ANNUAL REPORT 2022

BE GROUP

CONTENT

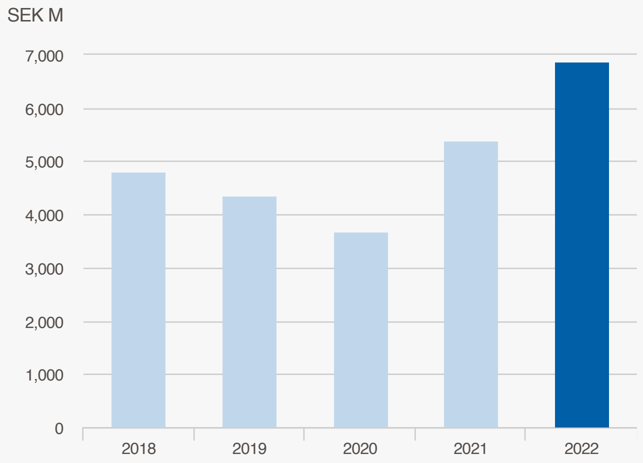
Pages 6–63 comprise the formal Annual Report and have been reviewed by the Company's Auditors.

BE Group AB (publ) is a trading and service company in steel, stainless steel and aluminium who offers efficient distribution and value-adding production services to customers primarily in the construction and manufacturing industries. In 2022, the Group reported sales of SEK 6.9 billion. BE Group has approximately 650 employees, with Sweden and Finland as its largest markets. BE Group AB (publ) is a Swedish limited liability company listed on the Nasdaq Stockholm exchange. The head office is located in Malmö, Sweden. Read more about BE Group at www.begroup.com.

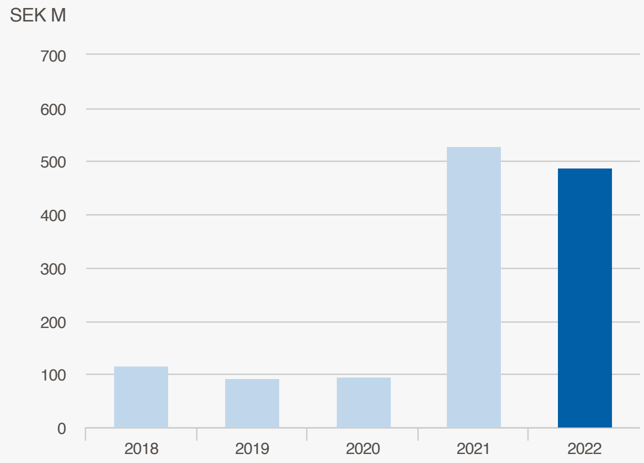
THE YEAR IN BRIEF

- Net sales increased by 28% to SEK 6,875 M (5,388)
- The underlying operating result amounted to SEK 488 M (529)
- The operating result amounted to SEK 418 M (621), including inventory gains and losses of SEK -70 M (92)
- Result after tax amounted to SEK 324 M (495)
- Cash flow from operating activities increased to SEK 204 M (32)
- Earnings per share amounted to SEK 24.96 (38.10)
- In March, the assets of Hercules Rebar was acquired
- In June, the shares of Goodtech Solutions Manufacturing AB, now BE Group Produktion Arvika AB, was acquired
- In July, Lecor Stålteknik AB was divested
- The Board of Directors proposes dividend of SEK 12 (12) per share for the financial year of 2022 to be paid in two installments; SEK 6 per share in April 2023 and SEK 6 per share in October 2023

NET SALES



UNDERLYING OPERATING RESULT [1)]



[1)] Operating result (EBIT) before items affecting comparability (see Note 6 and 7) and adjusted for inventory gains and losses (deductions for gains and additions for losses).

Key data	2022	2021	Change
Tonnage, thousands of tons	320	342	-22
Net sales, SEK M	6,875	5,388	1,487
Operating result, SEK M	418	621	-203
Operating margin, %	6.1	11.5	-5.4
Underlying operating result [1)]	488	529	-41
Result after tax, SEK M	324	495	-171
Result per share, SEK	24.96	38.10	-13.14
Return on capital employed excl. IFRS 16, %	20.3	42.0	-21.7
Net debt excl. IFRS 16, SEK M	357	241	116
Net debt/equity ratio excl. IFRS 16, % [1)]	21.7	17.0	4.7
Cash flow from operating activities, SEK M	204	32	172
Average number of employees	654	621	33

[1)] Part of BE Group's alternative performance measures which you can read more about in Alternative performance measures and Financial definitions.

Sales by business solution, SEK M	2022	2021	%
Inventory sales	2,809	2,284	23%
Production service sales	3,185	2,384	34%
Direct sales	881	720	22%
Total	**6,875**	**5,388**	**28%**

Sales by product area, SEK M	2022	2021	%
Long steel products	2,825	2,081	36%
Flat steel products	2,803	2,213	27%
Stainless steel	893	757	18%
Aluminium	256	219	17%
Other	98	118	-17%
Total	**6,875**	**5,388**	**28%**

”During the year, BE Group has made strategic investments and acquisitions that have added additional storage and production capacity”

A YEAR OF LARGE FLUCTUATIONS

In a turbulent year with a large portion of external circumstances, BE Group delivers both its best and worst quarters measured in underlying result since the IPO. Regardless, the year is totaled as strong and the underlying operating result amounted to SEK 488 M (529), corresponding to an operating margin of 7.1 percent (9.8). The operating result including inventory losses amounted to SEK 418 M (621), corresponding to an operating margin of 6.1 percent (11.5). It is pleasing that cash flow from operating activities improved towards the end of the year, amounting to SEK 204 M (32) for the full year.

Steel price trend

At the beginning of 2022, the trend in European spot prices for flat products was stable, while prices for long products such as beams and rebar moved upwards as a direct consequence of rising scrap prices. The market hung in the balance, but a slightly better supply of components mainly affected the automotive industry positively and the need for steel increased. After Russia invaded Ukraine, the market reacted quickly. Large consumers and stockholders tried to secure their steel needs, resulting in several producers leaving the market to analyze the situation regarding the supply of raw materials and energy. It became clear that the availability and cost situation would change, creating a shortage situation and steel prices escalating upwards.

When the material was delivered a few months later following the hoarding wave of the spring, demand began to weaken. Construction projects were postponed due to increased costs and the automotive industry faced new challenges in acquiring components. Full inventories and declining needs led to lower spot prices. The steel producers responded by reducing blast furnace capacity more than the actual need decreased, which had an effect. At the beginning of 2023, European steel producers are seeing an increase in real needs and prices for flat products will rise into the second quarter. The trend in long products is somewhat more uncertain. What we know for certain is that steel prices are volatile and that the external circumstances are a little more uncertain than normal.

Acquisitions and divestments

In the spring, the assets of the Hercules rebar factory was acquired from Hercules Grundläggning AB, a subsidiary of NCC. The acquisition strengthened BE Group's rebar offering in Sweden and added additional production and storage capacity.

At mid-year, Lecor Stålteknik AB was divested to EAB AB. Lecor has developed positively in recent years but is significantly different from BE Group's core business. EAB is a long-standing partner to both BE Group and Lecor and, in connection with the transfer, a letter of intent was also signed regarding continued close and trusting cooperation.

At the beginning of September, all shares in Goodtech Solutions Manufacturing AB, now BE Group Produktion Arvika AB, were acquired. The acquisition strengthens BE Group's ready-to-weld offering and adds competence and production capacity.

Focus in the future

An important focus area for 2023 is to get effect from the strategic investments made and ongoing in Finland regarding, among other things, fiber laser technology and automated processing of long products, both of which clearly strengthen BE Group's offering to new and existing customers.

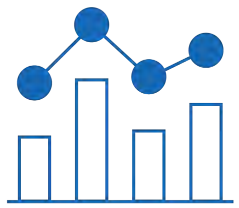
In the past three years, BE Group has reduced the number of accidents with absences by more than 75 percent over a 12-month rolling period. Personally, I am convinced that companies that work for a safe workplace and take care of their employees are also more profitable over time. The results do not come on their own, but are the result of dedicated work over many years. This is how BE Group works and intends to continue working. Our focus areas continue to be the sales culture, customer experience and digitalization, and our values are dynamic, transparent and sustainable. Safety run like a unifying theme through all of them.

In conclusion, I would like to express my heartfelt gratitude to our customers, who repeatedly give us their trust, to our owners who believe in us and to all of our employees who untiringly strive to make BE Group a better company.

Peter Andersson
President and CEO

FINANCIAL TARGETS AND OUTCOME

What BE Group earns should primarily be used to develop the business and generate returns for the owners. In light of this, the Board of Directors of BE Group has set three financial targets that are to be achieved in order for earnings to be considered adequate. The fulfilment of these targets can vary over time, depending among other things on what phase of development the Company is in and the current state of the economy.



Sales growth that exceeds the market growth

To measure growth in BE Group's markets, the market statistics that the company receives for the distribution markets in Sweden and Finland are used. By comparing tonnage growth year on year in this data, the growth in the market is estimated. BE Group's growth is measured in delivered tonnes in the Swedish, Finnish and Baltic markets. For Sweden, deliveries for the joint venture ArcelorMittal BE Group SSC AB are included. The target is to grow more than the market.

Outcome

When this annual report was prepared, no complete market statistics were available to compare our growth with the market development. During the year, BE Group has had a negative market growth, including acquisitions, of -6 percent. The uncertain environment has led to Group management focusing on earnings and margin over market growth.

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A profit margin of at least 5 percent

Profit margin is defined as the underlying operating margin (uEBIT%) in the past 12 months. The target level is set to at least 5 percent measured over a longer period of time. This corresponds to approximately SEK 344 M in underlying operating result (uEBIT) at current sales. The underlying operating result, i.e. the operating result excluding the impact of inventory gains or losses and items affecting comparability, is used to put focus on how the operating activities perform and develop.

Outcome

The underlying operating margin amounted to 7.1 percent (9.8) for 2022 and thus the target was fulfilled.

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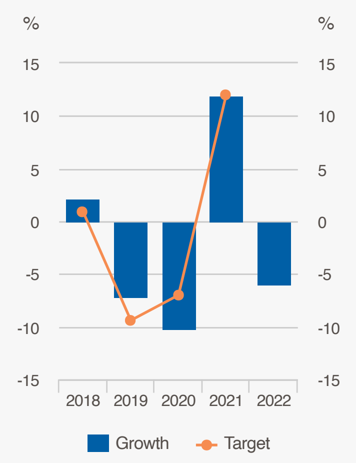
At least 15 percent return on capital employed

As a measure of return, return on capital employed excl. IFRS 16 is used, defined as operating result excl. IFRS 16 in the past 12 months divided by the average capital employed excl. IFRS 16 (equity and interest-bearing liabilities). The target level is set to at least 15 percent. The measure is calculated based on recognized operating profit, i.e. including inventory gains and losses and items affecting comparability, to put focus on the actual returns to the owners.

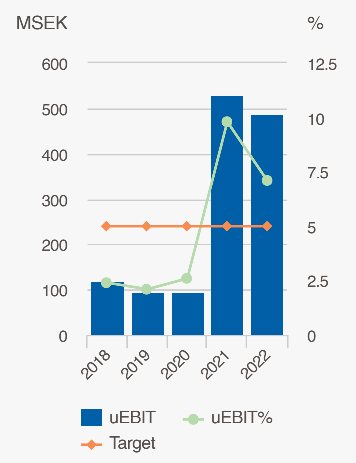
Outcome

The return on capital employed amounted to 20.3 percent (42.0) during the year and thus the target of 15 percent was fulfilled. However, the return decreased compared to an exceptionally strong 2021.

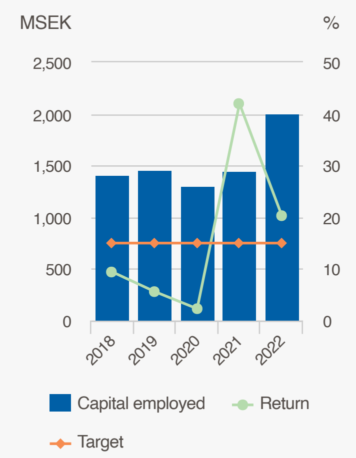
GROWTH GREATER THAN MARKET



UNDERLYING OPERATING MARGIN



RETURN ON CAPITAL EMPLOYED >15%



THIS IS BE GROUP

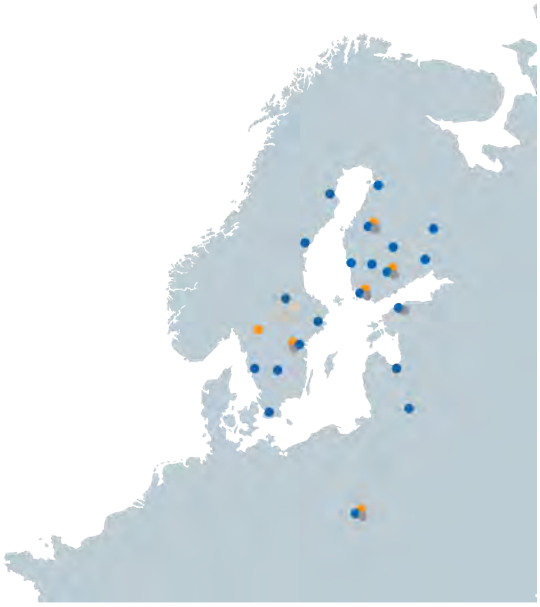
BE Group is one of the Nordic region's leading trading and service companies in steel, stainless steel and aluminum. With a high level of expertise, efficient processes and modern production facilities, the company offers inventory sales, production service sales and direct sales to the customers based on their specific needs and circumstances.

The operations are characterized by transparency, sustainability and a high level of service where focus is on long-term relationships with partners and employees.

Today, BE Group has operations in six different countries, with sales offices in multiple locations in Sweden, Finland and the Baltics, as well as its own production and warehousing facilities in the Swedish Norrköping, Polish Trebaczew and Finnish Lapua, Lahti and Turku. In addition to this, there is a warehouse facility located in Estonian Maardu, just outside Tallinn.

The organization is divided into two business areas: Sweden & Poland and Finland & Baltics. Besides BE Group Sverige, BE Group Produktion Arvika and the Polish operations, business area Sweden & Poland also includes the joint venture ArcelorMittal BE Group SSC AB, which is specialized in cutting and slitting of thin sheets and coils.

BE Group's customers are primarily in the construction and manufacturing industries in Sweden, Finland and the Baltics.



BE Group's history began at the end of the 19th century, when brothers Hans and Jöns Edstrand founded Bröderna Edstrand. The family business was based in Malmö and mainly offered commercial steel to local industry. Trelleborg AB took over ownership in 1988 and, together with Nordic Capital, a jointly owned company was gradually formed, also including Starckjohann Steel (founded in 1868) in Finland.

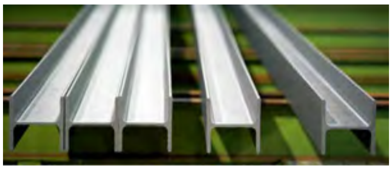
At the end of the 1990s, the company established units in several countries around the Baltic Sea, including Poland and the Baltics. The European expansion continued in the early 2000s and in 2006, after Trelleborg AB divested all of its shares, the company was listed on the Stockholm Stock Exchange under the common Group name BE Group AB.

In 2008, the joint venture alliance ArcelorMittal BE Group SSC AB was formed. In 2022, the rebar business was expanded in Sweden with a new factory in Norrköping, BE Group Produktion Arvika was acquired and Lecor Stålteknik was divested.

BUSINESS MODEL

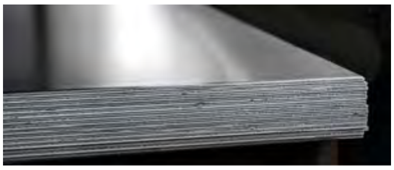
BE Group serves as a link between producers and customers and compensates for the gap between the steel mills' delivery capacity and the steel consumers' needs for fast, flexible delivery solutions. The company creates value to its customers through coordination of sourcing, transportation and warehousing of a wide selection of commercial steel, engineering steel, stainless steel and aluminum. BE Group's sales to customers take place in three different ways; inventory sales, production service sales and direct sales.

PRODUCTS



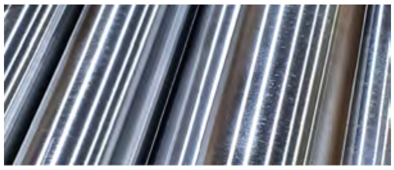
Long steel products

Beams, hollow sections, bars and tubes. Used in every construction imaginable, such as steel framework, trusses, bridges, vehicles and machines.



Flat steel products

Plates and sheets in various forms, including hot-rolled, cold-rolled or metal-coated. Used, for example, in construction, automotive, machining and process industries.



Stainless steel

Plates, sheets, bars and tubes. Used in corrosion exposed and demanding constructions, for example in the construction, machining, medicine and process industries.

Engineering steel

Alloyed and unalloyed structural steel surface modified bars and hollow bars. Used when there is a need for material with improved cuttability, strength, hardenability or durability.

Aluminium

Plates, sheets, bars and tubes. Used by subcontractors and OEMs, for example in construction, signs and road signs and in the aviation, automotive and packaging industries.

Rebars

Straight steel, mesh reinforcement and prefabricated reinforcement. Used to reinforce concrete to increase the strength and prevent fracturing in buildings and infrastructure.

SERVICES

Production service

BE Group offers production service that involves different processes where steel, stainless steel and aluminium are processed to fulfil the customer's specific needs. The company has production resources within thermal cutting, drilling, sawing, slitting, blasting and painting.

Material advice and services

BE Group also offers material advice, logistics solutions and time-saving IT services that include web-based e-commerce, EDI, digital notifications and electronic invoices.

Development over the year

Operations

BE Group AB (publ), Corp. Reg. No. 556578-4724, which is listed on the Nasdaq Stockholm exchange, is a trading and service company in steel, stainless steel and aluminium. BE Group offers efficient distribution and value-adding production services to customers primarily in the construction and manufacturing industries. In 2022, the Group reported sales of SEK 6.9 billion. BE Group has approximately 650 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at www.begroup.com.

Alternative performance measures

BE Group has defined a number of alternative performance measures. The alternative performance measures that BE Group considers to be significant are underlying operating result, working capital, net debt and capital employed. Under Alternative performance measures, you can read more about how these are calculated.

Market and business environment

In Europe (EU27), 136.7 million tons of raw steel were produced in 2022, according to the World Steel Association, which is the global trade organization of steel producers. That's a 10.5 percent decrease compared to 2021. After a stable start to 2022, everything was turned upside down at the end of February when the war in Ukraine broke out. Buyers hoarded steel to secure supply. This led to overstock that lasted almost the entire year. As a result of this, steel producers' order intake was weak during the autumn and then recovered somewhat in December.

Group structure and organization

The Group consists of two business areas, Sweden & Poland and Finland & Baltics, with a focus on the Group's main markets. Parent Company & consolidated items include the Parent Company, Group eliminations and also parts of the Group's operations undergoing restructuring, BE Group Czech Republic and BE Group Slovakia. The restructuring of these operations are in all material aspects completed.

Net sales and business performance

During the year, the Group's consolidated net sales increased by 28 percent compared to last year and amounted to SEK 6,875 M (5,388). The sales growth is explained by positive price and mix effects of 32 percent, acquisitions of 3 percent and currency effects of 2 percent counteracted by organic tonnage growth of -9 percent. The organic tonnage growth in business area Sweden & Poland decreased by -10 percent compared to last year, while Finland & Baltics decreased by -9 percent. Gross profit amounted to SEK 1,009 M (1,102), with a gross margin of 14.7 percent (20.4). Adjusted for inventory gains and losses, the underlying gross margin amounted to 15.6 percent (19.3).

The operating result amounted to SEK 418 M (621), corresponding to an operating margin of 6.1 percent (11.5). Adjusted for inventory gains and losses of SEK -70 M (92), the underlying operating result amounted to SEK 488 M (529). The underlying operating margin amounted to 7.1 percent (9.8).

Business area Sweden & Poland

Business area Sweden & Poland accounted for 49 percent (49) of the Group's net sales during the year. The business area includes the Group's operations in Sweden consisting of BE Group Sverige AB, BE Group Produktion Arvika AB and the joint venture ArcelorMittal BE Group SSC AB as well as the Polish operations. Net sales for the year increased by 30 percent compared to last year, amounting to SEK 3,408 M (2,625). Operating result amounted to SEK 217 M (282). Adjusted for inventory gains and losses of SEK -19 M (61), the underlying operating result increased to SEK 236 M (221). During the first six months, the assets of Hercules Rebar was acquired. During the second half of the year, Goodtech Solutions Manufacturing AB, now BE Group Produktion Arvika AB, was acquired and Lecor Stålteknik AB was divested. In the result, intra-group expenses invoiced from the Parent Company have been eliminated except for expenses for IT and business systems.

Business area Finland & Baltics

In 2022, business area Finland & Baltics accounted for 51 percent (51) of the Group's net sales. The business area consists of the Group's operations in Finland and the three Baltic States. Net sales increased by 25 percent compared to last year, amounting to SEK 3,497 M (2,790). The operating result amounted to SEK 217 M (370) and adjusted for inventory gains and losses of SEK -50 M (31), the underlying operating result amounted to SEK 267 M (339). In the result, intra-group expenses invoiced from the Parent Company have been eliminated except for expenses for IT and business systems.

Parent Company & consolidated items

Parent Company & consolidated items include the Parent Company, Group eliminations and also parts of the Group's operations undergoing restructuring. The effects regarding IFRS 16 were reported under Parent Company & consolidated items and have not been allocated to the two business areas.

Parent Company

Sales for the Parent Company, BE Group AB (publ), amounted to SEK 148 M (104) during the period and derived from intra-Group services. These intra-Group services mainly include licensing fees regarding the subsidiaries' use of the BE Group brand and central expenses for IT and Finance, etc. The expenses are distributed and invoiced to all subsidiaries in the Group. In the result follow-up of the business areas, intra-group expenses were eliminated except for expenses for IT and business systems. Out of the total costs for the Parent Company, of SEK -68 M (-44), SEK 55 M (35) was distributed to the subsidiaries.

The operating result amounted to SEK 81 M (60). Net financial items amounted to SEK 266 M (98). The result before tax amounted to SEK 386 M (282) and the result after tax was SEK 360 M (244). At the end of the year, Parent Company equity amounted to SEK 1,163 M (959). Investments in the Parent Company amounted to SEK 0 M (3). At the end of the year, cash and equivalents in the Parent Company amounted to SEK 31 M (38).

Net financial items and tax

Consolidated net financial items amounted to SEK -18 M (-17) and net interest accounted for SEK -18 M (-14), of which SEK -10 M (-10) is related to leasing according to IFRS 16. Tax amounted to SEK -76 M (-109). Result after tax amounted to SEK 324 M (495).

Cash flow

Cash flow from operating activities amounted to SEK 204 M (32). The cash flow from investing activities amounted to SEK -56 M (-25). Cash flow after investments thereby amounted to SEK 148 M (7).

Capital, investments and return

At the end of the period, consolidated working capital amounted to SEK 1,130 M (856) and average working capital tied-up was 15.5 percent (9.7). Of the year's investments, totalling SEK 54 M (26), investments in intangible assets accounted for SEK 1 M (1) and investments in tangible assets for SEK 53 M (25). The return on capital employed excl. IFRS 16 amounted to 20.3 percent (42.0).

Financial position and liquidity

At the end of the period, consolidated cash and equivalents, including overdraft facilities, were SEK 200 M (154) and consolidated interest-bearing net debt excl. IFRS 16 amounted to SEK 357 M (241). At the end of the period, equity amounted to SEK 1,637 M (1,413).

Employees

BE Group considers the employees to be the Group's most important resource. They are the face towards customers and suppliers. The corporate culture is based, among other things, on what BE Group has defined as its core values. These values act as guidance in the day-to-day work of everyone within BE Group. They address how the employees behave towards one another, as well as towards customers, suppliers and others with whom they come into contact. These are: Dynamic, Transparent and Sustainable.

The number of employees amounted to 665 compared to 627 at the same time last year and the average number of employees during the year amounted to 654 (621).

Sustainability report

BE Group has established a sustainability report pursuant to the Annual Accounts Act. The Group's sustainability report includes pages 10-17, disclosures in accordance with the EU Taxonomy Regulation on pages 18-20, the section on risks and risk management in the Board of director's Report on pages 7-9 and the business model on page 5.

Environmental policy and environmental work

BE Group is working with environmental issues as an integrated part of its operations. With its position between steel producers and customers, it is in the area of transport in particular that BE Group is able to help reducing the environmental impact. In addition, BE Group works continuously to improve its own facilities' energy consumption, emissions and waste management.

Overarching environmental policy

A comprehensive environmental policy forms the basis of BE Group's environmental work. The policy states that BE Group shall:

- As a minimum comply with current environmental legislation and requirements from local authorities.
- Be economical in the use of energy and natural resources.
- Work to decrease the amount of waste and emissions from the facilities.
- Identify opportunities to make adjustments benefiting the environment when making investments and changes in processes and facilities.
- Maintain a high level of awareness on environmental issues through ongoing training.
- Document and communicate environmental work to employees and provide open and objective information to external stakeholders.

BE Group is engaged in operations at one site in each country in Sweden and Finland for which environmental permits are required. Group companies have obtained special permits to engage in operations in the countries where such permits are required. All operations within the Group are certified under the ISO 14001 environmental management system.

Risks and risk management in BE Group

BE Group's profits and financial position are affected by a large number of factors. Several of these are beyond the company's own control. The Group operates in several countries and is therefore exposed to various risks as a consequence of differences in legislation, regulations and guidelines. Risk management within the Group is guided by established policies and procedures that are revised by the Board of Directors and/or Group Management on an ongoing basis. All risks are handled as a part of BE Group's sustainability work. The most important risks and factors of uncertainty for BE Group can be divided between:

- Market risks
- Operational risks
- Financial risks

Market risks

Economic trend

BE Group has a large number of customers in different industries and is therefore affected by the general economic climate. A weak economic trend increases the risk of lower demand for the Group's products, resulting in lower sales revenues. In addition, a weaker economy can lead to low inventory turnover, falling prices and inventory losses on existing inventories. BE Group's strategy regarding inventory levels is primarily to warehouse products based on estimated customer demand. The various companies in BE Group strive to maintain a level of inventory turnover suited to the market and local conditions of each company. The operational control of inventory levels is exerted by means of targets for the number of inventory days.

Steel price trend

The steel industry is influenced by economic developments. As a consequence, steel price trends are volatile and are affected by the balance between the production offering and demand for steel at the different points along the value chain. Steel prices affect BE Group such that higher market prices provide a greater contribution towards covering the Group's costs given a constant gross margin. The steel price trend also affects final sales prices for products held in inventory, which for BE Group entails a financial impact in the form of inventory gains and losses. To limit these inventory effects, BE Group is working actively to reduce the number of inventory days while maintaining its level of service towards customers. Consequently, falling steel prices have a negative impact on BE Group's operations and earnings, while increased prices have a positive impact.

The table below shows the estimated effect on underlying operating result of changes in steel prices and sold tonnage. The sensitivity analysis is based on the outcome for 2022 and assumes a constant underlying gross margin.

	Change	Operating result effect
Steelprice	+/-5 %	+/-59 MSEK
Tonnage	+/-5 %	+/-46 MSEK

The war in Ukraine

As Russia and Ukraine are major producers of iron ore and other inputs and European manufacturers are importing parts of their coal needs from Russia, the war have had a major impact on the European steel market with high energy prices, lack of material and sharp price increases as a consequence. This has led to an adjustment in the European steel market where alternative producers have replaced the need in the delivery chain and in that way stabilized market supply. BE Group is monitoring the development closely since the effect of sanctions and potentially other consequences connected to the war may affect the company's financial position.

Operational risks

Suppliers

BE Group's product range consists of materials from several different suppliers. The Group strives to establish relations with the best steel producers and to maintain a sustainable, long-term cooperation. To safeguard access to materials on each individual occasion, the Group seeks to always maintain relations with several suppliers in each product group. Over the year, BE Group has cooperated with more than 500 suppliers. Before establishing new business relationships and entering into agreements, suppliers' capacity to meet BE Group's demands in terms of finance, quality, logistics, the environment and other aspects is ascertained.

In BE Group's assessment, it is not dependent on any single supplier and all major suppliers are considered fully replaceable, so disruption to deliveries by any one of them does therefore not entail long-term consequences for operations. In 2022, the largest single supplier accounted for 14 percent (15) of the Group's purchases. Combined, the ten largest suppliers accounted for 57 percent (57) of the Group's total purchasing. BE Group is exposed to the risk that deliveries from suppliers could be substantially delayed in the event of interrupted production, capacity shortage or transport issues, outside the control of BE Group. This can mean loss of income and/or more expensive actions to meet our commitments to customers.

Customers

BE Group's operations are conducted in several different markets and to numerous customer categories. The ten largest customers accounted for 16 percent (14) of total sales in 2022. BE Group has a large number of customers in different industries and consequently, a good risk diversification. The Company actively works to manage credit risks (see Note 31 for further information) by setting credit limits and focusing on collecting overdue receivables as well as a common credit insurance policy.

Product liability

In the event of defect products, some of the products that BE Group sells could cause personal injury or other harm, thereby incurring a risk of claims for damages in accordance with the product liability laws of the country concerned. BE Group has taken out the conventional liability insurance policies on its operations.

Increased direct deliveries from steel producers

Users of steel have mainly two sources of purchases: directly from steel producers or from trading and service companies. Traditionally, many large-scale users have bought directly from producers, while small and medium-sized users have often made use of trading and service companies. There is, however, a risk that producers will try to extend their direct sales, reducing the use of trading and service companies as agents.

Contractual relations

The Group is custom to rely primarily on its good and often long-term relations with customers and suppliers, and on the normal practices that have been established between the parties. There are specific agreements with some of BE Group's larger customers and suppliers.

Human Resources

BE Group depends on competent employees for its future development and success. The ability to recruit, retain and develop qualified employees and to be an attractive employer is important. The effect on the operations could be negative if key personnel leave and suitable successor can not be recruited. BE Group has compiled a number of values that reflect the spirit of the Group and pervade its management. BE Group's commercial competence is continuously developed through training and recruitment. Training efforts include broad programs aimed at many employees, as well as specialized solutions for individuals.

Health and safety

The work environment, health and safety are central issues for BE Group. Deficiencies in safety and the work environment leads to a greater risk of illness and incidents for the company's employees. BE Group has a systematic work to secure and improve the work environment called Safety First. BE Group continuously monitors a number of parameters in the area of health and safety. Possibilities of improvements are discussed by the Group Management Team and locally at the units. Each accident and incident are reported, rectified, evaluated and followed up.

Gender equality, diversity and discrimination

Shortcomings in implementation and compliance with BE Group's values can lead to deficient gender equality and diversity. BE Group annually conducts an employee survey with active follow-up of the results, where action plans are prepared for the identified improvement areas. The work is done with full transparency in relation to guidelines, employee manuals and reporting of violations regarding discrimination.

Legal

Since BE Group maintains operations in several countries, the Group is exposed to different laws, regulations, agreements and guidelines, as well as to changes in the stipulations within these. Among other things, regulations include trade restrictions, such as customs duties and tariffs, requirements for import and export licenses, restrictions on movements of capital and tax regulations. In all commercial operations, disputes may arise as a consequence of differences of opinion on issues of responsibility and interpretations of contract terms. From a risk perspective, BE Group is not dependent on any individual commercial agreement that could significantly limit the Group's operations.

Corruption

Corruption can exist to varying degrees in some countries and different sectors of society. Like many other companies, BE Group runs a risk of becoming involved in unethical transactions in the areas comprising sales and purchasing processes. Within BE Group, there is zero tolerance to unethical business practices. The company conducts reviews of the company's Anti Corruption Policy and Code of Conduct for the company's employees, suppliers and cooperative partners. Together with the framework for internal control and follow-up, this forms the basis of a business ethics approach and accurate financial reporting. BE Group applies central and local authorization manuals to avoid conflicts of interest and uses procurement processes that ensure good business ethics.

Human rights

BE Group is a company with units in several countries in Northern Europe and a geographically widespread supplier base. This means that insight regarding human rights may be limited and there is a risk that the company may involuntarily contribute to human rights violations. These issues are addressed in BE Group's Code of Conduct and it applies to all employees within BE Group including the Group Management Team. Board members, business partners, customers and suppliers are also encouraged to follow this Code of Conduct. For suppliers, there is also a separate Code of Conduct. Reporting of potential problems, inaccuracies, illegal behavior or improprieties can be made to the immediate manager or anonymously through the whistle-blower system.

Environmental legislation and responsibility for the environment

BE Group's operations are subject to legislation pertaining to the environment, as well as regulations on emissions to the atmosphere and water, waste management and the workplace environment. BE Group could become liable for environmental damage caused by operations conducted, or that have previously been conducted by the company. According to Swedish law, certain environmental liability is not subject to limitations of time. It cannot be ruled out that operations such as those that are conducted, or have been conducted, by BE Group could lead to liability for environmental impacts that do not appear until much later.

BE Group works systematically to comply with rules and laws and to reduce the company's environmental impact and conduct quality and environmental management work that makes requirements on the units. BE Group works to reduce the environmental impact in the value chain, through the production and distribution process from suppliers to end users. This includes following up the removal of solvents from the painting facilities and dust emissions and waste management of residual products.

Energy use

Increased production leads to greater energy consumption. Not using energy from renewable sources, where this is possible, negatively impacts the environment. BE Group measures energy consumption at all of its facilities and in the procurement of energy, energy from fossil-free energy carriers shall be the first choice if possible. Looking at energy efficiency is also an important factor in investments.

Emissions from transports

BE Group primarily sells its products in six markets, which mean that transports of materials are unavoidable and use of transport services most often entails use of fossil fuels. BE Group works to optimize the logistics flows. Detailed data for the current fuel consumption are being gathered in cooperation with the transport companies and the Group is working actively on finding transport companies with an explicit and deliberate sustainability and environmental focus.

Financial risks

For an account of financial risks, see Note 31.

Share-related information

Ownership structure

The BE Group share has been listed on the Nasdaq Stockholm Exchange since the end of 2006. At the end of the financial year, BE Group had 12,101 shareholders, compared to 7,119 at the end of last year. AB Traction and Svedulf Fastighets AB were the two largest owners with 25.1 percent and 24.9 percent of the shares, respectively. Information regarding other major owners is available under The Share. At the end of the year, the proportion of institutional ownership (legal entities) totalled 76.2 percent and foreign ownership was 11.1 percent.

At the end of 2022, the four members of Group Management together held 13,105 shares in BE Group. At the same time, the company's directors together held 3,402,282 shares, including shares in close association. The disclosures regarding shareholdings in BE Group for the Board of Directors and Group Management refers to own and shares in close association, endowment insurance and legally owned shares which directly or indirectly is controlled by the person or its relatives. BE Group held 26,920 treasury shares at the close of 2022.

Share capital, shares outstanding and rights

The registred share capital amounted to 13,010,124 (13,010,124) common shares on December 31, 2022. Each share has a quotient value of SEK 20.00 (20.00). According to the Articles of Association, minimum share capital in the company is SEK 150,000,000 and maximum share capital SEK 600,000,000, with a minimum of 10,000,000 and a maximum of 40,000,000 shares. Share capital is determined in Swedish kronor.

All shares convey equal rights to a percentage of the company's net assets, profits and any surplus upon liquidation. Each share carries one vote and there is only one class of shares. There is no limit to the number of votes a shareholder may cast at the Annual General Meeting or with respect to transfer of shares. The company is aware of no agreements between shareholders which may limit the right to transfer shares. Further information about the BE Group share is provided on www.begroup.com.

Authorization to the Board of Directors

The Annual General Meeting resolved to authorize the Board of Directors, on one or several occasions and not later than the 2023 Annual General Meeting, to make decisions regarding the transfer of treasury shares for the purpose of financing smaller corporate acquisitions. Transfers of at most 26,920 shares, corresponding to the company's existing holding of treasury shares, may deviate from shareholders' preferential rights. Transfers may be applied as payment of all or part of the purchase consideration in the acquisition of companies or operations or parts of companies or operations, in which case the payment shall correspond to the assessed market value of the shares. Alongside share transfers, payment may be effectuated through capital contributed in kind or by setting off claims against BE Group. Transfers may also be made on cash payment through sales on the Nasdaq Stockholm Exchange at a price within the price interval registered at any given time – that being the interval between the highest bid price and lowest asking price at the time of sale. The Board of Directors shall have the right to decide on other conditions for the transfer. However, the conditions shall be market-based.

During the year, no treasury shares were transferred and BE Group holds 26,920 treasury shares, corresponding to 0.2 percent of the share capital, which was acquired for a total amount of SEK 21 M.

Dividend and dividend policy

According to BE Group's dividend policy, the Group will distribute at least 50 percent of profit after tax, over time. Dividends shall be distributed taking BE Group´s financial position and prospects into account. The Board of Directors proposes dividend of SEK 12 (12) per share for the financial year of 2022 to be paid in two installments; SEK 6 per share in April 2023 and SEK 6 per share in October 2023 which corresponds to approximately SEK 156 M in total.

Corporate governance

The Corporate Governance Report is presented on pages 68-72.

Contingent liabilities

Consolidated contingent liabilities amounted to SEK 1,400 M (1) and refers to committment according to agreement with H2 Green Steel regarding cooperation and distribution of fossil-free steel at the Nordic market. The committment towards H2 Green Steel expects approved deliveries within certain stipulated times.

Significant events after the end of the financial year

No significant events have taken place after the end of the period.

Accounting principles

The consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Commission for application within the European Union. A more detailed explanation of accounting principles is available under "Accounting principles".

Appropriation of earnings

The Board of Directors' proposal for the appropriation of earnings is detailed under Appropriation of Earnings and in note 24.

SUSTAINABILITY REPORT 2022

WITH SUSTAINABILITY AS A PART OF THE CORE VALUES

Of the key words that form the basis of BE Group's values, sustainable is probably the most important since it should permeate everything we do and all of the decisions we make – both in the short and long term. Sustainability is the foundation so that we will continue to be a successful company in the long term. This partly involves minimizing our impact on the environment and climate and partly acting responsibly and respectfully in relation to both employees and our external partners. Sustainability is also about being profitable, making wise investments and securing the business in the long term.

BE Group's sustainability work

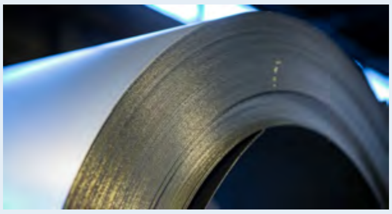
BE Group strives to minimize the environmental impact of its operations and works continuously to reduce emissions in its own operations and in transports from suppliers to customers. Safety and a good working environment are top priorities. BE Group believes that safety, gender equality and diversity make companies more profitable.

BE Group's Board of Directors bears ultimate responsibility for sustainability efforts and monitors that operations meet the statutory and regulatory requirements imposed on the company. The scope of the sustainability work is set by the Group management team, which handles issues concerning strategy, goals, follow-up and communication. The managing director of the respective unit bears the operating responsibility and sets local goals and plans that are followed up by the Group management team.

The sustainability report pursuant to the Annual Accounts Act includes pages 10-17, disclosures in accordance with the EU Taxonomy Regulation on pages 18-20, the section on risks and risk management in the Board of director's Report on pages 7-9 and the business model on page 5. This sustainability report applies to the Group and all wholly owned subsidiaries.

Focus on three core areas

Over the year, BE Group's Group management has worked to develop three core areas that will be a compass for how the company should act in a sustainable manner to achieve the overarching strategy. Within each focus area, activities have been identified that will drive sustainability efforts forward. In 2023, a sustainability group will be appointed with representatives from the Swedish and Finnish companies and this group will coordinate the work and set targets to be fulfilled by the respective companies in the Group. The work is based on Agenda 2030 and the global goals for sustainable development and the UN Global Compact's 10 principles.



Circular business

The materials purchased by BE Group shall be used to the greatest possible extent. The handling of the material shall be optimized to reduce waste and the operations strive to be as resource efficient as possible.

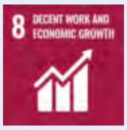
Climate initiatives

BE Group shall work actively to minimize the environmental impact of its operations.

Social responsibility

BE Group will work for a stimulating and healthy work environment and act for a good society.

The following global goals has been identified as especially relevant to the business:



Key stakeholders

In both the long term and in the daily work, the company affect and are affected as a company by various stakeholders, including these key stakeholders:

Stakeholder	Expectations on BE Group	Example of dialogue
Customers	BE Group shall add value to all customer segments in accordance with its business model and acts with responsiveness to customer needs and in a manner that promotes trust, strengthening relations with existing customers and attracting new ones.	Dialogue is conducted for example through personal interaction, daily contacts, trade fairs, customer surveys and the website.
Employees	BE Group shall act responsibly both internally and externally to attract, develop and retain competent employees. Our core values guide us in how we behave towards one another in our day-to-day work.	Dialogue is conducted for example in everyday discussions, workplace meetings, employee surveys, union collaboration, internal training, incident follow-up, performance and guidance talks.
Shareholders	BE Group is to generate value for its shareholders through responsible and profitable company based on the Group's business model and strategies for profitability.	Dialogue is conducted for example through the Annual General Meeting, annual reports, sustainability reports, interim reports, the website and investor meetings.
Suppliers	BE Group shall add value by providing efficient distribution, warehousing, pre-processing services and knowledge about our markets. The Group strives to strengthen sustainability work among suppliers through dialogue and by setting requirements.	Dialogue is conducted for example through personal interaction, daily contacts, quarterly meetings and cooperation projects.
Society	BE Group wants to contribute to positive social development by generating job opportunities in its own operations and among partners. BE Group shall be an open and easily accessible actor that communicates with the greatest possible transparency within the regulatory framework regarding market-sensitive information.	Dialogue is conducted for example through study visits, collaborative projects, networks and sponsorship.

Steel is the world's most recycled material
and the fossil-free production imposes demands of further recycling

Operations

A sustainable business

A material that can be recycled over and over again while maintaining quality and recyclability is a prerequisite for a circular economy. Steel is essentially a sustainable material with a very long life span. It is the world's most recycled material and fossil-free steel production imposes demands on further recycling. For BE Group's part, this means that the materials purchased will be optimized and used to the greatest possible extent and the remainder will be recycled. The operations will be as resource efficient as possible with focus on material utilization.

To be able to grow and develop, good business ethics must be ensured and in its sustainability efforts BE Group is supported by several policies and guidelines: such as the code of conduct, core values, environmental policy, Safety first policy, anti-corruption policy, the code of conduct for suppliers and the whistleblower policy. Subsidiaries shall comply with these ethical guidelines and policies and the managing director of each company is responsible for their application in the operations.

BE Group's code of conduct provides guidelines for business ethics and anti-corruption, and this is complemented with an anti-corruption policy. The policy has been translated into the local languages within the Group and clarifies the Group's framework and rules of conduct. During the year, the Group did not receive any notifications linked to this.

Updated whistleblower policy

During the year, the rules on the companies' whistleblower functions were strengthened and BE Group has updated existing policies to meet the requirements in each country in which the company operates. A whistleblower committee has been established to receive and handle possible cases together with an external advisory party. No whistleblower cases were received during the year.

Taxes

BE Group conducts operations in various countries with different tax laws and legislative authorities and strives to pay the correct tax in every country. Changes in laws and case law are continuously monitored so that taxes are handled in accordance with current laws and rules. If applicable, guidance is sought at the local tax authority or with external tax advisers, such as audit and accounting firms, to clarify relevant tax issues.

BE Group is an independent steel distributor offering products from several steel producers around the world. The company monitors developments regarding the requirements imposed in the area and sustainability is a parameter both in the classification and evaluation of suppliers.

Suppliers

BE Group is an independent steel distributor offering products from several steel producers around the world. The company monitors developments regarding the requirements imposed in the area and sustainability is a parameter both in the classification and evaluation of suppliers. In Sweden and Finland, the Group works continuously with available EPDs, both new ones and updating existing ones. EPD stands for Environmental Product Declaration and is a certified summary of the climate impact a product has throughout its life cycle. From primary raw materials, via production, transport and use, to recycling or "end of life" in other ways. BE Group actively seeks out suppliers with explicit sustainability efforts that can offer products with lower CO^2 emissions.

Sustainable steel

BE Group's ambition is to be able to help small and medium-sized companies, which most often buy steel in smaller quantities, to buy sustainable steel at competitive prices. During the year, the company's letter of intent with H2 Green Steel regarding cooperation and distribution of fossil-free steel in the Nordic market was converted into a formal agreement. At the same time, discussions are being held with several European steel producers about future partnerships and the company is following the trend towards lower, and ultimately zero, emissions of fossil carbon dioxide. The company's ambition is to eventually be able to offer a complete range of sustainable steel.

Risks and risk management in BE Group

BE Group's profits and financial position are affected by a large number of factors. The Group operates in several countries and is therefore exposed to various risks as a consequence of differences in legislation, regulations and guidelines. Risk management within the Group is guided by established policies and procedures that are revised by the Board of Directors and/or Group Management on an ongoing basis. All risks are handeled as a part of BE Group's sustainability work. The most important risks and factors of uncertainty for BE Group can be divided between:

- Market risks
- Operational risks
- Financial risks

Read more about the identified risks and risk management in the Board of Director's report.

KEY FIGURES 2022

NET SALES	UNDERLYING OPERATING RESULT	OPERATING RESULT
SEK 6,875 M (5,388)	SEK 488 M (529)	SEK 418 M (621)
RESULT AFTER TAX	**RESULT PER SHARE**	**SOLD TON (THOUSANDS)**
SEK 324 M (495)	SEK 24.96 (38.10)	320 (342)
CO_2 EMISSION/TON	**ENERGY CONSUMPTION/TON**	**RECYCLED RESIDUALS**
8.6 kg (8.1)	69 kWh (74)	98% (98)

BE Group has focused on three key words
for the core values work; dynamic, transparent and sustainable

Corporate culture

Long-term competence and new ideas

BE Group's corporate culture is based on what is defined as the Group's core values. These values shall permeate the entire organization and create security and understanding, provide guidance in how we should relate to one another and to our surroundings, and form the basis for clear communication, both internally and externally. BE Group has focused on three key words for this work and they are dynamic, transparent and sustainable.

Dynamic

Dynamic means that the employees must be attentive and curious at the same time that they never hesitate to question "old truths" when necessary. Together with the company's business partners, the employees are encouraged to continuously seek new methods and opportunities that can contribute to developing both the company's and the customers' offerings.

Transparent

Through collaboration, the employees learn from each other, identify the areas that can be improved and together find solutions to any questions and problems that arise along the way. Transparency is about setting clear goals and having a shared view of expectations and performance. Openness, honesty and clarity win in the long term.

Sustainable

Sustainability is the foundation so that BE Group will continue to be a successful company in the long term. This partly involves minimizing the business' impact on the environment and climate and partly involves acting responsibly and respectfully in relation to both employees and external partners. But sustainability is also about being profitable, making wise investments and securing the business in the long term.

Employees

BE Group's ambition is to create a stimulating and healthy work environment for employees. All workplaces within BE Group shall be safe and pleasant and free from harassment and discrimination. It is important for BE Group to be seen as an attractive employer where employees thrive and can develop. The employees are our most valuable asset and a prerequisite for the company to perform well. The company is dependent on new staff with new ideas and experiences that balance the long-term expertise that already exists.

Every year, BE Group conducts a Group-wide employee survey to ensure that the strengths and improvement areas that exist in the work environment are illustrated. The employee survey is sent to all employees and 85% (84) of the employees chose to participate in 2022. The results are presented by department and every group work on preparing an action plan for the improvement areas established.

The employee survey measures five different indices: Engagement, Leadership, Team efficiency, Management and Psychosocial work environment. The results show continued positive development, although there are areas of improvement. The goal is that the employees shall have the possibility of influencing their work situation and, besides the employee survey, performance reviews are regulary held.

Safety first

Health and safety is a highly prioritized area at BE Group's workplaces and there is a policy with a zero vision regarding workplace accidents called Safety First. The basic idea is that all accidents can be prevented and safety must come first at all times. The units are working locally to assess and address risks in the operations and to prevent accidents. Steering documents are in place and regular follow-ups, workplace meetings and training sessions are carried out. Each accident and incident are reported, evaluated, rectified and followed up.

In 2022, 11 accidents (16) resulting in more than one day's absence were reported, and it is clear that risk awareness has increased among employees. An increasing number of risk observations are being reported and this leads to units being able to work increasingly proactively with improvement projects. Since the work of prioritizing safety began in 2019, the number of accidents with absences has decreased by nearly 75 percent, which is a clear signal that these efforts are working. In the employee survey, 89 percent (85) of employees said that they experienced that their manager always puts safety first. The overarching objective is that no one should be injured at BE Group's workplaces and that everyone should have the conditions to be able to do the right thing in an easy way. One of the largest risk groups is new employees and focus was placed on further improving introductory training during the year. This gave results and in Finland, for example, they had the first summer without accidents with absences among the summer substitutes and two out of three units have been free from accidents with absences for more than 365 days.

The focus for the future is to continue collecting risk observations, to promote activities that prevent accidents, to train and remind employees, and to highlight and reduce hazardous behaviors at the workplaces.

Average number of employees and diversity

The average number of employees in BE Group in 2022 was 654 (621), of whom 11 percent (11) were women. The percentage of women in the organization is still low and work is ongoing to map how to create conditions to attract more women employees and managers. However, there are considerable differences between the percentage of women on the white-collar side and in production. In 2022, the percentage of women among white-collar workers was about 27 percent and for production it was about 1 percent. Work is continuing to increase the diversity of workplaces and to create balanced teams with individuals with different genders, ethnic backgrounds and ages. Actively working with diversity and gender equality is part of the management team's work linked to the global sustainable development goals in Agenda 2030.

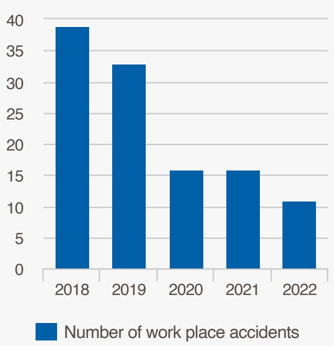
BE Group's ambition is to be seen as an attractive employer where employees thrive and can develop. The company is dependent on new staff with new ideas and experiences that balance the long-term expertise that already exists.

Training

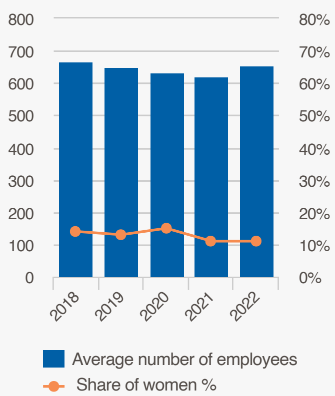
Employees shall have the opportunity to develop in their work and this includes training courses, both external and internal. The need for further training is discussed during employee development talks where individual requests can be raised. The units work locally with the training programs and in Finland, for example, there is a digital tool with ready-made short-term training courses where the employees themselves have the opportunity to develop in various work-related areas.

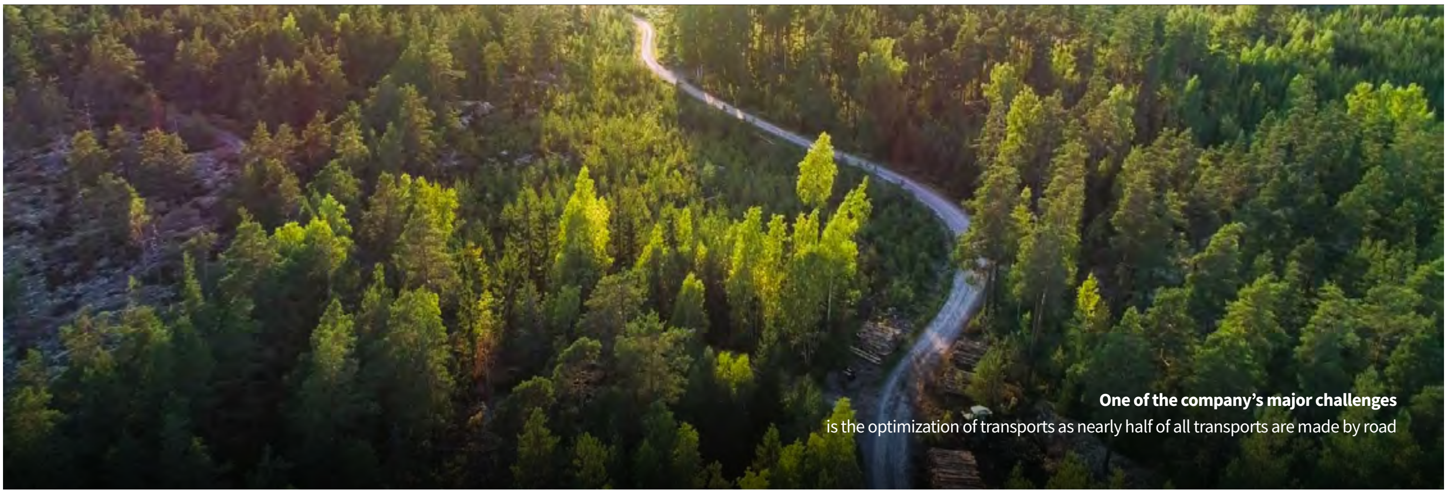
During the year, training in the environment and safety was carried out at the units. Group-wide leadership training for all management teams was carried out during the year with both physical and digital meetings.

NUMBER OF WORK PLACE ACCIDENTS WITH ABSENCE



EMPLOYED MEN/WOMEN





One of the company's major challenges
is the optimization of transports as nearly half of all transports are made by road

Environment and climat

For a climate-friendly steel industry

BE Group works proactively to minimize the environmental impact of its operations. Environmental issues are an integrated part of the operations and the foundation of the environmental work is a Group-wide environmental policy. The units work locally with the environmental issues linked to the operations and focus is on continuously improving their facilities' energy consumption, emissions and waste management. All operations are certified in accordance with the international environmental standard ISO 14001. BE Group is engaged in operations at one site in Sweden and one in Finland where environmental permits are required.

In recent years, the company has implemented a number of measures to reduce its operations' energy dependency and to reduce carbon dioxide emissions. The more decisive efforts include the centralization of operations in Sweden and the Baltics and the extensive investments made in modern and more energy efficient machines. The units have also worked to replace the lighting in the premises with LED lighting, which reduces energy consumption considerably. For example, Finland now has only LED lighting in production, which covers an area of about 40,000 m^2.

Sustainable targets

In 2023, the company will appoint a sustainability team that will prepare new environmental targets for the Group to reduce carbon dioxide emissions and to strive to become climate-neutral in the future. As an independent steel distributor, with a position between the steel producers and customers, BE Group can be involved in influencing the choice of materials that are placed on the market. The company is already working with several steel producers throughout Europe and is able to offer climate-compensated steel to customers. The company actively seeks out suppliers with explicit sustainability efforts that can offer products with lower CO_2 emissions. The ambition is that as much as possible will be purchased from ISO 14001 certified suppliers and, in 2022, 85 percent (85) of purchases were made from certified suppliers.

BE Group is making calculations of carbon dioxide emissions according to the recommendations in the Greenhouse Gas Protocol, GHG Scope 1-2. The calculations show that the Group had CO_2 emissions of 8.6 kg per ton sold (8.1) in total in 2022 from its own business. The increase in 2022 is mainly attributable to the decreased tonnage.

BE Group's total energy consumption amounted to 69 kWh/ton sold (74) during the year. Carbon dioxide emissions from in-house operations are reduced through greater use of fossil-free energy carriers, such as electricity, biogas and district heating, and by the streamlining of energy consumption. Currently, about 60 percent of the energy consumption comes from renewable sources. Energy consumption is affected by the delivery volumes and it is primarily production activities (material processing and service), which are energy intensive. Warehousing in itself is less energy intensive.

In recent years, the company has implemented a number of measures to reduce its operations' energy dependency and to reduce carbon dioxide emissions

Optimizing transports

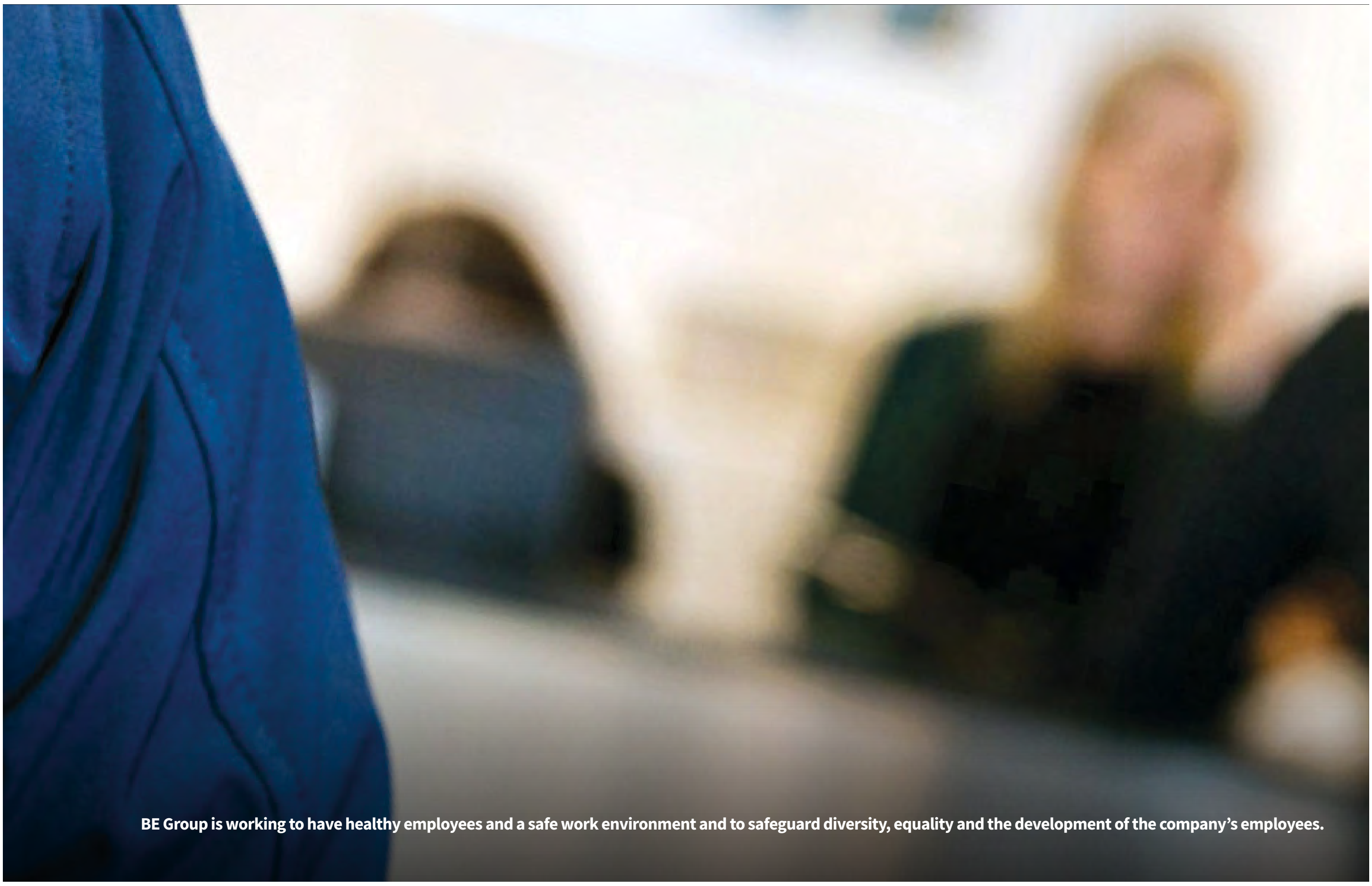
One of the company's major challenges is the optimization of transports as nearly half of all transports are made by road. The units work locally with this since the conditions vary between the different countries. The companies actively work to find transport companies that have a explicit and deliberate sustainability and environmental focus. The transports in Sweden are increasingly made by trucks powered by diesel with an add-mixture of non-fossil HVO/BIO components and there are also trucks powered by biogas. In Finland, the focus is on optimizing transports via a consolidation center for transshipment and onward transport to end customers. The units in Sweden and Finland account for the majority of transports and, together with the transport companies, gather detailed data for current fuel consumption to gain greater knowledge of the emissions and how the company can influence them from an environmental perspective. During the year, 94 percent (91) of the shipments were handled by ISO 14001 certified suppliers.

Emissions from own operations

BE Group's own operations cause only limited emissions. Emissions primarily originate from the production units in Norrköping and Turku where operations such as painting and blasting are carried out. The filtration of solvents (VOCs) from painting facilities and dust from blasting and cutting equipment is efficient and is continuously followed up. An important contribution that BE Group in Sweden has made over the year is large-scale testing with water-based paint in production. Today, solvent-based paint is used and a transition to water-based paint would entail both reduced emissions of volatile organic compounds and an improved working environment for employees.

Residual materials

Residual materials in BE Group's operations are mainly metals, wood and cardboard. These are sorted and recycled to the greatest possible extent. Steel production is a heavy and energy-intensive industry, but at the same time, the life expectancy of steel structures is long and the recycling rate is high compared with many other materials. In 2022, the Group recycled a total of 98 percent (98) of the total number of residual products from the operations.



BE Group is working to have healthy employees and a safe work environment and to safeguard diversity, equality and the development of the company's employees.

Social sustainability

Applying sound business principles

BE Group works with internal processes and reporting tools to be able to detect irregularities in the organization. The company shall apply sound business principles and an important part of this work is to combat corruption. The company strives to be a financially, socially and ethically responsible actor and complies with the laws and rules applicable in the respective market where the company operates

Internal work

BE Group is working to have healthy employees and a safe work environment and to safeguard diversity, equality and the development of the company's employees. All workplaces shall be free from harassment and discrimination. As guidance, BE Group has the code of conduct. It is established by the Board of Directors and includes all operations and employees within BE Group. These ethical guidelines provide guidance in the daily work to achieve the Group's goals and point out everyone's responsibilities towards business partners, owners, employees and society. The Code addresses issues of business ethics, anti-corruption, child labor, equality, work environment, career issues and competence development.

Target figures are available for the work on the safety of operations and additional indicators are to be developed as part of the work on Agenda 2030. The employee survey is an important tool in the follow-up of internal work, where the working groups after the survey work with their results and the outcome is followed up by the management teams.

Part of society

BE Group strives to be an active part of the society surrounding our units. This is achieved through various activities such as sponsorship of local sports clubs, organizing internships and summer jobs and working together on degree projects.

During the year, for example, the Lahti unit donated traffic workbooks to local schools with the purpose of teaching children important traffic rules at an early age. Together with another company, BE Group in Sweden financed a grant for the year's best degree project in steel construction in 2022.

Surrounding world

With units in several countries in Northern Europe and a geographically widespread supplier base, insights regarding human rights may be limited and there is a risk that the company may involuntarily contribute to human rights violations. These issues are addressed in BE Group's code of conduct. The follow up takes place through the whistle-blower function where employees have the possibility to report serious inaccuracies within the organization. When working with the suppliers there is a code of conduct for suppliers and follow up is made through talks with the suppliers.

This year, a lot of focus has been on Russia's invasion of Ukraine and earlier in the year, BE Group chose to donate money to the UNHCR and UNICEF. The people in Ukraine are living in terrible conditions following the invasion about a year ago and the humanitarian needs are huge. Around Sweden, various networks have worked together to be able to help and many projects have recently been about the production of stoves, in order to be able to give the people of Ukraine heat and the opportunity to cook hot food during the winter. BE Group and the networks of customers in Sweden and Finland have been involved in several such projects. In these charitable works, BE Group has contributed materials to the stoves, particularly sheet metal and tubes, while the networks of industrial customers have contributed with production capacity and labor hours.

EU TAXONOMY

The EU Taxonomy regulation (EU) 2020/852 is a new regulation within the European union (EU) and serves as a classification system to determine whether an economic activity is to be considered environmentally sustainable. The regulation was established to contribute to the fulfillment of the targets within the European Green Deal by shifting investments in the financial markets towards environmentally sustainable activities.

Through common definitions and criteria for which economic activities can be assessed as environmentally sustainable, it becomes easier for investors to make sustainable investments as the transparency of activities' environmental impact increases. In this way, environmentally sustainable activities will attract investors which also creates incentives for companies to become more climate-friendly.

BE Group is covered by the Non-Financial Reporting Directive (NFRD) and is thus subject to the reporting requirements from the EU Taxonomy. To comply with the regulation, a company must report its eligible -and non-eligible activities through Key Performance Indicators (KPI) and their alignment with the Technical Screening Criteria (TSC) for the fiscal year. For analysis of economic activities linked to the TSC, the Delegated regulation (EU) 2021/2139 of 4 June 2021 has been used. KPI´s used is Turnover, Capital expenditure (CAPEX) and Operating expenditure (OPEX).

The EU Taxonomy covers a total of six environmental objectives that are subject to an assessment: Climate change mitigation, Climate change adaption, Sustainable use of water and marine resources, Circular economy, Pollution prevention and Healthy ecosystems. For an economic activity to be classified as environmentally sustainable, the activity needs to contribute significantly to at least one of the environmental objectives, not cause damage to any of the other environmental objectives and comply with the minimum safeguards relating to social sustainability.

For the taxonomy report of the fiscal year 2022, the first two objectives is a requirement to report on, according to the Article 8 of the Taxonomy Regulation (EU) 2020/852 and the associated Delegated regulation (EU) 2021/2178 of 6 July 2021 whereas the remaining four is a requirement first in the report for 2023.

Eligibility assessment

BE Group is an independent steel distributor that buys materials from the steel mills and sells them on to customers with some processing in the form of production services, such as cutting, sawing, blasting and painting. BE Group has no impact in the production of the materials and does not sell finished products. BE Group has reviewed the operations based on the EU Taxonomy and has not identified any applicable sales linked to its criteria's at present.

As a steel distributor, the main economic activities are not bound by any TSC and are therefore not covered by the EU Taxonomy for now. The EU Taxonomy focuses on sectors with the highest possibility to contribute to the Sustainable Development Goals (SDG), which means that the regulation does not currently include BE Groups main operation, something that might however change in the near future. This leads to reduced disclosure requirements this year but with the awareness that the regulation will expand over more businesses and activities in the future.

To gather information and report in accordance with the EU Taxonomy, an internal working group was put together consisting of the CFO, Group Accountant and Finance Managers in Sweden and Finland. Together with external consultants the working group mapped the business and its activities for the analysis with guidance from the Delegated regulation C (2021) 2800 final, Annex 1, Technical screening criteria (TSC) as well as the NACE Codes (EU classification of Economic Activities). When necessary, information needed for the analysis was received by experts within the company.

Below activities were deemed eligible:

- Transport by motorbikes, passenger cars and light commercial vehicles (6.5)
- Acquisition and ownership of buildings (7.7)

Derivation of figures

The analysis from the working group concludes that the Group's Turnover and OPEX cannot be connected to any activity within the scope of the TSC. The total of the Group's Turnover and OPEX is consequently non-eligible, Turnover 0% Eligible, OPEX 0% Eligible. The Group's total Turnover can be found in the Income Statement on the row net sales. However, activities with connected TSC were identified for CAPEX.

CAPEX related to assets applicable in the taxonomy can be divided into different activities. The working group has identified and reviewed applicable activities based on the CAPEX that occurred during the fiscal year. According to Annex 1 in the Delegated regulation CAPEX for the financial year ended December 31, 2022 is calculated as follows:, Taxonomy-eligible CAPEX divided by total CAPEX. Total CAPEX for BE Group is thus the sum of the acquisitions reported in note 13 – Other intangible assets and note 14 – Tangible assets (Acquisitions), note 14 – Tangible assets (Acquisitions of subsidiaries – Building and land) and note 15 – Right of use assets (additional rights of use) in accordance with IFRS 16 which can be found in the Annual Report.

According to the EU Taxonomy Compass, Activity 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles include leasing of vehicles designated as passenger vehicles. BE Group is leasing right-of-use automotive assets (leased cars) and therefore includes the activity as the numerator in the reporting for eligible activities. The leased cars used within the Group have been checked whether they are fulfilling the requirements to be aligned with the taxonomy or not. None of the cars acquired during the year are aligned with the taxonomy since the requirements from the first two objectives with reference to the TSC have not been fulfilled. Currently, mainly diesel cars are leased within BE Group and no electric cars, which means that the criteria from the TSC are not met.

CAPEX derived from the leased cars added during the year has been summarized and put in relation to the total CAPEX for the Group and is included in the reporting for intangible, tangible and right-of-use assets, see note 13, 14 and 15 in the Annual report. The CAPEX for activity 6.5 amounts to SEK 5 M 2022 (3,2% of total CAPEX) and to SEK 2 M 2021 (4,7% of the total CAPEX), for which 2021 are revised figures from the previous year's report since the activity in the report for 2021 was deemed not eligible. The reason for the revised figures is the increasingly in-depth analysis that was performed in 2022, compared to 2021, regarding how the group is covered by the EU Taxonomy, which resulted in an new assessment of which activities are eligible and need to be reported.

Furthermore, an acquisition was in place on September 1, 2022, which included a building, whereas the building itself was valued to SEK 7 M (4,5% of total CAPEX). The building does not meet the requirement from the TSC and is therefore not aligned with the taxonomy, see note 14 – Tangible assets under acquisition of subsidiaries – Buildings and Land in the Annual Report. The building is the only building owned by the Group.

The activity 6.6 – Freight transport services by road have also been subject to assessment but with a conclusion that the activity is non-eligible. The vehicles used for this purpose cannot be connected to the TSC since the group does not own, finance, leases, rent or have any operations connected to the vehicles used for the purpose since it is a matter of a purchased service regarding delivery from suppliers. Thus, the responsibility of the vehicles is held by suppliers. Read more about how BE Group handles transports in the sustainability report.

Since the activities above are few and clearly separated in our reporting there is no risk for double counting, which has been ensured throughout the conducted analysis. The result from the 2022 reporting will constitute as the base for the coming years (N-1).

The activities covered by the EU taxonomy in the table for CAPEX are presented below, neither of which are aligned with the taxonomy regulation. BE Group has no eligible economic activities for turnover or OPEX, which is presented in the tables below.

BE Group's sustainability work is prioritized and an important part of the overall strategy. In the Sustainability report which is a part of the Annual Report you can read more about how BE Group work to reduce the company's environmental impact and to be an economically, socially and ethically responsible actor.

				Substantial contribution criteria					
Economic activities	Code(s)	Absolute CAPEX (MSEK)	Proportion of CAPEX (%)	Climate change mitigation (%)	Climate change adaption (%)	Water & Marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity & ecosystems (%)
A – TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 – Environmentally sustainable activities (Taxonomy-Aligned)		–	–						
A2 – Taxonomy-Eligible but not Taxonomy-Aligned activities									
A2 – Transport by motorbikes, passenger cars & light commercial vehicles (N77.1.1)	6.5	5	3.2%	0%	0%	0%	0%	0%	0%
A2 – Acquisition and ownership of buildings (L68)	7.7	7	4.5%	0%	0%	0%	0%	0%	0%
CAPEX of Taxonomy-eligible but not Taxonomy-aligned activities (A.2)		**12**	**7.7%**						
Total A1 + A2		**12**	**7.7%**						
B – TAXONOMY-NON-ELIGIBLE ACTIVITIES									
B – CAPEX of Taxonomy-non-eligible activities		**144**	**92.3%**						
A + B Total		**156**	**100%**						

	DNSH criteria										
Economic activities	Climate change mitigation	Climate change adaption	Water & Marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CAPEX, year N	Taxonomy-aligned proportion of CAPEX, year N-1	Category (Enabling activity)	Category (Transitional activity)
A – TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 – Environmentally sustainable activities (Taxonomy-Aligned)											
A2 – Taxonomy-Eligible but not Taxonomy-Aligned activities											
A2 – Transport by motorbikes, passenger cars & light commercial vehicles (6.5)								0%			
A2 – Acquisition and ownership of buildings (7.7)								0%			
CAPEX of Taxonomy-eligible but not Taxonomy-aligned activities (A.2)											
Total A1 + A2								0%			

Table for CAPEX used from Annex II in the Delegated regulation (EU) 2021/2178.

				Substantial contribution criteria					
Economic activities	Code(s)	Absolute turnover (MSEK)	Proportion of turnover (%)	Climate change mitigation (%)	Climate change adaption (%)	Water & Marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity & ecosystems (%)
A – TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 – Turnover of environmentally sustainable activities (Taxonomy-Aligned)		–	0%						
A2 – Turnover of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)		–	0%						
Total A1 + A2		**–**	**0%**						
B – TAXONOMY-NON-ELIGIBLE ACTIVITIES									
B – Turnover of Taxonomy-non-eligible activities		**6.875**	**100%**						
A + B Total		**6.875**	**100%**						

	DNSH criteria										
Economic activities	Climate change mitigation	Climate change adaption	Water & Marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (Enabling activity)	Category (Transitional activity)
A – TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 – Turnover of environmentally sustainable activities (Taxonomy-Aligned)											
A2 – Turnover of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)											
Total A1 + A2											

Table for turnover used from Annex II in the Delegated regulation (EU) 2021/2178.

				Substantial contribution criteria					
Economic activities	Code(s)	Absolute OPEX (MSEK)	Proportion of OPEX (%)	Climate change mitigation (%)	Climate change adaption (%)	Water & Marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity & ecosystems (%)
A – TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 – OPEX of environmentally sustainable activities (Taxonomy-Aligned)		–	0%						
A2 – OPEX of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)		–	0%						
Total A1 + A2		**–**	**0%**						
B – TAXONOMY-NON-ELIGIBLE ACTIVITIES									
B – OPEX of Taxonomy-non-eligible activities		**48**	**100%**						
A + B Total		**48**	**100%**						

	DNSH criteria										
Economic activities	Climate change mitigation	Climate change adaption	Water & Marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Category (Enabling activity)	Category (Transitional activity)
A – TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 – OPEX of environmentally sustainable activities (Taxonomy-Aligned)											
A2 – OPEX of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)											
Total A1 + A2											

Table for OPEX used from Annex II in the Delegated regulation (EU) 2021/2178.

CONSOLIDATED INCOME STATEMENT

Amounts in SEK M	Note	2022	2021
Net sales	1	6,875	5,388
Cost of goods sold	2	-5,866	-4,286
Gross profit/loss		**1,009**	**1,102**
Selling expenses	2	-482	-418
Administrative expenses	2	-134	-110
Participation in earnings of joint venture	17	34	65
Other operating income	6	2	2
Other operating expenses	2, 7	-11	-20
Operating result	3, 4, 13, 14, 15	**418**	**621**
Financial income	8	6	2
Financial expenses	9	-24	-19
Result before tax		**400**	**604**
Tax	10	-76	-109
Result for the year attributable to Parent Company shareholders	11	**324**	**495**
Earnings per share before dilution	11	24.96	38.10
Earnings per share after dilution	11	24.96	38.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	2022	2021
Result for the year	**324**	**495**
Other comprehensive income		
Items that may later be reclassified to profit/loss for the period		
Translation differences	56	13
Total other comprehensive income	**56**	**13**
Comprehensive income for the year attributable to Parent Company shareholders	**380**	**508**

CONSOLIDATED BALANCE SHEET

Amounts in SEK M	Note	2022	2021
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	12	583	561
Other intangible assets	13	7	9
		590	**570**
Tangible assets	14	138	90
		138	**90**
Right of use assets	15	494	479
		494	**479**
Participations in joint ventures	17	183	182
		183	**182**
Financial assets			
Other securities held as non-current assets	18	0	0
Non-current receivables		0	0
		0	**0**
Deferred tax assets	25	6	5
		6	**5**
Total non-current assets		**1,411**	**1,326**
Current assets			
Inventories			
Goods for resale	20	1,127	1,033
		1,127	**1,033**
Current receivables			
Accounts receivable	31	675	653
Tax receivables		14	4
Other receivables		37	19
Prepaid expenses and accrued income	21	27	16
		753	**692**
Cash and equivalents			
Cash and equivalents		50	54
		50	**54**
Total current assets		**1,930**	**1,779**
TOTAL ASSETS		**3,341**	**3,105**

Amounts in SEK M	Note	2022	2021
EQUITY AND LIABILITIES			
Equity	22		
Share capital		260	260
Other capital contributions		251	251
Translation reserve		92	36
Retained earnings including result for the year		1,034	866
Equity attributable to Parent Company shareholders		**1,637**	**1,413**
Non-current liabilities			
Non-current interest-bearing liabilities	26, 31	406	287
Non-current leasing liabilities	15	405	394
Deferred tax liabilities	25	48	42
Total long-term liabilities		**859**	**723**
Current liabilities			
Current interest-bearing liabilities	26, 27, 31	1	8
Current leasing liabilities	15, 27	94	87
Accounts payable		480	641
Tax liabilities		56	22
Other liabilities		101	97
Accrued expenses and deferred income	28	112	110
Provisions	23	1	4
Total current liabilities		**845**	**969**
TOTAL EQUITY AND LIABILITIES		**3,341**	**3,105**

CHANGES IN CONSOLIDATED EQUITY

Amounts in SEK M	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total equity
2021					
Equity, opening balance, January 1, 2021	**260**	**251**	**23**	**371**	**905**
Result for the year	–	–	–	495	495
Dividend	–	–	–	–	–
Other comprehensive income	–	–	13	0	13
Comprehensive income for the year	**–**	**–**	**13**	**495**	**508**
Equity, closing balance, December 31, 2021	**260**	**251**	**36**	**866**	**1,413**

Amounts in SEK M	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total equity
2022					
Equity, opening balance, January 1, 2022	**260**	**251**	**36**	**866**	**1,413**
Result for the year	–	–	–	324	324
Dividend	–	–	–	-156	-156
Other comprehensive income	–	–	56	0	56
Comprehensive income for the year	**–**	**–**	**56**	**168**	**224**
Equity, closing balance, December 31, 2022	**260**	**251**	**92**	**1,034**	**1,637**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK M	Note	2022	2021
Operating activities			
Operating result		418	621
Adjustment for non-cash items	29	173	28
– of which, amortization/depreciation and write-downs		*115*	*118*
– of which, other items		*58*	*-90*
Interest received		6	2
Interest paid		-23	-17
Income tax paid		-53	-67
Cash flow from operating activities before changes in working capital		**521**	**567**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventories		-86	-525
Increase (-)/decrease (+) in operating receivables		-53	-277
Increase (+)/decrease (-) in operating liabilities		-178	267
Cash flow from operating activities		**204**	**32**
Investing activities			
Acquisitions of intangible assets	13	-1	-1
Acquisitions of tangible assets	14	-53	-25
Acquisitions of businesses	16	-9	–
Divestments of businesses		10	–
Divestments of tangible assets		–	1
Other cash flow from investing activities		-3	0
Cash flow from investing activities		**-56**	**-25**
Cash flow after investments		**148**	**7**
Financing activities			
Dividend		-156	–
Loans raised		100	68
Amortization of loan liabilities		-10	-98
Amortization of leasing liabilities acc. to IFRS 16	15	-89	-91
Cash flow from financing activities		**-155**	**-121**
Cash flow for the year		**-7**	**-114**
Cash and equivalents at January 1		**54**	**166**
Translation differences in cash and equivalents		**3**	**2**
Cash and equivalents at December 31		**50**	**54**

INCOME STATEMENT – PARENT COMPANY

Amounts in SEK M	**Note**	**2022**	**2021**
Net sales	1	148	104
		148	**104**
Administrative expenses		-68	-44
Other operating income and expenses	6, 7	1	0
Operating profit/loss	3, 4, 13, 14	**81**	**60**
Profit/loss from participations in Group companies	5	257	98
Other interest income and similar profit/loss items	8	20	13
Interest expense and similar profit/loss items	9	-11	-13
Profit/loss after financial items		**347**	**158**
Appropriations		39	124
Profit/loss before tax		**386**	**282**
Tax	10	-26	-38
Profit/loss for the year		**360**	**244**

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

Amounts in (SEK M)	**2022**	**2021**
Profit/loss for the year	**360**	**244**
Other comprehensive income	**–**	**–**
Comprehensive income for the year	**360**	**244**

BALANCE SHEET – PARENT COMPANY

Amounts in SEK M	Note	2022	2021
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for development work and similar	13	3	5
		3	**5**
Tangible assets			
Equipment, tools, fixtures and fittings	14	0	0
		0	**0**
Financial assets			
Participations in Group companies	16	856	868
Interest-bearing receivables from Group companies	19	17	12
		876	**885**
Deferred tax receivable	25	–	–
Total non-current assets		**876**	**885**
Current assets			
Current receivables			
Current interest-bearing receivables from Group companies	19	231	172
Receivables from Group companies		109	172
Tax receivables		1	1
Other receivables		26	2
Prepaid expenses and accrued income	21	10	6
		377	**353**
Cash and equivalents		31	38
		31	**38**
Total current assets		**408**	**391**
TOTAL ASSETS		**1,284**	**1,276**

Amounts in SEK M	Note	2022	2021
EQUITY AND LIABILITIES			
Equity	22		
Restricted equity			
Share capital		260	260
Statutory reserve		31	31
		291	**291**
Non-restricted equity			
Share premium reserve		240	240
Profit brought forward		272	184
Profit/loss for the year		360	244
		872	**668**
Total equity		**1,163**	**959**
Non-current liabilities			
Non-current interest-bearing liabilities	26, 31	–	–
Non-current interest-bearing liabilities to Group companies	31	39	226
		39	**226**
Current liabilities			
Current interest-bearing liabilities	31	–	–
Current interest-bearing liabilities to Group companies	31	5	49
Accounts payable		10	2
Liabilities to Group companies		3	3
Tax liabilities		49	22
Other liabilities		6	4
Accrued expenses and deferred income	28	9	11
		82	**91**
TOTAL EQUITY AND LIABILITIES		**1,284**	**1,276**

CHANGES IN EQUITY – PARENT COMPANY

Amounts in SEK M	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Profit/loss for the year	Total equity
2021						
Equity, opening balance, January 1, 2021	**260**	**31**	**240**	**111**	**73**	**715**
Profit/loss brought forward from previous year	–	–	–	73	-73	–
Total transactions reported directly in Equity	**–**	**–**	**–**	**73**	**-73**	**–**
Profit/loss for the year	–	–	–	–	244	244
Other comprehensive income	–	–	–	–	–	–
Comprehensive income for the year	**–**	**–**	**–**	**–**	**244**	**244**
Dividend				–		–
Equity, closing balance, December 31, 2021	**260**	**31**	**240**	**184**	**244**	**959**

Amounts in SEK M	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Profit/loss for the year	Total equity
2022						
Equity, opening balance, January 1, 2022	**260**	**31**	**240**	**184**	**244**	**959**
Profit/loss brought forward from previous year	–	–	–	244	-244	–
Total transactions reported directly in Equity	**–**	**–**	**–**	**244**	**-244**	**–**
Profit/loss for the year	–	–	–	–	360	360
Other comprehensive income	–	–	–	–	–	–
Comprehensive income for the year	**–**	**–**	**–**	**–**	**360**	**360**
Dividend				-156		-156
Equity, closing balance, December 31, 2022	**260**	**31**	**240**	**272**	**360**	**1,163**

CASH FLOW STATEMENT – PARENT COMPANY

Amounts in SEK M	**Note**	**2022**	**2021**
Operating activities			
Operating result		81	60
Adjustment for non-cash items	29	-11	1
– of which, amortization/depreciation		*2*	*1*
– of which, other items		*-13*	–
Interest received		15	–
Interest paid		-9	3
Income tax paid/received		-1	0
Cash flow from operating activities before changes in working capital		**75**	**64**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in operating receivables		-28	-144
Increase (+)/decrease (-) in operating liabilities		36	-21
Cash flow from operating activities		**83**	**-101**
Investing activities			
Divestments of subsidairies		17	–
Acquisitions of tangible assets		–	-3
Lending to subsidiaries		-205	6
Dividend from subsidiaries		261	98
Cash flow from investing activities		**73**	**101**
Financing activities			
Dividend to shareholders		-156	–
Net change in borrowing/lending in cash pool		-7	-114
Cash flow from financing activities		**-163**	**-114**
Cash flow for the year		**-7**	**-114**
Cash and equivalents at January 1		**38**	**152**
Cash and equivalents at December 31		**31**	**38**

ACCOUNTING PRINCIPLES

Amounts stated in millions of SEK (SEK M) unless specified otherwise.

BE Group AB (publ), company registration number 556578-4724, is a Swedish limited liability company. The registered office is in Malmö, Sweden.

Consolidated accounting principles

Compliance with legislation and standards

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) as approved by the Commission of the European Communities for application in the European Union. The Group also applies the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups. The Parent Company applies the same accounting principles as the Group except in the cases stated in the section "Parent Company accounting principles."

Significant accounting principles applied

Other than the exceptions explained in detail, the accounting principles set out below have been applied consistently to all periods presented in BE Group's financial statements. The accounting principles applied in the consolidated accounts have also been applied consistently by the individual companies within the Group.

Changes in accounting principles

Changes to accounting principles necessitated by new or amended IFRS-rules

The new standards and interpretations applicable as from the financial year 2022, have had no material effect on the financial statements.

New IFRS-rules that have not yet begun to be applied

A number of new standards and interpretations will not enter into effect until the next financial years and have not been applied in advance in the preparation of these financial statements. None of the IFRS or IFRIC interpretations that have not yet entered into effect are expected to have any material impact on the Group.

Conditions applied to Parent Company and consolidated financial statements

Functional currency and reporting currency

The functional currency of the Parent Company is SEK and this is also the reporting currency of the Parent Company and the Group. Consequently, the financial accounts are presented in SEK. All amounts are rounded off to the nearest million unless otherwise stated.

Valuation principles

Assets and liabilities are reported at historical cost with the exception of certain financial assets and liabilities, which are reported at fair value. Fixed assets and disposal groups held for sale are reported at their carrying amount or fair value less sales expenses, whichever is lowest.

Assessments and estimates

Preparation of the financial statements in accordance with IFRS requires management making assessments, estimations and assumptions that affect the application of the accounting principles and the figures reported for assets, liabilities, revenues and expenses. The estimates and assumptions are based on historical experience and other factors that seem reasonable under current conditions. The results of these estimates and assumptions are then used to assess the carrying amount of assets and liabilities not otherwise evident from other sources. The actual outcome may deviate from these estimations and assessments. The estimations and assessments are reviewed regularly. Changes in estimations are reported in the period in which they are made if they only affect that period, or in the period in which they are made and future periods if they affect both the period concerned and future periods.

Management's assessments in connection with application of IFRS that have significant effect on the financial statements and estimates that may cause material adjustments to the financial statements of subsequent years are described in greater detail in Note 32, Significant estimates and assessments.

Basis for consolidation

Subsidiaries

Subsidiaries are all companies over which the Group has controlling influence. The Group has controlling influence over a subsidiary when it is exposed to or has the right to variable returns from its holdings in the company and can influence the return through its controlling influence in the company. Subsidiaries are included in the consolidated accounts from and including the day when the controlling influence is transferred to the Group and until the day when the controlling influence ceases.

In the consolidated accounts, subsidiaries are reported in accordance with the acquisition method. The method entails acquisitions of subsidiaries being viewed as transactions through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. Consolidated cost is determined by means of an acquisition analysis in connection with the transaction. The acquisition analysis determines, in part, the cost of the holdings or operations and, in part, the fair value of the identifiable assets, liabilities and contingent liabilities assumed on the date of acquisition. Possible transaction fees due to the acquisition of a subsidiary are reported directly in the profit/loss for the period, except for transaction fees that arose prior to January 1, 2010. The latter has been included in the cost. Subsidiaries' financial accounts are included in the consolidated accounts from the point of acquisition and until the Group no longer has a controlling influence.

Payment in connection with the acquisitions does not include payments settling prior business transactions. Settlements of this type are made against profit/loss for the period. The classification and accounting of business acquisitions that took place before January 1, 2004 has not been reassessed in accordance with IFRS 3 in connection with the determination of the consolidated opening balance sheet on January 1, 2004 in accordance with IFRS.

Joint venture

For purposes of accounting, joint ventures are companies for which the Group has joint control over operational and financial management through a contractual arrangement with one or more parties. Interests in joint ventures are consolidated using the equity method of accounting. The equity method entails the value of holdings in joint ventures reported in the consolidated accounts being equivalent to the Group's share of the joint ventures' shareholders' equity, as well as consolidated goodwill and any other consolidated surplus or deficit.

In consolidated profit/loss for the period, "Participations in earnings of joint venture" is reported as the Group's share of a company's earnings adjusted for any impairment, amortization or reversals of acquired surpluses or deficits. These shares in earnings less any dividends received from joint ventures comprise the main change in the carrying amount of interests in joint ventures. Any discrepancy at the point of acquisition between the cost of the holding and the owning company's share of the identifiable assets and liabilities of the joint venture is reported in accordance with the same principles that apply for acquisitions of subsidiaries.

Transactions eliminated on consolidation

Intra-group receivables and liabilities, income and expenses and unrealized gains or losses arising from intra-group transactions between Group companies are eliminated in full when preparing the consolidated accounts. Unrealized gains and losses arising from transactions with joint ventures are eliminated to a degree corresponding to the Group's ownership of those companies, however, unrealized losses are eliminated only to the extent that there is no indication that any impairment should be recognized.

Foreign currency

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency corresponding to the exchange rate in force on the transaction date. The functional currency is the currency of the primary economic environment in which the Group's companies carry out their business. Monetary assets and liabilities in foreign currencies are translated at the exchange rate in effect on the balance sheet date. Exchange differences arising from translation are recognized against profit/loss for the period. Non-monetary assets and liabilities recognized at their historical costs are translated at the exchange rate applicable at the time of the transaction. Exchange differences referring to operating assets and liabilities are recognized in the operating result, while exchange rate movements referring to financial assets and liabilities are recognized in net financial income.

Foreign businesses' financial statements

Assets and liabilities in foreign operations, including goodwill and other Group surplus and deficit values, are translated from the foreign operations' functional currency to the Group's reporting currency. Translation is applied at the exchange rate in effect on the balance sheet date. Income and expenses in a foreign operation are translated at an average exchange rate approximating the currency exchange rates applicable on the relevant transaction dates. Translation differences arising in connection with the translation of a foreign net investment and accompanying effects of hedges of net investments are recognized under other comprehensive income and are accumulated in an equity component entitled separate translation reserve. Non-current internal loans are considered to form part of the net investment in the foreign operation. On the sale of a foreign operation, the accumulated translation differences attributable to the operation are recognized, less any currency hedging against profit/loss for the period.

Classification

Non-current assets and liabilities essentially consist of amounts that are expected to be recovered or paid later than 12 months after the balance sheet date. Current assets and current liabilities essentially consist of amounts that are expected to be recovered or paid within 12 months of the balance sheet date.

Intangible assets

Goodwill

Consolidated goodwill consists of acquired goodwill and goodwill arising in connection with investments in subsidiaries. Goodwill represents the difference between the cost of the business combination and the fair value of acquired assets, assumed liabilities and contingent liabilities. After the acquisition, goodwill is reported at cost less any impairment losses. Goodwill is distributed to cash generating units and is tested at least once annually to determine possible impairment needs; see Note 12 Goodwill.

Other intangible assets

Customer relations consist of acquired assets that have been identified in the acquisition analysis in connection with the acquisition of shares in subsidiaries. At the time of acquisition, customer relations are valued at fair value, which is considered to be equivalent to the cost. After the acquisition, customer relations are recognized at cost less accumulated amortization and impairment losses.

Computer programs and licenses are reported at cost less accumulated amortization and impairment. Costs incurred for internally generated goodwill and internally generated brands are recognized against profit/loss for the period when the cost is incurred. Additional expenditures for capitalized intangible assets are recognized as assets on the Balance Sheet only when they increase the future economic benefit associated with the specific asset. All other expenditures are expensed as they are incurred.

Amortization principles for customer relations and other intangible assets

Amortization is recognized in profit/loss for the period on a straight-line basis over the estimated useful life of the asset. Intangible assets which can be amortized are amortized from the date on which they are available for use. The useful lives of assets are reassessed on an ongoing basis, although at least once per year.

The estimated useful lives are:

	Useful life	
	Group	Parent Company
Licenses	3–10 years	3–10 years
Software	3–10 years	3–10 years
Customer relationships	6–10 years	–
Other intangible assets	3–10 years	–

Tangible assets

Tangible assets are recognized in the Group at cost less accumulated depreciation and any impairment. The cost includes the purchase price plus expenses directly attributable to the asset in order to put it in place and make it appropriate for use in accordance with the purpose of the acquisition. Examples of directly related expenses included in the cost of an asset are expenses for shipping, handling, installation, legal title, consultant services and legal services.

Additional expenditures are only added to the cost if it is probable that the future economic benefits associated with the asset will flow to the Company and the cost can be measured reliably. All other subsequent expenses are expensed in the period they arise.

Depreciation principles for tangible assets

Depreciation is recognized on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. The useful lives and residual values of assets are re-assessed at least on an annual basis.

	Useful life	
	Group	**Parent Company**
Buildings and land	15–50 years	–
Plant and machinery	3–15 years	–
Equipment, tools, fixtures and fittings	3–10 years	3–10 years

Impairment of tangible and intangible assets as well as holdings in a joint venture

IAS 36 is applied to identify impairments for assets other than financial instruments reported according to IAS 39, deferred tax assets reported according to IAS 12 and inventories reported according to IAS 2. Assets held for sale and disposal groups are tested in accordance with IFRS 5. The carrying amounts for the exempted assets are measured according to the respective standards.

If there is any indication of impairment, the asset's recoverable amount is estimated. The asset's recoverable amount is the highest of the value in use and fair value minus selling expenses. In measuring value in use, future cash flows are discounted at the pre-tax rate that shall reflect current market assessments of risk-free interest and the risks specific to the asset. In the event that the asset's carrying amount exceeds the recoverable amount, the carrying amount is impaired down to the recoverable amount. Impairments are charged against profit/loss for the period.

Impairment testing of goodwill is carried out annually, regardless of whether an indication of an impairment requirement exists or not. Impairment losses on assets within the scope of IAS 36 are reversed if there is both indication that the impairment no longer exists and there has been a change in the assumptions on which the recoverable amount was measured. A reversal is only made to the extent that the asset's carrying amount does not exceed the carrying amount that would have been reported if no impairment had taken place. However, impairments of goodwill are not reversed.

Inventories

Inventories are measured at the lower of cost and net sales value. The cost of inventories includes expenses incurred to acquire inventory assets and transport them to their current site and condition. The cost figure is based on weighted average prices. The cost of manufactured goods and work in progress includes a reasonable share of indirect expenses based on normal capacity. Net sales value is the estimated selling price in current operations less the estimated expenses to make the asset ready for sale and to effect a sale. Net sale value is estimated based on estimates of the current market price.

Provisions

Provisions differ from other liabilities in the uncertainty that prevails regarding the time of payment or the amount required to settle the obligation. Provisions are recorded in the Balance Sheet when the Group has an existing legal or informal obligation as a result of an event occurring and when 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. Provisions are made in the amount corresponding to the best estimate of that required to settle present obligations on the balance sheet date. If the payment date has a significant effect, provisions are calculated through discounting of the expected future cash flow at a pre-tax interest rate that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

Financial instruments

Financial instruments that are reported in the balance sheet include receivables, cash and equivalents and accounts payable.

A financial asset or financial liability is recognized in the balance sheet when the company becomes party to the instrument's contractual terms. Accounts receivable are recognized in the balance sheet once the invoice has been sent, which normally occurs in connection with delivery of the Group's goods and services and the associated transfer of risk. Liabilities are recognized once the counter party has completed its task and there is a contractual obligation to pay, even though an invoice may not yet have been received. A financial asset or part thereof is derecognized when the contractual rights are realized, mature or are no longer under the company's control. The same also applies for parts of a financial asset. A financial liability or part thereof is derecognized in the balance sheet when contractual obligations are met or otherwise extinguished. The same applies for part of a financial liability. Purchases and sales of financial assets are recognized using trade date accounting. The trade date is the date the company enters into a contractual obligation to buy or sell the asset. A financial asset and a financial liability are offset and the net amount recognized in the balance sheet only when the company has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. At initial recognition, financial instruments are classified based on the purpose for which the instrument was acquired, which affects subsequent measurement. The measurement categories BE Group uses are as follows.

Classification and measurement of financial instruments

Amortized cost – financial assets

The Group only classifies its financial assets as assets recognized at amortized cost when the following requirements are met:

- the asset is included in a business model where the goal is to collect contractual cash flows, and
- contractual terms give rise to cash flows at specific times that only consist of principal and interest on the outstanding principal.

Cash and equivalents and accounts receivable are recognized at amortized cost.

Accounts receivable

Accounts receivable are amounts attributable to customers for goods sold in the operating activities. Accounts receivable generally fall due for payment within 30-60 days and all accounts receivable have therefore been classified as current assets. Accounts receivable are initially recognized at fair value. The Group holds accounts receivable for the purpose of collecting contractual cash flows and therefore measures them at subsequent recognition times at amortized cost with application of the effective interest method. The Group's method for the calculation of impairment losses/provisions for accounts receivable is described below. Accounts receivable in BE Group Sverige AB and BE Group Oy Ab are pledged as a basis for the Groups borrowing through factoring.

Other receivables

In addition to accounts receivable, there are also non-current receivables and some other receivables recognized at amortized cost. The receivables are classified as current receivables if they fall due for payment within 12 months of the reporting date; otherwise they are classified as non-current receivables.

Amortized cost – financial liabilities

All of the Group's financial liabilities are measured at amortized cost after the initial recognition. Liabilities measured at amortized cost are comprised of interest-bearing liabilities, accounts payable and other liabilities. Financial liabilities are classified as current liabilities if they fall due for payment within 12 months of the reporting date; otherwise they are classified as non-current liabilities.

Impairment of financial assets

The Group evaluates the anticipated future credit losses related to investments in debt instruments recognized at amortized cost. At each reporting date, the Group recognizes a provision for anticipated credit losses. The measurement of the anticipated credit losses reflects an objective and probability-weighted amount that is determined by evaluating an interval of possible outcomes; the time value of money and reasonable and verifiable information that is available without unnecessary costs or efforts on the balance sheet date for earlier events, current conditions and forecasts of future financial conditions.

The Group applies the simplified method for the calculation of anticipated credit losses on accounts receivable. This method means that anticipated losses during the entire term of the receivable are used as the starting point for accounts receivable. See Note 31 for more information on the impairment model.

Hedge accounting

Until the end of August 2019, the Group applied hedge accounting in accordance with the principles for the hedging net investments in foreign currency. This is to reduce the translation exposure from our foreign operations. In connection with the refinancing in 2019, the hedge was concluded. The balances that remain in the reserve that originate from the hedging of the currency translation reserve from the hedging relationship where hedge accounting is no longer applied approximately amount to SEK -63 M. No hedge accounting has been applied in the Parent Company.

Warranties

A warranty provision is recognized when an agreement has been made including stipulations of future commitments that are deemed likely to materialize. A warranty provision may also be recognized when the underlying products or services are sold. The provision is based on historical data concerning warranties and consideration of possible outcomes in relation to the probabilities associated with the outcomes. However, such warranty commitments do not represent a significant item in the Group's financial statements.

Onerous contracts

A provision for an onerous contract is recognized when anticipated benefits that the Group expects to receive from a contract are less than the unavoidable expenses to fulfill the obligations as set out in the contract.

Revenues

The Group generates revenues from the sale of goods. There is normally a performance commitment in the form of goods in contracts with customers for finished products. Revenue is recognized at the time when control over the asset has been transferred to the customer. To assess when control is transferred, the transfer of risks and benefits is the indicator assigned the greatest importance in the Group for determining when control has been transferred to the customer. The time at which control over the goods is transferred to the customer thereby depends mostly on what freight terms are stated in the customer contract. The Group takes into account variable compensation in the form of volume discounts when the transaction price is determined. The revenue from the sale of goods is recognized based on the price in the contract less estimated volume discounts. Historical data is used to estimate the discounts' anticipated value and the revenue is only recognized to the extent that it is very likely that a material reversal will not arise. A liability (which is included in the item Accrued expenses and deferred income) is recognized for anticipated volume discounts in relation to the sales up to the balance sheet date.

A receivable is recognized when the goods have been delivered as the compensation at this time is certain since only the passing of time is required before payment is made. No financing component is deemed to exist at the time of sale as the credit period is normally 30-60 days. Since the Group's performance commitment originates from contracts that have an original anticipated term of less than one year, information is not provided on the transaction price for unfulfilled performance commitments. The Group's commitment to repair or replace defective products in accordance with normal guarantee rules is recognized as a provision. Guarantee commitments beyond this do not occur.

It happens that the Group sells goods with a right of return. For these contracts, a repayment liability (which is included in the item Other liabilities) and an asset for the right to receive back the product from the customer (included in Other current assets) are recognized for goods the Group expects to receive in return. In order to assess the scope of the returns, historical data is used at a portfolio level at the time of sale. As the scope of the returns have been stable in recent years, it is very probable that a material reversal of the recognized revenues will not occur. The validity of the assumption and the estimated amount of returns are revalues at each balance sheet date.

Employee benefits

Short-term employee benefits

Short-term employee benefits such as wages and salaries, including bonuses, paid leave, sick leave and social security benefits are recognized in the period in which the employee has performed services in exchange for the benefit.

Pensions

The Group's pension agreements are defined contribution plans. The defined benefit plan for retirement pensions and survivors' pensions for white collar employees in Sweden are secured through an insurance policy provided by Alecta. According to a statement (UFR 10) from the Swedish Financial Reporting Board, this is a multiple-employer defined benefit plan. The Company has not had access to information that would permit recognition of the plan as a defined benefit which is why the pension plan in accordance with ITP is secured through insurance with Alecta such as a defined contribution plan.

Under a defined contribution plan, the enterprise pays fixed contributions into a fund (a separate legal entity) and has no further legal or constructive obligation to make further payments. The pension expense to be recognized in the period is the contribution payable in exchange for service rendered by employees during the period.

Termination benefits

When the Company terminates employment, benefits to the employee are recognized as an ongoing expense for as long as the employee performs work for the Company. When the employee is exempted from work, the entire benefit amount is immediately recognized as an expense. Provisions are recognized in connection with terminations only if the Company is demonstrably obligated to terminate employment prior to the normal date or when compensation is offered to encourage voluntary departure and it is likely that the offer will be accepted and that the number of employees who will accept the offer can be reliably estimated.

Financial income and expenses

Financial income and expenses consist mainly of interest income on bank balances, receivables and interest expense on loans, exchange differences and allocated transaction expenses for raised loans. Transaction expenses for raised loans and credits are accrued over the life of the loans by applying the effective interest method.

Tax

Income taxes are recognized in profit/loss for the period except where an underlying transaction is recognized directly in other comprehensive income, whereupon the related tax effect is likewise recognized in other comprehensive income. Current tax is tax to be paid or refunded in the current year, which includes adjustment of current tax attributable to previous periods. Deferred tax assets are measured using the balance sheet method based on temporary differences between the carrying amount of an asset or liability and its tax value on assets and liabilities. Deferred tax assets are measured based on how temporary differences are expected to even out and applying the tax rates and regulations that have been enacted or announced at the balance sheet date. Temporary differences are not taken into consideration for consolidated goodwill. Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are recognized only if it is considered probable they will result in lower tax payments in the future.

Leases

The Group as lessee

Upon entering an agreement, the Group determines if the agreement is, or contains, a lease based on the substance of the agreement. An agreement is, or contains, a lease if the agreement transfers the right to decide over the use of an identified asset for a certain period of time in exchange for compensation.

Lease liabilities

At the start date for a lease (i.e. the date when the underlying asset becomes available for use), the Group recognizes a lease liability corresponding to the present value of the lease payments that are paid during the leasing period. The leasing period is determined as the interminable period together with periods to extend or cancel the agreement if the Group is reasonably certain of exercising the options. The leasing payments include fixed payments (less any discounts and the like in connection with the signing of the lease to be obtained), variable lease charges that depend on an index or a price and amounts expected to be paid according to residual value guarantees. The leasing payments also include the exercise price for an option to buy the underlying asset or penalties that are payable upon termination in accordance with a termination option if such options are reasonably certain to be used by the Group. Variable lease charges that do not depend on an index or a price are recognized as an expense in the period to which they are attributable.

For the calculation of the present value of the leasing payments, the Group uses the implicit interest rate in the agreement if it can easily be established and otherwise, the Group's marginal borrowing rate as of the start date for the lease is used. After the start date of a lease, the lease liability increases to reflect the interest rate on the lease liability and decreases by the paid lease charges. The value of the lease liability is also restated as a result of modifications, changes to the leasing period, changes in leasing payments or changes in an assessment to buy the underlying asset.

Right of use assets

The Group recognizes right of use (ROU) assets in the statement of financial position at the start date for the lease. ROU assets are valued at cost less accumulated amortization and any impairment losses, and adjusted for revaluations of the lease liability. The cost of ROU assets includes the initial value that is recognized for the attributable lease liability, initial direct expenses, and any advance payments made at or before the start date for the lease less any discounts and the like received in connection with the signing of the lease.

On condition that BE Group is not reasonably certain that the Group will assume ownership of the underlying asset at the end of the lease, the ROU asset is amortized straight-line over the leasing period. For the leases where the Group is reasonably certain of assuming ownership, the ROU asset is amortized over the underlying asset's useful life, as follows.

	Useful life
	Group
Buildings and land	15–50 years
Cars and other means of transport	3–15 years
Equipment, tools, fixtures and fittings	3–10 years
Other	3–10 years

There are excemptions for recognition of the right of use asset and leasing liability for leases of minor value and contracts of a duration of no more than 12 months. The Group has chosen to not apply these exemption rules.

Segment reporting

An operating segment is a component of the Group that conducts business operations from which it can derive revenues and incur expenses, including intragroup transactions and whose operating result is reviewed regularly by the Group's senior executives as a basis for the allocation of resources to the segment and the assessment of its results. Independent financial information shall also be available for components of the Group defined as segments. BE Group has defined the concept of "senior executives" as Group Management.

The Group's primary basis for identifying segments is geographical areas. The Internal management is based primarily on reporting and follow-up of returns from the Group's geographical areas. The geographical areas are grouped by country or group of countries, based on similarities with regard to risks and returns. For additional information on operating segments, please see Note 1 Operating segments.

Earnings per share

The calculation of earnings per share is based on the profit for the period within the Group which is attributable to the Parent Company's shareholders and on the weighted average number of outstanding shares during the year. In calculating earnings per share before and after dilution, the average number of shares is adjusted to take into consideration the effects of any Share Savings program.

Cash Flow Statement

The Cash Flow Statement is prepared using the indirect method. Reported cash flow covers only transactions that result in incoming and outgoing payments.

Government grants

Government grants received linked to Covid-19 during 2021 was recognized at fair value when there was a reasonable certainty that the grant would be received and that BE Group met the conditions associated with the grant. All grants were recognized in the income statement as a cost reduction over the same period as the costs that the grants were intended to cover; see Note 2.

Parent Company accounting principles

The Parent Company has prepared its Annual Report in accordance with the annual accounts act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities (Sept. 2012). Published statements by the Swedish Financial Reporting Board for listed companies are also applied. RFR 2 means that the Parent Company, in the annual report for the legal entity, must apply all EU-approved IFRS and statements as far as this is possible within the framework of the Swedish law on the safeguarding of pension commitments and taking the connection into account between reporting and taxation. The recommendation specifies exemptions and additions to IFRS that shall be made.

Classification and presentation

The Parent Company's Income Statement and Balance Sheet are prepared in accordance with the model detailed in the Annual Accounts Act, while the report on comprehensive profit/loss, Statement of Changes in Equity and the Statement of Cash Flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows respectively. The differences in the Income Statement and Balance Sheet of the Parent Company compared with the consolidated accounts mainly involve the reporting of financial revenues and expenses, assets and equity.

Participations in subsidiaries

Participations in subsidiaries are reported in the Parent Company in accordance with the cost method. This means that transaction expenses are included in the carrying amount of holdings in subsidiaries. In the consolidated accounts, transaction expenses are charged directly against profit/loss when they are incurred. Anticipated dividends from subsidiaries are recognized when the Parent Company has the sole right to decide the amount of the distribution and the Parent Company has decided on the size of the distribution before the subsidiary published its financial statements. Dividends received from Group companies are recognized in their entirety as income in the Income Statement.

Shareholder contributions

Shareholders' contributions paid are reported as an increase in shares and participations in Group companies, to the extent that impairment is not required. In the receiving Company, shareholder contributions are reported directly in equity.

Financial instruments

In accordance with the rules in the Swedish Financial Reporting Board's recommendation RFR 2 and the connection between accounting and taxation, the rules on financial instruments and hedge accounting in IFRS 9 are not applied in the Parent Company as a legal entity. In the future, IAS 39 will continue to be applied only to the consolidated accounts. Financial assets in the Parent Company are measured at cost less impairment losses, if any and current financial assets are measured at the lower of cost and fair value. Liabilities that do not constitute derivative liabilities are measured at the accrued cost. Possible derivative assets are measured in accordance with the lower of cost and fair value, while contingent derivative liabilities are measured according to the highest value principle.

Taxes

Untaxed reserves in the Parent Company are recognized including deferred tax liability. Untaxed reserves are apportioned in the consolidated accounts between deferred tax liability and equity.

Leasing

The rules regarding recognition of leases according to IFRS 16 are not applied in the Parent Company. This means that lease charges are recognized as expenses straight-line over the leasing period, and that ROU assets and lease liabilities are not included in the Parent Company's balance sheet. Identification of a lease is, however, done according to IFRS 16, meaning that an agreement is, or contains, a lease if the agreement transfers the right to decide over the use of an identified asset for a certain period of time in exchange for compensation.

Financial guarantees

The Parent Company's financial guarantee contracts consist of guarantees on behalf of subsidiaries. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment as contractually agreed. The Parent Company applies RFR 2 p. 72, which is an easing of regulations compared to the rules in IAS 39 with regard to financial guarantee contracts issued on behalf of subsidiaries. The Parent Company recognizes financial guarantee contracts as provisions in the Balance Sheet when it has an obligation for which payment will probably be required to achieve settlement.

Group contributions in the Parent Company

Group contributions paid or received are reported as appropriations.

Financial liabilities

Financial liabilities primarily comprise liabilities to credit institutions. Liabilities to credit institutions are initially valued at amounts received, less any setup fees, and are then valued at the accrued acquisition value. Interest expenses are reported on a rolling basis in the Income Statement. Capitalised set-up fees are reported directly against the loan liability to the extent that the loan agreement's underlying loan guarantee has been utilised, and are periodised in the Income Statement (under Other financial expenses) over the contractual term of the loan. If a loan agreement is terminated or otherwise ceases to obtain at a point in time prior to the end of the original contractual term, capitalised set-up fees are taken up as income. If a current agreement is renegotiated during the contractual term, any additional fees in connection with the renegotiation are periodised over the remaining contractual term of the loans.

Notes

NOTE 1 – OPERATING SEGMENTS

2022	Sweden & Poland	Finland & Baltics	Parent Company & consolidated items	Elimination	Group
External sales	3,401	3,474	2	-2	6,875
Internal sales	7	23	146	-176	–
Net sales	**3,408**	**3,497**	**148**	**-178**	**6,875**
Participation in earnings of joint venture	34	–	–	–	34
Underlying operating result	**236**	**267**	**-17**	**2**	**488**
Inventory gains/losses	-19	-50	-1	–	-70
Items affecting comparability	–	–	–	–	–
Operating result	**217**	**217**	**-18**	**2**	**418**
Net financial items					-18
Profit/loss before tax					**400**
Taxes					-76
Profit/loss for the year					**324**
Underlying operating margin	**6.9%**	**7.6%**	**neg**	–	**7.1%**
Operating margin	**6.4%**	**6.2%**	**neg**	–	**6.1%**
Shipped tonnage (thousands of tonnes)	**157**	**164**	**–**	**-1**	**320**
Investments	**7**	**47**	**0**	–	**54**
Depreciation/amortization of tangible/intangible assets	12	11	2	–	25
Depreciation of right of use assets	–	–	90	–	90
Other non-cash flow items	7	37	14	–	58
Total non-cash flow items	**19**	**48**	**106**	**–**	**173**

2021	Sweden & Poland	Finland & Baltics	Parent Company & consolidated items	Elimination	Group
External sales	2,620	2,768	1	-1	5,388
Internal sales	5	22	103	-130	–
Net sales	**2,625**	**2,790**	**104**	**-131**	**5,388**
Participation in earnings of joint venture	65	–	–	–	65
Underlying operating result	**221**	**339**	**-32**	**1**	**529**
Inventory gains/losses	61	31	–	–	92
Items affecting comparability	–	–	–	–	–
Operating result	**282**	**370**	**-32**	**1**	**621**
Net financial items					-17
Profit/loss before tax					**604**
Taxes					-109
Profit/loss for the year					**495**
Underlying operating margin	**8.4%**	**12.1%**	**neg**	–	**9.8%**
Operating margin	**10.7%**	**13.2%**	**neg**	–	**11.5%**
Shipped tonnage (thousands of tonnes)	**164**	**180**	**–**	**-2**	**342**
Investments	**12**	**11**	**3**	–	**26**
Depreciation/amortization of tangible/intangible assets	13	11	1	–	25
Depreciation of right of use assets	–	–	93	–	93
Other non-cash flow items	-90	0	0	–	-90
Total non-cash flow items	**-77**	**11**	**94**	**–**	**28**

The effects regarding IFRS 16 have been reported under Parent Company & consolidated items and have not been allocated to the two business areas.

BE Group is a trading and service company in steel, stainless steel and aluminium. Customers are primarily in the construction and manufacturing industries. Since customers' needs vary widely, BE Group offers different sales solutions: inventory sales, production service sales, and direct sales. The cooperation between BE Group and a particular customer can comprise of one or more of these sales solutions.

The Group's basic products are of a similar nature, regardless of the customers or markets to which they are distributed. Part of BE Group's strategy is also to further process materials at its own production facilities through various types of production services, which in some cases result in completed components being delivered straight into customers' production lines.

BE Group's risks and opportunities differ between the different geographical markets to which its products are distributed. For that reason, BE Group has chosen geographical areas as its primary segments.

The operating structure and internal reporting to Group management and the Board of Directors are therefore based primarily on reporting of geographical business areas. Each segment´s result, assets and liabilities include operating items attributable to the ongoing activities of the segment.

The financial information per segment is based on the same accounting principles as those that apply for the Group, except for the effects regarding IFRS 16 which are reported under Parent Company & consolidated items and are not allocated to the two business areas. The Group is using a number of alternative performance measures (see Alternative performance measures for more information). One of those is the underlying operating result which is the operating result adjusted for items affecting comparability and inventory gains and losses. These represent the difference between the cost of goods sold at acquisition cost and the cost of goods sold at replacement value. BE Group applies an internal calculation model. The model has not been reviewed by the company's auditors. Internal prices between BE Group's segments are based on the principle of "arm's-length transactions", that is, transactions between parties that are mutually independent, thoroughly informed and have an interest in the transactions. Prices of goods are based on current purchase prices plus an internal markup margin.

Data on products, services and geographical regions

BE Group consists of two business areas, Sweden & Poland and Finland & Baltics. BE Group's other operations are gathered within Parent Company and consolidated items.

Sweden & Poland

Business area Sweden & Poland includes BE Group's operations in Sweden, which are conducted under the name BE Group Sverige AB and BE Group Produktion Arvika AB and the operations in Poland under the name BE Group Sp.z o.o. The operations in Sweden offers sales and distribution of the Group's products, such as commercial steel, stainless steel and aluminium. In addition to distribution of materials, production service is also provided, whereby the company processes materials in various ways to meet specific customer requirements. Examples include cut to length, blasting, painting, drilling and cutting in various forms. The company provides additional services including advanced logistics solutions and material advisory services. In addition, BE Group Sverige AB owns 50 percent of the thin plate processing company ArcelorMittal BE Group SSC AB. The polish operations are providing production services to Polish and Nordic customers. Lecor Stålteknik AB was previously a part of the business area but was divested during the year.

Finland & Baltics

Business area Finland & Baltics includes BE Group's operations in Finland, which are conducted under the name BE Group Oy Ab, and the operations in the Baltic States under the name BE Group OÜ, Estonia, with the branches BE Group OÜ filiāle Latvijā, Latvia and BE Group OÜ Lietuvos filialas, Lithuania. Sales and distribution of the Group's products, such as commercial steel, stainless steel and aluminium, are offered in all operations. In Finland, production services are also provided on a large scale. Examples include cutting to length, shot blasting, painting, drilling and cutting in various forms. In addition, the company in Finland offers its customers logistics solutions, advisory services and financing of working capital.

Parent Company & consolidated items

Parent Company & consolidated items include the Parent Company, Group eliminations and also parts of the Group's operations undergoing restructuring; BE Group Czech Republic and BE Group Slovakia. The restructuring of these operations are in all essence completed.

The effects regarding IFRS 16 have been reported under Parent Company & consolidated items and have not been allocated to the two business areas. In total, the effect of IFRS 16 amounted to SEK 10 M (9) on the operating result.

Group

Sales by business area and product group	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Long steel products	1,773	1,285	1,052	796	0	0	2,825	2,081
Flat steel products	1,056	808	1,747	1,405	0	0	2,803	2,213
Stainless steel	397	348	496	409	0	0	893	757
Aluminium	95	78	161	141	0	0	256	219
Other	87	106	41	39	-30	-27	98	118
Total	**3,408**	**2,625**	**3,497**	**2,790**	**-30**	**-27**	**6,875**	**5,388**

Sales by country based on customer's domicile	2022	2021
Sweden	3,261	2,575
Finland	3,162	2,442
Other countries	452	371
Total	**6,875**	**5,388**

Sales by business solution, SEK M	2022	2021
Inventory sales	2,809	2,284
Production service sales	3,185	2,384
Direct sales	881	720
Total	**6,875**	**5,388**

Tangible, intangible and financial fixed assets per country [1]	2022	2021
Sweden	564	559
Finland	342	276
Other countries	5	6
Total	**911**	**841**

[1] Right of use assets is not included in the table. The effects regarding IFRS 16 is reported under Parent company & consolidated items and have not been allocated to the countries.

Parent company

Sales of intra-group services by country based on domicile of subsidiary	2022	2021
Sweden	67	49
Finland	69	46
Other countries	10	8
Total	**146**	**103**

NOTE 2 – COSTS DIVIDED BY TYPE OF EXPENSE

The specification of costs divided by type of expense refers to items included in the Income Statement under cost of goods sold, selling expenses, administrative expenses and other operating expenses.

Group	2022	2021
Material costs	5,355	3,958
Salaries, other remuneration and social security expenses [1]	422	379
Other external costs	590	359
Depreciation, amortization and write-downs [2]	115	118
Other operating expenses	24	20
Total	**6,506**	**4,834**

[1] During 2021, the Group's operations obtained Covid-19 related government grants of approximately SEK 1 M, which have been reported as a cost reduction in the Consolidated income statement.
[2] In depreciation, amortization and write-downs 2022, SEK 90 M (93) is associated with amortization on right of use assets related to IFRS 16.

NOTE 3 – EMPLOYEES, PERSONNEL COSTS AND EXECUTIVE REMUNERATION

In this note, amounts are given in SEK thousands unless otherwise stated.

Average number of employees	2022	of whom men	2021	of whom men
Parent Company				
Sweden	8	61%	8	61%
Total in the Parent Company	**8**	**61%**	**8**	**61%**
Subsidiaries				
Sweden	273	89%	255	87%
Finland	270	93%	255	94%
Estonia	20	61%	20	54%
Latvia	4	59%	7	74%
Lithuania	4	95%	7	84%
Poland	75	86%	69	91%
Total for subsidiaries	**646**	**89%**	**613**	**89%**
Group total	**654**	**89%**	**621**	**89%**

Specification of gender distribution in Group management

	2022	2021
Gender distribution, Group management	**Percentage women**	**Percentage women**
Parent Company		
Board	20%	20%
Other senior executives	0%	0%
Group		
Board	10%	10%
Other senior executives	0%	0%

Salaries, other remuneration and social security expenses

Group	2022	2021
Salaries and remunerations	326,291	293,467
Pension expense, defined-contribution plans	9,983	10,885
Social security contributions	86,044	74,448
	422,318	**378,800**

Parent Company	**2022**		**2021**	
	Salaries and remunerations	**Social security expenses**	**Salaries and remunerations**	**Social security expenses**
Parent Company	12,299	5,957	11,392	6,418
(of which, pension expenses) [1]		*(2,226)*		*(2,252)*

[1] Of the Parent Company's pension expenses, 1,187 (1,232) KSEK refers to senior executives. There are no outstanding pension commitments.

Salaries and other remunerations distributed between the Parent Company and its subsidiaries and between senior executives and other employees [1]

	2022		**2021**	
	Senior executives[2]	**Other employees**	**Senior executives[2]**	**Other employees**
Parent Company	**6,913**	**5,386**	**6,614**	**4,778**
(of which, bonuses, etc.)	*(1,415)*	*(491)*	*(1,308)*	*(509)*
Subsidiaries	**6,042**	**302,330**	**6,748**	**271,010**
(of which, bonuses, etc.)	*(1,055)*	*(13,418)*	*(975)*	*(12,731)*
Group total	**12,955**	**307,716**	**13,362**	**275,788**
(of which, bonuses, etc.)	*(2,470)*	*(13,909)*	*(2,283)*	*(13,240)*

[1] Salaries and other remuneration include base salary, supplementary vacation pay and variable remunerations.
[2] Senior executives include Board members, members of Group Management and company presidents.

Defined benefit plans

Pension obligations for retirement pensions and family pensions for white-collar employees in Sweden are secured through an insurance policy provided by the independent insurance company Alecta. According to a statement (UFR 10) from the Swedish Financial Reporting Board, this is a multiple-employer defined benefit plan. For the financial year 2022, the company has not had access to information that would permit recognition of its proportional share of the plan's commitments, plan assets and costs that meant that the plan could not be recognized as a defined-benefit plan. The ITP 2 pension plan secured through insurance provided by Alecta is accordingly recognized as a defined contribution plan. The premium for the defined-benefit retirement pension and family pension is calculated individually, depending on salary, already earned pension and anticipated remaining period of service. Anticipated fees for the next reporting period for ITP 2 insurance subscribed with Alecta amounts to SEK 4 M (7).

The collective funding ratio is comprised of the fair value of Alecta's assets as a percentage of insurance obligations computed according to Alecta's actuarial assumptions, which do not accord with IAS 19. The collective consolidation level shall normally be allowed to vary between 125 and 175 percent. If Alecta's collective consolidation level is below 125 percent or exceeds 175 percent, action should be taken with the aim of creating conditions for the consolidation level to return to the normal interval. In the event of low consolidation, one action may be to raise the agreed price for new subscription and expansion of existing benefits. In the event of high consolidation, one action may be to introduce premium reductions. At the end of 2022, Alecta's surplus expressed as the preliminary collective funding ratio amounted to 172 percent (172).

Defined contribution pension plans

The Group has defined contribution pension plans for employees in Sweden for which expenses are fully paid by the companies. Pension plans in Finland and other countries are treated as defined contribution plans. For defined contribution plans, pension contributions are paid to a pension insurance company and recognized as an expense in profit and loss for the accounting period in which they occur. There are defined contribution plans in other countries for which the expenses are paid partially by the subsidiaries and partially by employee contributions. Payments are made regularly to these plans according to plan rules.

Executive remuneration

Total remuneration to the President and CEO and other senior executives consists of base pay, variable remuneration, pension and other benefits. These remuneration components are based on the guidelines for executive remuneration adopted by the 2020 Annual General Meeting, which are detailed in the Corporate Governance Report.

The following tables provide details of actual remunerations and other benefits paid in financial years 2022 and 2021 to Board members, the President (who is also the CEO) and other senior executives. The latter are those individuals who, alongside the President and CEO, are members of Group Management.

Remunerations and benefits 2022	Basic salary [4]/ Board fee	Variable remuneration	Others benefits	Pension expenses	Other remuneration	Total	Pension commitments
Chairman of the Board							
Jörgen Zahlin	487	–	–	–	–	487	–
Directors							
Carina Andersson [1]	70	–	–	–	–	70	–
Monika Gutén [2]	153	–	–	–	–	153	–
Lars Olof Nilsson	300	–	–	–	–	300	–
Petter Stillström	263	–	–	–	–	263	–
Mats O Paulsson	223	–	–	–	–	223	–
President and CEO							
Peter Andersson	2,633	1,008	76	815	3	4,535	–
Other senior executives [3]	4,975	1,622	363	1,471	0	8,431	–
Total	**9,104**	**2,630**	**439**	**2,286**	**3**	**14,462**	**–**
Recognized as an expense in the Parent Company	5,498	1,415	168	1,187	3	8,271	–

[1] Carina Andersson withdrew as board member in connection with the Annual General Meeting in April 2022.
[2] Monika Gutén became board member in connection with the Annual General Meeting in April 2022.
[3] Other senior executives consist of three persons.
[4] Basic salary also include supplementary vacation pay.

Remunerations and benefits 2021	Basic salary [2]/ Board fee	Variable remuneration	Others benefits	Pension expenses	Other remuneration	Total	Pension commitments
Chairman of the Board							
Jörgen Zahlin	460	–	–	–	–	460	–
Directors							
Carina Andersson	210	–	–	–	–	210	–
Lars Olof Nilsson	280	–	–	–	–	280	–
Petter Stillström	250	–	–	–	–	250	–
Mats O Paulsson	210	–	–	–	–	210	–
President and CEO							
Peter Andersson	2,496	912	71	740	1	4,220	–
Other senior executives [1]	4,854	1,560	400	1,550	1	8,365	–
Total	**8,760**	**2,472**	**471**	**2,290**	**2**	**13,995**	**–**
Recognized as an expense in the Parent Company	5,306	1,308	163	1,232	1	8,010	–

[1] Other senior executives consist of three persons.
[2] Basic salary also include supplementary vacation pay.

Detailed below are the agreed terms for remuneration to the Board, the President and CEO and other senior executives. For an account of guidelines approved by the Annual General Meeting, see the Corporate Governance Report.

Board remuneration

The Chairman and other Board members are paid Board member fees as resolved by the Annual General Meeting. The Annual General Meeting resolved that Board member fees totaling SEK 1,380 thousands (1,260) will be distributed among the Board members as follows: SEK 460 thousands (420) to the Chairman of the Board and SEK 230 thousands (210) to each of the remaining Board members who are not employees of the company. In addition, remuneration of SEK 80 thousands (70) will be paid to the Chairman of the Audit Committé and SEK 40 thousands (40) for each of the other members of the Audit Committee. No fees are paid to members of the Remunerations Committee.

Remuneration to the President and CEO

Remuneration

In accordance with a decision by the Board of Directors, remuneration to the President and CEO normally takes the form of fixed cash salary, variable cash remuneration, pension benefits and other benefits. The fixed cash salary of the President and CEO amounted to SEK 2,520 M (2,280). For the President and CEO, maximum variable remuneration payable is 50 percent of the fixed cash salary. Potential bonus payments and the size of them are related to targets defined in advance and set by the Board.

Term of notice and severance pay

The President and CEO has a 9-month period of notice in the event of termination by the company and six months upon resignation. During the term of notice, the President and CEO is entitled to full pay and other benefits of employment, regardless of whether there is a duty to work or not. The President and CEO is not entitled to severance pay.

Pension benefits

For the CEO, pension benefits shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

Remunerations for other senior executives of the Parent Company and Group

Remuneration

Remuneration consists of fixed cash salary, variable cash remuneration, pension benefits and other benefits. The maximum variable remuneration payable to other senior executives is 50 percent of fixed cash salary. Whether or not bonuses are distributed and bonus amounts are determined by the CEO, after consultation with the Remuneration Committee, based on fulfillment of financial and individual targets.

Term of notice and severance pay

The notice period may not exceed twelve months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for twelve months for the other senior executives. The period of notice may not exceed six months without any right to severance pay when termination is made by the executive.

Pension benefits

For other senior executives, pension benefits shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

Remuneration Committee

Please see the Corporate Governance Report for more information about BE Group's preparation and decision process regarding executive remuneration.

NOTE 4 – AUDITORS' FEES AND REIMBURSEMENTS

Group	**2022**	**2021**
PwC		
Audit assignments	2	2
Audit activities in addition to the audit assignment	–	0
Consultation on taxation	0	0
Other services	0	0
Total fees and compensation for expenses	**2**	**2**

Parent Company	**2022**	**2021**
PwC		
Audit assignments	1	1
Audit activities in addition to the audit assignment	–	0
Consultation on taxation	0	–
Other services	0	0
Total fees and compensation for expenses	**1**	**1**

The total fee to PwC and its international network amounts to SEK 2 M (2) for the fiscal year 2022. The fee to the audit firm Öhrlings PricewaterhouseCoopers AB amounts to SEK 2 M (1).

NOTE 5 – PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

Parent Company	**2022**	**2021**
Dividend	261	98
Result from divestments of Group companies	-4	–
Total	**257**	**98**

NOTE 6 – OTHER OPERATING INCOME

Group	2022	2021
Capital gains on sales of fixed assets	–	1
Other	2	1
Total	**2**	**2**

Parent Company	2022	2021
Net exchange rate differences on receivables/liabilities of an operating nature	1	–
Other	–	0
Total	**1**	**0**

NOTE 7 – OTHER OPERATING EXPENSES

Group	2022	2021
Net exchange rate differences on receivables/liabilities of an operating nature	11	4
Write-down of assets	–	13
Other	–	3
Total	**11**	**20**

Parent Company	2022	2021
Net exchange rate differences on receivables/liabilities of an operating nature	–	0
Total	**–**	**0**

NOTE 8 – FINANCIAL INCOME

Group	2022	2021
Interest income from credit institutions	1	0
Other interest income	0	0
Net exchange rate differences	0	–
Other	5	2
Total	**6**	**2**

Parent Company	2022	2021
Interest income, Group companies	15	13
Net exchange rate differences	5	–
Total	**20**	**13**

All interest income is attributable to financial assets measured at the amortized cost.

NOTE 9 – FINANCIAL EXPENSES

Group	2022	2021
Interest expense to credit institutions	8	4
Interest expense leasing acc. to IFRS 16	10	10
Other interest expense	1	0
Net exchange rate differences	–	0
Other expenses	5	5
Total	**24**	**19**

Parent Company	2022	2021
Interest expense to credit institutions	0	0
Interest expense, Group companies	9	10
Net exchange rate differences	–	1
Other expenses	2	2
Total	**11**	**13**

All interest expense is attributable to financial liabilities measured at amortized cost.

NOTE 10 – TAXES

Group	2022	2021
Current tax expense (–)/tax asset (+)		
Tax expense/tax asset for the period	-77	-91
Adjustment of tax attributable to prior years	0	0
Total	**-77**	**-91**
Deferred tax expense (–)/tax asset (+)		
Deferred tax attributable to temporary differences	2	-3
Deferred tax attributable to tax loss carryforwards	-1	-15
Deferred tax attributable to change in tax rate	–	0
Others	0	0
Total	**1**	**-18**
Total consolidated reported tax expense (-)/tax asset (+)	**-76**	**-109**

Parent Company	2022	2021
Current tax expense (–)/tax asset (+)		
Tax expense/tax asset for the period	-26	-23
Total	**-26**	**-23**
Deferred tax expense (–)/tax asset (+)		
Deferred tax attributable to tax loss carryforwards	–	-15
Total	**–**	**-15**
Total reported tax expense (-)/ tax asset (+) Parent Company	**-26**	**-38**

Reconciliation of effective tax	2022	2021
Group		
Profit/loss before tax	400	604
Tax at prevailing rate for the Parent Company (21.4%)	-82	-124
Effect of different tax rates for foreign subsidiaries	1	2
Non-deductible expenses	-2	-2
Non-taxable revenues	2	1
Increase of loss carryforward without corresponding capitalization of deferred tax	-4	0
Taxes attributable to previous years	2	0
Share in earnings of joint venture	7	13
Other	0	1
Recognized effective tax	**-76**	**-109**

Reconciliation of the effective tax rate for the Group is based on a weighted average of the nominal tax rates that apply to each of the companies within the Group. The weighted average tax rate for the Group was 20.4% (20.3) for 2022.

Reconciliation of effective tax	2022	2021
Parent Company		
Profit/loss before tax	386	282
Tax at prevailing rate for the Parent Company (21.4%)	-80	-58
Non-deductible expenses	-4	–
Non-taxable revenues	58	20
Other	0	–
Recognized effective tax	**-26**	**-38**

Tax items recognized in other comprehensive income

Group	2022	2021
Total tax in other comprehensive income	**–**	**–**
Tax items recognized directly in equity	**–**	**–**

NOTE 11 – EARNINGS PER SHARE

Group	2022	2021
Earnings per share before dilution (SEK)	24.96	38.10
Earnings per share after dilution (SEK)	24.96	38.10

The calculation of the numerator and denominator used in the calculation of earnings per share is detailed below.

Profit/loss for the year	2022	2021
Profit/loss for the year (SEK M)	324	495

Weighted average number of common shares outstanding before dilution (individual shares)

	2022	2021
Total ordinary shares at January 1	12,983,204	12,983,204
Weighted common shares outstanding during the year, before dilution	**12,983,204**	**12,983,204**

Weighted average number of common shares outstanding after dilution (individual shares)

	2022	2021
Weighted average ordinary shares outstanding, before dilution	12,983,204	12,983,204
Weighted common shares outstanding during the year, after dilution	**12,983,204**	**12,983,204**

NOTE 12 – GOODWILL

Cash-generating units with goodwill

Goodwill	Sweden	Finland	Group total
Opening balance, January 1, 2021	314	243	557
Exchange differences	–	4	4
Closing balance, December 31, 2021	**314**	**247**	**561**
Opening balance, January 1, 2022	314	247	561
Exchange differences	–	22	22
Closing balance, December 31, 2022	**314**	**269**	**583**

Impairment testing

Cash generating units

The cash generating unit Sweden consists of the company BE Group Sverige AB, which is part of business area Sweden & Poland. The Finland cash generating unit consists of the company BE Group Oy Ab, which is a part of business area Finland & Baltics.

Recoverable amounts

Goodwill with an indefinite useful life is allocated to the Group's cash-generating units identified per operating segment.

The recoverable amount for a cash generating unit has been determined based on calculations of value in use. These calculations are based on estimated future cash flows before tax based on financial budgets approved by Group management covering a five-year period. Cash flow beyond the five-year period is extrapolated using the estimated growth rate. The estimated growth rate has been assumed to correspond to the growth rate in the fifth year, which is estimated to be about 2 percent (2) for all operating segments. Assumptions have also been made regarding operating margins, overheads, working capital needs and investment needs. The parameters have been set to correspond to a growth rate of about 2-2.5 percent (2) per year for all operating segments. The pre-tax discount rate applied amounts to 13.6 percent (10.7) for all operating segments.

The calculation as per December 31, 2022 shows that the right of use value exceeds the carrying amount of all cash generating units and therefore there is no impairment requirement. Nor was there any impairment requirement for the calculation as per December 31, 2021.

Sensitivity analysis

A number of sensitivity analyses have been done where the variables included in the value-in-use model were changed and the effect on the recoverable amount was analyzed. Sensitivity analyses show that the residual goodwill for all cash generating units would continue to be justifiable if the discount rate were to be raised by 1 percentage point or the growth rate, terminal growth or operating margin would be reduced by 1 percentage point. The table above shows how goodwill is distributed per cash generating unit.

NOTE 13 – OTHER INTANGIBLE ASSETS

	Other intangible assets		Customer relations		Software and licenses		Total	
Group	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Accumulated cost								
At January 1	6	4	1	1	152	147	159	152
Acquisitions	0	2	–	–	1	0	1	2
Disposals and scrappings	–	–	–	–	-1	0	-1	0
Reclassification	2	–	–	–	–	5	2	5
Divested/liquidated operations	–	–	–	–	-1	–	-1	–
Exchange differences for the year	0	0	–	–	2	0	2	0
Total accumulated closing balance	**8**	**6**	**1**	**1**	**153**	**152**	**162**	**159**
Accumulated scheduled depreciation								
At January 1	-4	-3	-1	-1	-145	-143	-150	-147
Disposals and scrappings	–	–	–	–	1	0	1	0
Reclassification	–	–	–	–	1	–	1	–
Scheduled amortization for the year	-1	-1	–	–	-3	-1	-4	-2
Exchange differences for the year	–	0	–	–	-3	-1	-3	-1
Total accumulated depreciation	**-5**	**-4**	**-1**	**-1**	**-149**	**-145**	**-155**	**-150**
Accumulated impairment								
At January 1	–	–	–	–	–	–	–	–
Impairment losses for the year	–	–	–	–	–	–	–	–
Total accumulated impairment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Carrying amount at end of period	**3**	**2**	**–**	**–**	**4**	**7**	**7**	**9**
Amortization for the year is reported on the following lines in the income statement								
Selling expenses	–	–	–	–	0	0	0	0
Administrative expenses	-1	-1	–	–	-3	-1	-4	-2
Total	**-1**	**-1**	**–**	**–**	**-3**	**-1**	**-4**	**-2**

Parent Company	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Accumulated cost								
At January 1	–	–	–	–	114	109	114	109
Reclassification	–	–	–	–	-2	5	-2	5
Total accumulated closing balance	**–**	**–**	**–**	**–**	**112**	**114**	**112**	**114**
Accumulated scheduled depreciation								
At January 1	–	–	–	–	-109	-108	-109	-108
Scheduled amortization for the year	–	–	–	–	0	-1	0	-1
Total accumulated depreciation	**–**	**–**	**–**	**–**	**-109**	**-109**	**-109**	**-109**
Carrying amount at end of period	**–**	**–**	**–**	**–**	**3**	**5**	**3**	**5**
Amortization for the year is reported on the following lines in the income statement								
Administrative expenses	–	–	–	–	0	-1	0	-1
Total	**–**	**–**	**–**	**–**	**0**	**-1**	**0**	**-1**

NOTE 14 – TANGIBLE ASSETS

Group	Buildings and land 2022	Buildings and land 2021	Plant and machinery 2022	Plant and machinery 2021	Equipment, tools, fixtures and fittings 2022	Equipment, tools, fixtures and fittings 2021	New constructioning progress and advance payments for tangible assets 2022	New constructioning progress and advance payments for tangible assets 2021	Total 2022	Total 2021
Accumulated cost										
At January 1	30	30	460	492	112	122	6	3	608	647
Acquisitions	–	–	30	4	1	2	22	19	53	25
Acquisitions of subsidiaries	15	–	32	–	1	–	–	–	48	–
Divestments of subsidiaries	0	–	-45	–	-3	–	–	–	-48	–
Disposals and scrappings	–	–	-6	-52	-1	-13	–	–	-7	-65
Reclassification	–	–	2	10	2	1	-10	-16	-6	-5
Exchange differences for the year	0	0	30	6	1	0	1	0	32	6
Total accumulated closing balance	**45**	**30**	**503**	**460**	**113**	**112**	**19**	**6**	**680**	**608**
Accumulated scheduled depreciation										
At January 1	-20	-19	-393	-422	-105	-115	–	–	-518	-556
Acquisitions of subsidiaries	-7	–	-19	–	-2	–	–	–	-28	–
Divestments of subsidiaries	0	–	36	–	3	–	–	–	39	–
Disposals and scrappings	–	–	5	50	0	13	–	–	5	63
Reclassification	–	–	4	3	–	–	–	–	4	3
Scheduled depreciation for the year	-1	-1	-18	-19	-3	-3	–	–	-22	-23
Exchange differences for the year	0	0	-26	-5	-1	0	–	–	-27	-5
Total accumulated depreciation	**-28**	**-20**	**-411**	**-393**	**-108**	**-105**	**–**	**–**	**-547**	**-518**
Accumulated impairment										
At January 1	–	–	0	-1	0	-1	–	–	0	-2
Disposals and scrappings for the year	–	–	0	1	0	1	–	–	0	2
Impairment losses for the year	–	–	5	–	–	–	–	–	5	–
Exchange differences for the year	–	–	0	0	0	0	–	–	0	0
Total accumulated impairment	**–**	**–**	**5**	**0**	**0**	**0**	**–**	**–**	**5**	**0**
Carrying amount at end of period	**17**	**10**	**97**	**67**	**5**	**7**	**19**	**6**	**138**	**90**

Parent Company	Equipment, tools, fixtures and fittings 2022	Equipment, tools, fixtures and fittings 2021	New constructioning progress and advance payments for tangible assets 2022	New constructioning progress and advance payments for tangible assets 2021	Total 2022	Total 2021
Accumulated cost						
At January 1	1	1	0	2	1	3
Reclassifications	–	0	–	-5	–	-5
Acquisitions	–	–	–	3	–	3
Total accumulated closing balance	**1**	**1**	**0**	**0**	**1**	**1**
Accumulated scheduled depreciation						
At January 1	-1	-1	–	–	-1	-1
Scheduled depreciation for the year	–	–	–	–	–	–
Total accumulated depreciation	**-1**	**-1**	**–**	**–**	**-1**	**-1**
Carrying amount at end of period	**0**	**0**	**0**	**0**	**0**	**0**

NOTE 15 – LEASE AGREEMENTS

The Group has leases for real estate, vehicles, machinery and other equipment used in the operations. Leases of real estate and machinery generally have a leasing period of between three and 15 years, while that for vehicles and other equipment is generally between three and five years. The Group's obligations in leases are secured by the lessor's ownership.

Right of use assets

The table below presents the book value of the right of use assets and amortization per asset class and the financial year's additional right of use assets.

2022	**Buildings**	**Cars**	**Equipment, tools, fixtures and fittings**	**Other**	**Total**
Depreciation	-81	-3	-5	-1	**-90**
Closing balance, December 31, 2022	455	5	30	4	**494**

Additional right of use assets during the 2022 financial year total SEK 94 M (16).

2021	**Buildings**	**Cars**	**Equipment, tools, fixtures and fittings**	**Other**	**Total**
Depreciation	-86	-3	-3	-1	**-93**
Closing balance, December 31, 2021	424	4	47	4	**479**

Lease liabilities

The table below presents the amounts recognized as lease liabilities in the consolidated balance sheet.

	2022	**2021**
Non-current leasing liabilities	405	394
Current leasing liabilities	94	87
Total	**499**	**481**

The table below presents a maturity analysis regarding contractually undiscounted payments of the lease liabilities.

	2022	**2021**
Maturity within 1 year	95	86
Maturity within 1-2 years	86	82
Maturity within 2-3 years	86	70
Maturity within 3-5 years	164	137
Maturity later than 5 years	99	131
Total	**530**	**506**

Earnings impact attributable to leases

The table below presents the amounts attributable to leases recognized in the consolidated income statement during the year.

Costs	**2022**	**2021**
Depreciation of rights of use	90	93
Interest expenses for leasing liabilities	10	10
Total	**100**	**103**

The Group's total cash outflow attributable to leases amounted to SEK 100 M (101).

Uncommenced leasing commitments

The Group has no material uncommenced leasing commitments.

NOTE 16 – PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2022	2021
Accumulated cost		
At January 1	1,630	1,630
Divestment	-12	–
Total accumulated cost	**1,618**	**1,630**
Accumulated impairment		
At January 1	-762	-762
Total accumulated impairment	**-762**	**-762**
Carrying amount at end of period	**856**	**868**

Specification of the Parent Company and Group's holdings of investments in Group companies

Subsidiaries/Reg. No./Domicile	Participating interests	%	Carrying amount
BE Group Sverige AB, 556106-2174. Sweden	20,000	100	709
BE Group Oy Ab, 1544976-7. Finland	204,000	100	147
BE Group OÜ, 10024510. Estonia	40	100	0
BE Group OÜ filiāle Latvijā, 40203322166. Latvia	100	100	0
BE Group OÜ Lietuvos filialas, 305776594. Lithuania	100	100	–
BE Group Sp. z o.o, 0000006520. Poland	20,216	100	–
			856

Divestments during the year	2022	2021
Lecor Stålteknik AB	-12	–
Total	**-12**	**–**

Acquisitions

During the second half of the year, BE Group Sverige AB acquired the shares of Goodtech Solutions Manufacturing AB, now BE Group Produktion Arvika AB. The costs related to the acquisition is included in the administrative costs in the balance sheet for 2022. Since the day of consolidation, the acquired company has contributed to the Group's net sales with SEK 7.5 M and the underlying result with SEK 0.2 M.

The table below includes assets and liabilities consolidated in connection to the acquisition. The acquisition is not material to BE Group's financial result.

Net assets	Book value	Value adjustment	Fair value
Property	1	6	7
Intangible assets	0	–	0
Tangible assets	1	2	3
Inventory, accounts receivable and other receivables	4	–	4
Accounts payable and other liabilities	-5	–	-5
Cash and equivalents	1	–	1
Total net assets	**2**	**8**	**10**

Cash flow effect	
Purchase price	-10
Cash and equivalents in the acquired companies	1
Total cash flow effect	**-9**

Earnings attributable to divested operations

In the third quarter, the transfer of Lecor Stålteknik AB was completed. The final purchase consideration amounted to approximately SEK 17 M and the cash flow effect was SEK 10 M. The sale had no major impact on the Group's earnings. The operations had annual net sales of approximately SEK 82 M in 2021 and were deconsolidated on July 1, 2022.

NOTE 17 – PARTICIPATIONS IN JOINT VENTURES

BE Group owns 50 percent of ArcelorMittal BE Group SSC AB (company registration number 556192-8770, domiciled in Karlstad, Sweden). The company is a Steel Service Center providing customer specific solutions within thin sheets and coils. The interest in the joint venture company is reported in the consolidated accounts using the equity method, by which 50 percent of profit after tax for the joint venture company will be reported as a share in earnings included in the consolidated operating result of BE Group. The joint venture is not material to BE Group's financial result.

Earnings in joint venture ArcelorMittal BE Group SSC AB	**2022**	**2021**
Profit/loss before tax	85	165
Tax	-18	-35
Profit/loss after tax	**67**	**130**
Dividends received	33	–

Overview of income statements and balance sheets for the joint venture	**2022**	**2021**
Net sales	1,192	1,032
Operating result [1]	85	165
Net financial items	0	0
Tax	-18	-35
Profit/loss for the year [2]	**67**	**130**
[1] Depreciations amounts to	*6*	*8*

	2022	**2021**
Non-current assets	194	186
Current assets excl. cash and equivalents	323	424
Cash and equivalents	56	25
Total assets	**573**	**635**

	2022	**2021**
Equity	401	399
Provisions	20	20
Long-term interest-bearing liabilities	–	–
Short-term interest-bearing liabilities	0	5
Other non-interest-bearing liabilities	152	211
Total equity and liabilities	**573**	**635**

Participations in joint ventures	**2022**	**2021**
Opening balance, cost	182	117
Dividends received	-33	–
Share in earnings of joint venture	34	65
Carrying amount at year-end [2]	**183**	**182**

Transactions with joint venture ArcelorMittal BE Group SSC AB	**2022**	**2021**
Receivables due from joint venture	–	–
Debts owed to joint venture	4	11
Sales to joint venture	–	–
Purchases from joint venture	85	111
Dividends received	32	–

Transactions with the joint venture are conducted at market prices and terms.

[2] The result is reported under "Participations in earnings of joint venture" in the consolidated income statement. Book value at the end of the year is reported under "Participations in joint ventures" in the consolidated balance sheet.

Impairment testing

Through BE Group Sverige AB, the Group is the owner of 50 percent of the shares in ArcelorMittal BE Group SSC AB. The value of the company's proportion is tested yearly by the recoverable amount being compared with the book value. Book value amounts to SEK 183 M.

The calculation as per December 31, 2022 shows that there is no impairment requirement. Nor was there any impairment requirement for the calculation as per December 31, 2021. For more information regarding impairment testing of goodwill, see Note 12.

NOTE 18 – OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Group	2022	2021
Accumulated cost		
At January 1	0	0
Exchange rate differences for the year	0	0
Carrying amount at end of period	**0**	**0**

NOTE 19 – INTEREST-BEARING RECEIVABLES, GROUP COMPANIES

Parent Company	2022	2021
Accumulated cost		
At January 1	184	102
New receivables	78	116
Settled receivables	-7	-34
Impairment of receivables	-10	–
Exchange rate differences for the year	3	0
Carrying amount at end of period	**248**	**184**
Of which recognized as non-current	*17*	*12*
Of which recognized as current	*231*	*172*

NOTE 20 – INVENTORIES

Group	2022	2021
Inventories		
Finished goods	614	520
Raw materials	482	474
Work in progress	31	39
Total	**1,127**	**1,033**

Group	2022	2021
Obsolescence reserve, inventories		
Carrying amount at January 1	-10	-9
Translation difference	0	0
Change for the year	-10	-1
Total obsolescence reserve, inventory	**-20**	**-10**

Accounting for inventory value is based on acquisition value taking into account write-downs due to obsolescence or as a result of the net sales value being lower than book value. Total write-down attributable to obsolescence amounts to -20 MSEK (-10) and the net sales value to -34 MSEK (0).

NOTE 21 – PREPAID EXPENSES AND ACCRUED INCOME

Group	2022	2021
Rent for premises	8	5
Insurance fees	0	1
IT expences	9	5
Other items	10	5
Total prepaid expenses and accrued income	**27**	**16**

Parent Company	2022	2021
IT expences	9	4
Other items	1	2
Total prepaid expenses and accrued income	**10**	**6**

NOTE 22 – EQUITY

Share capital and shares outstanding

Group	2022	2021
Issued capital at January 1	13,010,124	13,010,124
Issued capital at December 31	**13,010,124**	**13,010,124**

At December 31, 2022, registered share capital amounted to 13,010,124 (13,010,124) common shares. The quotient value per share is SEK 20.00 (20.00). Holders of common shares are entitled to dividends, the amount of which is set each financial year and shareholdings convey voting rights at the Annual General Meeting of one vote per share. All shares convey equal rights to the company's remaining net assets.

Reserves

Translation reserve

The translation reserve comprises of exchange rate differences arising from translation of the financial statements of foreign operations that have prepared their financial statements in a currency other than the currency in which consolidated financial statements are presented. The Parent Company and Group present their financial statements in Swedish kronor (SEK).

Group	2022	2021
Carrying amount at January 1	36	23
Exchange rate difference for the year	56	13
Carrying amount at end of period	**92**	**36**

Retained earnings including profit/loss for the year

Retained earnings including profit for the year include earnings in the Parent Company and its subsidiaries. This equity item includes prior provisions to the statutory reserve, excluding transferred share premium reserves.

Treasury shares

	2022		2021	
Group	**Number**	**Amount**	**Number**	**Amount**
Balance at January 1	26,920	21	26,920	21
Closing balance at end of period	**26,920**	**21**	**26,920**	**21**

Acquisition of treasury shares are recognized directly in retained earnings.

Parent Company

Restricted equity

Restricted reserves

Dividends that reduce restricted reserves are prohibited.

Statutory reserve

The purpose of the statutory reserve has been to save a portion of net profits not used to cover retained losses. The statutory reserve also includes the amount transferred to the share premium reserve prior to January 1, 2006.

Non-restricted equity

Retained earnings

Comprises of prior years' non-restricted equity after distribution of profits, if any. Combined with profit for the year, the total makes up non-restricted equity, which is the amount available for distribution to shareholders.

Share premium reserve

When shares are issued at a premium, that is, when more must be paid for the shares than their quotient value, an amount equal to the amount received in excess of the quotient value of the shares must be transferred to the share premium reserve. The amount transferred to the share premium reserve from January 1, 2006 is included in non-restricted equity.

NOTE 23 – PROVISIONS

Group	2022	2021
Restructuring costs	1	4
Total	**1**	**4**
Of which:		
Non-current	–	–
Current	1	4
Total	**1**	**4**

2022	Restructuring costs	Other
Carrying amount at January 1	4	–
Amount used during the period	-3	–
Carrying amount at end of period	**1**	**–**
Expected date of outflow of resources:		
2023	1	–
2024–2027	–	–
Total	**1**	**–**

The restructuring reserve consists of costs related to centralization of warehouse and production operations in Sweden and the Baltics.

Parent Company

The Parent Company currently holds no provisions (-).

NOT 24 – APPROPRIATION OF EARNINGS

The Board of Director´s proposal for the appropriation of earnings

The Board of Directors proposes dividend of SEK 12 (12) per share for the financial year of 2022 to be paid in two installments; SEK 6 per share in April 2023 and SEK 6 per share in October 2023 which corresponds to approximately SEK 156 M in total.

Funds available		
Share premium reserves	239,719,829	SEK
Retained earnings	272,223,962	SEK
Result for the year	360,194,562	SEK
Total	**872,138,353**	**SEK**
The Board of Directors proposes that the following amount is distributed to the shareholders	155,798,448	SEK
Balance carried forward	716,339,905	SEK
Total	**872,138,353**	**SEK**

NOTE 25 – DEFERRED TAX ASSETS AND TAX LIABILITIES

2022

Group	**Deferred tax assets**	**Deferred tax liabilities**	**Net**
Intangible assets	–	-23	-23
Buildings and land	0	-2	-2
Machinery and equipment	–	-1	-1
Inventory	0	0	0
Accounts receivable	1	–	1
Prepayments and accrued income	1	–	1
Other provisions	–	–	–
Loss carryforwards	0	–	0
Other [1)]	4	-22	-18
	6	**-48**	**-42**
Offset	0	0	0
Net deferred tax liability	**6**	**-48**	**-42**

2021

Group	**Deferred tax assets**	**Deferred tax liabilities**	**Net**
Intangible assets	–	-21	-21
Buildings and land	0	–	0
Machinery and equipment	–	-1	-1
Inventory	0	0	0
Accounts receivable	1	–	1
Prepayments and accrued income	–	–	–
Other provisions	1	–	1
Loss carryforwards	1	–	1
Other [1)]	2	-20	-18
	5	**-42**	**-37**
Offset	0	0	0
Net deferred tax liability	**5**	**-42**	**-37**

[1)] Mostly related to a defferred tax liability in Estonia. In Estonia, the tax is paid only when the dividend is paid to the Parent Company.

The parent company holds no deferred tax assets.

Change of deferred tax in temporary differences and loss carryforwards

Group

2022	**Carrying amount at beginning of period**	**Recognized in profit or loss**	**Acquisitions**	**Translation differences**	**Carrying amount at end of period**
Intangible assets	-21	–	–	-2	-23
Buildings and land	0	0	-2	–	-2
Machinery and equipment	-1	0	0	0	-1
Inventory	0	0	–	0	0
Accounts receivable	1	0	–	0	1
Prepayments and accrued income	–	1	–	–	1
Other provisions	1	-1	–	–	0
Loss carryforwards	1	-1	–	0	0
Other	-18	2	–	-2	-18
	-37	**1**	**-2**	**-4**	**-42**

Group

2021	Carrying amount at beginning of period	Recognized in profit or loss	Recognized in equity	Carrying amount at end of period
Intangible assets	-20	–	-1	-21
Buildings and land	0	0	–	0
Machinery and equipment	-1	0	0	-1
Inventory	0	0	0	0
Accounts receivable	1	0	0	1
Other provisions	6	-5	–	1
Loss carryforwards	16	-15	0	1
Other	-20	2	0	-18
	-18	**-18**	**-1**	**-37**

Change of deferred tax in temporary differences and loss carryforwards

Parent Company

2022	Carrying amount at beginning of period	Recognized in profit or loss	Recognized in equity	Carrying amount at end of period
Loss carryforwards	–	–	–	–
	–	**–**	**–**	**–**

Parent Company

2021	Carrying amount at beginning of period	Recognized in profit or loss	Recognized in equity	Carrying amount at end of period
Loss carryforwards	15	-15	–	–
	15	**-15**	**–**	**–**

Of the Group’s capitalized deferred tax assets on tax loss carryforwards, assets of SEK 0 M (1) are limited to a period of five years. These assets refers to Poland.

Unrecognized deferred tax assets

In the balance sheet, deferred tax assets have not been recognized for tax loss carryforwards for a deferred tax value of SEK 4 M (0), which are attributable to the foreign subsidiaries. The unrecognized amounts are equivalent to the portion of such carryforwards considered unlikely to be utilizable against future taxable results.

NOTE 26 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets to credit institutions

Group	2022	2021
Liens on assets	1,302	1,236
Total	**1,302**	**1,236**

Parent Company	2022	2021
Promissory notes receivable	345	325
Total	**345**	**325**

Financial assets pledged as collateral

The Parent Company has promissory notes receivable from BE Group Sverige AB and BE Group Oy Ab pledged as collateral for external loan agreements. The carrying amount is equal to the amount reported as pledged collateral. Please see Note 31 Financial risk management with regard to significant terms and conditions of external loan agreements.

Contingent liabilities

Group	2022	2021
Other guarantees	–	1
Future committments [1)	1,400	–
Total	**1,400**	**1**

Parent Company	2022	2021
Guarantee obligations for the benefit of subsidiaries	–	1
Future committments [1)	1,400	–
Total	**1,400**	**1**

[1) Refers to committments according to agreement with H2 Green Steel regarding cooperation and distribution of fossil-free steel at the Nordic market. The committment towards H2 Green Steel expects approved deliveries within certain stipulated times.

The Parent Company provides a joint and several guarantee covering subsidiaries' payment of receivables to materials suppliers. In addition to these reported commitments, the Parent Company has also provided customary guarantees for subsidiaries' obligations to pay rent to property owners. Please see Note 15 for further information about lease agreements.

NOTE 27 – CURRENT INTEREST-BEARING LIABILITIES

Group	2022	2021
Overdraft facility		
Credit limit	150	100
Unutilized part of credt limit	-150	-100
Utilized credit amount	**–**	**–**
Current leasing liabilities	94	87
Other current interest-bearing liabilities	1	8
Total current interest-bearing liabilities	**95**	**95**

NOTE 28 – ACCRUED EXPENSES AND DEFERRED INCOME

Group	2022	2021
Accrued salaries	64	58
Accrued social security expenses	14	14
Bonuses to customers	3	3
Other items	31	35
Total accrued expenses and deferred income	**112**	**110**

Parent Company	2022	2021
Accrued salaries	4	3
Accrued social security expenses	1	1
Other accrued expenses	4	7
Total accrued expenses and deferred income	**9**	**11**

NOTE 29 – SUPPLEMENTARY DISCLOSURES TO CASH FLOW STATEMENT

Group	2022	2021
Interest paid		
Interest received	6	0
Interest paid	-23	-14
Adjustment for non-cash items		
Depreciation, amortization and write-down of fixed assets [1)]	115	118
Impairment of inventory	42	1
Unrealized exchange rate differences	1	2
Capital gain/loss on sale of fixed assets	0	-1
Difference between participation in joint venture and dividends received	-1	-65
Provisions and other items not affecting liquidity	16	-27
Total	**173**	**28**

Parent Company	2022	2021
Interest paid and dividends received		
Dividends received	261	98
Dividends paid	-156	–
Interest received	15	13
Interest paid	-9	-10
Adjustment for non-cash items		
Depreciation and write-down of assets	2	1
Provisions and other items not affecting liquidity	-13	–
Total	**-11**	**1**

[1)] In depreciation, amortization and write-downs, SEK 90 M (93) is associated with amortization on right of use assets related to IFRS 16.

Reconcilation of debt

		Cash flow	Items not affecting cash flow				
Group	**31/12/21**		**Acquisitions**	**New lease agreements**	**Other [1)]**	**Exchange rate differences**	**31/12/22**
Overdraft facility	**–**	–	–	–	–	–	**–**
Factoring	**295**	105	–	–	–	7	**407**
Bank loan	**–**	–	0	–	–	–	**–**
Lease liability	**481**	-100	–	94	-8	32	**499**
Total	**776**	**5**	**0**	**94**	**-8**	**39**	**906**

		Cash flow	Items not affecting cash flow				
Group	**31/12/20**		**Acquisitions**	**New lease agreements**	**Other[1)]**	**Exchange rate differences**	**31/12/21**
Overdraft facility	**–**	–	–	–	–	–	**–**
Factoring	**322**	-30	–	–	–	3	**295**
Bank loan	**–**	–	–	–	–	–	**–**
Lease liability	**541**	-91	–	16	-16	31	**481**
Total	**863**	**-121**	**–**	**16**	**-16**	**34**	**776**

[1)] In other, mainly modifications, indexations and premature terminations are reported.

NOTE 30 – RELATED-PARTY TRANSACTIONS

Group

During the year, the Group had transactions with joint venture company ArcelorMittal BE Group SSC AB. See Note 17 for further details.

In other regards, no transactions have taken place between BE Group and related parties that have had a material impact on the company's position and results.

See Note 3 for disclosures on remuneration and benefits paid to senior executives and Board members.

Parent Company

The Parent Company has decisive control over its subsidiaries, see Note 16, and has had the following transactions with related parties:

Parent Company´s transactions with subsidiaries	2022	2021
Sales of services	154	103
Purchases of services	-5	-5
Interest income	15	13
Interest expense	-9	-10
Dividend received (+)/paid (-)	261	98
Group contributions received(+)/paid (-)	39	124
Claims on related parties on balance day	353	355
Debt to related parties on balance day	-47	-278

NOTE 31 – FINANCIAL RISK MANAGEMENT

In its operations, BE Group is exposed to a number of financial risks. The management of these risks is regulated through the Group's finance policy. The finance policy is established by the Board and provides a framework for BE Group's management of the financial risks in its operations. BE Group maintains a centralized finance function that is responsible for identifying and managing the financial risks in accordance with the established policy. The finance function reports to the President and CEO of BE Group.

BE Group's ongoing operations cause a number of financial risks. These consist of market risk (currency and interest risk), refinancing risk (liquidity risk) and credit risk. The goals that have been established in the finance policy are stated under the respective heading below.

Market risk

Market risk is the risk that fluctuations in market rates, such as interest and exchange rates, will impact the Group's profits or financial position.

Currency risk

By reason of its international operations, BE Group is exposed to currency risk through exchange rate fluctuations. BE Group's currency exposure comprises both transaction exposure and translation exposure.

Transaction exposure

Transaction exposure arises when the Group conducts purchasing in one currency and sales in another, meaning that the transaction exposure is attributable to accounts receivable and payable. The Group's purchases are denominated mainly in SEK and EUR, while sales are denominated in local currency. BE Group's objective is to minimize the short-term and long-term impact of movements in foreign exchange rates on the company's profit and equity. This is mainly achieved by matching revenues and expenses in business transactions with currencies other than SEK. When matching cannot be achieved, the Group sometimes utilizes forward contracts for currency hedging. All currency hedging is performed by the Group's central finance function in the Parent Company. At year-end, BE Group had no outstanding forward contracts relating to transaction exposure.

During 2022, BE Group's transaction exposure in EUR amounted to EUR 142 M (112), consisting of the difference between actual purchasing and sales in EUR. The Group mainly makes its purchases in EUR while sales are in local currency. The real effect of the transaction exposure affected operating profit/loss by SEK -12 M (-4). Based on income and expenses in foreign currency for 2022, it is estimated that a change of +/- 5 percent in the SEK against the EUR would give an effect of about +/- SEK -9 M in the operating result. On the balance sheet date, the Group had operating liabilities of EUR 7 M net and financial liabilities of EUR 14 M.

Translation exposure

As of the balance sheet date, net assets are allocated among the following currencies:

Amount	SEK M	
SEK	1,106	67%
EUR	533	33%
Others	-2	0%
Total	**1,637**	**100%**

The Group applied hedge accounting for net investments until August 2019. Read more about how this was handled under Accounting principles.

The Group's earnings are affected by the currency rates used in the translation of the results of its foreign units. Based on conditions in 2022, it is estimated that a 5 percent strengthening of the SEK against the EUR would entail an effect of SEK -8 M on operating result in the translation of the earnings of foreign units.

Interest risk

Interest risk is attributable to fluctuations in market interest rates and their effect on the Group's loan portfolio. Consolidated interest-bearing liabilities are mainly subject to variable interest or short terms of fixed interest.

At the end of the year, the total interest-bearing debt excl. IFRS 16 was SEK 407 M (295). Interest-bearing assets in the form of cash and bank balances amounted to SEK 50 M (54).

A change in interest rates of one percent would affect consolidated net financial items by approximately SEK +/- 4 M and consolidated equity by approximately SEK +/- 3 M. The sensitivity analysis has been conducted on the basis of current net debt at the end of the period.

The table below details the consolidated interest-bearing liabilities outstanding at December 31, 2021 and December 31, 2022.

Loan terms, maturity structure/fixed rate terms and fair value

		Nominal amount in original currency		Carrying amount (SEK M)		Fixed interest rate No of days		Interest rate on the balance sheet day		Maturity	
(SEK M)		**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Factoring	EUR M	14	6	155	61	floating	floating	3.10%	1.10%	2024	2023
Factoring	SEK M	252	234	252	234	floating	floating	3.60%	1.10%	2024	2023
accrued interest				–	–						
Total financial liability				**407**	**295**						
Of which, current liability				*1*	*8*						
Parent Company [1]											
Bank loan, SEK	SEK M	–	–	–	–	–	–	–	–	–	–
Bank loan, EUR	EUR M	–	–	–	–	–	–	–	–	–	–
accrued interest				–	–						
Total interest-bearing liabilities, Parent Company				**–**	**–**						
Of which, current liability				–	–						
Total interest-bearing liabilities, Group				**407**	**295**						
Of which, current liability				*1*	*8*						

[1] In addition to its external interest-bearing liabilities, the Parent Company has Group-internal liabilities amounting to EUR 0 M (6) and SEK 39 M (163). The recognized amount totals SEK 39 M (226). The interest rates are based on three-month EURIBOR and STIBOR. There is no accrued interest on the balance sheet date. In addition to these liabilities, the Parent Company has interest-bearing liabilities related to the intra-group cash pool that amount to SEK 5 M (49) as per the balance sheet date. The interest applied in the cash pool is based on STIBOR T/N.

The recognized amount for interest-bearing liabilities constitutes a good approximation of the fair value.

Refinancing risk (liquidity risk)

BE Group is a net borrower and a refinancing risk arises in connection with the extension of existing loans and the raising of new loans. Access to external financing, which is affected by factors such as the general trend in the capital and credit markets, as well as the borrower's creditworthiness and credit capacity, may be limited and there may be unforeseen events and costs associated with this. The borrowing strategy focuses on securing the Group's borrowing needs, both with regard to long-term financing needs and day-to-day payment commitments. BE Group works to maintain satisfactory payment capacity by means of unutilized credit facilities and through active control of its working capital, which is the main item affecting the Group's liquidity.

Maturity structure, financial liabilities

	Financial liabilities	
	2022	**2021**
Maturity within 90 Days	536	700
Maturity within 91–180 Days	3	0
Maturity within 181–365 Days	9	18
Maturity within 1–5 years	423	288
Maturity later than 5 years	0	0
Total	**971**	**1,006**

The table above details the maturity structure for financial liabilities and shows the undiscounted future cash flows. BE Group has an overdraft facility of SEK 150 M, of which SEK 0 M had been utilized as of December 31, 2022, see Note 27. Of the financial liabilities that fall due for payment within one to five years, the largest part relate to the Parent Company's credit facility maturing in 2024.

Credit agreement

Current credit agreement with Skandinaviska Enskilda Banken was signed 2019 and has a maturity of three years with an option for extension of another 1+1 years. In 2022, the second option for extension was used and the credit agreement was thus extended until 2024.

The key figures measured are net debt/equity ratio and interest coverage ratio. The covenants are measured quarterly, and the interest coverage ratio is based on the trend over the past 12-month period. The majority of the facility refers to factoring where the accounts receivables in BE Group Sverige AB and BE Group Oy Ab are pledged as a basis for the borrowing. On the balance sheet date, the Group has unutilized credit facilities in an amount of SEK 319 M (including overdraft facilities).

Credit risk

When entering into new business relations and extending existing ones, BE Group makes a commercial assessment.

The risk that payment will not be received on accounts receivable represents a customer credit risk. BE Group applies credit policies to manage this risk by limiting the outstanding credit extended and terms for various customers as well as a Group wide credit insurance. Short credit terms and the absence of risk concentrations towards individual customers and specific sectors contribute to reducing credit risk in Sweden and Finland.

The spread of risk among the customer base is satisfactory as no individual customer accounted for more than 6 percent (5) of sales in 2022. The ten largest customers combined accounted for about 16 percent (14) of sales.

Credit exposure arises in conjunction with placements of cash and cash equivalents. BE Group manages the risk that a counterparty will default by selecting creditworthy counterparties and limiting the commitment per counterparty.

In all material respects, the Group's credit exposure coincides with the carrying amount of each class of financial instrument.

Provision for accounts receivable

In order to calculate anticipated credit losses, accounts receivable have been grouped based on credit risk characteristics and the number of days of delay. The anticipated credit loss levels are based on the customers' loss history. Historical losses are then adjusted to take into consideration current and prospective information about macroeconomic factors that can affect the customers' possibilities of paying the receivable. The historical loss level is adjusted based on the anticipated changes in these factors. Accounts receivable are written off when there is no reasonable expectation of repayment. Indicators that there is no reasonable expectation of repayment include that the debtor fails with the repayment plan or that contractual payments are more than 90 days delayed. Credit losses on accounts receivable are recognized as credit losses – net within the operating result. Reversals of amounts previously written off are recognized in the same line in the income statement.

	Not overdue		**Overdues 1-30 days**		**Overdues 31-90 days**		**Overdues more then 90 days**		**Total**	
Group	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Accounts receivable – gross	621	612	48	38	6	4	8	3	**683**	**657**
Loss	0	0	-1	0	0	-1	-7	-3	**-8**	**-4**
Expected loss %	*0%*	*0%*	*2%*	*0%*	*0%*	*12%*	*88%*	*100%*	***1%***	***1%***

Loss reserve

The changes in the loss reserve are specified below.

	2022	**2021**
Provision at January 1	**4**	**3**
Increase of loss reserve, change accounted for in income statement	4	1
Reversals of reserves	0	0
Realized losses	0	0
Exchange rate differences	0	0
Provision at December 31	**8**	**4**

Impairments

The Group has two kinds of financial assets that are in the application area for the model for anticipated credit losses:
– Accounts receivable attributable to sales of goods
– Cash and equivalents

Cash and equivalents are within the application area for impairments according to IFRS 9, the impairment that would come into question has been deemed immaterial. See above for information on anticipated credit losses regarding accounts receivable.

Valuation of financial assets and liabilities

In all material respects, fair value coincides with the carrying amount in the Balance Sheet for financial assets and liabilities. The total carrying amounts and fair value as per asset class are shown in the table below:

Group	**Measurement category**
A	Financial assets and liabilities valued at fair value via profit and loss for the period
B	Amortized cost
C	Financial assets available for sale
D	Financial liabilities measured at amortized cost

2022	Carrying value according to balance sheet	Of which, financial instruments covered by disclosure requirements in IFRS 7	Group A	B	C	D	Total carrying value	Fair value
Assets								
Other securities held as non-current assets	0	0	–	–	0	–	**0**	E/T
Non-current receivables	0	0	0	–	–	–	**0**	0
Accounts receivable	675	675	–	675	–	–	**675**	675
Other receivables	37	6	–	6	–	–	**6**	6
Prepaid expenses and accrued income	27	6	–	6	–	–	**6**	6
Cash and equivalents	50	50	–	50	–	–	**50**	50
Liabilities								
Non-current interest-bearing liabilities	406	406	–	–	–	406	**406**	406
Current interest-bearing liabilities	1	1	–	–	–	1	**1**	1
Accounts payable	480	480	–	–	–	480	**480**	480
Other liabilities	101	0	–	–	–	0	**0**	0
Accrued expenses and deferred income	112	53	–	–	–	53	**53**	53

2021	Carrying value according to balance sheet	Of which, financial instruments covered by disclosure requirements in IFRS 7	Group A	B	C	D	Total carrying value	Fair value
Assets								
Other securities held as non-current assets	0	0	–	–	0	–	**0**	E/T
Non-current receivables	0	0	0	–	–	–	**0**	0
Accounts receivable	653	653	–	653	–	–	**653**	653
Other receivables	19	17	–	17	–	–	**17**	17
Prepaid expenses and accrued income	16	15	–	15	–	–	**15**	15
Cash and equivalents	54	54	–	54	–	–	**54**	54
Liabilities								
Non-current interest-bearing liabilities	287	287	–	–	–	287	**287**	287
Current interest-bearing liabilities	8	8	–	–	–	8	**8**	8
Accounts payable	641	641	–	–	–	641	**641**	641
Other liabilities	97	0	–	–	–	0	**0**	0
Accrued expenses and deferred income	110	70	–	–	–	70	**70**	70

Fair value for long-term borrowing corresponds in all material respects with reported value as the borrowing runs at a variable interest rate and the own credit risk has not changed significantly. For other financial assets and liabilities, fair value corresponds in all material respects to reported value as they are short-term and the discounting effect is not considered to be significant.

Risk management and insurance

The responsibility for risk management within BE Group lies with the Group's central finance function. The objective of these efforts is to minimize the total cost of the Group's loss risks. This is accomplished by continually improving loss prevention and loss limitation in operations and through a Group-wide insurance solution.

NOTE 32 – KEY ESTIMATES AND ASSESSMENTS

Certain assumptions about the future and certain estimates and assessments as of the balance sheet date are particularly significant to measurement of assets and liabilities in the balance sheet. According to management assessment, none of the asset and liability amounts reported are associated with risk that material adjustment will be required in the next year.

Impairment of goodwill

The value of recognized goodwill is tested at least once a year to determine whether the asset may be impaired. The test requires assessment of the value in use of the cash generating unit, or groups of cash generating units, to which the goodwill has been allocated. This in turn requires that the expected future cash inflows from the cash generating units must be estimated and a relevant discount rate determined to calculate the present value of cash inflows.

See Note 12 for a description of impairment testing and assumptions used in the process.

Assessment of the leasing period

BE Group determines the leasing period as the non-terminable leasing period, together with both periods covered by a possibility to extend the lease if the Group is reasonably certain of exercising the option and periods that are covered by a possibility to terminate the lease if the Group is reasonably certain of not exercising that option.

BE Group has leases that contain extension options and/or termination options. The Group assesses whether or not it will exercise the options with reasonable certainty. This means that the Group considers all relevant factors that create incentives for the Group to exercise an extension/termination option.

The Group makes a new assessment of the leasing period if a significant event occurs or if circumstances, which are within the Group's control, significantly affect its ability to exercise or not exercise an extension/termination option (e.g. in the event of substantial adaptations of a leased asset).

For additional information, please see Note 15.

Inventories

The cost of inventory is tested upon each close of books against estimated and assessed future selling prices. In the judgment of BE Group's management, necessary impairments have been recognized based on the information available when the closing accounts were prepared.

NOTE 33 – SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

No significant events have taken place after the end of the period.

APPROPRIATION OF EARNINGS

The Board of Directors' proposal for the appropriation of earnings

The Board of Directors proposes dividend of SEK 12 (12) per share for the financial year of 2022 to be paid in two installments; SEK 6 per share in April 2023 and SEK 6 per share in October 2023 which corresponds to approximately SEK 156 M in total.

Funds available		
Retained earnings	511,943,791	SEK
Result for the year	360,194,562	SEK
Total	**872,138,353**	**SEK**
The Board of Directors proposes that the following amount are distributed to shareholders	155.798.448	
Balance carried forward	716,339,905	SEK
Total	**872,138,353**	**SEK**

The consolidated financial statements and the annual report were prepared in compliance with the International Financial Reporting Standards defined in Regulation (EC) 1606/2002 of the European Parliament and the Council of July 19, 2002 concerning application of International Financial Reporting Standards and generally accepted accounting principles and give a true and fair view of the financial position and performance of the Group and the Parent Company.

The Board of Directors' Report provides a true and fair view of the Group and the Parent Company's operations, financial position and performance and describes the significant risks and uncertainty factors faced by the Parent Company and other BE Group companies.

The annual and consolidated accounts are subject to approval by the Annual General Meeting on April 20, 2023.

The Board of Directors and the President and CEO has approved the annual report and the financial statements for publication on March 17, 2023.

Malmö, March 17, 2023

Jörgen Zahlin
Chairman of the Board

Monika Gutén
Member of the Board

Lars Olof Nilsson
Member of the Board

Mats O Paulsson
Member of the Board

Petter Stillström
Member of the Board

Ida Strömberg
Employee Representative

Peter Andersson
President and CEO

Our Audit Report was submitted on March 17, 2023
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Partner in charge

Johan Rönnbäck
Authorized Public Accountant

The information in the Annual Report is such that BE Group AB (publ) is required to publish pursuant to the Securities Markets Act. The information was submitted for publication on March 29, 2023.

AUDITOR'S REPORT

Unofficial translation

To the general meeting of the shareholders of BE Group AB (publ), corporate identity number 556578-4724.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of BE Group AB (publ) for the year 2022 except for the sustainability report on pages 10-20. The annual accounts and consolidated accounts of the company are included on pages 6-63 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 10-20. 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.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
Valuation of intangible assets With reference to Note 12.	
The value of goodwill with indefinite useful lives represent a significant part of the Balance Sheet for BE Group. In accordance with IFRS, management is to annually execute an impairment test. No impairment requirement was identified by management in conjunction with this testing as at year end closing. Certain assumptions and judgments made by management refer to future cash flows and the circumstances are complex and have a major impact on the calculation of the value in use. This applies, in particular, to the assessment of the future growth rate, profit margins, working capital, investments and the discount rate. Changes in assumptions could lead to a change in the reported value of intangible assets and goodwill.	In our audit, we have assessed the calculation models applied by management and have concluded that the most important assumptions in the models agree with the company's budget. In our audit we have focused on determining if impairment requirements exist for intangible assets. We have also taken a position as regards the reasonability of company management's assumptions and judgments. This has been carried out through an analysis of how well previous years' assumptions have been achieved, and effects of any possible adjustments in assumptions compared with the previous year due to changes arising as a result of the development of the operations and external factors. We have also executed independent sensitivity analyses to test the safety margin for the cash-generating units in order to determine the extent of changes required in key variables before an impairment requirement would arise. We have also assessed the correctness in the related disclosures in the Annual Report.
Inventory- valuation With reference to Note 20.	
Inventory is measured at accumulated cost considering write down effects for obsolescence or slow moving inventory or as a result of the net realizable value being below the book value. The inventory is an essential area for the financial statements and includes complex calculations and judgments on behalf of management.	We have evaluated the mathematical calculation model applied to the pricing of inventory. As support for our audit, specific data analyses have been performed to focus the audit on the inventory articles of specific interest, which were then subject for further examination measures against supporting documentation. Furthermore, we have also performed an analysis and testing of the group's impairment model for obsolete and slow-moving articles and assumptions. We have also assessed the correctness in the related disclosures in the Annual Report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-5, the sustainability report on pages 10-20 and pages 68-81. Other information also consists of the remuneration report 2022 which we obtained before 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 Director's and the Managing Director

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

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

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

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of BE Group AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Director's and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for BE Group AB (publ) for the financial year 2022.

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

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

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

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

Responsibilities of the Board of Director's and the Managing Director

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

Auditor's responsibility

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

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

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

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

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

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report has been marked with iXBRL in accordance with what follows from the ESEF regulation.

Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report on pages 10-19 and that it has been prepared in accordance with the Annual Accounts Act.

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

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of BE Group AB (publ) by the general meeting of the shareholders on 21 April 2022 and has been the company's auditor since 7 May 2015.

Malmö, 17 March 2023
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Partner in charge

Johan Rönnbäck
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report has been prepared as an independent document in relation to the Annual Report. Information in accordance with Chapter 6, Section 6 of the Annual Accounts Act, Paragraphs 3-6, can be found in the Board of Director's Report's sections on share-related information and corporate governance in the Annual Report.

Operations and governance of BE Group

BE Group AB (publ) is a Swedish limited liability company listed on Nasdaq Stockholm. Governance of BE Group is based on the Swedish Companies Act and Annual Accounts Act, Nasdaq Stockholm's rules and regulations, the Swedish Code of Corporate Governance (the "Code"), BE Group's Articles of Association and other relevant regulations. Information on the Company's operations is available on the Company's website, www.begroup.com.

Shareholders exercise their decision-making rights at the Annual General Meeting (as well as at possible extraordinary meetings), which is the Company's highest decision-making authority. The Board of Directors and the Chairman of the Board of Directors are appointed by the Annual General Meeting while the President is appointed by the Board of Directors. The Company's accounts as well as the administration of the Board of Directors and the President are reviewed by auditors appointed by the Annual General Meeting. The Annual General Meeting adopts principles for the appointment of the Nomination Committee, which formulates proposals to the Annual General Meeting prior to the election and setting of fees for the Board of Directors and auditors. In addition to laws, regulations and the Code, BE Group applies internal governance instruments such as a code of conduct and information policy.

Shareholders

Ownership and share capital

On December 31, 2022, BE Group's share capital amounted to SEK 260,202,480 allocated among 13,010,124 shares. All shares in the Company convey equal rights in every respect. At the end of the year, BE Group had 12,101 shareholders. The Company's largest shareholders were AB Traction, Svedulf Fastighets AB, Avanza Pension and Quilter Inter Isle of Man Ltd. The proportion of foreign ownership amounted to 11.1 percent. At the end of the year, the Company held 26,920 treasury shares (0.2 percent of share capital). More information on the ownership structure of BE Group is available at www.begroup.com.

Annual General Meeting

The Annual General Meeting considers resolutions regarding: dividends, adoption of the Income Statement and Balance Sheet, discharge of liability for Board members and the President, election of Board members, the Chairman of the Board of Directors and auditors, approval of fees to the Board members and auditors, adoption of executive remuneration guidelines, and, when applicable, adoption of principles for appointing the Nomination Committee. At the Annual General Meeting, shareholders have the opportunity to ask questions about the Company. All Board members, management and the auditors are normally present at the meeting to answer such questions.

The 2022 Annual General Meeting was held on April 21 in Malmö, Sweden. At the Annual General Meeting 6,453,484 shares were represented, divided among 25 shareholders who participated in person or through a proxy. The shares represented corresponded to 49.7 percent of the total number of voting shares in BE Group. The minutes are available at the company's website, www.begroup.com. The Annual General Meeting re-elected Board members Jörgen Zahlin, who was also elected as the Chairman of the Board of Directors, Lars Olof Nilsson, Mats O Paulsson and Petter Stillström and new election of Monika Gutén. The accounting firm Öhrlings PricewaterhouseCoopers AB was re-elected as the auditor for the Company. Some of the Annual General Meeting's other resolutions were that:

- in accordance with the proposal by the Board of Directors, to pay a dividend of SEK 12 for financial year 2021;
- to pay Board fees totaling SEK 1,380,000, of which SEK 460,000 was to the Chairman of the Board of Directors and SEK 230,000 each to the other members elected by the Annual General Meeting. The Annual General Meeting decided that remuneration for work in the audit committee shall be paid in an amount of SEK 160,000;
- to approve the Board of Directors' report regarding compensation pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.
- to authorize the Board of Directors, on one or several occasions and not later than the 2023 Annual General Meeting, to make decisions regarding the transfer of treasury shares for the purpose of financing smaller corporate acquisitions.

Annual General Meeting 2023

BE Group's Annual General Meeting will take place on April 20, 2023, at 4:00 pm in Malmö, Sweden. Further information will be available at the company's website, www.begroup.com.

Nomination Committee

As resolved by the Annual General Meeting, the Nomination Committee must consist of four members, who, in addition to the Chairman of the Board of Directors, shall include representatives for each of the three largest shareholders in the Company in terms of voting rights, as of August 31 each year. The names of the three shareholder representatives and the shareholders they represent shall be announced as soon as the Nomination Committee has been appointed and at least six months before the Annual General Meeting. Unless the members agree otherwise, the member who represents the largest shareholder in terms of voting rights shall be Chairman of the Nomination Committee. If a member of the Nomination Committee resigns before the process is complete, a substitute nominated by the same shareholder may take that member's place. If a significant change takes place in the Company's ownership structure after August 31, rules are in place regarding how the composition of the Nomination Committee can be changed. Prior to the 2023 Annual General Meeting, the Nomination Committee consists of Petter Stillström, AB Traction, chairman, Jörgen Zahlin, (Chairman of the Board of BE Group), Alf Svedulf, Svedulf Fastighets AB and Johan Ahldin, The Pure Circle AB.

The Nomination Committee is tasked with: submitting to the Annual General Meeting its nominations for Chairman of the Board of Directors and other Board members accompanied by a justified statement regarding the proposal, proposing fees for the Board of Directors and the auditors and any remuneration for committee work, proposing auditors and nominating an individual to serve as the chairman of the Annual General Meeting. The Nomination Committee is also charged with assessing the independence of Board members in relation to the Company and major shareholders.

When preparing its proposal for the Board of Directors before the Annual General Meeting 2022 and 2023, the Nomination Committee applied the following diversity policy. As a whole, the Board of Directors must have an appropriate combined competence and experience for the activities that are conducted to be able to identify and understand the risks that the business entails. The Nomination Committee strives to achieve diversity on the Board. The objective of the diversity policy is that the Board of Directors shall consist of members with varying industry experience, competence, geographical background and with a varying educational and professional background, which together contribute to an independent and critical questioning of the Board, and an even gender distribution shall be sought. The Annual General Meeting 2022 decided to appoint Board members in accordance with the Nomination Committee's proposal, which means that five members were elected, of which one woman and four men. As far as the Nomination Committee's ambitions of a more even gender distribution are concerned, it has not been possible to achieve this, but the Nomination Committee's continued ambition is to create a more even gender distribution on the Board. As a basis for its proposals to the 2023 Annual General Meeting, the Nomination Committee assessed whether the Board of Directors has a suitable composition and meets the requirements on the Board of Directors imposed by the Company's operations, position and conditions in other regards. The assessment was based on material including relevant sections of the evaluation of the Board's work performed under the Chairman's guidance.

The Board of Directors and its work

Composition

Under the Articles of Association, the Board of Directors of BE Group must consist of at least three and no more than ten Board members elected by the Annual General Meeting for a term that lasts until the end of the next Annual General Meeting. Over the year, the Board of Directors of the Company consisted of five members elected by the 2022 Annual General Meeting: Jörgen Zahlin (Chairman), Monika Gutén, Lars Olof Nilsson, Mats O Paulsson and Petter Stillström and the employee representative Ida Strömberg. Please refer to the Annual Report and www.begroup.com for a more detailed presentation of the Board members. All members are independent in relation to BE Group and executive management. With the exception of Petter Stillström, all Board members are considered independent in relation to BE Group's principal owners. From Group Management, the President and the CFO normally attend Board meetings and report on the Group's development. Apart from the members of the Board of Directors, other officers of BE Group and external parties participated in Board meetings to present reports on particular issues. The Company's CFO served as the secretary of the Board in 2022.

Rules of procedure of the Board of Directors

The Board of Directors is appointed by BE Group's shareholders to have ultimate responsibility for the Group's organization and administration of the Group's interests. At the statutory Board of Directors meeting directly following the Annual General Meeting, the Board of Directors adopted rules of procedure that closely regulates its work and responsibility as well as the special work tasks that are the responsibility of the Chairman of the Board. The Chairman of the Board, Jörgen Zahlin, leads the Board's work and monitors the operation through a continuous dialogue with the President. Through monthly reports and Board meetings, the Board of Directors obtains information about BE Group's economic and financial status. Prior to every Board meeting, the Chairman and the President review those issues that shall be addressed at the meeting. Documentation for the Board's handling of the issues is sent to the Board members approximately one week before every Board of Directors meeting. The Board of Directors has also established sets of instructions for the President and for financial reporting to the Board of Directors and has adopted other special policies.

The Board has an Audit Committee and a Renumeration Committee. The members of the committees are appointed annually by the Board of Directors at its statutory meeting following its election by the Annual General Meeting. Instructions to the Committees are included in the rules of procedure of the Board of Directors.

Work of the Board of Directors in 2022

During 2022, the Board of Directors held 11 meetings, of which one per capsulam. According to the rules of procedure, the Board of Directors shall meet on five occasions per year, in addition to its statutory meeting. Additional meetings shall be held as necessary. One of the meetings during the year is regularly held at one of BE Group's operative units. The table provides a report of attendance by Board members at the six meetings prior to the Annual General Meeting and the five meetings after the Annual General Meeting. As shown, attendance at Board meetings during the year was excellent.

The Board of Directors, attendance 2022	Elected	Attendance	Committee work	Attendance	Board-fees	Fee audit-committee	Independent of company & companies management	Independent of larger owners
Jörgen Zahlin, chairman	2013	11 of 11	Remuneration & Audit Committee	1 of 1 2 of 2	446,667	40,000	Yes	Yes
Petter Stillström	2012	11 of 11	Remuneration & Audit Committee	1 of 1 2 of 2	223,333	40,000	Yes	No
Carina Andersson [1]	2018	6 of 11			70,000		Yes	Yes
Lars Olof Nilsson	2006	11 of 11	Audit Committee	2 of 2	223,333	76,667	Yes	Yes
Mats O Paulsson	2020	11 of 11			223,333		Yes	Yes
Monika Gutén [2]	2022	5 of 11			153,333		Yes	Yes
Ida Strömberg (E) [3]	2022	5 of 11						

[1] Carina Andersson withdrew as board member in connection with the Annual General Meeting in April 2022

[2] Monika Gutén became board member in connection with the Annual General Meeting in April 2022

[3] Ida Strömberg became board member in April 2022

Evaluation of the Board of Directors' work

The Chairman ensures that the Board of Directors and its work are evaluated annually and that the result of the evaluation is passed on to the Nomination Committee. The evaluation is made by the Board of Directors itself using a questionnaire where their work within a number of areas are judged. The Chairman of the Board summarizes the evaluation used as the base for a discussion within the Board of Directors regarding the development of the Board of Directors' work. The purpose is to examine how the Board of Directors´ work can be more efficient and to clarify potential need of additional skills in the Board of Directors.

Audit Committee

The Audit Committee prepares a number of questions for the Board of Directors' decision and supports the Board of Directors in its work to carry out its responsibility within the areas auditing and internal control, as well as to quality-assure BE Group's financial reporting. Internal control regarding the financial reporting aims to provide reasonable security regarding the reliability of the external financial reporting in the form of annual reports and interim reports that are published each year and that the financial reporting is prepared in accordance with the law, applicable accounting standards and other requirements for listed companies. Internal control also aims to ensure high quality in the financial reporting to group management and the board so that decisions are made on the right grounds and that established principles and guidelines are followed.

Each year, the Company's auditors formulate a proposed audit policy and present this to the Audit Committee. Once the proposal has been reviewed and commented on by the Committee, a final proposal is submitted for approval by the Board of Directors. The work is focused on assuring the quality and accuracy of financial accounting and reporting, internal financial control efforts, as well as the Group's compliance with applicable regulations. In addition, the Audit Committee has recurring contact with the Company's auditor with the purpose of generating an ongoing exchange of information and to assess the auditor's efforts. The Committee may establish guidelines concerning what services, other than auditing services, which BE Group may procure from the auditor.

The Audit Committee consists of Lars Olof Nilsson (Chairman), Petter Stillström and Jörgen Zahlin and meets the requirements imposed in terms of expertise in accounting or auditing. The work of the Committee is regulated by a special set of instructions adopted by the Board of Directors as part of its agenda.

The Audit Committee met two times in 2022. Meetings of the Audit Committee are minuted and reported orally at Board meetings.

Remuneration Committee

The tasks of the Remuneration Committee include preparing the Board's decisions regarding proposed guidelines for the remuneration of senior executives. The current guidelines are published on BE Group's website. The Board shall prepare proposals of new guidelines at least once every four years and present the proposal for resolution at the Annual General Meeting. The guidelines are to apply until new guidelines have been adopted by the Annual General Meeting. For each financial year, the Board of Directors shall prepare a report on paid and deferred remuneration that is covered by the remuneration guidelines. The report is submitted to the Annual General Meeting for approval and will be made available on the BE Group website at the latest three weeks before the meeting date. The actual remunerations agreed during the year are detailed in Note 3 in the annual report.

The Remuneration Committee shall also follow and evaluate programs for variable remuneration of Company management, the application of guidelines for the remuneration of senior executives and applicable remuneration structures and remuneration levels in the Company. The Remuneration Committee's members are independent in relation to the Company and executive management. In the Board's handling of and decisions on remuneration-related issues, the President or other members of Company management do not attend if they are concerned by the issues.

Members of the Remuneration Committee are the Chairman of the Board Jörgen Zahlin and Petter Stillström. The work of the Committee is regulated by a special set of instructions adopted by the Board of Directors as part of its agenda. The meetings of the Remuneration Committee are reported orally to the Board of Directors.

Board remuneration

The fees for the Board members elected by the Annual General Meeting are determined by the Annual General Meeting on the basis of the Nomination Committee's proposal. Employee representatives to the Board of Directors do not receive Board members' fees. In accordance with a resolution by the 2022 Annual General Meeting, a fee of SEK 460,000 was paid to the Chairman of the Board for the period extending from the 2022 Annual General Meeting until the 2023 Annual General Meeting. The other Board members were each paid SEK 230,000 for the same term of office. In addition, the members of the Audit Committee were paid fees totaling SEK 160,000, of which SEK 80,000 was paid to the Chairman of the Committee and SEK 40,000 each to the other two members.

Group management

Group management of BE Group have during 2022 consisted of the President and CEO, the CFO, the Managing Director for Finland and the Managing Director for Sweden. The President leads operations within the parameters set by the Board of Directors. BE Group's Group management meets continuously under the leadership of the President in order to follow-up the operations and discuss Group-wide issues and also to formulate proposals for a strategic plan, business plan and investment documentation that the President thereafter presents to the Board of Directors for a decision. Please refer to the Annual Report and www.begroup.com for a more detailed presentation of Group management.

Remuneration principles for senior executives

The annual general meeting 2020 resolved on the guidelines for executive remuneration. The individuals who are members of the group management of BE Group during the period of which these guidelines are in force, fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed and amendments to remuneration already agreed. These guidelines do not apply to any remuneration decided or approved by the general meeting. The actual remunerations agreed during the year are detailed in Note 3. During the year, the company deviated from the guidelines in that pension provisions for the CEO of BE Group exceeded 30 percent of the fixed cash salary. The deviation will be regulated retroactively through reduced pension provisions in 2023. A senior executive is since before connected to the ITP2 plan, which has meant that the pension provisions for him have also exceeded 30 percent of the fixed cash salary. This issue is under review and is taken into account in connection with the revision of remuneration packages in consultation with the remuneration committee.

The guidelines' promotion of BE Group's business strategy, long-term interests and sustainability

BE Group is a trading and service company in the steel and metal industry. Customers mainly operate in the construction and manufacturing industries in Sweden, Finland and the Baltic States, where BE Group is one of the market's leading actors. With extensive expertise and efficient processes in purchasing, logistics and production, BE Group offers inventory sales, production service and direct deliveries to customers based on their specific needs for steel and metal products. BE Group's vision is to be the most professional, successful and respected steel service company in the markets where the company is active. A prerequisite for the successful implementation of BE Group's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The objective of BE Group's guidelines for executive remuneration is therefore to offer competitive remuneration on market terms, so that competent and skillful personnel can be attracted, motivated and retained. These guidelines enable the company to offer the executive management a competitive total remuneration. For more information regarding the company's business strategy, please see www.begroup.com.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Fixed cash salary

The fixed cash salary for the senior executives within BE Group shall be individual and differentiated on the basis of the individual's responsibility and performance, and shall be determined annually.

Variable cash remuneration

The variable cash remuneration shall be based on predetermined, well-defined and measurable financial criteria for the group and the relevant business area and may amount to not more than fifty (50) percent of the total fixed cash salary during the measurement period for the criteria. The criteria for variable cash remuneration shall mainly relate to the group's and the business area's respective underlying operating result and, in addition, individual criteria may be established. The criteria shall be designed so as to contribute to BE Group's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promoting the senior executive's long-term development within BE Group. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year.

Pension benefits

For the CEO and other senior executives, pension benefits shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

Other benefits

Other benefits may include, for example, life insurance, health and medical insurance, company cars and housing allowance. Such benefits may amount to not more than 10 percent of the fixed annual cash salary.

Foreign employments

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Criteria for awarding variable cash remuneration, etc.

The remuneration committee shall prepare, monitor and evaluate matters regarding variable cash remuneration. After the measurement period for the criteria for awarding variable cash remuneration has ended, it shall be determined to which extent the criteria have been satisfied. Evaluations regarding fulfilment of financial criteria shall be based on established financial information for the relevant period. Remuneration to the CEO shall be resolved by the Board of Directors. Remuneration to other senior executives shall be resolved by the CEO, after consulting the remuneration committee.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. The Board of Directors shall have the possibility, under applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

Employment term and termination of employment

The notice period may not exceed twelve months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for twelve months for the CEO and other senior executives. The period of notice may not exceed six months without any right to severance pay when termination is made by the executive.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision making process to determine, review and implement the guidelines

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Provisions of the Articles of Association on appointment and discharge of directors and amendment of the Articles of Association

There are no provisions in the Articles of Association on appointment and discharge of directors and amendment of the Articles of Association. In accordance with the provisions in the Companies Act, directors are elected by the Annual General Meeting for the period extending until the close of the first Annual General Meeting after that at which they were elected, and amendments to the Articles of Association are determined by the Annual General Meeting in accordance with the regulations set out in the Companies Act.

Auditors

At the 2022 Annual General Meeting, the auditing firm Öhrlings PricewaterhouseCoopers AB was reelected to be the auditor for a period of one year. Cecilia Andrén Dorselius, Authorized Public Accountant, has since the Annual General Meeting 2022 been the Partner in charge. The auditor maintains regular contact with the Audit Committee and Group Management. The auditor works according to an audit plan, into which the opinions of the Board of Directors have been incorporated, and has reported its observations to the Board of Directors. Reports have been submitted during the progress of the audit and in connection with the adoption of the 2022 Year-end Report. The auditor also participates in the Annual General Meeting and outlines the audit process and the observations in an audit report. Remuneration to auditors is paid based on calculations in accordance with agreements that have been made. Information regarding remuneration in 2022 is provided in Note 4 of the Annual Report.

Board of Directors' report regarding internal control

The purpose of internal control of financial reporting is to provide reasonable assurance regarding quality and reliability in the external financial reporting and to ensure that the reports are prepared in accordance with accepted accounting standards, applicable laws and provisions and other requirements for listed companies. To ensure this, the Company had the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework as a starting point.

Internal control function

The Board of Directors and the Audit Committee follow up BE Group's assessment of internal control by means including discussions with BE Group's auditors. Given the above, the Board of Directors has elected not to maintain a separate internal audit unit. To test the internal control environment, a self-assessment is conducted, among other efforts, based on a Group-wide control framework. The Group's CFO reports the results of the test done of the internal control to the Audit Committee. BE Group's internal control of financial reporting covers five main areas: establishment of a control environment, risk assessment, control activities, information and communications and follow-up.

Control environment

BE Group has a simple legal and operational structure and an established governance and internal control system. This allows the organization to react quickly to external changes. Operational decisions are made at the Group or business area level, while decisions on strategy, business direction, acquisitions and general financial issues are made by the Board of Directors and Group Management of BE Group. Internal control of financial reporting at BE Group is designed to work within this organization. The Board's rules of procedure and the instructions drawn up by the Board for the work of the President and Board committees clearly define the distribution of responsibilities and powers in order to ensure effective management of risks in business operations. The Board has established an Audit Committee to review the instructions and routines used in the financial reporting process as well as accounting principles and changes to these. Group management reports monthly to the board according to established routines. Internal control instruments for financial reporting consist above all of the Group's financial manual, which defines accounting and reporting rules.

The company has applied a whistleblower policy, which means that all employees have the possibility to anonymously report if they discover improprieties or illegal actions that affect vital interests for BE Group or the life and health of individual persons. The policy applies to improprieties committed by people in executive positions or other key personnel within the company.

Risk assessment

The risk assessment is based on a risk review that is updated annually and reported to the Audit Committee. Based on the results of this review, focus is set for the internal control work in the future.

Control activities

The risks identified with regard to financial reporting are managed through the Company's control activities, such as authorization controls in IT systems and signature authentication. Detailed economic analysis of business performance including follow-up against business plans and forecasts supplements operations-specific controls and provides an overall assessment of reporting quality.

Information and communication

The Group maintains channels of information and communication that serve to safeguard completeness and accuracy in financial reporting. Policies, manuals and job descriptions are available on the company intranet and/or in printed form. Information, both external and internal, is governed by an information policy and an insider policy with guidelines. Responsibilities, routines and rules are dealt with here. These are continuously evaluated to ensure that information to the stock market is of high quality and in accordance with current stock exchange rules. Financial information such as interim reports, annual reports and significant events are published through press releases and on the website. Internally, the intranet is the main source of information. Accounting manuals and instructions for financial reporting are available on the intranet.

Sustainability report

BE Group has established a sustainability report pursuant to the Annual Accounts Act. The Group's sustainability report includes pages 10-17, disclosures in accordance with the EU Taxonomy Regulation on pages 18-20, the section on risks and risk management in the Board of director's Report on pages 7-9 and the business model on page 5.

Follow-up

The Board and the Audit Committee review all external financial reports before they are formally approved by the Board. The Audit Committee receives ongoing reports from the auditors on internal control and follows up on significant issues. The Board receives a monthly written report dealing with sales, operating results, market development and other essential information about the business and also has a review of current financial reports as a standing item at all meetings. Group management analyzes the financial development within the Group's business areas on a monthly basis. In general, at all levels in the organization, ongoing follow-up takes place through comparisons with the previous year, budget and plans as well as through evaluation of key figures.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

This is a literal translation of the Swedish original report included in RevU 16
To the general meeting of the shareholders in BE Group AB (publ), corporate identity number 556578-4724.

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 68-72 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinions

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

Malmö, 17 March 2023
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Partner in charge

Johan Rönnbäck
Authorized Public Accountant

BOARD OF DIRECTORS AND AUDITORS

Jörgen Zahlin

Chairman
Born 1964
Member of the Board since 2013 (Chairman since 2019)

Other assignments

President and CEO in OEM International. Chairman and board member in a number of companies within the OEM Group

Previous experience

Active in the OEM Group since 1985. President since 2000 and CEO since 2002

Education

Engineer

Number of shares

19 000

Shares in close association

0

Monika Gutén

Board member
Born 1975
Member of the Board since 2022

Other assignments

Investment Director for Industry Products at Storskogen

Previous experience

Vice President, Acquisition Parts & Services at Epiroc and several roles within SSAB among other as responsible for Tibnor's business in Sweden and Denmark

Education

M.Sc. in Business and Economics

Number of shares

0

Shares in close association

0

Lars Olof Nilsson

Board Member
Born 1962
Member of the Board since 2006

Other assignments

Partner Evli Corporate Finance AB. Chairman of the Board of Kaptensbacken (own company) and NSS Group AB. Board member of JLL Treasury Support AB och JLL Transaction Services AB.

Previous experience

Positions within the Trelleborg Group, including as CFO and Head of Group Finance and Head of Group Business Development

Education

M.Sc. in Business and Economics

Number of shares

3,282

Shares in close association

0

Mats O Paulsson

Board Member
Born 1958
Member of the Board since 2020

Other assignments

Chairman of Caverion Oy, Nordic Waterproofing Holding AB, Nordisk Bergteknik AB and Svevia AB, Board member of Acrinova AB and Bösarps Grus & Torrbruk AB.

Previous experience

CEO of Bravida, Strabag Scandinavia and Peab Industri and former Board member of among other Acando, Paroc OY and Ramirent Plc.

Education

M.Sc. Engineering

Number of shares

50,000

Shares in close association

0

Petter Stillström

Board member
Born 1972
Member of the Board since 2012

Other assignments

President and board member of AB Traction. Chairman of the Board of Nilörngruppen, OEM international and Softronic and board member of Hifab Group. Also board member within Traction Group and private holding companies.

Previous experience

Active within corporate finance, AB Traction since 1999 and its President since 2001

Education

M.Sc. in Business and Economics

Number of shares

70 000 (via endowment insurance)

Shares in close association

3,260,000

Ida Strömberg

Employee Representative
Born 1981
Member of the Board since April 2022

Other assignments

Account Manager Industry at BE Group Sverige AB. Union secretary of Unionen's members in BE Group's offices in Sweden.

Previous experience

Experience in sales in the steel industry since 2003.

Number of shares

0

Shares in close association

0

AUDITORS
Öhrlings PricewaterhouseCoopers AB
Cecilia Andrén Dorselius

Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB
Born 1979

Partner in charge in the company since 2022

GROUP MANAGEMENT

Peter Andersson

CEO and President
Born 1975
Employed since 2016

Previous experience

CEO Ineos Styrolution (2011-2016), Operations Manager Disab Vaccuum Technology (2006-2011) and different positions at Alfa Laval (1998-2006)

Education

B.Sc. Engineering

Number of shares

4,800

Shares in close association

0

Christoffer Franzén

CFO
Born 1977
Employed since 2020

Previous experience

Senior Finance Business Partner within Scan Global Logistics (2018-2020), CFO for Europarts Swedish entity (2017-2018) and several leading controller positions within Getinge and ArjoHuntleigh (2008-2016)

Education

M.Sc. in Business and Economics

Number of shares

2,305

Shares in close association

0

Magnus Bosson

Managing Director,
BE Group Sverige AB
Born 1968
Employed since 2018

Previous experience

Managing Director at Knauf Danogips Sweden (2011-2018), Manager for Sweden at Bong Ljungdahl Sverige AB (2005-2011), Sales- and Market Manager at Icopal AB (2000-2005), Sales Manager at ELFA AB (1993-2000)

Education

B.Sc. Engineering and och reserve officer

Number of shares

6,000

Shares in close association

0

Lasse Levola

Managing Director,
BE Group Oy Ab
Born 1959
Employed since 2005

Previous experience

Sales Director in BE Group Finland (2005–2012), Sales Director in Hollming Works Oy (2003–2005), General Manager Materials Management & Distribution in Wärtsilä (1995–2003).

Education

B.Sc. Engineering

Number of shares

0

Shares in close association

0

The information regarding Board members' and Group Management's holding of shares and other financial instruments in BE Group refers to the conditions as per 31 December 2022 and includes own and closely associated natural persons' holdings, as well as holdings by legal persons that are directly or indirectly controlled by the person or its closely associated persons. For CEO, information regarding potential essential shareholdings or partnerships in companies that BE Group has significant business relations with is also included. For updated shareholding, please see our website, www.begroup.com

ALTERNATIVE PERFORMANCE MEASURES

The Group uses a number of alternative performance measures in its report. The alternative performance measures that BE Group considers significant are the following:

Underlying operating result (uEBIT)

(SEK M)	2022	2021
Operating result	418	621
Reversal of inventory gains (-)/losses (+)	70	-92
Adjustment for items affecting comparability	–	–
Group	**488**	**529**

Working capital

(SEK M)	2022	2021
Inventories	1,127	1,033
Accounts receivables	675	653
Other receivables	78	39
Deduction accounts payables	-480	-641
Deduction other current liabilities	-269	-229
Rounding	-1	1
Group	**1,130**	**856**

Average working capital is an average for each period based on quarterly data.

Net debt excl. IFRS 16

(SEK M)	2022	2021
Non-current interest-bearing liabilities and leasing liabilities	811	681
Current interest-bearing liabilities and leasing liabilities	95	95
Deduction leasing liabilities	-499	-481
Deduction financial assets	0	0
Deduction cash and equivalents	-50	-54
Group	**357**	**241**

Net debt/equity ratio excl. IFRS 16 is calculated as net debt excl. IFRS 16 divided by equity.

Capital employed excl. IFRS 16

(SEK M)	2022	2021
Equity excl. IFRS 16	1,645	1,420
Non-current interest bearing liabilities and leasing liabilities	811	681
Current interest bearing liabilities and leasing liabilities	95	95
Deduction leasing liabilities	-499	-481
Rounding	–	1
Group	**2,052**	**1,716**

Average capital employed excl. IFRS 16 is an average for each period based on quarterly data.

MULTI-YEAR SUMMARY

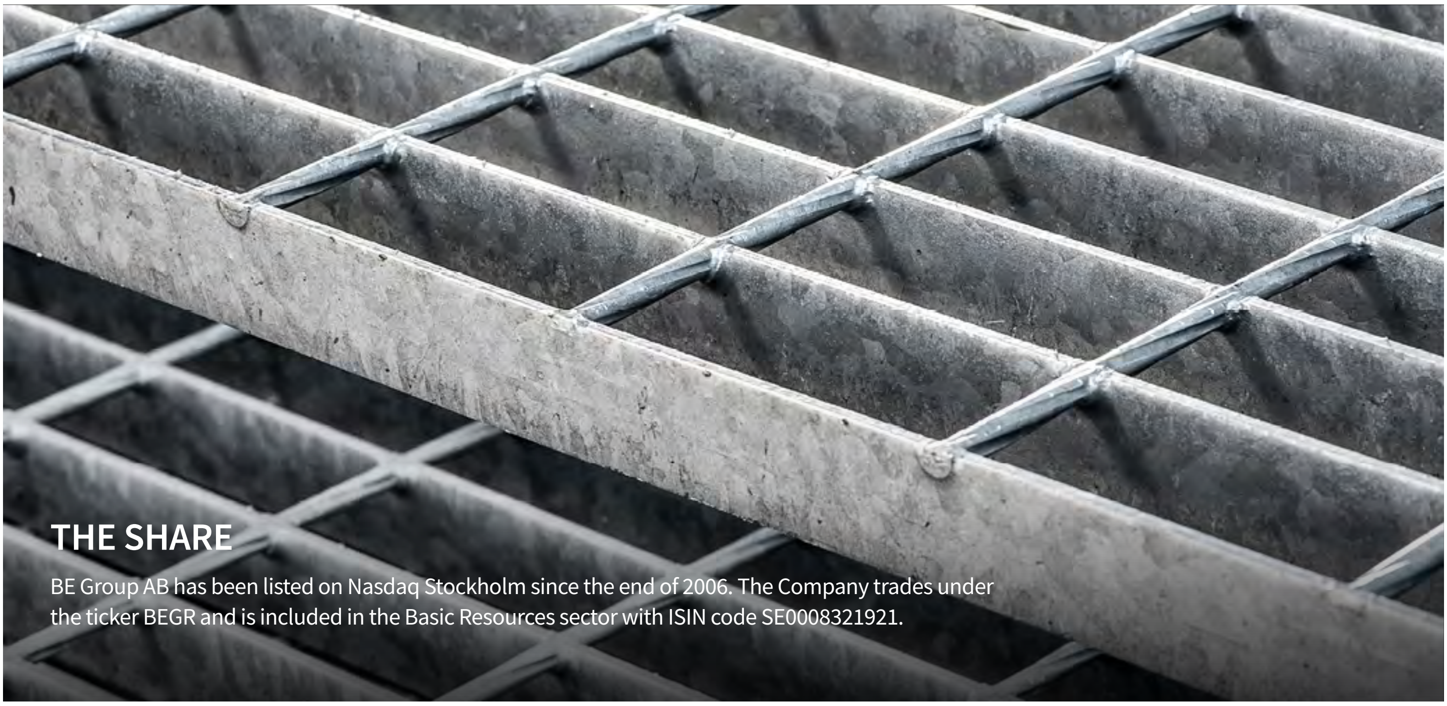
(SEK M unless otherwise stated)	2018	2019	2020	2021	2022
Sales	4,803	4,359	3,672	5,388	6,875
Earnings measurements					
Gross profit/loss	669	605	548	1,102	1,009
Underlying gross profit/loss	643	609	563	1,038	1,075
Operating result (EBIT)	132	88	39	621	418
Underlying operating result (uEBIT)	117	94	96	529	488
Margin measurements					
Gross margin (%)	13.9	13.9	14.9	20.4	14.7
Underlying gross margin (%)	13.4	14.0	15.3	19.3	15.6
Operating margin (%)	2.8	2.0	1.1	11.5	6.1
Underlying operating margin (%)	2.4	2.1	2.6	9.8	7.1
Cash flow					
Cash flow from operating activities	86	200	341	32	204
Capital structure					
Net debt excl. IFRS 16 [1)]	440	373	156	241	357
Net debt/equity ratio (%) excl. IFRS 16 [1)]	49	40	17	17	21.7
Working capital at end of period	572	549	343	856	1,130
Working capital (average)	562	570	468	524	1,064
Capital employed at end of period excl. IFRS 16 [1)]	1,440	1,468	1,234	1,716	2,052
Capital employed (average) excl. IFRS 16 [1)]	1,408	1,466	1,305	1,457	2,003
Working capital tied-up (%)	11.7	13.1	12.8	9.7	15.5
Return					
Return on capital employed (%) excl. IFRS 16 [1)]	9.4	5.6	2.3	42.0	20.3
Per share data					
Earnings per share (SEK)	6.13	3.87	0.33	38.10	24.96
Earnings per share after dilution (SEK)	6.13	3.87	0.33	38.10	24.96
Proposed dividend per share (SEK)	1.75	–	–	12	12
Equity per share (SEK)	68.67	71.05	69.73	108.84	126.11
Cash flow from operating activities per share (SEK)	6.60	15.37	26.28	2.49	15.72
Average number of shares outstanding (thousands)	12,983	12,983	12,983	12,983	12,983
Average number of shares outstanding after dilution (thousands)	12,983	12,983	12,983	12,983	12,983
Growth					
Sales growth (%)	10	-9	-16	47	28
of which, organic tonnage growth (%)	*4*	*-10*	*-10*	*11*	*-9*
of which, price and mix changes (%)	*3*	*-1*	*-5*	*38*	*32*
of which, currency effects (%)	*3*	*2*	*-1*	*-2*	*2*
of which, acquisitions (%)	–	–	–	–	*3*
of which, divestments (%)	–	–	–	–	*0*
Other					
Average number of employees	668	652	633	621	654
Inventory gains and losses	27	-6	-17	92	-70
Shipped tonnage (thousands of tonnes)	377	340	307	342	320

1) To visualize the development of BE Group's financial position, there are some financial information in the key figure overview that is not defined in IFRS. A reconciliation/bridge between alternative performance measures used in this report and the closest IFRS measure is presented under Alternative performance measures.

The comparative figures for 2018 are prepared according to previous accounting principles regarding leasing (IAS 17).

FINANCIAL DEFINITIONS

Earnings measurements	
Gross profit/loss	Profit after deduction for cost of goods sold.
Underlying gross profit/loss	Underlying gross profit/loss is the reported gross profit/loss adjusted for inventory gains and losses (deductions for gains and additions for losses).
Operating result (EBIT)	Operating result before financial items.
Underlying operating result (uEBIT)	Operating result (EBIT) before items affecting comparability and adjusted for inventory gains and losses (deductions for gains and additions for losses).
Items affecting comparability	Items that do not have any link to the normal operations of the Group or that are of a non-recurring nature, where a reporting together with other items in the consolidated comprehensive income statement would have given a comparison distortion effect that would have made it difficult to judge the development of the ordinary operations for an outside viewer. Replaces previous concept ”non-recurring items”.
Margin measurements	
Gross margin	Gross profit/loss as a percentage of net sales.
Underlying gross margin	Underlying gross profit/loss as a percentage of net sales.
Operating margin	Operating result as a percentage of net sales
Underlying operating margin	Underlying operating result (uEBIT) as a percentage of net sales.
Capital structure	
Net debt excl. IFRS 16	Interest-bearing liabilities excluding leasing liabilities acc. to IFRS 16 less cash and equivalents and financial assets.
Net debt/equity ratio excl. IFRS 16	Net debt excl. IFRS 16 divided by equity excl. IFRS 16.
Working capital	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities.
Working capital (average)	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities. This measure represents an average for each period based on quarterly data.
Capital employed excl. IFRS 16	Equity excl. IFRS 16 plus interest-bearing liabilities excl. leasing liabilities acc. to IFRS 16.
Capital employed (average) excl. IFRS 16	Equity excl. IFRS 16 plus interest-bearing liabilities excl. leasing liabilities acc. to IFRS 16. This measure represents an average for each period based on quarterly data.
Working capital tied-up	Average working capital, as a percentage of annual net sales.
Return	
Return on capital employed excl. IFRS 16	Annually adjusted operating result excl. IFRS 16. as a percentage of average capital employed excl. IFRS 16.
Per share data	
Earnings per share	Profit/loss for the period divided by the average number of shares outstanding during the period.
Earnings per share after dilution	Profit/loss for the period divided by the average number of shares outstanding during the period after dilution.
Equity per share	Equity divided by the number of shares outstanding at the end of the period.
Cash flow per share from operating activities	Cash flow from operating activities divided by the average number of shares for the period.
Shares outstanding at the end of the period	Shares outstanding at the end of the period adjusted for rights issues and share splits.
Shares outstanding at the end of the period after dilution	Number of shares at the end of the period adjusted for rights issues and share splits. Any dilution has been taken into account.
Average number of shares	Weighted average number of shares outstanding during the period, adjusted for rights issues and share splits.
Average number of shares after dilution	Weighted average number of shares outstanding during the period, adjusted for rights issues and share splits. Any dilution has been taken into account.
Growth	
Sales growth	Change in the net sales of the business compared with the previous period, in percent.
Other	
Average number of employees	The number of employees recalculated as full-time positions and as an average for reporting period.
Shipped volumes	BE Group products sold during the period in thousands of tonnes.
Inventory gains and losses	The difference between the cost of goods sold at acquisition value and the cost of goods sold at replacement price.



THE SHARE

BE Group AB has been listed on Nasdaq Stockholm since the end of 2006. The Company trades under the ticker BEGR and is included in the Basic Resources sector with ISIN code SE0008321921.

Total turnover of BE Group shares in 2022 was 16 M shares with a combined value of SEK 2,082 M, representing an average turnover of 63,291 shares or SEK 8.2 M per trading day. On the year's last trading day, December 30, 2022, the market price for the BE Group share was SEK 80.80. The highest price paid in 2022 was SEK 249.00 and the year's lowest price paid was SEK 64.40. At the end of the year, BE Group's total market capitalization was SEK 1,051.2 M.

Share capital and voting rights

At December 31, 2022, the share capital in BE Group was SEK 260.2 M (260.2) allocated among 13,010,124 shares, each with a quotient value of SEK 20.00. Under the Articles of Association, minimum share capital in the Company is SEK 150,000,000 and maximum share capital SEK 600,000,000, with a minimum of 10,000,000 and a maximum of 40,000,000 shares. Each share carries one vote and there is only one class of shares.

Ownership structure

At the end of 2022, BE Group had 12,101 shareholders, compared to 7,119 at the end of last year. AB Traction and Svedulf Fastighets AB were the two largest owners. Other major owners are listed in the table. At the end of the year, the proportion of Swedish institutional ownership (legal entities) totalled 66.0 percent and foreign ownership was 10.2 percent.

Dividend and dividend policy

According to BE Group's dividend policy, the Group shall distribute at least 50 percent of profit after tax, over time. BE Groups financial positions and future outlook shall be taken into account in determining the payment of dividends. The Board of Directors proposes dividend of SEK 12 (12) per share for the financial year of 2022 to be paid in two installments; SEK 6 per share in April 2023 and SEK 6 per share in October 2023 which corresponds to approximately SEK 156 M in total.

Shareholder contacts

CFO Christoffer Franzén is responsible for contacts with shareholders. Press releases issued by BE Group are distributed via Cision and are made available on the Group's website at www.begroup.com in connection with publication. Information on the BE Group share is updated continuously on the Group's website.

Per share data

SEK unless otherwise stated	2022	2021
Earnings per share	24.96	38.10
Earnings per share after dilution	24.96	38.10
Equity per share	126.11	108.84
Proposed dividend per share	12.00	12.00
Market price, December 30. latest price paid	80.80	132.50
Market capitalization, December 30, SEK M	1,051.2	1,723.8
P/E ratio	3.2	3.4
Yield rate, %	14.85	9.06

Largest shareholders December 31, 2022

Shareholders	Number of share	Capital and votes (%)
AB Traction	3,260,000	25.1
Svedulf Fastighets AB	3,250,426	24.9
Försäkringsaktiebolaget, Avanza Pension	654,970	5.0
Quilter Inter Isle of Man Ltd	642,285	4.9
Ålandsbanken ABP (Finland), svensk, filial	146,629	1.1
Coeli Wealth Management AB	109,120	0.8
Futur pension	103,113	0.8
Borell, Joakim	82,744	0.6
Diklev, Jens Philip	76,051	0.6
Nordea Livförsäkring Sverige AB	71,551	0.6
Total, 10 largest shareholders	***8,396,889***	***64.4***
BE Group´s holding of treasury shares	26,920	0.2
Other shareholders	4,586,315	35.4
Total number	**13,010,124**	**100**

Shareholder structure, December 31, 2022

Holding	Number of shareholders	Number of shares	Capital and votes (%)
1 – 500	10,922	851,448	6.6
501 – 1,000	577	442,642	3.4
1,001 – 2,000	302	443,923	3.4
2,001 – 5,000	170	530,900	4.1
5,001 – 10,000	52	380,709	2.9
10,001 – 20,000	37	523,277	4.0
20,001 – 50,000	20	706,436	5.4
50,001 – 100,000	13	849,287	6.5
100,001 – 500,000	4	473,821	3.7
500,001 – 1,000,000	2	1,297,255	10.0
1,000,001 – 5,000,000	2	6,510,426	50.0
Total	**12,101**	**13,010,124**	**100**

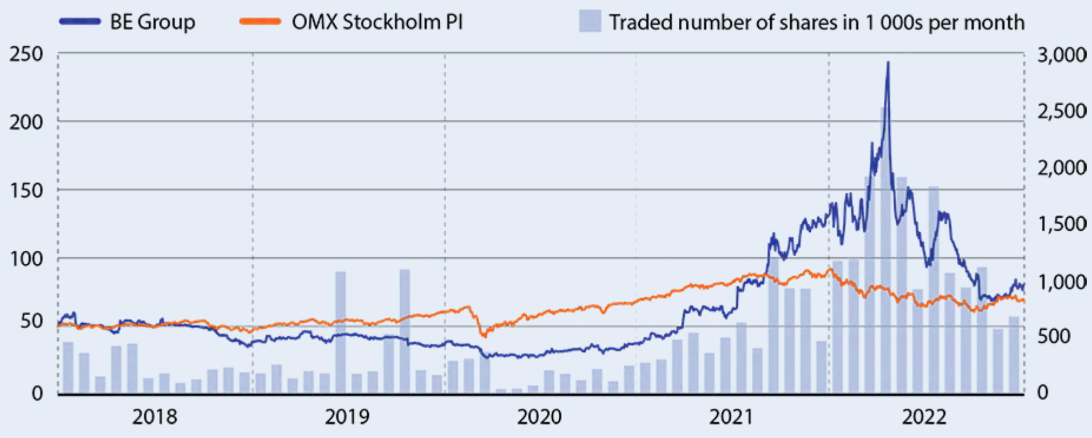
Shareholdings per country, December 31, 2022

Sweden	88.9%
Isle of man	5.4%
Denmark	0.8%
USA	0.3%
Finland	0.3%
Others	4.3%
Total	**100%**

Shareholder category, December 31, 2022

Other Swedish legal entities and persons	56.7%
Swedish physical persons	23.8%
Foreign ownership	10.2%
Insurance companies and pension institutions	6.5%
Pension foundations	1.3%
Fund management companies	1.5%
Total	**100%**

Share price development January 2018 – December 2022



ISIN code: SE0001852211 Ticker on NASDAQ Stockholm Exchange: BEGR Source: WebfinancialGroup

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Thursday 20 April 2023, at Elite Hotel Savoy, Norra Vallgatan 62 in Malmö.

Right to attend

Shareholders who wishes to participate in the annual general meeting must:

- be listed in the share register kept by Euroclear Sweden AB on Wednesday 12 April 2023, and
- give notice of participation no later than Friday 14 April 2023, preferably before 12.00 noon, in accordance with the instructions.

In order to be entitled to participate in the annual general meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the annual general meeting, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of, Wednesday 12 April 2023. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee in accordance with the nominee's routines at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than 14 April 2023 will be taken into account in the presentation of the share register.

Notice of attendance

Notice of physical attendance can be made by telephone +46 40 38 42 00 or by email to AGM@begroup.com. The notice of attendance shall state name, personal identity number/corporate identity number, address, telephone number and number of advisors (maximum two). Shareholders represented by proxy must issue a written, dated and by the shareholder signed power of attorney for the proxy. A proxy form is available at the company and on the company website. Representative of a legal entity shall submit a copy of the certificate of registration or similar papers of authorization indicating persons authorized to sign on behalf of the legal entity. In order to facilitate the entrance to the meeting, the original power of attorney and documents of authorization should be provided to the company at the address BE Group AB, Box 225, SE 201 22 Malmö, Sweden, on Friday 14 April 2022 at the latest. Label the envelope ”Annual General Meeting”.

Notice

The notice has been published in Post och Inrikes Tidningar (The Official Swedish Gazette) and is available at the Company website, www.begroup.com. An announcement of notice publication was also published in Svenska Dagbladet.

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