votes in the Company were represented by shareholders through postal voting. In total, the share of votes represented at the Meeting amounted to 67.7 percent.

Among other decisions, the Annual General Meeting resolved to pay a dividend of SEK 3.00 per share. The Company's President & CEO Magnus Söderlind presented the Group's operations, the outcome for the 2020/2021 financial year, the Group's performance in the first quarter of the new financial year and commented on the Group's future prospects. Fredrik Börjesson, Charlotte Hansson, Henrik Hedelius, Malin Nordesjö and Jörgen Wigh were re-elected as directors. Niklas Stenberg was elected as a new director. Jörgen Wigh 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 2021 resolved to authorise the Chairman of the Board to contact the largest shareholders, in terms of votes, not later than 31 January 2022 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 2022 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 2022 comprises Chairman of the Board Jörgen Wigh, Anders Börjesson, Henrik Hedelius, Johan Lannebo (representing Lannebo Fonder) and Caroline Sjösten (representing Swedbank Robur Fonder).

The other members appointed Anders Börjesson as Chairman of the Election Committee. Johan Lannebo 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 9 February 2022.

The Election Committee's motions regarding the new Board of Directors and the motion regarding auditors will be presented in the notice of the 2022 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 2021/2022

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 directors.

Directors

The Board of Directors of Bergman & Beving AB currently comprises six regular directors elected by the Annual General Meeting on 31 August 2021: Jörgen Wigh (Chairman), Fredrik Börjesson, Charlotte Hansson, Henrik Hedelius, Malin Nordesjö and Niklas Stenberg. A detailed presentation of these directors, including information on other assignments and work experience, is available on pages 108–109 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 350,000. The Chairman of the Board is to receive a fee of SEK 800,000. Accordingly, the total fee to be paid in accordance with the resolution of the Annual General Meeting amounts to SEK 2,550,000. The Meeting resolved that the following additional fees are to be paid for committee work: SEK 75,000 to each member of the Compensation Committee and SEK 75,000 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: Christian Sigurdson 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, Information 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 held in conjunction with the Annual General Meeting, the Board of Directors normally convenes on seven occasions each year (scheduled meetings). 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.

Board composition, attendance, dependency conditions and fees for 2021/2022

			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			**9**	**4**	**1**			
Jörgen Wigh	2019	Chairman	9	4	1	No	No	950,000
Fredrik Börjesson	2019	Director	9	4		No	Yes	350,000
Charlotte Hansson	2020	Director	8	4		No	No	350,000
Henrik Hedelius	2015	Director	9	4		No	Yes	350,000
Malin Nordesjö	2017	Director	9	4	1	No	Yes	425,000
Niklas Stenberg	2021	Director	4	2		No	No	350,000

1) According to the definitions in the Swedish Corporate Governance Code.
2) Including remuneration for work on Committees.

The task of the committees appointed by the Board is to draft motions for resolutions by the Board (see below).

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 nine occasions during the 2021/2022 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, as needed, the Board's motion regarding "Guidelines for determining remuneration of senior 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 of the other members of Group management and drafts 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 of Group management as adopted by the Annual General Meeting (refer to Note 5 Employees and personnel costs on pages 78–81). 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 Jörgen Wigh (Chairman of the Compensation Committee) and Director Malin Nordesjö. President & CEO Magnus Söderlind has presented reports to the Committee. The President & CEO does not report on his own remuneration.

The Compensation Committee convened on one occasion during the 2021/2022 financial year, during which minutes were taken. During the year, SEK 75,000 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 Jörgen Wigh serves as the Chairman of the Committee. The Chairman possesses accounting expertise.

Directors Jörgen Wigh, Charlotte Hansson and Niklas Stenberg are independent in relation to the Company's major shareholders.

The Audit Committee convened on four occasions during the 2021/2022 financial year, during which minutes were taken.

During the year, a fee of SEK 75,000 was paid to Audit Committee Chairman Jörgen Wigh. Other than this, no separate remuneration was paid for work on the Audit Committee.

President & CEO and Group management

On 1 May 2021, Magnus Söderlind took office as the new President and CEO of Bergman & Beving AB. Magnus Söderlind previously worked as Executive Vice President at Lagercrantz Group AB and has held several senior positions at technology companies.

After Magnus Söderlind took over as President & CEO, Pontus Boman transitioned to the role of Executive Vice President and Division Head, Building Materials at Bergman & Beving. On 30 September 2021, Pontus Boman announced that he had decided to leave his role at Bergman & Beving. The period of notice began on 1 November 2021 and lasted for six months, that is until 30 April 2022.

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 Magnus Söderlind, Executive Vice President Pontus Boman until his decision on 30 September 2021 to leave, and CFO Peter Schön. Remuneration of Group management for the 2021/2022 financial year and a description of the company's incentive programmes are presented in Note 5 Employees and personnel costs on pages 78–81.

For more detailed information about Group management, refer to pages 110–111.

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 2021 Annual General Meeting for the period until the end of the 2022 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 accounting and tax issues. The total fee for KPMG's services in addition to the audit assignment amounted to MSEK 0 (0) during the 2021/2022 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 remuneration of senior management

The Board aims to ensure that the remuneration system in place for the President & CEO and the other members of Group management is competitive and in line with market conditions. Current guidelines for remuneration of senior management are presented in Note 5 Employees and personnel costs on pages 78–81. The Board does not intend to propose new guidelines ahead of the Annual General Meeting on 24 August 2022.

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, suggests 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. The whistleblowing system 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 2021/2022 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.

The Group's risks

Market risks

Risk	Description	Bergman & Beving's risk management
Economy and market	Demand for Bergman & Beving's products and services is largely impacted by macroeconomic factors that are beyond the Group's control. These could include pandemics, war, 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.	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 reduces dependence on short-term investor willingness in the industry.
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.	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 such as strong product brands, excellent service and long-standing customer relationships. The Group's competitiveness also allows it to deliver outside its immediate geographic area.
Competitors	Most of Bergman & Beving's commercial 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 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.	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.

Operational risks

Risk	Description	Bergman & Beving's risk management
Customers	Customer-dependent with respect to geographical presence and customer segment. Customer agreements vary in terms of their duration, guarantees and liability limitations.	Bergman & Beving has a favourable risk spread in terms of geographical presence and customer segment. The Group aims to have a customer base without overly dominant customers. The ten largest customers account for approximately 30 percent of revenue.
Pandemic	The outbreak of a pandemic could lead to a lack of physical meetings, products and personnel as well as more expensive transportation and longer transport times. The outbreak of a pandemic could present a serious threat to health and the work environment.	Bergman & Beving encourages a willingness to change and the creativity to think in new ways, and our decentralised and entrepreneurship-driven business model plays an important role in this regard. Technological development to promote digital meetings. Be flexible in planning product purchasing. The health and well-being of our employees is always in focus, and Bergman & Beving follows the recommendations of the authorities to counter the spread of disease and reduce absenteeism.
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. 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.
IT-related risks	Digital risks are continuously on the rise throughout society. Bergman & Beving is dependent on various information systems and other technology to operate and develop its business. Unplanned stoppages and cybersecurity incidents such as unauthorised data, viruses, sabotage and other cybercrimes can lead to a loss of income and reputational damage. IT breaches or cyber incidents involving third parties, such as suppliers or customers, could also impact Bergman & Beving's ability to deliver and earnings capacity. Updating and the advancement of IT systems and applications is critical for streamlining the companies' processes. Bergman & Beving updates business-critical systems on an ongoing basis, and there is a risk that disruptions to this work could impact inbound and outbound deliveries as well as reporting.	To ensure stable IT environments and prevent incidents from occurring, Bergman & Beving conducts regular risk analyses, continual maintenance and IT security reviews. The response time for taking measures to tackle unplanned IT disruptions can be shortened through the availability of internal and external resources. Bergman & Beving also uses the services of external cybersecurity experts to ensure that the security level is continuously adapted and updated based on prevailing threats and the increasing cybersecurity demands of customers. Bergman & Beving follows technological developments, secures the long-term management and governance of IT infrastructure security and integrates processes to support and safeguard operations.
Acquisitions	Acquisitions are a crucial component of Bergman & Beving's strategy. Acquired companies provide us with a presence in new product markets and bring different strategic advantages, and perhaps most important of all, they bring skilled employees with a strong sense of entrepreneurship. The assessment, evaluation and integration of acquisitions are associated with risks.	The management team of each company has considerable freedom but also bears a responsibility to continue developing the company on their own following the acquisition. Part of the acquisition strategy involves ensuring that key individuals in all newly acquired companies are motivated to operate the companies independently as part of the Group. Bergman & Beving has a well-proven acquisition process in which management participates from the start and revenue synergies are not included in the calculations.

Sustainability risks

Risk	Description	Bergman & Beving's risk management
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. It is therefore highly important to play an active role in these change in order to remain competitive. There is a risk that one of the Group's subsidiaries, through its corporate registration number, could have a historical responsibility under the Swedish Environmental Code.	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. To reduce transportation-related climate impact, Bergman & Beving conducts follow-ups to ensure that the bundling of products before transportation increases and that the amount of air freight decreases. Bergman & Beving takes a proactive approach to continuous improvements. The goal is to provide products that are good from a quality and environmental point of view, and 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.
Corruption and bribery	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 bribery 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.
Sustainable products	Sustainable products are increasingly in demand, leading to a risk of Bergman & Beving not maintaining its cutting-edge position in this area and being unable to offer the products that are in demand in the market.	Part of Bergman & Beving's strategy is to invest in the development of our proprietary brands. Bergman & Beving also makes sure to increase its share of certified products and the amount of purchases from suppliers who have approved Bergman & Beving's Code of Conduct.
Suppliers	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.	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.
Society	A changed societal climate with increased polarisation, increased nationalistic tendencies and individualism. A harsher tone in society, with growing segregation and discrimination. The risk that these elements could become more prevalent in our organisations.	Bergman & Beving provides the opportunity to make an impact through active sustainable management via training and skills development in line with our core values. Developing equal communication, internally and externally, and acting as a leading company in this area with the aim of impacting the society where we operate.

Financial risks

Risk	Description	Bergman & Beving's risk management
Foreign-exchange, refinancing and interest-rate risk	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 the Group's 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 the note concerning financial instruments and financial risk management.

CONSOLIDATED

Income statement

MSEK	Note	2021/2022	2020/2021
Revenue	2, 4	4,575	4,311
Other operating income	3	11	15
Total operating income		**4,586**	**4,326**
Cost of goods sold		–2,625	–2,573
Personnel costs		–855	–773
Depreciation, amortisation and impairment losses		–205	–179
Other operating expenses		–603	–554
Total operating expenses		**–4,288**	**–4,079**
Operating profit	4, 5, 6	**298**	**247**
Financial income		3	5
Financial expenses		–42	–40
Net financial items	7	**–39**	**–35**
Profit after financial items		**259**	**212**
Taxes	9	–57	–46
Net profit		**202**	**166**
Of which, attributable to:			
Parent Company shareholders		200	164
Non-controlling interest		2	2
Earnings per share before dilution, SEK	17	7.55	6.15
Earnings per share after dilution, SEK	17	7.50	6.15
Proposed/resolved dividend per share, SEK		3.40	3.00

CONSOLIDATED

Statement of comprehensive income

MSEK	Note	2021/2022	2020/2021
Net profit		**202**	**166**
Other comprehensive income			
Components that will not be reclassified to net profit			
Remeasurement of defined-benefit pension plans		81	–5
Tax attributable to components that will not be reclassified	9	–17	1
Total		**64**	**–4**
Components that will be reclassified to net profit			
Translation differences		30	–27
Fair value changes for the year in cash-flow hedges		0	–9
Tax attributable to components that will be reclassified	9	0	2
Total		**30**	**–34**
Other comprehensive income		**94**	**–38**
Comprehensive income		**296**	**128**
Of which, attributable to:			
Parent Company shareholders		294	126
Non-controlling interest		2	2

CONSOLIDATED

Balance sheet

MSEK	Note	31 Mar 2022	31 Mar 2021
ASSETS			
Non-current assets			
Goodwill	10	1,667	1,609
Other intangible non-current assets	10	468	425
Tangible non-current assets	11	126	102
Right-of-use assets	25	359	390
Financial investments	24	0	0
Other long-term receivables	13	5	5
Deferred tax assets	9	66	91
Total non-current assets		**2,691**	**2,622**
Current assets			
Inventories	14	1,233	1,129
Tax assets		13	2
Accounts receivable	24	1,042	950
Prepaid expenses and accrued income	15	52	50
Other receivables	13	82	49
Cash and cash equivalents		182	139
Total current assets	4, 22, 23, 24	**2,604**	**2,319**
TOTAL ASSETS		**5,295**	**4,941**
EQUITY AND LIABILITIES			
Equity	16		
Share capital		57	57
Other contributed capital		71	71
Reserves		–26	–56
Retained earnings, including net profit		1,813	1,629
Equity attributable to Parent Company shareholders		**1,915**	**1,701**
Non-controlling interest		17	14
Total equity		**1,932**	**1,715**
Non-current liabilities			
Non-current interest-bearing liabilities	24	1,030	855
Provisions for pensions	18	608	692
Other non-current provisions	19	35	43
Deferred tax liabilities	9	102	93
Total non-current liabilities		**1,775**	**1,683**
Current liabilities			
Current interest-bearing liabilities	24	407	378
Accounts payable		584	609
Tax liabilities		40	46
Other liabilities	20	199	161
Accrued expenses and deferred income	21	358	349
Total current liabilities		**1,588**	**1,543**
Total liabilities	4, 22, 23, 24	**3,363**	**3,226**
TOTAL EQUITY AND LIABILITIES		**5,295**	**4,941**

For information about the Group’s pledged assets and contingent liabilities, refer to Note 26.

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Statement of changes in equity

MSEK	Share capital	Other contributed capital	Reserves	Retained earnings, including net profit	Total Parent Company owners	Non-controlling interest	Total equity
Closing equity, 31 March 2020	**57**	**71**	**–22**	**1,525**	**1,631**	**12**	**1,643**
Net profit				164	**164**	2	**166**
Other comprehensive income			–34	–4	**–38**	0	**–38**
Comprehensive income			**–34**	**160**	**126**	**2**	**128**
Dividend				–40	**–40**		**–40**
Premium received for issued call options				1	**1**		**1**
Repurchase of own shares				–17	**–17**		**–17**
Change in non-controlling interest					**0**	0	**0**
Transactions with the Group's owners				**–56**	**–56**	**0**	**–56**
Closing equity, 31 March 2021	**57**	**71**	**–56**	**1,629**	**1,701**	**14**	**1,715**
Net profit				200	**200**	2	**202**
Other comprehensive income			30	64	**94**	0	**94**
Comprehensive income			**30**	**264**	**294**	**2**	**296**
Dividend				–80	**–80**		**–80**
Exercise and purchase of options for repurchased shares				0	**0**		**0**
Change in non-controlling interest					**0**	1	**1**
Transactions with the Group's owners				**–80**	**–80**	**1**	**–79**
Closing equity, 31 March 2022	**57**	**71**	**–26**	**1,813**	**1,915**	**17**	**1,932**

CONSOLIDATED

Cash-flow statement

MSEK	Note	2021/2022	2020/2021
Operating activities			
Operating profit		298	247
Adjustments for non-cash items			
Depreciation, amortisation and impairment of non-current assets	10, 11, 25	205	179
Profit from the sale of companies and facilities		1	6
Change in pension obligations and other provisions		11	7
Other non-cash items		–6	–2
Interest received		3	5
Interest paid		–30	–29
Income taxes paid		–78	–20
Cash flow from operating activities before changes in working capital		**404**	**393**
Cash flow from changes in working capital			
Change in inventories		–85	–54
Change in operating receivables		–81	–68
Change in operating liabilities		–13	112
Changes in working capital		**–179**	**–10**
Cash flow from operating activities		**225**	**383**
Investing activities			
Acquisition of intangible and tangible non-current assets		–51	–71
Disposal of intangible and tangible non-current assets		0	1
Acquisition of subsidiaries/businesses	30	–137	–112
Disposal of subsidiaries		–	5
Cash flow from investing activities		**–188**	**–177**
Financing activities			
Borrowings		637	762
Repayment of loans		–402	–710
Repayment of leases		–122	–111
Pension benefits paid		–32	–32
Repurchase of own shares		–	–17
Redeemed and issued call options		0	1
Dividend paid to Parent Company shareholders		–80	–40
Contributed capital from non-controlling interest		–	–
Cash flow from financing activities		**1**	**–147**
Cash flow for the year		**38**	**59**
Cash and cash equivalents at the beginning of the year		**139**	**90**
Cash flow for the year		38	59
Exchange-rate differences in cash and cash equivalents		5	–10
Cash and cash equivalents at year-end		**182**	**139**

PARENT COMPANY

Income statement

MSEK	Note	2021/2022	2020/2021
Revenue	2	35	32
Other operating income		–	0
Total operating income		**35**	**32**
Personnel costs		–37	–25
Depreciation, amortisation and impairment losses		0	–1
Other operating expenses		–18	–17
Total operating expenses	5, 6	**–55**	**–43**
Operating loss		**–20**	**–11**
Profit from financial items			
Profit from other securities and receivables recognised as non-current assets	7	60	55
Other interest income and similar profit/loss items	7	2	3
Interest expense and similar profit/loss items	7	–20	–21
Profit after financial items		**22**	**26**
Appropriations	8	24	–1
Profit before taxes		**46**	**25**
Taxes	9	–2	0
Net profit		**44**	**25**

PARENT COMPANY

Statement of comprehensive income

MSEK	Note	2021/2022	2020/2021
Net profit		**44**	**25**
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		0	–9
Taxes attributable to other comprehensive income	9	0	2
Other comprehensive income		**0**	**–7**
Comprehensive income		**44**	**18**

PARENT COMPANY

Balance sheet

MSEK	Note	31 Mar 2022	31 Mar 2021
ASSETS			
Non-current assets			
Intangible non-current assets	10	0	0
Tangible non-current assets	11	2	2
Financial non-current assets			
Participations in Group companies	28	704	704
Receivables from Group companies	12	1,835	1,746
Deferred tax asset	9	1	1
Total financial non-current assets		**2,540**	**2,451**
Total non-current assets		**2,542**	**2,453**
Current assets			
Current receivables			
Receivables from Group companies		836	630
Tax assets		–	1
Other receivables		2	1
Prepaid expenses and accrued income	15	2	3
Total current receivables		840	635
Cash and bank		1	0
Total current assets		**841**	**635**
TOTAL ASSETS	23	**3,383**	**3,088**
EQUITY, PROVISIONS AND LIABILITIES			
Equity	16		
Restricted equity			
Share capital		57	57
Statutory reserve		86	86
Non-restricted equity			
Fair value reserve		–3	–3
Retained earnings		995	1,050
Net profit		44	25
Total equity		**1,179**	**1,215**
Untaxed reserves	29	**49**	**46**
Provisions			
Provisions for pensions and similar commitments	18	40	36
Deferred tax liability	9	–	–
Total provisions		**40**	**36**
Non-current liabilities			
Liabilities to credit institutions	24	780	560
Total non-current liabilities		**780**	**560**
Current liabilities			
Liabilities to credit institutions	24	282	269
Accounts payable		1	1
Liabilities to Group companies		1,018	935
Tax liabilities		1	–
Other liabilities		15	11
Accrued expenses and deferred income	21	18	15
Total current liabilities		**1,335**	**1,231**
TOTAL EQUITY, PROVISIONS AND LIABILITIES	23	**3,383**	**3,088**

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 2020	**57**	**86**	**–65**	**4**	**1,151**	**20**	**1,253**
Reversal of earnings					20	–20	–
Net profit						25	25
Other comprehensive income				–7			–7
Dividend					–40		–40
Premium received for issued call options					1		1
Repurchase of own shares			–17				–17
Closing equity, 31 March 2021	**57**	**86**	**–82**	**–3**	**1,132**	**25**	**1,215**
Reversal of earnings					25	–25	–
Net profit						44	44
Other comprehensive income				0			0
Dividend					–80		–80
Premium received for issued call options					2		2
Redeemed options			2		–4		–2
Closing equity, 31 March 2022	**57**	**86**	**–80**	**–3**	**1,075**	**44**	**1,179**

PARENT COMPANY

Cash-flow statement

MSEK	Note	2021/2022	2020/2021
Operating activities			
Operating loss		–20	–11
Adjustments for non-cash items			
Depreciation, amortisation and impairment of non-current assets	10, 11	0	1
Change in pension obligations		7	0
Interest received		62	58
Interest paid		–20	–22
Income taxes paid		0	12
Cash flow from operating activities before changes in working capital		**29**	**38**
Cash flow from changes in working capital			
Change in current receivables and liabilities to Group companies		–216	45
Change in operating receivables		0	15
Change in operating liabilities		8	3
Changes in working capital		**–208**	**63**
Cash flow from operating activities		**–179**	**101**
Investing activities			
Acquisition of intangible and tangible non-current assets		0	0
Cash flow from investing activities		**0**	**0**
Cash flow before financing		**–179**	**101**
Financing activities			
Changes in long-term receivables and liabilities to Group companies		–89	0
Borrowings		633	755
Repayment of loans		–400	–710
Redeemed, issued and repurchased call options		0	1
Dividend paid		–80	–40
Repurchase of own shares		–	–17
Pension benefits paid		–3	–3
Group contributions paid and received		119	–87
Cash flow from financing activities		**180**	**–101**
Cash flow for the year		1	0
Cash and cash equivalents at the beginning of the year		0	0
Cash and cash equivalents at year-end		**1**	**0**

Notes

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 29 June 2022. 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 24 August 2022.

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 32 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

Amendments to IFRS applicable as of 1 January 2021 have not had a material impact on the Group's financial reporting.

New or amended IFRS that will be applied in coming periods

A number of new and amended accounting rules according to IFRS have not yet come into effect and have not been applied in advance in the preparation of these financial statements. The amended IFRS to be applied in the future are not expected to have any material impact on the Group's financial statements.

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 so-called 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 liabilities and any non-controlling interests. Transaction fees, except for transaction fees attributable to issues of equity instruments or debt instruments, 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

Note 1 cont.

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.

Acquisition of non-controlling interests

Acquisitions from non-controlling interests are recognised as a transaction in equity, which is to say between the Parent Company's owner (in retained earnings) and non-controlling interests. Therefore, there is no goodwill for these transactions. The change of non-controlling interests is based on the proportional share of net assets.

Divestments to non-controlling interests

Divestments to non-controlling interests in which the non-controlling interest remains are recognised as a transaction in equity, which is to say between the Parent Company's owner and non-controlling interests. The difference between payments received and the non-controlling interest's proportional share of acquired net assets is recognised under retained earnings.

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 on a separate line in the consolidated statement of 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, 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.

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. In the event that foreign operations are not wholly owned, the translation difference is distributed to non-controlling interests based on their proportional participating interest. When controlling influence, significant influence or mutual controlling influence ceases for a foreign entity, the accumulated translation differences attributable to the entity are realised, by which they are reclassified from the translation reserve in equity to net profit. In the event of a divestment where the controlling influence remains, the proportional share of accumulated translation differences is transferred from the translation reserve to non-controlling interests.

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.

Leases

When a contract is entered into the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Group is the lessee

The Group recognises a right-of-use asset and a lease liability on the lease's commencement date. The right-of-use assets is initially measured

Note 1 cont.

at cost, which comprises the lease liability's initial value plus the lease payments made at or before the commencement date and any initial direct costs. The right-of-use asset is depreciated straight-line from the commencement date to the asset's useful life or the end of the lease term, whichever comes first. This is normally the end of the lease term for the Group. In rare cases when the cost of the right-of-use asset reflects that the Group will exercise an option to purchase the underlying asset, the asset is depreciated by the end of its useful life.

Lease liability – which is divided into non-current and current – is initially measured at the present value of remaining lease payments during the estimated lease term. The lease term comprises the non-terminable term together with additional terms in the contract if on the commencement date it is deemed reasonably certain that these will be exercised.

Lease payments are normally discounted using the Group's incremental borrowing rate, which in addition to the Group's/company's credit risk reflects the term of each lease, currency and quality of the underlying asset intended as collateral.

The lease liability consists of the present value of the following internal during the expected lease term:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price of a purchase option that the Group is reasonably certain to exercise; and
- payment of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

The value of the liability increases by the interest expense for each period and decreases through lease payments. The interest expense is calculated as the value of the liability times the discount rate.

The lease liability and asset's value are adjusted in conjunction with the reassessment of the lease term or changes to other parameters in the contract. Typically when the final termination date for the previously estimated lease term for the lease of premises has passed or upon the occurrence of either a significant event or a significant change in circumstances that is within the Group's control and affects the applicable assessment of the lease liability.

No right-of-use asset and lease liability are recognised on leases with a term of 12 months or shorter or where the underlying asset has a low value, of less than SEK 50 thousand. Lease payments for these leases are recognised on a straight-line basis over the term of the lease.

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

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 only insignificant unlisted holdings in this category.

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 liabilities. 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 any 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

Note 1 cont.

(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.

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. Cash and cash equivalents are also included in the application area "Impairment losses" pursuant to IFRS 9. However, the potential impairment in question is assessed to be immaterial. Cash and cash equivalents are placed in banks with high credit ratings.

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.

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	3–10 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.

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 liabilities. 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 liabilities, 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 balance sheet 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.

Note 1 cont.

Estimated useful lives:

Brands, supplier contracts, customer relations etc.	3–10 years
Software, IT investments	3–10 years
Product development	3–8 years

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

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.

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.

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

Plans in which the company's obligations are limited to the fees that the company has undertaken to pay are classified as defined-contribution pension plans. For these, the size of the employee's pension depends on the fees that the company pays to the plan or to an insurance company and the return on capital that the fees yield. Accordingly, it is the employee that carries the actuarial risk (that remuneration is lower than expected) and the investment risk (that the assets invested will not be sufficient to provide the expected remuneration). 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 (PUC) method. The obligations are measured at the 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. For funded plans, the net of the plan assets and the pension liability is the asset or liability presented in the balance sheet.

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 DUS21 from 31 March 2022.

Obligations for retirement pensions to salaried employees in Sweden in accordance with the ITP plan are handled mainly within the PRI Pensionsgaranti. 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 2021, Alecta's surplus in the form of its collective solvency margin was 172 percent (148). 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

Note 1 cont.

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 (excluding interest included in net financial items). Remeasurement effects are recognised in other comprehensive income. Changes or reductions to a defined-contribution plan are recognised directly in net profit. 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 2018, 2019, 2020 and 2021 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 subsidies were to be paid in September 2020, September 2021, September 2022 and September 2023 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 differs from other liabilities in that there is greater uncertainty about the timing and amount of the payment in order to settle the provision. A provision is recognised as an asset in the statement of financial position when there is 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.

Provisions are made at the amount that is the best estimate of the amount required to settle the existing provision on the balance-sheet date. 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 or cannot be calculated with sufficient reliability.

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.

Note 1 cont.

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.

Leased assets
The Parent Company does not apply IFRS 16, in accordance with the exception included in RFR 2. As lessee, lease payments are recognised on a straight-line basis as a cost over the lease term and right-of-use assets and lease liabilities are not recognised in the balance sheet.

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 profit or loss.

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 IFRS 9 concerning financial guarantee agreements on behalf of subsidiaries. The relief rule pertains to financial guarantee agreements issued on behalf of subsidiaries and associated companies. The Parent Company recognises financial guarantees as provisions in the balance sheet when the company has a commitment for which payment will probably be required to regulate the commitment.

Financial instruments
The Parent Company has decided not to apply IFRS 9 to financial instruments. However, parts of the policies in IFRS 9 are applicable – such as those pertaining to impairment, recognition/derecognition and criteria for the application of hedge accounting as well as the effective interest method for interest income and interest expense. Financial non-current assets in the Parent Company are measured at cost less any impairment and financial current assets using the lower of cost or net realisable value. IFRS 9's impairment requirements are applied for financial assets recognised at amortised cost. Impairment losses on unlisted shareholdings that are not holdings in subsidiaries, associated companies or joint arrangements are recognised if the present value of expected future cash flow is lower than carrying amount. The Parent Company has no holding of listed shares. Normally, when currency hedging receivables and liabilities in foreign currency using foreign-exchange forward contracts, the forward rate is used to measure the hedged asset or liability.

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	
	2021/2022	2020/2021	2021/2022	2020/2021
Revenue				
Sale of goods	4,473	4,252	–	–
Service assignments	101	57	35	32
Rental income	1	2	–	–
Commissions, bonuses and similar income	0	0	–	–
Total	**4,575**	**4,311**	**35**	**32**

Income in the Parent Company pertains to intra-Group services totalling MSEK 35 (32).

NOTE 3 Other operating income

	Group	
	2021/2022	2020/2021
Grants from EU, central and local government	1	0
Insurance indemnification	0	1
Capital gain, sale of tangible non-current assets	0	0
Capitalised work for own account	4	8
Reversal of purchase considerations for previous acquisitions	6	5
Other	0	1
Total	**11**	**15**

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 consists of companies that sell various niche solutions to the manufacturing and construction sectors. The three divisions focus on different product areas. But all of their products are directed towards the manufacturing and construction sectors, where productive, safe and sustainable solutions are in demand. Several of the companies hold leading positions in their niches.

Building Materials focuses on construction materials. The division primarily offers products and services for the construction sector and customised solutions for the manufacturing sector. The division has a wide range of products and solutions in fastening elements, fire protection, tilers and bricklaying.

Workplace Safety focuses on personal protective equipment. The division offers products and services in workplace safety. Customers are primarily manufacturing and construction material resellers, but includes major manufacturing customers on the international level.

Tools & Consumables focuses on tools, machines and consumables. The division develops, designs, produces and distributes them. The largest unit in the division is the Nordic region's leading distributor in this area.

Intra-Group pricing between the operating segments occurs on market terms. IFRS 16 has not impacted the monitoring of the divisions. There are no assets in the operating segments that are affected by material changes compared with the most recent Annual Report.

Note 4 cont.

	2021/2022					
	Building Materials	Workplace Safety	Tools & Consumables	Group-wide	Eliminations	Group total
Revenue						
External customers	1,334	1,598	1,638	5	–	**4,575**
Internal customers	6	35	3	319	–363	**–**
Total	**1,340**	**1,633**	**1,641**	**324**	**–363**	**4,575**
EBITA	94	145	103	–11	–	**331**
Operating profit	**88**	**131**	**90**	**–11**	**–**	**298**
Net financial items	–	–	–	–39	–	**–39**
Profit/loss after net financial items	**88**	**131**	**90**	**–50**	**–**	**259**
Goodwill	600	678	389	–	–	**1,667**
Other assets	1,245	1,424	1,433	1,981	–2,455	**3,628**
Total assets	**1,845**	**2,102**	**1,822**	**1,981**	**–2,455**	**5,295**
Liabilities	1,011	976	1,199	2,632	–2,455	**3,363**
Other disclosures						
Investments	12	33	4	85	–	**134**
Of which, right-of-use assets	–	–	–	84	–	**84**
Depreciation and amortisation	–15	–32	–21	–137	–	**–205**
Of which, right-of-use assets	–	–	–	–123	–	**–123**

	2020/2021					
	Building Materials	Workplace Safety	Tools & Consumables	Group-wide	Eliminations	Group total
Revenue						
External customers	1,262	1,554	1,492	3	–	**4,311**
Internal customers	7	35	3	283	–328	**–**
Total	**1,269**	**1,589**	**1,495**	**286**	**–328**	**4,311**
EBITA	85	137	57	–8	–	**271**
Operating profit/loss	**80**	**128**	**47**	**–8**	**–**	**247**
Net financial items	–	–	–	–35	–	**–35**
Profit/loss after net financial items	**80**	**128**	**47**	**–43**	**–**	**212**
Goodwill	600	640	369	–	–	**1,609**
Other assets	1,070	1,312	1,316	1,808	–2,174	**3,332**
Total assets	**1,670**	**1,952**	**1,685**	**1,808**	**–2,174**	**4,941**
Liabilities	877	939	1,194	2,390	–2,174	**3,226**
Other disclosures						
Investments	17	24	4	73	–	**118**
Of which, right-of-use assets	–	–	–	53	–	**53**
Depreciation and amortisation	–13	–22	–17	–127	–	**–179**
Of which, right-of-use assets	–	–	–	–114	–	**–114**

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 –31 (–21), of which MSEK –6 (–6) in Building Materials, MSEK –3 (–3) in Workplace Safety, MSEK –15 (–7) in Tools & Consumables and MSEK –7 (–5) 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.

	2021/2022		2020/2021	
	External revenue	Non-current assets	External revenue	Non-current assets
Sweden	1,808	2,143	1,780	2,189
Norway	1,234	179	1,139	90
Finland	414	43	418	42
Other countries	1,119	255	974	205
Group total	**4,575**	**2,620**	**4,311**	**2,526**

NOTE 5 Employees and personnel costs

Average number of employees by country	2021/2022 No.	2021/2022 Of whom, women %	2020/2021 No.	2020/2021 Of whom, women %
Sweden, Parent Company	6	0	6	13
Sweden, other Swedish companies	556	34	559	34
Norway	123	18	117	16
Finland	61	30	59	25
Denmark	36	33	18	33
Poland	69	41	57	39
UK	61	31	26	15
Estonia	52	39	51	33
Brazil	48	48	49	41
Slovakia	48	69	9	67
Other countries	135	33	128	33
Group total	**1,195**	**34**	**1,079**	**32**

The number of full-time employees at year-end was 1,227 (1,129).

Percentage of women on Bergman & Beving's Board of Directors and senior management	31 Mar 2022	31 Mar 2021
Parent Company		
Board of Directors	33%	33%
Group management	0%	0%
Group		
Boards of directors	13%	8%
Senior management	18%	21%

Remuneration and other benefits	2021/2022 Senior management	2021/2022 Other employees	2021/2022 Total	2020/2021 Senior management	2020/2021 Other employees	2020/2021 Total
Parent Company						
Salaries and other remuneration	13	7	**20**	7	9	**16**
Of which, variable remuneration	2	1	**3**	0	4	**4**
Social security contributions	8	10	**18**	4	5	**9**
Of which, pension costs	3	5	**8**	2	1	**3**
Group						
Salaries and other remuneration	55	582	**637**	44	553	**597**
Of which, variable remuneration	6	31	**37**	3	42	**45**
Social security contributions	26	198	**224**	19	185	**204**
Of which, pension costs	12	65	**77**	9	54	**63**

The category Senior management includes people employed by the Parent Company as well as the presidents and executive vice presidents of the Group's subsidiaries.

Pension costs of MSEK 20 (15) pertain to the Group's defined-benefit plans and MSEK 57 (48) to defined-contribution plans.

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 2021/2022	Group 2020/2021
Chairman of the Board	950	700
Other directors	1,825	1,219
Total	**2,775**	**1,919**

Fees to the Board

In accordance with the resolution passed by the Annual General Meeting in August 2021, the directors received directors' fees for their work on Bergman & Beving AB's Board of Directors during the 2021/2022 operating year. Chairman of the Board Jörgen Wigh has not received any remuneration other than the directors' fee.

Remuneration and other benefits to Group management in 2021/2022

SEK thousand	Fixed salary[1]	Variable salary, one-year[2]	Variable salary, multi-year	Other benefits	Pension costs	Total remuneration and other benefits	Call options outstanding (no.)
Magnus Söderlind, President & CEO as of 1 May	3,740	0	300	103	1,122	**5,265**	44,000
percentage of total remuneration	*71%*	*0%*	*6%*	*2%*	*21%*		
Pontus Boman, President & CEO 1–30 April and Executive Vice President 1 May–31 March	4,250	1,214	–	110	1,049	**6,623**	105,600
percentage of total remuneration	*64 %*	*18%*	–	*2%*	*16%*		
Other members of Group management (1 position)	2,433	646	–	108	641	**3,828**	111,500
Total	**10,423**	**1,860**	**300**	**321**	**2,812**	**15,716**	**261,100**

1) Includes a subsidy for the options programmes (for 2021/2022, nothing was paid to the CEO and SEK 251 thousand was paid to the Executive Vice President).
2) Bonus based on 80 percent of the profitability goal and 20 percent of the return goal (P/WC). The outcome for the year was 58 percent. The bonus for 2021/2022 was paid in 2022/2023.

Note 5 cont.

Remuneration and other benefits to Group management in 2020/2021

SEK thousand	Fixed salary[1]	Variable salary, one-year[2]	Variable salary, multi-year	Other benefits	Pension costs	Total remuneration and other benefits	Call options outstanding (no.)
Pontus Boman, President & CEO	4,069	207	–	123	993	**5,392**	135,600
percentage of total remuneration	*76%*	*4%*	–	*2%*	*18%*		
Other members of Group management (1 position)	2,197	110	–	112	571	**2,990**	82,500
Total	**6,266**	**317**	**–**	**235**	**1,564**	**8,382**	**218,100**

1) Includes a subsidy for the options programmes (SEK 213 thousand was paid to the CEO for 2020/2021) and salary sacrifices during the beginning of the COVID-19 pandemic.
2) Bonus based on 80 percent of the profitability goal and 20 percent of the return goal (P/WC). The outcome for the year was 87 percent. The bonus for 2020/2021 was paid in 2021/2022.

Comparable information about remuneration and the Company's performance

	2021/2022 vs 2020/2021	2020/2021 vs 2019/2020
Remuneration to the President & CEO [1]		
Annual change in total remuneration	26%	–6%
The Company's financial results		
Annual change in net profit (EBT)	22%	37%
Annual change in P/WC	10%	25%
Remuneration to employees [2]		
Annual change in total remuneration, Sweden	–4%	6%

1) Remuneration refers to the total of all the remuneration components reported in the above table.
2) Calculated on average number of full-time equivalents at the Group's company in Sweden. The number of employees in the Parent Company, excluding Group management, was deemed too small to make a relevant comparison.

The company did not compile similar data about financial years prior to 2020/2021.

President & CEO

Magnus Söderlind was President & CEO as of 1 May 2021. Pontus Boman was President & CEO from 1 to 30 April 2021.

Remuneration to the President & CEO of Bergman & Beving comprises fixed salary, variable salary, participation in the call option programmes, 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.

According to the agreement for the President & CEO from 1 May, in the event of termination of employment at the initiative of the Company, the period of notice is nine months for the first three years of employment and 12 months thereafter. Aside from salary and other benefits during the period of notice, in the event of termination of employment at the initiative of the Company, severance pay equivalent to six months' salary will be paid to the President & CEO for the first three years of employment and severance pay equivalent to 12 months' salary thereafter. According to the previous agreement for the President & CEO, which applied until 30 April, in the event of termination of employment at the initiative of the Company, the period of notice was 12 months. Aside from salary and other benefits during the period of notice, the agreement stipulated that severance pay equivalent to three months' salary was to be paid in the event of termination of employment at the initiative of the Company.

Other members of Group management

Pontus Boman was Executive Vice President from 1 May to 31 October 2021. Peter Schön, CFO of Bergman & Beving AB, was a member of Group management for the entire financial year.

Remuneration to other members of Group management comprises fixed salary, variable salary, participation in the call option programmes, 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, other members of Group management are covered by a defined-contribution pension solution, 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 nine months. In addition to salary and other benefits during the notice period, a severance payment of three months' salary is payable by the Company.

The Executive Vice President decided to step down from his position during the year. The period of notice began on 1 November 2021 and lasted until 30 April 2022. Severance pay equivalent to three months' salary was reserved in the annual accounts and was paid after the end of the financial year.

Long-term incentive (LTI) programmes

The Board of Bergman & Beving AB decided to offer a long-term incentive programme to the President & CEO involving annual cash-based gross remuneration amount of SEK 300 thousand over a three-year period starting in 2021/2022. Payment of the cash-based gross remuneration amount is conditional on an initial investment in Bergman & Beving shares of approximately MSEK 2.5 and continued employment by the Company.

Call option programme 2021/2025

Following a resolution passed by the Annual General Meeting in August 2021, approximately 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 178,000 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 178,000, corresponding to 0.6 percent of the total number of shares and 0.5 percent of the votes. The price per call option is SEK 15.00, 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 197.30, with a redemption period from 16 September 2024 until 12 June 2025, inclusive. The redemption price is equivalent to 120 percent of the average share price during the measurement period from 1–14 September 2021. 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 15.00 per acquired call option can be paid to the holder. The subsidy is to be paid by the holder's employer in September 2023 on the condition that all originally acquired call options in this programme remain and that the individual remained an employee of the Bergman & Beving Group.

Call option programme 2020/2024

Following a resolution passed by the Annual General Meeting in August 2020, 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 244,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully

Note 5 cont.

exercised, the number of outstanding Class B shares will increase by 244,000, corresponding to 0.9 percent of the total number of shares and 0.7 percent of the votes. The price per call option is SEK 4.96, 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 99.50, with a redemption period from 11 September 2023 until 7 June 2024, inclusive. The redemption price is equivalent to 120 percent of the average share price during the measurement period from 27 August to 9 September 2020. 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 4.96 per acquired call option can be paid to the holder. The subsidy is to be paid by the holder's employer in September 2022 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 2019/2023

Following a resolution passed by the Annual General Meeting in August 2019, 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 270,000 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 270,000, corresponding to 1.0 percent of the total number of shares and 0.7 percent of the votes. The price per call option is SEK 5.98, 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 107.50, with a redemption period from 12 September 2022 until 9 June 2023, inclusive. The redemption price is equivalent to 120 percent of the average share price during the measurement period from 27 August to 9 September 2019. The programme was secured in its entirety through repurchase of treasury shares.

This offering was linked to a subsidy corresponding to the paid option price.This means that an amount of SEK 5.98 per acquired call option can be paid to the holder. A total subsidy of just under MSEK 2 was paid in accordance with this programme in September 2021.

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 redemption price is equivalent to 120 percent of the average share price during the measurement period from 28 August to 7 September 2018. The programme was secured in its entirety through repurchase of treasury shares.

This offering was 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. A total subsidy of approximately MSEK 1 was paid in accordance with this programme in September 2020. The redemption period began at the end of the financial year and the remaining options outstanding are presented in the table.

The table below shows the options issued to members of senior management and options outstanding as of 31 March 2022:

		Group		Parent Company	
Call option programme	**Redemption price, SEK**	**No. of options issued**	**No. of options outstanding**	**No. of options issued**	**No. of options outstanding**
2018/2022	117.90	210,000	98,000	80,000	40,000
2019/2023	107.50	270,000	270,000	122,000	122,000
2020/2024	99.50	244,000	244,000	86,500	86,500
2021/2025	197.30	178,000	178,000	98,000	98,000
The President & CEO's holdings					
2018/2022	117.90	0	0		
2019/2023	107.50	0	0		
2020/2024	99.50	0	0		
2021/2025	197.30	44,000	44,000		

Guidelines for remuneration of senior management

The Company must provide remuneration that is in line with market conditions if it is to implement the Company's strategy and sustainable long-term interests. The remuneration is to be in relation to the responsibilities and powers held and consists of fixed and variable salary, pension and other benefits. Fixed salary is to be paid in the form of cash salary and be reviewed annually. The variable salary may be equivalent to not more than 40 percent of the fixed annual salary. In addition, a premium of 20 percent of the variable salary can be paid for the portion used to acquire shares in Bergman & Beving AB. Variable remuneration shall be linked to established, predetermined and measurable targets, which may be financial or non-financial, or individual performances that promote the Company's long-term and sustainable development. Variable salary is regulated the year after qualification. The Board of Directors assesses, on the basis of a proposal from the Compensation Committee, how well the President & CEO fulfilled the targets for variable remuneration at the end of the measurement period. The President & CEO makes a similar assessment of other management. Pension benefits for the President & CEO and other senior management may consist of either a defined-benefit pension plan according to ITP or a defined-contribution plan with certain individual adjustments. Provisions for pensions must not exceed 40 percent of the pensionable salary. Salary sacrifices can be used to strengthen the occupational pension by paying pension provisions as a lump sum on the condition that the total cost for the Company is neutral. Other benefits, including company car, travel concessions, healthcare insurance and occupational health services, shall be competitive and only represent a minor share of the total remuneration. In addition to remuneration, the Board shall annually evaluate the need for share-based incentive programmes and, where necessary, present a proposal for resolution at the General Meeting.

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, in addition to salary and other benefits during the notice period, shall amount to not more than 12 months' fixed salary. Efforts should be made to link severance pay to rules governing loyalty and a non-compete undertaking according to prevailing case-law, in addition to rules that regulate deduction from other remuneration. In the event of termination of employment on the initiative of the member of senior management, the period of notice is a maximum of 12 months.

Continues on next page...

Note 5 cont.

Bergman & Beving's directors elected by the General Meeting shall, in special cases and for a limited period, be paid for services that are not considered Board work. Remuneration for these services shall be on market terms and for each director never exceed two times the normal annual directors' fee. The Board shall prepare a proposal for new guidelines at least every fourth year for resolution by the Annual General Meeting. The Compensation Committee appointed by the Board shall continuously monitor and evaluate these guidelines and their implementation. Remuneration of the President & CEO shall be decided by the Board of Directors after being prepared and recommended by the Compensation Committee, within the scope of established remuneration principles. Remuneration of other senior management shall be decided by the Compensation Committee, within the scope of established remuneration principles and after consulting with the President & CEO. The President & CEO and other senior management do not participate in the Board's or Compensation Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board may decide to derogate from the guidelines for employment contracts governed by rules and practice other than what applies in Sweden or in individual cases if there are special reasons for this and a derogation is necessary to serve the company's and shareholders' long-term interests. The Compensation Committee prepares the Board's decisions concerning derogation from the guidelines. In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account and comprised a part of the Compensation Committee's and Board's decision documentation.

Guidelines established at the Annual General Meeting of Bergman & Beving AB held on 26 August 2020. These guidelines have been applied to all agreements entered into with the President & CEO and other members of Group management during 2021/2022. The guidelines apply until the 2024 Annual General Meeting, unless the Annual General Meeting resolves on new guidelines at an earlier general meeting.

NOTE 6 Fees and reimbursement to auditors

	Group		Parent Company	
	2021/2022	2020/2021	2021/2022	2020/2021
Audit assignment				
KPMG	5	6	1	1
Other auditors	1	1	–	–
Fees for audit assignment	**6**	**7**	**1**	**1**
Audit activities in addition to audit assignment				
KPMG	0	0	–	–
Fees for audit activities in addition to audit assignment	**0**	**0**	**–**	**–**
Tax advisory services				
KPMG	0	0	0	0
Other auditors	0	0	–	–
Fees for tax advisory services	**0**	**0**	**0**	**0**
Other assignments				
KPMG	0	0	0	0
Other auditors	1	1	–	–
Fees for other assignments	**1**	**1**	**0**	**0**
Total fees to auditors	**7**	**8**	**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.

NOTE 7 Net financial items

	Group	
	2021/2022	2020/2021
Interest income	2	3
Dividends	0	–
Net exchange-rate changes	1	2
Other financial income	0	0
Financial income	**3**	**5**
Interest expense	–16	–17
Net interest income on defined-benefit pensions	–12	–10
Interest expenses on lease liability	–8	–9
Other financial expenses	–6	–4
Financial expenses	**–42**	**–40**
Net financial items	**–39**	**–35**

	Parent Company	
	2021/2022	2020/2021
Interest income and similar profit/loss items		
Interest income, Group companies	60	55
Interest income, other	1	2
Net exchange-rate changes	1	1
Total	**62**	**58**
Interest expense and similar profit/loss items		
Interest expenses, Group companies	0	0
Interest expenses, other	–16	–17
Other financial expenses	–4	–4
Total	**–20**	**–21**

NOTE 8 Appropriations

	Parent Company	
	2021/2022	2020/2021
Tax allocation reserve, provision for the year	–3	–
Tax allocation reserve, reversal for the year	–	118
Accelerated depreciation	0	–
Group contributions received	120	–
Group contributions paid	–93	–119
Total	**24**	**–1**

NOTE 9 Taxes

	Group		Parent Company	
Taxes recognised in profit or loss	**2021/2022**	**2020/2021**	**2021/2022**	**2020/2021**
Current tax				
Tax expense for the period	–56	–66	–2	0
Deduction of foreign taxes	–1	1	–	–
Adjustment of taxes attributable to earlier years	0	0	–	–
Total current tax	**–57**	**–65**	**–2**	**0**
Deferred tax				
Deferred tax attributable to temporary differences	0	19	0	–
Utilisation of previously capitalised tax loss carryforwards	0	0	–	–
Total deferred tax	**0**	**19**	**0**	**–**
Total tax	**–57**	**–46**	**0**	**0**

Reconciliation of effective taxes

Group

The Group's weighted average tax rate, with its current geographic mix, is approximately 21 percent (22). 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	**2021/2022**	**%**	**2020/2021**	**%**
Profit before taxes	259		212	
Taxes according to average tax rate for the Group	–54	*21*	–47	*22*
Tax effect of:				
Standard rate/income on tax allocation reserve	0	*0*	–1	*0*
Taxes attributable to earlier years	0	*0*	0	*0*
Utilisation of previously non-capitalised tax loss carryforwards	0	*0*	1	*0*
Non-taxable contingent consideration recognised as revenue	1	*–1*	0	*0*
Non-deductible expenses	–4	*2*	–2	*1*
Non-taxable income	0	*0*	0	*0*
Other items	0	*0*	3	*–1*
Total tax	**–57**	***22***	**–46**	***22***

Parent Company

The relationship between the Swedish tax rate of 20.6 percent (21.4) and recognised taxes for the Parent Company is presented in the following table:

Reconciliation of effective taxes	**2021/2022**	**%**	**2020/2021**	**%**
Profit before taxes	46		25	
Tax according to current tax rate for the Parent Company	–9	*21*	–5	*21*
Tax effect of:				
Standard rate/income on tax allocation reserve	0	*0*	–1	*4*
Negative net interest income received	8	*–17*	6	*–25*
Non-deductible expenses	–1	*0*	0	*0*
Total tax	**–2**	***4***	**0**	***0***

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	
	2021/2022	**2020/2021**	**2021/2022**	**2020/2021**
Deferred tax on defined-benefit pension plans	–17	1	–	–
Deferred tax on hedge accounting of financial instruments	0	2	0	2
Total	**–17**	**3**	**0**	**2**

Note 9 cont.

Deferred tax assets and liabilities

Group	31 Mar 2022 Receivables	31 Mar 2022 Liabilities	31 Mar 2022 Net	31 Mar 2021 Receivables	31 Mar 2021 Liabilities	31 Mar 2021 Net
Non-current assets	6	–61	**–55**	6	–50	**–44**
Untaxed reserves	0	–22	**–22**	0	–29	**–29**
Pension provisions	37	–2	**35**	67	–2	**65**
Other	23	–17	**6**	18	–12	**6**
Total	**66**	**–102**	**–36**	**91**	**–93**	**–2**

Group	2021/2022 Amount at the beginning of the year	Recognised in profit or loss	Acquisition/ disposal of subsidiaries	Recognised in other comprehensive income	Translation effect	Amount at the end of the year
Non-current assets	**–44**	7	–18	0	0	**–55**
Untaxed reserves	**–29**	7	–	–	–	**–22**
Pension provisions	**65**	–13	–	–17	0	**35**
Other	**6**	–1	0	–	1	**6**
Total	**–2**	**0**	**–18**	**–17**	**1**	**–36**

Group	2020/2021 Amount at the beginning of the year	Recognised in profit or loss	Acquisition/ disposal of subsidiaries	Recognised in other comprehensive income	Translation effect	Amount at the end of the year
Non-current assets	**–44**	6	–9	2	1	**–44**
Untaxed reserves	**–45**	16	–	–	–	**–29**
Pension provisions	**65**	–1	0	1	0	**65**
Other	**8**	–2	0	–	0	**6**
Total	**–16**	**19**	**–9**	**3**	**1**	**–2**

Non-capitalised tax loss carryforwards in the Group amounted to MSEK 0 (0).
The Parent Company had a deferred tax asset of MSEK 1 (1) pertaining to financial assets.

NOTE 10 Intangible non-current assets

	2021/2022					2020/2021				
	Acquired intangible assets					Acquired intangible assets				
Group	Goodwill	Brands	Customer relations	Other	Total	Goodwill	Brands	Customer relations	Other	Total
Accumulated cost										
At the beginning of the year	**1,609**	**70**	**260**	**304**	**2,243**	**1,570**	**70**	**213**	**265**	**2,118**
Investments	–	–	–	26	**26**	–	–	–	45	**45**
Acquisition of subsidiaries	53	–	84	–	**137**	41	–	50	1	**92**
Sales and disposals[1]	–	–	–	–3	**–3**	–	–	–	–7	**–7**
Reclassifications	–	–	–	–4	**–4**	–	–	–	–	**–**
Translation differences	5	–	3	–1	**7**	–2	–	–3	0	**–5**
At year-end	**1,667**	**70**	**347**	**322**	**2,406**	**1,609**	**70**	**260**	**304**	**2,243**
Accumulated amortisation										
At the beginning of the year	**–**	**–11**	**–95**	**–97**	**–203**	**–**	**–9**	**–72**	**–76**	**–157**
Amortisation for the year	–	–2	–32	–30	**–64**	–	–2	–23	–24	**–49**
Acquisition of subsidiaries	–	–	–	–	**–**	–	–	–	0	**0**
Sales and disposals	–	–	–	2	**2**	–	–	0	4	**4**
Translation differences	–	–	–1	1	**0**	–	–	0	–1	**–1**
At year-end	**–**	**–13**	**–128**	**–124**	**–265**	**–**	**–11**	**–95**	**–97**	**–203**
Impairment losses on cost										
At the beginning of the year	**–**	**–**	**–**	**–6**	**–6**	**–**	**–**	**–**	**–6**	**–6**
Impairment losses for the year	–	–	–	–	**–**	–	–	–	–	**–**
At year-end	**–**	**–**	**–**	**–6**	**–6**	**–**	**–**	**–**	**–6**	**–6**
Carrying amount at the beginning of the year	**1,609**	**59**	**165**	**201**	**2,034**	**1,570**	**61**	**141**	**183**	**1,955**
Carrying amount at year-end	**1,667**	**57**	**219**	**192**	**2,135**	**1,609**	**59**	**165**	**201**	**2,034**

1) Earnings on the disposal of intangible non-current assets amounted to MSEK –1 (–3).

	2021/2022	2020/2021
Parent Company	Software, etc.	Software, etc.
Accumulated cost		
At the beginning of the year	**0**	**0**
Investments	–	–
Sales and disposals	–	–
At year-end	**0**	**0**
Accumulated amortisation		
At the beginning of the year	**0**	**0**
Amortisation for the year	0	0
Sales and disposals	–	–
At year-end	**0**	**0**
Carrying amount at the beginning of the year	**0**	**0**
Carrying amount at year-end	**0**	**0**

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 2022, using the balance sheet on 31 March 2022 as a base. 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 recognised goodwill of MSEK 1,667 (1,609) has been allocated by operating segment according to the table below:

	31 Mar 2022	31 Mar 2021
Building Materials	600	600
Workplace Safety	678	640
Tools & Consumables	389	369
Total goodwill	**1,667**	**1,609**

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 11 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	2021/2022 Land and buildings	Leasehold improve-ments	Machinery and equipment	Construction in progress	Total	2020/2021 Land and buildings	Leasehold improve-ments	Machinery and equipment	Construction in progress	Total
Accumulated cost										
At the beginning of the year	**64**	**34**	**168**	**2**	**268**	**74**	**32**	**173**	**2**	**281**
Investments	2	2	19	4	**27**	0	1	14	5	**20**
Acquisition of subsidiaries	8	1	18	–	**27**	9	–	10	–	**19**
Sales and disposals[1]	–	–	–7	–	**–7**	0	–2	–24	–	**–26**
Disposal of subsidiaries	–	–	–	–	**–**	–18	–	–3	–	**–21**
Reclassifications	–	1	4	–1	**4**	–	3	2	–5	**0**
Translation differences	1	0	3	–	**4**	–1	0	–4	–	**–5**
At year-end	**75**	**38**	**205**	**5**	**323**	**64**	**34**	**168**	**2**	**268**
Accumulated amortisation										
At the beginning of the year	**–30**	**–13**	**–122**		**–165**	**–34**	**–10**	**–132**		**–176**
Amortisation for the year	–1	–4	–13		**–18**	–1	–3	–12		**–16**
Acquisition of subsidiaries	–2	0	–14		**–16**	–4	0	–7		**–11**
Sales and disposals[1]	–	–	6		**6**	–	–	23		**23**
Disposal of subsidiaries	–	–	–		**–**	9	–	3		**12**
Reclassifications	–	0	0		**0**	–	–	0		**0**
Translation differences	0	0	–3		**–3**	0	0	3		**3**
At year-end	**–33**	**–17**	**–146**	**–**	**–196**	**–30**	**–13**	**–122**	**–**	**–165**
Impairment losses on cost										
At the beginning of the year	**–**	**–1**	**0**		**–1**	**–2**	**–1**	**0**		**–3**
Impairment losses for the year	–	–	–		**–**	–	–	–		**–**
Reversal of impairment losses	–	–	–		**–**	–	–	–		**–**
Disposal of subsidiaries	–	–	–		**–**	2	–	–		**2**
Translation differences	–	–	0		**0**	–	–	0		**0**
At year-end	**–**	**–1**	**0**	**–**	**–1**	**–**	**–1**	**0**	**–**	**–1**
Carrying amount at the beginning of the year	**34**	**20**	**46**	**2**	**102**	**38**	**21**	**41**	**2**	**102**
Carrying amount at year-end	**42**	**20**	**59**	**5**	**126**	**34**	**20**	**46**	**2**	**102**

1) Earnings on the disposal of tangible non-current assets amounted to MSEK 0 (–2).

Parent Company	2021/2022 Leasehold improvements	Equipment	Total	2020/2021 Leasehold improvements	Equipment	Total
Accumulated cost						
At the beginning of the year	**2**	**1**	**3**	**2**	**1**	**3**
Investments	–	–	**–**	–	–	**–**
Sales and disposals	–	–	**–**	–	–	**–**
At year-end	**2**	**1**	**3**	**2**	**1**	**3**
Accumulated depreciation according to plan						
At the beginning of the year	**–1**	**0**	**–1**	**0**	**0**	**0**
Depreciation for the year according to plan	0	0	**0**	–1	0	**–1**
Sales and disposals	–	–	**–**	–	–	**–**
At year-end	**–1**	**0**	**–1**	**–1**	**0**	**–1**
Impairment losses on cost						
At the beginning of the year	**–**	**–**	**–**	**–**	**–**	**–**
Reversal of impairment losses	–	–	**–**	–	–	**–**
At year-end	**–**	**–**	**–**	**–**	**–**	**–**
Carrying amount at the beginning of the year	**1**	**1**	**2**	**2**	**1**	**3**
Carrying amount at year-end	**1**	**1**	**2**	**1**	**1**	**2**

NOTE 12 Receivables from Group companies

Parent Company	31 Mar 2022	31 Mar 2021
Carrying amount at the beginning of the year	**1,746**	**1,746**
Additional assets	91	6
Deducted assets	–2	–6
Carrying amount at year-end	**1,835**	**1,746**

NOTE 13 Long-term receivables and other receivables

Group	31 Mar 2022	31 Mar 2021
Long-term receivables classified as non-current assets		
Pension funds	3	2
Other receivables	2	3
Total	**5**	**5**

Group	31 Mar 2022	31 Mar 2021
Other receivables classified as current assets		
Advance payments	19	8
Derivatives	1	0
VAT receivable	26	13
Receivable from pension foundations	5	6
Other receivables	31	22
Total	**82**	**49**

NOTE 14 Inventories

Group	31 Mar 2022	31 Mar 2021
Finished goods and goods for resale at the beginning of the year	**1,129**	**1,077**
Change for the year	135	80
Impairment losses	–39	–30
Reversal of previous impairment losses	8	2
Finished goods and goods for resale at year-end	**1,233**	**1,129**

The cost of goods sold includes impairment of inventories in the amount of MSEK –39 (–30) and the reversal of previous impairment of MSEK +8 (+2), yielding a net amount of MSEK –31 (–28).

NOTE 15 Prepaid expenses and accrued income

	Group		Parent Company	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Prepaid expenses				
Rent	13	11	1	1
Insurance premiums	2	2	0	1
Marketing costs	1	1	–	–
Leases	2	2	–	–
Computer costs	1	2	–	–
Packaging	3	3	–	–
Licences	5	4	0	0
Other prepaid expenses	16	10	1	1
Accrued income				
Commission and bonus income	5	10	–	–
Other accrued income	4	5	–	–
Total	**52**	**50**	**2**	**3**

NOTE 16 Reserves and equity

Group	31 Mar 2022	31 Mar 2021
Translation reserve		
Opening translation reserve	**–53**	**–26**
Translation differences for the year	30	–27
Closing translation reserve	**–23**	**–53**
Hedging reserve		
Opening hedging reserve	**–3**	**4**
Cash-flow hedges recognised in other comprehensive income:		
Hedging for the year	–5	–5
Transferred to profit or loss	5	–4
Tax attributable to hedges for the year	0	2
Closing hedging reserve	**–3**	**–3**
Total reserves		
Opening reserves	**–56**	**–22**
Change in reserves for the year:		
Translation reserve	30	–27
Hedging reserve	0	–9
Tax attributable to changes in reserves for the year	0	2
Closing reserves	**–26**	**–56**

Repurchased own shares included in the equity item retained earnings, including net profit

	31 Mar 2022	31 Mar 2021
Opening repurchased Class B shares	**929,677**	**729,677**
Repurchase of own shares	–	200,000
Sale of treasury shares in connection with redemption of share options	–16,000	–
Closing repurchased own shares	**913,677**	**929,677**

Note 16 cont.

Share capital

The total share capital issued consisted of 27,436,416 shares. No changes took place during the year.

As of 31 March 2022, 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 (2.07). 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 2022, the Group held 913,677 own shares (929,677) in treasury.

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.

Call option programme 2019/2023

Following a resolution passed by the Annual General Meeting in August 2019, 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 270,000 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 270,000, corresponding to 1.0 percent of the total number of shares and 0.7 percent of the votes. The call options were conveyed at a price of SEK 5.98 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 107.50 and the redemption period is from 12 September 2022 until 9 June 2023, inclusive.

Call option programme 2020/2024

Following a resolution passed by the Annual General Meeting in August 2020, 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 244,000 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 244,000, corresponding to 0.9 percent of the total number of shares and 0.7 percent of the votes. The call options were conveyed at a price of SEK 4.96 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 99.50 and the redemption period is from 11 September 2023 until 7 June 2024, inclusive.

Call option programme 2021/2025

Following a resolution passed by the Annual General Meeting in August 2021, 20 senior executives in the Bergman & Beving Group were offered an opportunity to acquire a maximum of 178,000 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 178,000, corresponding to 0.6 percent of the total number of shares and 0.5 percent of the votes. The call options were conveyed at a price of SEK 15.00 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 197.30 and the redemption period is from 16 September 2024 until 12 June 2025, inclusive.

Appropriation of profit

The Board of Directors proposes a dividend of SEK 3.40 (3.00) per share, totalling SEK 90,177 thousand calculated based on the number of shares as of 31 March 2022, and with due consideration for the 913,677 repurchased shares held in treasury.

SEK thousand	
Retained earnings	991,410
Net profit	44,255
Total	**1,035,665**

The Board of Directors proposes that the available funds be allocated as follows:	
Dividend to shareholders, SEK 3.40 per share	90,177
To be brought forward	945,488
Total	**1,035,665**

Over the past ten years, the ordinary dividend has amounted to approximately 44 percent of earnings per share.

Year	Earnings per share[1]	Dividend[1]	Pay-out ratio, %
2021/2022	7.55	3.40	45
2020/2021	6.15	3.00	49
2019/2020	4.30	1.50	35
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
Total	**77.65**	**33.90**	**44**

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 what was at the time 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 17 Earnings per share

Earnings per share for the Group as a whole

	Before dilution		After dilution	
	2021/2022	2020/2021	2021/2022	2020/2021
Earnings per share, SEK	7.55	6.15	7.50	6.15

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 2021/2022 was based on net profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 200 (164) and a weighted average number of shares outstanding during 2021/2022 amounting to 26,514,583 (26,620,628). The two components have been calculated in the following manner:

Net profit attributable to Parent Company shareholders, before dilution

	2021/2022	2020/2021
Net profit attributable to Parent Company shareholders	200	164
Profit attributable to Parent Company shareholders, before dilution	**200**	**164**

Weighted average number of shares outstanding, before dilution

	2021/2022	2020/2021
Total number of shares, 1 April	**27,436,416**	**27,436,416**
Effect of holding of treasury shares	–921,833	–815,788
Number of shares for calculation of earnings per share	**26,514,583**	**26,620,628**

Earnings per share after dilution

The calculation of earnings per share after dilution for 2021/2022 was based on profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 200 (164) and a weighted average number of shares outstanding during 2021/2022 amounting to 26,689,833 (26,620,628). The two components have been calculated in the following manner:

Net profit attributable to Parent Company shareholders, after dilution

	2021/2022	2020/2021
Net profit attributable to Parent Company shareholders	200	164
Profit attributable to Parent Company shareholders, before dilution	**200**	**164**

Weighted average number of shares outstanding, after dilution

Stated in thousands of shares	2021/2022	2020/2021
Total number of shares, 1 April	**27,436,416**	**27,436,416**
Effect of holding of treasury shares	–746,583	–815,788
Number of shares for calculation of earnings per share	**26,689,833**	**26,620,628**

As of 31 March 2022, Bergman & Beving AB had four outstanding call option programmes. In three of them, the redemption price was lower than the share price as of 31 March 2022 and in one of them the redemption price was higher. Call options issued resulted in an insignificant dilution effect. Details about these call option programmes are provided in Note 5 Employees and personnel costs.

NOTE 18 Provisions for pensions

The Bergman & Beving Group 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 95 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 2022	31 Mar 2021
Pension obligations unfunded plans, present value	607	691
Pension obligations funded plans, present value	27	28
Plan assets, fair value	–30	–29
Net pension obligations	**604**	**690**

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:

Group	31 Mar 2022	31 Mar 2021
Plan assets for pension obligations	–4	–2
Provisions for pensions and similar commitments	608	692
Net liabilities according to the balance sheet	**604**	**690**
Of which, credit insured through PRI Pensionsgaranti	409	357

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 2022	31 Mar 2021
Opening balance	**691**	**692**
Benefits earned during the year	20	15
Interest expense	12	10
Benefits paid	–22	–23
Other	–13	–11
Remeasurement recognised in other comprehensive income, see separate specification	–81	8
Translation differences	0	0

Note 18 cont.

Pension obligations unfunded plans, present value	**607**	**691**

Pension obligations funded plans	**31 Mar 2022**	**31 Mar 2021**
Opening balance	**28**	**29**
Benefits earned during the year	0	0
Interest expense	0	1
Benefits paid	–2	–2
Other	0	0
Remeasurement recognised in other comprehensive income, see separate specification	0	–1
Translation differences	1	1
Pension obligations funded plans, present value	**27**	**28**

Present value of pension obligation specified by category (%)	**31 Mar 2022**	**31 Mar 2021**
Active	8	9
Paid-up policy holders	42	42
Pensioners	50	49
Total	**100**	**100**

Plan assets	**31 Mar 2022**	**31 Mar 2021**
Opening balance	**29**	**27**
Interest income recognised in profit or loss	0	0
Funds contributed by employers	1	0
Funds paid to employers	–2	–2
Other	0	0
Remeasurement recognised in other comprehensive income, see separate specification	0	2
Translation differences	2	2
Plan assets, fair value	**30**	**29**

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

Plan assets	**31 Mar 2022**	**31 Mar 2021**
Cash and cash equivalents	1	1
Equity instruments	4	4
Debt instruments	20	20
Properties	4	3
Other assets	1	1
Plan assets, fair value	**30**	**29**

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 23 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 2022**	**31 Mar 2021**
Opening balance	**690**	**694**
Pension costs, defined-benefit plans	32	26
Benefits paid	–24	–25
Funds contributed by employers	–1	0
Funds paid to employers	2	2
Other	–13	–11
Remeasurement recognised in other comprehensive income, see separate specification	–81	5
Translation differences	–1	–1
Closing balance	**604**	**690**

Pension costs

Costs recognised in net profit	**2021/2022**	**2020/2021**
Pensions earned during the period	20	15
Net interest expense	12	11
Pension costs, defined-benefit plans	**32**	**26**
Pension costs, defined-contribution plans	57	48
Pension costs in net profit	**89**	**74**

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	**2021/2022**	**2020/2021**
Actuarial gains and losses attributable to demographic assumptions	6	0
Actuarial gains and losses attributable to financial assumptions	64	5
Actuarial gains and losses attributable to experience-based assumptions	11	–10
Total remeasurement, pension obligations	**81**	**–5**
Difference between actual return and return according to discount rate on plan assets	0	0
Total remeasurement included in other comprehensive income	**81**	**–5**

Actuarial assumptions

2021/2022	**Sweden**	**Norway**	**Taiwan**
Discount rate, 31 March, %	2.50	2.50	0.70
Expected salary increase, %	2.75	2.50	1.75
Expected inflation, % [1]	2.00	0.00	0.00
Expected remaining period of service, years	12.9	0.0	12.0

2020/2021	**Sweden**	**Norway**	**Taiwan**
Discount rate, 31 March, %	1.75	2.00	0.50
Expected salary increase, %	2.75	2.00	1.75
Expected inflation, % [1]	1.75	0.00	0.00
Expected remaining period of service, years	12.9	0.0	13.0

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	22.7	20.8
Women	23.9	26.0	24.3
Length of life assumptions at 65 years of age – members who are 40 years of age:			
Men	22.9	24.0	21.5
Women	25.0	27.7	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 Significant accounting policies. The table below shows how the total pension liability would be affected by changes in each assumption.

Note 18 cont.

Changes in pension obligations due to changed assumptions (MSEK):	Liability (increase/decrease):	
Discount rate, –0.50%/+0.50%	48	–43
Salary increases, +0.50%/–0.50%	12	–11
Inflation, +0.50%/–0.50%	41	–37
Length of life, +1 year/–1 year	23	–23

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

Financing

As of 31 March 2022, the average weighted term of the total pension obligation was 16.5 years (17.9), of which unfunded PRI pensions in Sweden had an average weighted term of 16.8 years (18.2).

Bergman & Beving estimates that approximately MSEK 25 (24) will be paid in 2022/2023 to funded and unfunded defined-benefit pension plans recognised as defined-benefit plans and approximately MSEK 8 (7) will be paid in 2022/2023 to defined-benefit plans recognised as defined-contribution plans. The latter pertains exclusively to ITP2 in Swedish companies.

Parent Company

A discount rate of 2.85 percent (3.84) was applied to the calculation of the amount of the pension obligation for the Parent Company. As of 31 March 2022, the Parent Company has one defined-benefit plan pertaining to PRI Pensionsgaranti. These obligations are recognised in the balance sheet in the following amounts:

Parent Company	31 Mar 2022	31 Mar 2021
Pension obligations unfunded plan, present value	40	36
Net pension obligations and net liability according to the balance sheet	**40**	**36**
Of which, credit insured through PRI Pensionsgaranti	40	36

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

Pension obligations unfunded plans	31 Mar 2022	31 Mar 2021
Opening balance	**36**	**39**
Benefits earned during the year [1]	5	–1
Interest expense	2	1
Benefits paid	–3	–3
Closing balance	**40**	**36**

Pension costs	2021/2022	2020/2021
Benefits earned during the year, personnel costs [1]	5	–1
Interest expense	2	1
Pension costs, defined-benefit plans	**7**	**0**
Pension costs, defined-contribution plans	4	4
Pension costs in net profit	**11**	**4**

1) Benefits earned in 2021/2022 include mortality gains of MSEK 0 (2).

NOTE 19 Other provisions

Group	31 Mar 2022	31 Mar 2021
Provisions classified as non-current liabilities		
Guarantee commitments	0	0
Restructuring	14	17
Additional purchase considerations	20	26
Other	1	–
Total	**35**	**43**

Specification – non-current liabilities	31 Mar 2022	31 Mar 2021
Carrying amount at the beginning of the period	**43**	**65**
Provisions made during the period	9	–
Dissolutions made during the period	–17	–22
Carrying amount at the end of the period	**35**	**43**

NOTE 20 Other liabilities

Group	31 Mar 2022	31 Mar 2021
Other current liabilities		
Advance payments from customers	1	2
Employee withholding taxes	17	16
VAT liability	143	116
Additional purchase considerations	14	12
Other operating liabilities	24	15
Total	**199**	**161**

NOTE 21 Accrued expenses and deferred income

	Group		Parent Company	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Accrued expenses				
Salaries and remuneration to employees	118	125	8	8
Pension costs	2	2	–	–
Social security contributions	56	59	6	4
Bonuses, refunds to customers/suppliers	113	101	–	–
Car and travel expenses	1	1	–	–
Directors' and auditors' fees	4	4	1	1
Other consulting fees	1	2	0	0
Marketing costs	4	2	–	–
Guarantee costs	0	0	–	–
Shipping costs	6	9	–	–
Operating and lease costs	42	31	–	–
Interest expense	1	1	1	1
Restructuring	3	3	–	–
Other accrued expenses	7	9	2	1
Total	**358**	**349**	**18**	**15**

NOTE 22 Specification of interest-bearing net loan liabilities by asset and liability

Group	31 Mar 2022 Interest-bearing	31 Mar 2022 Non-interest bearing	31 Mar 2022 Total	31 Mar 2021 Interest-bearing	31 Mar 2021 Non-interest bearing	31 Mar 2021 Total
ASSETS						
Intangible non-current assets	–	2,135	**2,135**	–	2,034	**2,034**
Tangible non-current assets	–	126	**126**	–	102	**102**
Right-of-use assets	–	359	**359**	–	390	**390**
Financial non-current assets	5	–	**5**	5	–	**5**
Deferred tax assets	–	66	**66**	–	91	**91**
Total non-current assets	**5**	**2,686**	**2,691**	**5**	**2,617**	**2,622**
Current assets						
Inventories	–	1,233	**1,233**	–	1,129	**1,129**
Tax assets	–	13	**13**	–	2	**2**
Accounts receivable	–	1,042	**1,042**	–	950	**950**
Prepaid expenses and accrued income	–	52	**52**	–	50	**50**
Other receivables	–	82	**82**	–	49	**49**
Cash and bank	182	–	**182**	139	–	**139**
Total current assets	**182**	**2,422**	**2,604**	**139**	**2,180**	**2,319**
TOTAL ASSETS	**187**	**5,108**	**5,295**	**144**	**4,797**	**4,941**
LIABILITIES						
Non-current liabilities						
Non-current interest-bearing liabilities	787	–	**787**	566	–	**566**
Non-current lease liabilities	243	–	**243**	289	–	**289**
Provisions for pensions	608	–	**608**	692	–	**692**
Other provisions	–	35	**35**	–	43	**43**
Deferred tax liabilities	–	102	**102**	–	93	**93**
Total non-current liabilities	**1,638**	**137**	**1,775**	**1,547**	**136**	**1,683**
Current liabilities						
Current interest-bearing liabilities	284	–	**284**	270	–	**270**
Current lease liabilities	123	–	**123**	108	–	**108**
Accounts payable	–	584	**584**	–	609	**609**
Tax liabilities	–	40	**40**	–	46	**46**
Other liabilities	–	199	**199**	–	161	**161**
Accrued expenses and deferred income	–	358	**358**	–	349	**349**
Total current liabilities	**407**	**1,181**	**1,588**	**378**	**1,165**	**1,543**
TOTAL LIABILITIES	**2,045**	**1,318**	**3,363**	**1,925**	**1,301**	**3,226**
Interest-bearing net liabilities	**–1,858**			**–1,781**		

NOTE 23 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]	63	2,072	**2,135**
Tangible non-current assets [1]	21	105	**126**
Right-of-use assets [1]	129	230	**359**
Financial non-current assets			
Other securities held as non-current assets	–	0	**0**
Other long-term receivables	0	5	**5**
Deferred tax assets	–	66	**66**
Total non-current assets	**213**	**2,478**	**2,691**
Current assets			
Inventories	1,233		**1,233**
Tax assets	13		**13**
Accounts receivable	1,042		**1,042**
Prepaid expenses and accrued income	52		**52**
Other receivables	82		**82**
Cash and bank	182		**182**
Total current assets	**2,604**		**2,604**
TOTAL ASSETS	**2,817**	**2,478**	**5,295**

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	–	785	2	**787**
Non-current lease liabilities	–	215	28	**243**
Provisions for pensions	25	104	479	**608**
Other provisions	–	35	–	**35**
Deferred tax liabilities	13	42	47	**102**
Total non-current liabilities	**38**	**1,181**	**556**	**1,775**
Current liabilities				
Current interest-bearing liabilities	284			**284**
Current lease liabilities	123			**123**
Accounts payable	584			**584**
Tax liabilities	40			**40**
Other liabilities	199			**199**
Accrued expenses and deferred income	358			**358**
Total current liabilities	**1,588**			**1,588**
TOTAL LIABILITIES	**1,626**	**1,181**	**556**	**3,363**

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

Note 23 cont.

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	2	**2**
Financial non-current assets			
Participations in Group companies	–	704	**704**
Receivables from Group companies	–	1,835	**1,835**
Deferred tax assets	–	1	**1**
Total non-current assets	**0**	**2,542**	**2,542**
Current assets			
Receivables from Group companies	836		**836**
Other receivables	2		**2**
Prepaid expenses and accrued income	2		**2**
Cash and bank	1		**1**
Total current assets	**841**		**841**
TOTAL ASSETS	**841**	**2,542**	**3,383**

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	12	25	**40**
Total provisions	**3**	**12**	**25**	**40**
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions		780		**780**
Total non-current liabilities		**780**		**780**
Current liabilities				
Liabilities to credit institutions	282			**282**
Accounts payable	1			**1**
Liabilities to Group companies	1,018			**1,018**
Tax liability	1			**1**
Other liabilities	15			**15**
Accrued expenses and deferred income	18			**18**
Total current liabilities	**1,335**			**1,335**
TOTAL PROVISIONS AND LIABILITIES	**1,338**	**792**	**25**	**2,155**

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

NOTE 24 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 Significant 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	2021/2022	2020/2021
NOK	803	726
EUR	91	83
USD	−243	−321
TWD	−272	−250
DKK	36	40
PLN	38	26
CNY	−85	−52
GBP	−10	−4
JPY	−15	−7

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 breakdown per currency is not expected to change significantly in the coming years.

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 −5 (5) and Reversed to profit or loss of MSEK 5 (−4); both amounts are before tax. Reversed to profit or loss is recognised against Cost of goods sold.

The nominal amounts of outstanding foreign-exchange forward contracts as of 31 March 2022 were as follows:

MSEK Foreign-exchange contract	Nominal value as of 31 Mar 2022	Nominal value as of 31 Mar 2021
NOK/SEK	281	217
USD/SEK [1]	22	27
EUR/SEK	74	1

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 5 (−9) 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 2021/2022 translated to the average rate for 2020/2021	4,521
Currency translation	
NOK	61
EUR	−11
Other currencies	4
Total currency translation	**54**
Revenue in 2021/2022	**4,575**

The following rates were applied in the year-end accounts:

	Average rate		Balance-sheet rate	
Currency	2021/2022	2020/2021	31 Mar 2022	31 Mar 2021
DKK	1.376	1.395	1.390	1.375
EUR	10.235	10.387	10.338	10.229
GBP	12.029	11.637	12.170	12.010
NOK	1.018	0.966	1.075	1.025
PLN	2.225	2.301	2.226	2.194
CNY	1.376	1.313	1.461	1.329
TWD	0.316	0.308	0.325	0.306
USD	8.821	8.927	9.264	8.721

Note 24 cont.

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 2021/2022 income statement, the effect on revenue would amount to approximately MSEK 118 (105) and on operating profit to approximately MSEK 10 (8) over a 12-month period, all other things being equal. The largest exposure to revenue is in NOK with MSEK 60 (55) and EUR with MSEK 36 (36).

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 30 (–27) during the year.

The Bergman & Beving Group has no derivatives for hedging equity in foreign subsidiaries as of 31 March 2022 and no translation differences from previous translation of foreign subsidiaries were reversed to profit or loss during the financial year. However, the Group applies hedging via loans in the subsidiaries' currencies to a certain extent.

Net assets in foreign subsidiaries by currency, MSEK:

Currency	31 Mar 2022	31 Mar 2021
EUR	309	287
NOK	287	180
GBP	132	55
TWD	58	47
DKK	49	47
CNY	44	32
PLN	36	31
BRL	18	14

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 2022, the Bergman & Beving Group had no outstanding interest derivatives.

If market interest rates for bank loans and credit facilities were to increase by 1 percent, the impact on net interest income on an annual basis would be MSEK 11, based on the loan structure as of 1 April 2022. Including financial liabilities pertaining to leases, the annual impact would be MSEK 14.

Financial liabilities and maturity structure

The Group's financial liabilities for bank loans and credit facilities amounted to MSEK 1,071 (836) as of 31 March 2022. Furthermore, there are financial liabilities pertaining to leases according to IFRS 16 of MSEK 366 (397).

Overall, the average remaining maturity for the Group's interest-bearing bank loans is 2.4 years (1.6 years). Including finance lease liabilities in accordance with IFRS 16, the remaining maturity in the Group is 2.4 years (1.8 years). The Parent Company's average remaining maturity is 2.4 years (1.6 years). See the tables below.

Group

	31 Mar 2022		Matures			
Maturity structure	Carrying amount	Future payment amount	within 3 months	after 3 months within 1 year	after 1 year within 5 years	after 5 years
Interest-bearing financial liabilities bank	1,071	1,103	4	293	806	–
Interest-bearing financial liabilities leases	366	380	32	97	223	28
Accounts payable and other non-interest-bearing financial liabilities	783	783	783	–	–	–
Total financial liabilities	**2,220**	**2,266**	**819**	**390**	**1,029**	**28**

	31 Mar 2021		Matures			
Maturity structure	Carrying amount	Future payment amount	within 3 months	after 3 months within 1 year	after 1 year within 5 years	after 5 years
Interest-bearing financial liabilities bank	836	852	402	275	175	–
Interest-bearing financial liabilities leases	397	415	29	87	247	52
Accounts payable and other non-interest-bearing financial liabilities	770	770	770	–	–	–
Total financial liabilities	**2,003**	**2,037**	**1,201**	**362**	**422**	**52**

Parent Company

	31 Mar 2022		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	1,062	1,094	4	291	799
Liabilities to Group companies (excluding interest) [1]	1,018	1,018	1,018	–	–
Accounts payable and other non-interest-bearing financial liabilities	16	16	16	–	–
Total financial liabilities	**2,096**	**2,128**	**1,038**	**291**	**799**

	31 Mar 2021		Matures		
Maturity structure	Carrying amount	Future pay-ment amount	within 3 months	after 3 months within 1 year	after 1 year within 5 years
Interest-bearing financial liabilities	829	844	402	273	169
Liabilities to Group companies (excluding interest) [1]	935	935	935	–	–
Accounts payable and other non-interest-bearing financial liabilities	12	12	12	–	–
Total financial liabilities	**1,776**	**1,791**	**1,349**	**273**	**169**

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

Note 24 cont.

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

	Group	
Financial risk management	**31 Mar 2022**	**31 Mar 2021**
Non-current liabilities [1]		
Bank loans	786	565
Other financial liabilities	1	1
Financial liabilities leases (IFRS 16)	243	289
Total non-current liabilities	**1,030**	**855**
Current liabilities		
Committed credit facility	284	269
Current portion of bank loans	0	1
Financial liabilities leases (IFRS 16)	123	108
Total current liabilities	**407**	**378**
Total interest-bearing liabilities	**1,437**	**1,233**

					Group		Parent Company	
Bank loans					**31 Mar 2022**	**31 Mar 2021**	**31 Mar 2022**	**31 Mar 2021**
	Currency	**Nominal interest**	**Maturity**	**Nominal value**	**Carrying amount**	**Carrying amount**	**Carrying amount**	**Carrying amount**
Non-current liabilities								
Interest-only bank loan	SEK	1.08%	26 Mar 2025	780	780	160	780	160
Interest-only bank loan	SEK	0.95%	23 Apr 2021	400	–	400	–	400
Other bank loans, assumed upon acquisition				6	6	5	–	–
Total non-current liabilities					**786**	**565**	**780**	**560**
Current liabilities								
Committed credit facility								
Approved credit limit					402	406	400	400
Unutilised portion					–118	–137	–118	–131
Utilised credit amount		**1.18%**			**284**	**269**	**282**	**269**
Other bank loans, assumed upon acquisition					0	1	–	–
Total, loans from credit institutions					**1,070**	**835**	**1,062**	**829**

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 618 (809).

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 on 31 March 2022, the Parent Company had access to a committed credit facility of MSEK 400 (400), of which MSEK 118 (131) 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 had an unutilised loan commitment totalling MSEK 320 (540). During the 2021/2022 financial year, an extension option was exercised, entailing that a revolving credit facility of MSEK 700 and a term loan of MSEK 400, which both ran until 26 March 2024, were extended to 26 March 2025 with an option to extend to March 2026. Current interest rates on the balance-sheet date are presented in the table Bank loans.

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.

Note 24 cont.

The Group's net loan liability, comprising interest-bearing liabilities and provisions less interest-bearing assets, is presented in Note 22.

Classification of financial instruments

Group	31 Mar 2022	31 Mar 2021
Financial assets		
Financial assets measured at fair value		
Shares and participations (fair value through profit or loss)	0	0
Derivative hedging instruments	–	0
Financial assets measured at amortised cost		
Long-term receivables	2	2
Accounts receivable	1,042	950
Other receivables	81	49
Cash and cash equivalents	182	139
Total financial assets	**1,307**	**1,140**
Financial liabilities measured at fair value		
Derivative hedging instruments	12	–
Additional purchase considerations (fair value through profit or loss)	34	38
Financial liabilities measured at amortised cost		
Bank loans	1,070	835
Accounts payable	584	609
Other liabilities	173	150
Total financial liabilities	**1,873**	**1,632**

Parent Company	31 Mar 2022	31 Mar 2021
Financial assets		
Financial assets measured at fair value		
Derivative hedging instruments	–	0
Financial assets measured at amortised cost		
Receivables from Group companies	2,671	2,376
Other receivables	1	1
Total financial assets	**2,672**	**2,377**
Financial liabilities measured at fair value		
Derivative hedging instruments	12	–
Financial liabilities measured at amortised cost		
Bank loans	1,062	829
Liabilities to Group companies	1,018	935
Accounts payable	1	1
Other liabilities	2	11
Total financial liabilities	**2,095**	**1,776**

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. 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 was 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 fully free-standing. Now the TOOLS chain is part of Alligo and listed on Nasdaq Stockholm. The TOOLS chain remains the Group's largest customer. The credit risk with respect to companies in the TOOLS chain is 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 to 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 Parent Company does not normally have any accounts receivable. Reserves for expected credit losses and maturity structure are

Note 24 cont.

presented in the table below.

Accounts receivable

	Group	
	31 Mar 2022	**31 Mar 2021**
Accounts receivable	1,050	959
Accumulated reserve for expected credit losses	–8	–9
Accounts receivable, net	**1,042**	**950**
A maturity analysis is presented below:		
Maturity analysis:		
– not past due	954	898
– receivables past due by 1–30 days	56	43
– receivables past due by 31–60 days	20	5
– receivables past due by 61–90 days	5	2
– receivables past due by >90 days	15	11
Total receivables	**1,050**	**959**

Changes in liabilities from financial activities

			Changes not affecting cash flow					
Group 2021/2022	**At the beginning of the year**	**Cash flow**	**Leases**	**Acquisitions and divested business**	**Adjustments in the income statement**	**Change in fair value through other comprehensive income**	**Translation differences**	**At year-end**
Committed credit facility	**269**	15	–	–	–	–	0	**284**
Liabilities to credit institutions	**566**	218	–	3	–	–	0	**787**
Lease liabilities IFRS 16	**397**	–122	88	–	–	–	3	**366**
Derivatives	**–**	0	–	–	–	0	–	**–**
Additional purchase considerations	**38**	–6	–	9	–6	–	–1	**34**
Total liabilities from financing activities	**1,270**	**105**	**88**	**12**	**–6**	**0**	**2**	**1,471**

			Changes not affecting cash flow					
Group 2020/2021	**At the beginning of the year**	**Cash flow**	**Leases**	**Acquisitions and divested business**	**Adjustments in the income statement**	**Change in fair value through other comprehensive income**	**Translation differences**	**At year-end**
Committed credit facility	**274**	107	–	–112	–	–	0	**269**
Liabilities to credit institutions	**510**	56	–	–	–	–	0	**566**
Lease liabilities IFRS 16	**460**	–112	44	–	–	–	5	**397**
Derivatives	**–**	–9	–	–	–	9	–	**–**
Additional purchase considerations	**50**	–15	–	5	–2	–	0	**38**
Total liabilities from financing activities	**1,294**	**27**	**44**	**–107**	**–2**	**9**	**5**	**1,270**

Parent Company 2021/2022	**At the beginning of the year**	**Cash flow**	**Change in fair value through other comprehensive income**	**At year-end**
Committed credit facility	**269**	13	–	**282**
Liabilities to credit institutions	**560**	220	–	**780**
Liabilities to Group companies	**935**	83	–	**1,018**
Derivatives	**–**	0	0	**–**
Total liabilities from financing activities	**1,764**	**316**	**0**	**2,080**

Parent Company 2020/2021	**At the beginning of the year**	**Cash flow**	**Change in fair value through other comprehensive income**	**At year-end**
Committed credit facility	**274**	–5	–	**269**
Liabilities to credit institutions	**510**	50	–	**560**
Liabilities to Group companies	**774**	161	–	**935**
Derivatives	**–**	–9	9	**–**
Total liabilities from financing activities	**1,558**	**197**	**9**	**1,764**

NOTE 25 Leases

The Group recognises owned assets as tangible non-current assets, refer to Note 11. Non-current assets leased by the Group are recognised as right-of-use assets. These comprise several types of assets that would have been tangible non-current assets if they had been owned.

The Group has no leased assets classified as property under management. The lease portfolio mainly comprises offices, warehouse premises, company cars, warehouse vehicles and other warehouse equipment.

	2021/2022				2020/2021			
Group	**Premises**	**Cars**	**Other**	**Total**	**Premises**	**Cars**	**Other**	**Total**
Right-of-use assets								
Additional during the year	46	47	4	**97**	31	33	7	**71**
Depreciation during the year	–77	–30	–16	**–123**	–73	–29	–12	**–114**
At year-end	268	54	37	**359**	300	43	47	**390**

Additional right-of-use assets include the cost for right-of-use assets acquired during the year and costs associated with reviewing lease liabilities due to changes in payments following the change in the lease term. MSEK 13 (18) of the additional right-of-use assets for the year were from acquired companies.

	Group	
Lease liabilities	**2021/2022**	**2020/2021**
Current	123	108
Non-current	243	289
At year-end	**366**	**397**

A maturity analysis of lease liabilities is presented in Note 24 Financial instruments and financial risk management.

	Group	
Amounts recognised in profit or loss	**2021/2022**	**2020/2021**
Depreciation of right-of-use assets	–123	–114
Interest on lease liabilities	–8	–9
Variable lease payments not included in the measurement of lease liability	–1	–1
Revenue from sub-leasing of right-of-use assets	1	2
Costs for short-term or low-value leases	–2	–2

Parent Company	**2021/2022**	**2020/2021**
Non-terminable lease payments amount to:		
Within 1 year	3	3
Between 1 and 5 years	5	7
Later than 5 years	–	–
Total	**8**	**10**
Expensed lease payments for the period		
Assets held through operating leases		
Minimum lease fees	4	3
Total lease costs	**4**	**3**

Refers to costs for assets held through operating leases, such as rented premises, vehicles, other machinery and equipment. Refer also to Note 26 for pledged assets and contingent liabilities

Extension and termination options

Certain leases include extension options that may or may not be exercised. The possibility of extending a lease is only included in the length of the lease if it is reasonable to assume that the lease will be extended. The Group revises during the period whether it is reasonably certain that an extension option will be exercised if a significant event or a significant change in circumstances occurs that is within the Group's control.

For cars, the standard contracted lease term is three years. Extension options are offered, but are exercised to an insignificant extent. The standard contractual arrangement is for the lessor to set the residual value and bears the risk if the value at the end of the lease term is less than the calculation. Reconciliation of the Group's largest car contract is conducted a few times each year and if residual values are generally set too low the Group receives part of the surplus (which is normally an insignificant amount). In certain cases, the Group has an option to purchase the asset at the end of the lease term, though this does not normally take place.

NOTE 26 Pledged assets and contingent liabilities

	Group		Parent Company	
	31 Mar 2022	**31 Mar 2021**	**31 Mar 2022**	**31 Mar 2021**
Pledged assets				
Real-estate mortgages	6	3	–	–
Corporate mortgages	5	12	–	–
Total pledged assets	**11**	**15**	**–**	**–**
Contingent liabilities				
Guarantees for subsidiaries [1]	–	–	369	321
Guarantees, other	35	34	1	1
Total contingent liabilities	**35**	**34**	**370**	**322**

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 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 25.

NOTE 27 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.

NOTE 28 Group companies

Specification of the Parent Company's direct holdings of participations in subsidiaries

Subsidiary	Corp. Reg. No.	Reg. office	No. of participations	Holding %	Carrying amount in Group 31 Mar 2022	Carrying amount in Group 31 Mar 2021
Tengtools AB	556616-0353	Alingsås	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
Carrying amount at year-end					**704**	**704**

Specification of the Parent Company's direct and indirect holdings of participations in subsidiaries

Subsidiary	Country	Holding % 31 Mar 2022	Holding % 31 Mar 2021
(3) Screen Tryck AB[1]	Sweden	100	–
Arbesko AB	Sweden	100	100
Arbesko Förvaltning AB	Sweden	100	100
Arbesko Skofabrik AB	Sweden	100	100
Arbesko-Fastigheter AB	Sweden	100	100
Arbesko-Gruppen AB	Sweden	100	100
Atricon AB	Sweden	100	100
B & O Vågar AB	Sweden	100	100
Belano Maskin AB	Sweden	100	100
Bergman & Beving Development AB	Sweden	100	100
Bergman & Beving Fastigheter AB	Sweden	100	100
Bergman & Beving Holding AB	Sweden	100	100
Bergman & Beving Invest AB	Sweden	100	100
Bergman & Beving Operations AB	Sweden	100	100
Bergman & Beving Safety AB	Sweden	100	100
BVS Brannvernsystemer AB	Sweden	100	100
Cresto Group AB	Sweden	100	100
ESSVE Produkter AB	Sweden	100	100
ESSVE Sverige AB	Sweden	100	100
FireSeal AB	Sweden	100	100
Germ Aktiebolag	Sweden	100	100
Guide Gloves AB	Sweden	100	100
KGC Verktyg och Maskiner AB	Sweden	100	100
Lidén Weighing AB	Sweden	100	100
Lindahl & Nermark AB	Sweden	100	100
Logistikpartner i Ulricehamn AB	Sweden	100	100
Luna AB	Sweden	100	100
Luna Sverige AB	Sweden	100	100
Millers Beslag AB	Sweden	100	100
Oksebra Trading AB	Sweden	100	100
Skydda i Sverige AB	Sweden	100	100
Systemtext AB	Sweden	100	100
Tengtools AB	Sweden	100	100
Tengtools International Sweden AB	Sweden	100	100
Uveco AB	Sweden	100	100
Zekler Safety AB	Sweden	75	75
AAK Safety AS	Norway	100	100
BSafe Systems AS[1]	Norway	80	–
BVS Brannvernsystemer AS	Norway	100	100
DigiPrint AS[1]	Norway	80	–
ESSVE Norge AS	Norway	100	100
Guide Gloves AS	Norway	100	100
H.M. Albretsen Verktøysikring AS[1]	Norway	100	–
JO Safety Norge AS	Norway	100	100
Luna Norge AS	Norway	100	100
SKYDDA Norge AS	Norway	100	100
ESSVE Finland Oy	Finland	100	100
H&H Tuonti Oy	Finland	100	100
Skydda Suomi Oy	Finland	100	100
JO Safety A/S	Denmark	100	100
Skydda Danmark A/S	Denmark	100	100
ESSVE Estonia AS	Estonia	100	100
Luna Group Estonia AS	Estonia	100	100
ESSVE Latvia SIA	Latvia	100	100
Luna Group Latvia SIA	Latvia	100	100
ESSVE Lietuva, UAB	Lithuania	100	100
ESSVE Poland Sp. z o.o.	Poland	100	100
Luna Polska Sp. z o.o.	Poland	100	100
Abtech Safety Ltd[1]	UK	100	–
Outreach Organisation Ltd[1]	UK	100	–
Outreach Rescue Medic Skills Ltd[1]	UK	100	–
Safety Technology Ltd[1]	UK	100	–
TengTools UK Limited	UK	100	100
T Tools Ireland Limited	Ireland	100	100
Masters of Gloves B.V.	Netherlands	51	51
VIP Safety B.V.	Netherlands	100	100
Guide Gloves SAS[2]	France	100	–
ESSVE Ukraine Llc	Ukraine	100	100
BVS Fireprotection Kft	Hungary	100	100
SAFE TIME, spol. s r.o.	Slovakia	100	100

Note 28 cont.

Subsidiary	Country	Holding % 31 Mar 2022	Holding % 31 Mar 2021
Bergman & Beving (Shanghai) Co. Ltd	China	100	100
FireSeal Inc.	US	100	100
Safety Technology USA LLC[1]	US	100	–
Oksebra do Brasil Artefatos de Coura Ltda	Brazil	99	99
Teng Tools Australia Pty Ltd	Australia	60	60

1) Company acquired in 2021/2022.
2) Company formed in 2021/2022.

NOTE 29 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 Note 1 Significant accounting policies. Of the Parent Company's total untaxed reserves of MSEK 49 (46), MSEK 11 (10) comprises deferred taxes included in the Group's recognised deferred tax liability.

Tax allocation reserve	Parent Company 31 Mar 2022	Parent Company 31 Mar 2021
Allocation 2016/2017	15	15
Allocation 2017/2018	11	11
Allocation 2018/2019	20	20
Allocation 2021/2022	3	–
Total	**49**	**46**

Aside from tax allocation reserves, accelerated depreciation amounted to MSEK 0 (–).

NOTE 30 Acquisitions and disposals of operations

Acquisitions

On 1 April, Workplace Safety acquired all of the shares in the company group Abtech, consisting of Abtech Safety Ltd, Outreach Organisation Ltd and Outreach Rescue Medic Skills Ltd. Abtech is a leading supplier of personal fall protection and rescue equipment in the UK and also provides training and courses for the industrial sector and rescue specialists. The company group generates annual revenue of approximately MSEK 44 and is part of Cresto Group.

On 6 April, Tools & Consumables acquired all of the shares in H.M. Albretsen Verktøysikring AS. Albretsen develops and manufactures products and solutions within fall protection for tools. Albretsen generates revenue of approximately MSEK 20.

On 1 September, Workplace Safety acquired all of the shares in (3) Screen Tryck AB and the company is part of SIS Group. (3) Screen is a niche producer of workplace safety signage products. The acquisition brings unique production capabilities of patented products.

On 16 November, Workplace Safety acquired all of the shares in the UK company Safety Technology Ltd, including its US subsidiary Safety Technology USA LLC. Safety Technology is a specialised supplier of fall protection and rescue solutions with special emphasis on training in working at heights. The company group generates annual revenue of approximately MSEK 20 and is part of Cresto Group.

On 24 February, Workplace Safety acquired 80 percent of the shares in the Norwegian company group BSafe, consisting of the companies BSafe Systems AS and DigiPrint AS. BSafe is a leading player in Norway within safety marking in heavy industry. The company group has annual revenue of approximately MSEK 24 and is part of SIS Group.

Bergman & Beving normally uses an acquisition model with a base consideration and a contingent consideration. The outcome of the contingent consideration depends on the future earnings of the acquired company. All acquired units were consolidated from the closing date.

The purchase price allocations for the acquisitions for the period from 1 April 2020 to 31 March 2021 have been finalised. No material adjustments have been made in the calculations.

Contingent considerations of MSEK 6 pertaining to previous years' acquisitions were paid. Remeasurement of contingent considerations had a positive effect of MSEK 6 (2) on the period. The effect on earnings is recognised in Other operating income or Other operating expenses, respectively.

Group total purchase price allocation

Acquisition of subsidiaries and other business units	2021/2022	2020/2021
Acquired assets		
Customer relations, etc.	84	40
Other non-current assets	11	9
Inventories	10	14
Other current assets	22	15
Cash and cash equivalents	19	9
Total assets	**146**	**87**
Acquired provisions and liabilities		
Deferred tax liability	–18	–8
Current operating liabilities	–22	–15
Total provisions and liabilities	**–40**	**–23**
Acquired net assets	**106**	**64**
Goodwill	53	30
Total acquired	**159**	**94**
Purchase consideration	159	94
Less: Purchase consideration, unpaid	–9	–5
Less: Cash and cash equivalents in acquired companies	–19	–9
Net change in cash and cash equivalents	**–131**	**–80**

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

Acquisition-related transaction costs, which are recognised in other operating expenses in the income statement, amounted to MSEK 1.

The unpaid purchase consideration of MSEK 9 is contingent and is estimated to amount to a maximum of MSEK 9. The contingent considerations will fall due within three years.

No divestments took place during the year.

NOTE 31 Events after the balance-sheet date

On 1 April 2022, the Tools & Consumables division acquired the Finnish company Retco Oy. Retco is one of Finland's leading players in mechanised and automated welding technology for general industry and has annual revenue of approximately MEUR 5.

On 1 June 2022, the Workplace Safety division acquired Fallskyddspecialisterna i Heby AB. The company is a niche player in fall protection solutions specialising in inspections, installation, rental, and sales of products, with annual revenue of approximately MSEK 23.

No other significant events occurred after the balance-sheet date.

NOTE 32 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 judgements 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 the Bergman & Beving Group 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.

Judgements are made to determine both current and deferred tax liabilities/tax assets, particularly with respect to the value of deferred tax assets. Judgements 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 the Bergman & Beving Group'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 33 Information about the Parent Company

Bergman & Beving Aktiebolag, Corporate Registration Number 556034-8590, is a registered limited liability company in Sweden with its registered office in Stockholm, Sweden. The Company is a public limited liability company (publ) and the Parent Company's Class B shares are registered on the Mid Cap list of Nasdaq Stockholm in Sweden. Bergman & Beving Aktiebolag is the ultimate Parent Company of the Group. It sells various niche solutions to the manufacturing and construction sectors. The Group's primary market is the Nordic region.

Contact information for the head office:

Bergman & Beving AB
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SE-100 55 Stockholm, Sweden
Visiting address: Cardellgatan 1, Stockholm
Telephone: +46-10-454 77 00
E-mail: info@bb.se
Website: www.bergmanbeving.com

The consolidated financial statements for the 2021/2022 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 991,410 thousand
Net profit	SEK 44,255 thousand
	SEK 1,035,665 thousand

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

Dividend to shareholders, SEK 3.40 per share	SEK 90,177 thousand[1]
To be brought forward	SEK 945,488 thousand
	SEK 1,035,665 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 24 August 2022.

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, 29 June 2022

Jörgen Wigh
Chairman

Fredrik Börjesson
Director

Charlotte Hansson
Director

Henrik Hedelius
Director

Malin Nordesjö
Director

Niklas Stenberg
Director

Christian Sigurdson
Director – employee representative

Anette Swanemar
Director – employee representative

Magnus Söderlind
President & CEO

Our auditor's report was submitted on 29 June 2022
KPMG AB

Håkan Olsson Reising
Authorised Public Accountant

1) Calculated based on the number of shares as of 31 March 2022, and with due consideration for the 913,677 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 2021-04-01—2022-03-31, except for the corporate governance statement on pages 53–57. The annual accounts and consolidated accounts of the company are included on pages 50–103 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 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 March 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 53–57. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for opinions

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

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

Key audit matters

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

Valuation of intangible assets

See disclosure 10 and accounting principles on pages 73–74 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 1 667 MSEK as at 31 March 2022, which represents approximately 31 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 in accordance with a technique whereby the Group must consider 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 the discount rate by obtaining and evaluating the Group's forecasts and other documented plans. We have also performed retrospective reviews over prior period estimates compared with actual results.

Another 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 1–28 and 108–116. The other information comprises also of the remuneration report, which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing

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

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

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

Auditor's responsibility

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

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

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

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

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

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

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bergman & Beving AB (publ) for the financial year 2021-04-01—2022-03-31 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 Esef report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Bergman & Beving AB (publ) for the financial year 2021-04-01—2022-03-31.

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

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

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the Esef report*. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Bergman & Beving AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

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

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

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

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

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement
The Board of Directors is responsible for that the corporate governance statement on pages 53–57 has been prepared in accordance with the Annual Accounts Act.

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

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

KPMG AB, Box 382, 101 27 Stockholm, was appointed auditor of Bergman & Beving AB (publ) by the general meeting of the shareholders on the 31 August 2021. KPMG AB or auditors operating at KPMG AB have been the companys auditor since 1998.

Stockholm 29 June 2022

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 2021-04-01—2022-03-31 on pages 29–47 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 29 June 2022

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant

Board of Directors

Jörgen Wigh

Chairman of the Board since 2019. Director since 2019.

Born: 1965.

Education: M.Sc. Econ.

Other board assignments: Director of Lagercrantz Group AB.

Work experience: President & CEO of Lagercrantz Group AB. Previous experience as Executive Vice President of Bergman & Beving. Founder of PriceGain. Management Consultant at McKinsey & Company and Investment Manager at Spira Invest.

Dependency conditions: Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.

Shares owned: 110,000 Class B shares.

Fredrik Börjesson

Director since 2019.

Born: 1978.

Education: M.Sc. Econ.

Other board assignments: Chairman of the Lagercrantz Group and Director of a number of companies within Tisenhult-gruppen.

Work experience: Senior positions in Tisenhult-gruppen.

Dependency conditions: Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.

Shares owned: 57,850 Class B shares as well as 497,192 Class A shares and 2,160,000 Class B shares via Tisenhult-gruppen AB.

Charlotte Hansson

Director since 2020.

Born: 1962.

Education: M.Sc. in biochemistry from the University of Copenhagen, Market & Economics, IHM (Institute for Higher Market Education).

Other board assignments: Chairman of Orio AB and Link Top Holding A/S. Director of DistIT AB, Green Cargo AB, Probi AB, Senergia Nordic AB and Stena Trade & Industry AB.

Work experience: President & CEO of MTD Morgontidig Distribution i Sverige AB and CEO of Jetpak Sweden. Senior positions at Jetpak, ASG/Danzas, Carl Zeiss and Beckman Coulter.

Dependency conditions: Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.

Shares owned: 2,645 Class B shares.

Henrik Hedelius

Director since 2015.

Born: 1966.

Education: M.Sc. Econ.

Other board assignments: Chairman of Fuud AB and Director of Addtech AB, Wyld Networks AB, Service and Care AB and The Cloud Factory AB.

Work experience: Senior positions at United Bankers LTD, 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: 12,790 Class B shares.

Note: Information on the Board of Directors' holdings of shares pertains to circumstances as of 31 March 2022.

Malin Nordesjö

Director since 2017.

Born: 1976.

Education: M.Sc. Econ.

Other board assignments: Director of Addtech AB and a number of companies in Tisenhult-gruppen

Work experience: President & CEO of Tisenhult-gruppen AB. 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: 36,300 Class B shares as well as 497,192 Class A shares and 2,160,000 Class B shares via Tisenhult-gruppen.

Niklas Stenberg

Director since 2021.

Born: 1974.

Education: Law degree

Other board assignments: Director of Addtech AB.

Work experience: President & CEO of Addtech AB. Senior positions at Addtech and Bergman & Beving. Previously a lawyer.

Dependency conditions: Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.

Shares owned: –

Christian Sigurdson

Director since 2021.
Employee representative.

Born: 1970.

PDM Business Support
Luna Group.

Shares owned: –

Anette Swanemar

Director since 2010.
Employee representative.

Born: 1959.

Purchase Planning Coordinator at Guide Gloves AB.

Shares owned: –

Auditors KPMG AB

Håkan Olsson Reising
Authorised Public Accountant.
Stockholm, born 1961.
Håkan Olsson Reising has been Bergman & Beving AB's Auditor in Charge since 2019.

Fredrik Valentin

Managing Director, Workplace Safety division.
Employee of the Group since 2016.

Born: 1974.

Education: M.Sc. Eng.

Work experience: CEO of Skydda and Stena Recycling Poland and senior positions at Accenture Strategy.

Shares owned: 26,400 Class B shares.

Call options: 47,500.

Martin Lundberg

Head of Acquisitions/General Counsel.
Employee of the Group since 2008.

Born: 1979.

Education: Law degree, courses in economics.

Work experience: Västmanland District Court, MAQS law firm, other senior positions at Bergman & Beving.

Shares owned: 7,300 Class B shares.

Call options: 27,900.

Magnus Söderlind

President and CEO.
Employee of the Group since 2021.

Born: 1966.

Education: M.Sc. Eng. and M.Sc. Econ.

Work experience: Executive Vice President of Lagercrantz Group AB and Protect Data AB. CEO of Silicon Graphics AB and Siemens Business Services AB. Management Consultant at McKinsey & Company. Senior positions in the Unilever Group.

Shares owned: 283,852 Class B shares.

Call options: 44,000.

Group management

Mats Gullbrandsson

Managing Director, Building Materials division.
Employee of the Group since 2021.

Born: 1966.

Education: M.Sc. Econ.

Work experience: Alfred Berg Corporate Finance. Partner CapMan Buy-out. CEO of Gallerix AB. Head of Investment Seafire AB.

Shares owned: 5,000 Class B shares.

Call options: 20,000.

Oscar Fredell

Managing Director,
Tools & Consumables division.
Employee of the Group since 2017.

Born: 1978.

Education: M.Sc. Eng.

Work experience: CEO of Luna Group, senior positions at Solar Group and Volvo Cars.

Shares owned: 27,500 Class B shares.

Call options: 91,500.

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 and Alstom.

Shares owned: 36,050 Class B shares.

Call options: 91,500.

NOTE: INFORMATION ON THE GROUP MANAGEMENT'S HOLDINGS OF SHARES AND CALL OPTIONS PERTAINS TO CIRCUMSTANCES AS OF 10 JUNE 2022.

Multi-year review

EARNINGS INFORMATION, MSEK	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018[1]
Revenue	4,575	4,311	4,060	3,945	3,833
Shares of profit in associated companies	–	–	–	–	–
Other operating income	11	15	27	11	3
Total operating income	**4,586**	**4,326**	**4,087**	**3,956**	**3,836**
Operating expenses, excluding non-recurring items	–4,288	–4,079	–3,898	–3,720	–3,620
of which, depreciation/amortisation and impairment losses	–205	–179	–164	–31	–25
Operating profit, excluding non-recurring items	298	247	189	236	216
Non-recurring items	–	–	–	–	–
Operating profit, including non-recurring items	298	247	189	236	216
Financial income and expenses	–39	–35	–34	–20	–24
Profit after financial items	259	212	155	216	192
Taxes	–57	–46	–39	–47	–34
Net profit, before profit from discontinued operations	202	166	116	169	158
Profit from discontinued operations, net after taxes	–	–	–	–	1,091
Net profit	**202**	**166**	**116**	**169**	**1,249**
Of which, attributable to:					
Parent Company shareholders	200	164	116	169	1,249
Non-controlling interest	2	2	0	–	–

BALANCE INFORMATION, MSEK	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018[1]
Intangible non-current assets	2,135	2,034	1,955	1,681	1,569
Tangible non-current assets	126	102	102	99	88
Right-of-use assets	359	390	455	–	–
Financial non-current assets	71	96	92	82	83
Inventories	1,233	1,129	1,077	942	879
Current receivables	1,189	1,051	986	961	947
Cash and cash equivalents	182	139	90	85	67
Total assets	**5,295**	**4,941**	**4,757**	**3,850**	**3,633**
Equity attributable to Parent Company shareholders	1,915	1,701	1,631	1,657	1,559
Non-controlling interest	17	14	12	–	–
Total equity	**1,932**	**1,715**	**1,643**	**1,657**	**1,559**
Interest-bearing liabilities	2,045	1,925	1,940	1,087	1,060
Non-interest-bearing liabilities and provisions	1,318	1,301	1,174	1,106	1,014
Total equity and liabilities	**5,295**	**4,941**	**4,757**	**3,850**	**3,633**
Capital employed	3,977	3,640	3,583	2,744	2,619
Operational net loan liability	–889	–697	–695	–356	–370

1) All figures relating to the income statement refer to continuing operations excluding the distribution of what was at the time Momentum Group. The separate listing took place on 21 June 2017.

KEY FINANCIAL RATIOS	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018[1]
Operating margin, %	6.5	5.7	4.7	6.0	5.6
Profit margin, %	5.7	4.9	3.8	5.5	5.0
Return on total capital, %	6	5	4	7	6
Return on capital employed, %	8	7	6	9	8
Return on equity, %	11	10	7	11	9
Ditto, excluding non-recurring items, %	11	10	7	11	9
Return on equity after dilution, %	11	10	7	11	9
Equity/assets ratio, %	36	35	35	43	43
Other data					
No. of employees at the end of the period	1,227	1,129	1,083	1,031	1,028
Average no. of employees	1,195	1,079	1,085	1,028	1,458
Cash flow from operating activities, MSEK	225	383	222	258	109
Per-share data					
Earnings, SEK	7.55	6.15	4.30	6.25	5.70
Earnings after dilution, SEK	7.50	6.15	4.30	6.25	5.70
Cash flow from operating activities, SEK	8.50	14.40	8.25	9.60	3.90
Cash flow from operating activities, after dilution, SEK	8.45	14.40	8.25	9.60	3.90
Equity, SEK	72.85	64.40	61.10	61.35	56.10
Equity after dilution, SEK	72.40	64.40	61.10	61.35	56.15
Share price at 31 March, SEK	141.40	121.40	50.30	106.60	84.70
Dividend, SEK	3.40[2]	3.00	1.50	3.00	2.50
Other share-related data					
Share price/equity, %	194	189	82	174	151
Share price/equity after dilution, %	195	189	82	174	151
P/E ratio, multiple	19	19	12	17	15
P/E ratio after dilution, multiple	19	19	12	17	15
Dividend yield, %	2.4[2]	2.5	3.0	2.8	3.0

1) All figures relating to the income statement refer to continuing operations excluding the distribution of what was at the time Momentum Group. The separate listing took place on 21 June 2017.
2) As proposed by the Board of Directors.

Calculation of performance measures and definitions

Bergman & Beving 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. Acquisitions/divestments refer to the acquisition or divestment of units during the corresponding period.

Percentage change in revenue for:	2021/2022	2020/2021
Comparable units in local currency	0	5
Currency effects	1	−3
Acquisitions/divestments	5	4
Total – change	**6**	**6**

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	2021/2022	2020/2021
EBITA	331	271
Depreciation and amortisation in connection with acquisitions	−33	−24
Operating profit	**298**	**247**

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.

MSEK	2021/2022	2020/2021
EBITA (P)	**331**	**271**
Average working capital (WC)		
Inventories	1,203	1,072
Accounts receivable	869	801
Accounts payable	−562	−528
Total – average WC	**1,510**	**1,345**
P/WC, percent	**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.

Equity per share
Equity divided by the weighted 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 lease liabilities and 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.

Bergman & Beving 2021/2022
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BERGMAN & BEVING

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