

# ANNUAL REPORT 2023



BE GROUP

# CONTENT

The year in brief	1
Statement from the CEO	2
This is BE Group	3
Business Model	4
Products & services	5
Strategy & market	6
Financial targets and outcome	7
Business area Sweden & Poland	8
Business area Finland & Baltics	9
The share	10
Board of Director´s report	11
Sustainability report	17
EU Taxonomy	26
Financial statements	30
- Consolidated	31
- Parent Company	35
- Accounting principles	40
- Notes	45
Appropriation of earnings	73
Auditor´s report	74
Corporate governance report	78
Board of Director´s and Auditors	83
Group Management	84
Alternative Performance Measures	86
Multi-year summary	87
Financial definitions	88
Annual General meeting	89
Addresses	90

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Pages 11-73 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 2023, the Group reported sales of SEK 5.3 billion. BE Group has approximately 680 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](http://www.begroup.com).

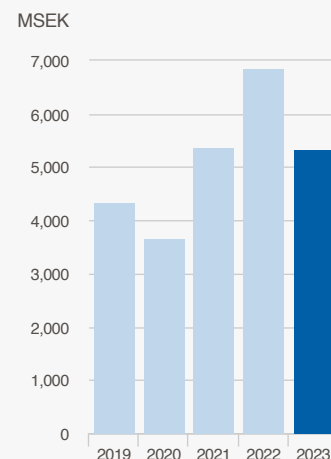


## The year in brief

# Strong cash flow in weaker market conditions

- Net sales decreased by 23% to SEK 5,328 M (6,875)
- The underlying operating result amounted to SEK 30 M (488)
- The operating result amounted to SEK -52 M (418), including inventory losses of SEK -76 M (-70) and items affecting comparability of SEK -6 M (-)
- Result after tax amounted to SEK -60 M (324)
- Cash flow from operating activities increased to SEK 491 M (204)
- Earnings per share amounted to SEK -4.59 (24.96)
- A new credit agreement was signed with a credit facility of SEK 775 M
- A savings and efficiency enhancement program was initiated in the third quarter, which is expected to provide savings of approximately SEK 50 M on annual basis
- The Board of Directors proposes that no dividend (SEK 12 per share) will be paid for the financial year of 2023

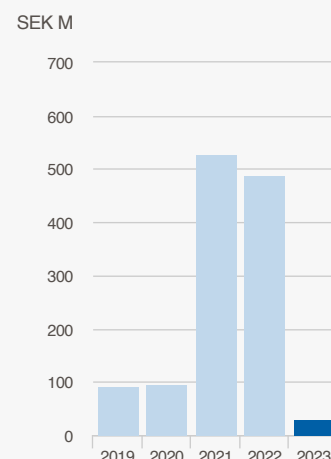
### NET SALES



Key data	2023	2022	Change
Tonnage, thousands of tons	285	320	-35
Net sales, SEK M	5,328	6,875	-1,547
Operating result, SEK M	-52	418	-470
Operating margin, %	-1.0	6.1	-7.1
Underlying operating result <sup>1)</sup>	30	488	-458
Result after tax, SEK M	-60	324	-384
Result per share, SEK	-4.59	24.96	-29.55
Return on capital employed excl. IFRS 16, %	-3.1	20.3	-23.4
Net debt excl. IFRS 16, SEK M	259	357	-98
Net debt/equity ratio excl. IFRS 16, % <sup>1)</sup>	18.1	21.7	-3.6
Cash flow from operating activities, SEK M	491	204	287
Average number of employees	678	654	24

<sup>1)</sup> Part of BE Group's alternative performance measures which you can read more about in Alternative performance measures and Financial definitions.

### UNDERLYING OPERATING RESULT <sup>1)</sup>



Sales by business solution, SEK M	2023	2022	%
Inventory sales	2,106	2,809	-25%
Production service sales	2,655	3,185	-17%
Direct sales	567	881	-36%
<b>Total</b>	<b>5,328</b>	<b>6,875</b>	<b>-23%</b>

Sales by product area, SEK M	2023	2022	%
Long steel products	1,963	2,825	-31%
Flat steel products	2,429	2,803	-13%
Stainless steel	706	893	-21%
Aluminium	186	256	-27%
Other	44	98	-55%
<b>Total</b>	<b>5,328</b>	<b>6,875</b>	<b>-23%</b>

## Strong cash flow despite decreased demand



”Focus during the year has been on working with costs, taking market shares and securing a positive cash flow.”

Demand decreased rapidly during the year, mainly from the construction industry, while material prices fell. This led to a 23 percent decline in net sales and pressured gross margins, resulting in an underlying operating margin of 0.6 percent. Focus during the year has been on working with costs, taking market shares and securing a positive cash flow. For the full-year cash flow from operating activities increased from SEK 204 M to SEK 491 M, which has created a financially strong position. On the cost side, implemented rationalizations are expected to give an annual savings effect of at least SEK 50 M.

To fully understand the 2023 earnings, one has to look back to February 2022 when Russia launched its full-scale invasion of Ukraine. Material prices doubled virtually overnight and began a continuous decline over 18 months from May of that same year. In such a situation, regardless of what you as a warehouse keeper did, it's easy to always be one step behind.

### Steel price trend

The year was spared major events in the surrounding world that affected European steel prices, which consequently were guided by supply and demand, not crisis management. Different steel products developed differently. Long products are largely consumed by the construction sector, which experienced a sharp decline, at the same time that the costs of raw materials and energy fell in the first half of the year. Altogether, this caused spot prices to drop in the first half of the year and they did not recover until late autumn and then only marginally. Flat products mainly go to the industrial sector and therefore had better demand than long products. A large proportion is sold through distributors and steel service centers, which buy only when their inventories are low, contributing to more uneven demand and causing spot prices to fluctuate both a little up and a little down but ultimately making a clear drop over the year.

The market in Sweden mostly has monthly, quarterly and half-yearly agreements, which means that the price trend is somewhat different than on the continent, where spot prices are applied to a greater extent. We usually see a delayed market response. The general view at the moment is that things have bottomed out on the continent, keeping in mind that they had a significantly weaker economy than in northern Europe.

### Digitalization and e-commerce

Bröderna Edstrand, as it was formally known, launched its first e-commerce portal as early as 2000. Essentially comprising an order form with manual reception and order writing. I can imagine that it was being at the forefront! In an interview, the CEO at the time said, “Saying that e-commerce will change the trading business is an incredible exaggeration”. After many subsequent updates, a proper overhaul was made and, in the spring of 2021, a completely new portal was launched.

In 2023, tonnage in this sales channel increased by more than 50 percent and total sales amounted to about SEK 225 M. Customers can order at any time and, through a more efficient flow and administration, BE Group can offer a competitive price. This is good for everyone and customers often say that the portal is the broadest and most user-friendly in the industry.

### Outlook and focus in the future

2024 has begun relatively strongly. However, a reasonable assumption is that the construction sector will continue to be under pressure throughout the year with tough competition for the projects that are under way in spite of it all. The industrial sector is judged to be somewhat more stable.

BE Group's employees are creative and dedicated and everyone is aware that it is now necessary more than ever to fight for each individual deal and to sell as much as possible at sound margins. This, together with cost rationalizations will in the long term lead to a stronger BE Group. At the same time, we have to ensure that all the improvements and investments made in recent years come to good use.

In conclusion, I would like to express my warm gratitude to our customers who repeatedly and sometimes in the third or fourth generation entrust us with their business, our owners who believe in us and our employees who strive daily to make BE Group a better and stronger company.

A handwritten signature in black ink, appearing to read 'P-A', followed by a long horizontal line extending to the right.

Peter Andersson  
VD och koncernchef



## This is BE Group

### A leading trading and service company in steel

BE Group dates back to the 1800s and is today 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 circumstances and needs.

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 and Arvika, 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.



## Business model

# Creates value through coordination

BE Group is an independent steel distributor that serves as a link between producers and customers. The company compensates for the gap between the steel mills' delivery capacity and the steel consumers' needs for fast, flexible delivery solutions. BE Group 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 take place in three different ways; inventory sales, production service sales and direct sales.



## BUSINESS SOLUTIONS

### Inventory sales

Inventory sales mean that BE Group sells and distributes materials from its own warehouses and ensures the customer's material flow by delivering the products in the quantities and at the times that suit the customer's needs.

By stocking a broad product range, BE Group can offer the customers a high level of service at competitive prices. The key is in efficient inventory management and planning.

In 2023, the inventory sales accounted for 39 percent (41) of the Group's net sales.

### Production service sales

Production service sales comprise customer solutions where BE Group stands for everything from the purchasing of raw product to customised processing of the product and logistics optimized to the customer's operations.

BE Group refines the products through, for example, cutting, drilling, slitting, thermal cutting or surface treatment according to customer specifications. BE Group also has the ability to use the material in an efficient manner, which means that there is less waste. Through the Company's logistics expertise, the customer also gets more efficient transports, leading to lower environmental impact. By having BE Group taking care of all or part of the material processing, the customer can focus on its core business. The Company offers competitive services in production service as well as complementary services.

In 2023, the production service sales accounted for a total of 50 percent (46) of the Group's net sales.

### Direct sales

Direct sales mean that BE Group sells and delivers large volumes of materials to customers directly from the production of the steel and aluminium mills.

BE Group finds the right product with the right quality and the right price on behalf of the customer. The company can do this through its presence in key producer markets, an efficient purchasing organization and a size that provides negotiating power in relation to the producers.

In 2023, the direct sales accounted for a total of 11 percent (13) of the Group's net sales.



## Products & services

# Cost efficient and flexible solutions

BE Group's offering consists of a large number of products and services that meet our customers' material needs and the product range is characterized by both width and depth. Besides steel, stainless steel and aluminum, it includes engineering steel, rebar and materials for foundation work. BE Group works closely with the market and the assortment is adapted to the needs of each customer segment (construction and industry).

An important part of BE Group's offering consists of production service. With modern production facilities in Sweden, Finland and Poland, the company offer cost-efficient and flexible solutions adapted to the customers' needs.

## 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 sub-contractors and OEMs, for example in construction, signs and road signs and in the aviation, automotive and packaging industries.



### Rebars

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

## SERVICES

### Production services

BE Group offer production services that include various processes where steel, stainless steel and aluminum are processed to fulfil customers' specific needs. The company has production resources within cutting, drilling, slitting, thermal cutting, blasting and painting.

### Material advice and services

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

### Modern e-commerce solution

Digitalization facilitates both suppliers and customers and implies many new opportunities, including in the form of greater accessibility and more efficient transactions.

The BE Group webshop – BE Online – is a modern e-commerce solution for purchasing and planning. Here, customers can order materials and view detailed information on material properties, qualities and dimensions, download certificates, check inventory and follow orders from order to delivery.

The webshop was launched more than two years ago and interest has grown over the years where one of the advantages is accessibility, since it is open 24 hours a day, every day of the week. The key words are simplicity and customer satisfaction, and the webshop is continuously developed to meet customer needs.

The webshop is currently available to customers of the Swedish and Finnish units and is reached at [www.begroup.se](http://www.begroup.se) and [www.begroup.fi](http://www.begroup.fi).

# Create value in a challenging market

BE Group is one of the Nordic region’s leading trading and service companies in steel, stainless steel and aluminum products. The company’s ambition is to be the most profitable and growing steel distributor in the markets it is active in.

The strategy is based on generating value in every main activity by offering materials and services of a high quality at competitive prices. The steel industry is cyclical with variable steel prices and varying demand. Costs are adapted to the demand situation and the product mix is reviewed. The company’s most important focus is to increase and deepen its cooperation with customers, streamline the supply chain and work on the cost side to achieve a healthy margin throughout the business. The company strives for sustainability to permeate the strategy and its activities.

## Fossil-free steel

BE Group’s ambition is to be able to offer customers a complete range of fossil-free steel from several suppliers as it becomes available on the market. The company seeks to contribute knowledge and service to help small and medium-sized enterprises to act consciously at competitive prices.

## Customer experience

The company strives to develop long-term relations with customers and to be able to assist with everything from material discussions to delivery options. This imposes considerable demands on the knowledge and experience of the employees and the company has employees with extensive expertise. This is balanced by the new employees who come in with new ideas and experiences.

## Steel market 2023

In Europe (EU27), 126.3 million tons of raw steel were produced during the year according to the World Steel Association, which is the global trade association for the steel producers.

This is a decrease by about 7 percent compared with the previous year. The surrounding world was spared major events in 2023 and European steel prices were consequently guided by supply and demand, which resulted in less price volatility than earlier years.

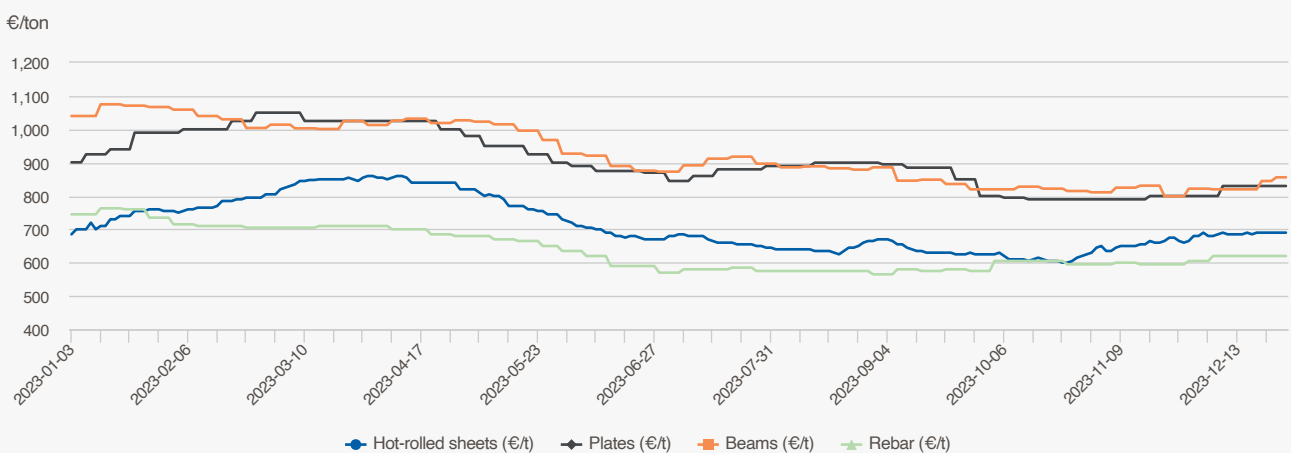
## Varying price trend

Long products are largely consumed by the construction sector, which experienced a sharp decline, at the same time that the costs of raw materials and energy fell in the first half of the year. Altogether, this caused spot prices, according to statistics from S&P Platts, to fall in the first half of the year, but they recovered somewhat in late autumn. The total price drop for long products was 18 percent and the corresponding price drop for rebar was 17 percent for the entire year.

Flat products mainly go to the industrial sector and therefore had better demand than long products during the year. A large proportion is sold through distributors and steel service centers that buy only when their inventories are low, which contributes to uneven demand. At the end of 2022, spot prices for flat products rose in Europe, according to S&P Platts, since distributors tried to fill their inventories while producers had limited their capacity. This continued after the end of the year until the end of February. Over the year, price trends were very volatile and the spot price for heavy plates fell by 7 percent in total. The spot price trend for hot-rolled steel was calmer, but also varied over the year and rose by just under 1 percent in total.

A distinctive trend for the 2023 steel year was that various steel products began to be offered commercially with a lower carbon footprint. For example, BE Group introduced bars and profiles in the Cholibria product line from steel producer Beltrame in the product range. This is the beginning of an exciting development.

DEVELOPMENT OF SPOT PRICES FOR STEEL PRODUCTS IN NORTH WESTERN EUROPE IN 2023 ACCORDING TO S&P PLATTS





## Financial targets and outcome

# A long-term effort

In recent years, BE Group has implemented several important changes with the aim of increasing efficiency and lowering the structural costs in the company. These changes are part of a long-term effort to increase profitability and at the same time strengthen the company's position in a market characterized by tough competition and thin margins. BE Group earnings should primarily be used to develop the business and generate returns for the owners. 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. Complete market statistics is no longer available to compare the company's growth with the market development, hence an estimation has been made.

**-9%** <sup>(-6)</sup>

The market is estimated to have decreased -9 percent (-6) compared to last year. During the full-year 2023, BE Group has had a similar development. The decrease in tonnage is mainly attributable to the weak demand from the construction sector.

### 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 266 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.

**0,6%** <sup>(7,1)</sup>

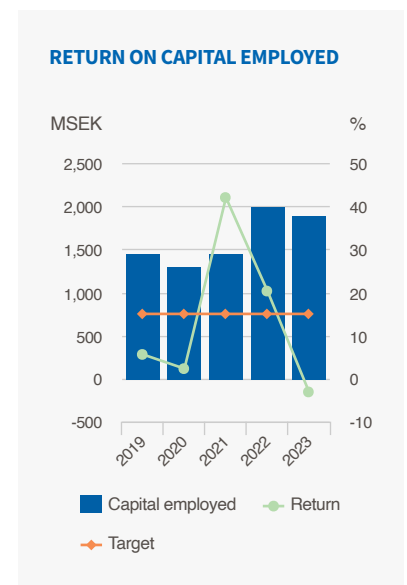
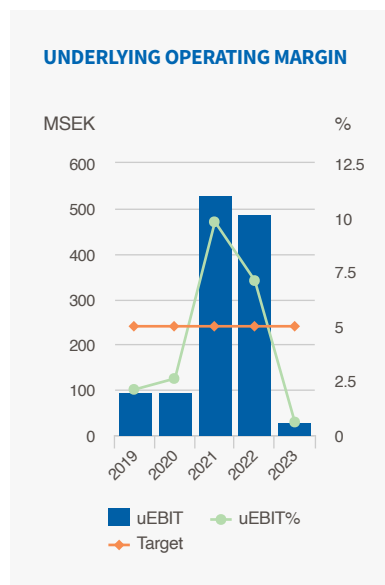
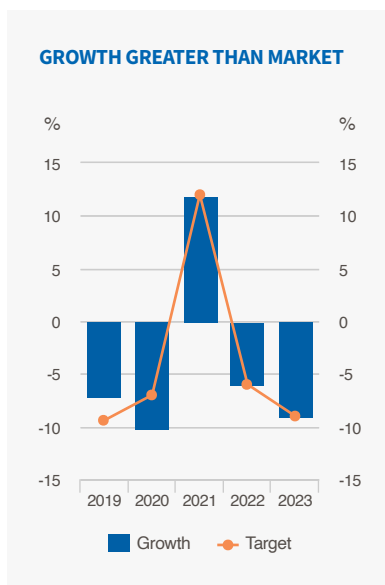
The underlying operating margin amounted to 0.6 percent (7.1) for 2023 and thus the target was not fulfilled.

### 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.

**-3,1%** <sup>(20,3)</sup>

The return on capital employed amounted to -3.1 percent (20.3) during the year and thus the target was not fulfilled. The cause is the negative operating result as a result of declining steel prices and sales volumes as well as inventory losses.





## Business area Sweden & Poland

# Local presence and high level of service

Business area Sweden & Poland accounted for 49 percent (49) of BE Group's net sales in 2023. The business area includes the Group's operations in Sweden consisting of the companies BE Group Sverige, BE Group Produktion Arvika, the joint venture ArcelorMittal BE Group SSC AB and the Polish operation BE Group Poland. The roughly 2,000 customers in the manufacturing and construction industries receive deliveries from warehouse and production facilities in Norrköping and Arvika in Sweden and Trebaczew in Southern Poland. In addition to these facilities, BE Group Sweden has sales offices in additionally eight cities. The size and needs of the customers vary widely; the ten largest customers account for about 36 percent of the business area's sales. Local presence, a high level of service and good understanding of customers are prerequisites for serving the market. The competitors in the market include SSAB-owned Tibnor and Stena Stål, which is a part of the Stena Group.

BE Group owns 50 percent of the company ArcelorMittal BE Group SSC AB in Karlstad, a steel service center where thin sheets and coils are cut and slit, with a turnover of SEK 1,044 M (1,192) during 2023.

### Sales and business performance

Net sales for the year decreased by -23 percent compared to last year, and amounted to SEK 2,641 M (3,408). The operating result amounted to SEK -24 M (217). Adjusted for inventory losses of SEK -59 M (-19) and items affecting

comparability of SEK -4 M (-), the underlying operating result amounted to SEK 39 M (236).

The result has weakened mainly due to falling steel prices, a gross margin under pressure, a weak demand mainly within the construction segment and a decrease in organic tonnage by -15 percent compared to 2022. The joint venture ArcelorMittal BE Group SSC is reported in accordance with the equity method and the participation in earnings for the year amounted to SEK 23 M (34).

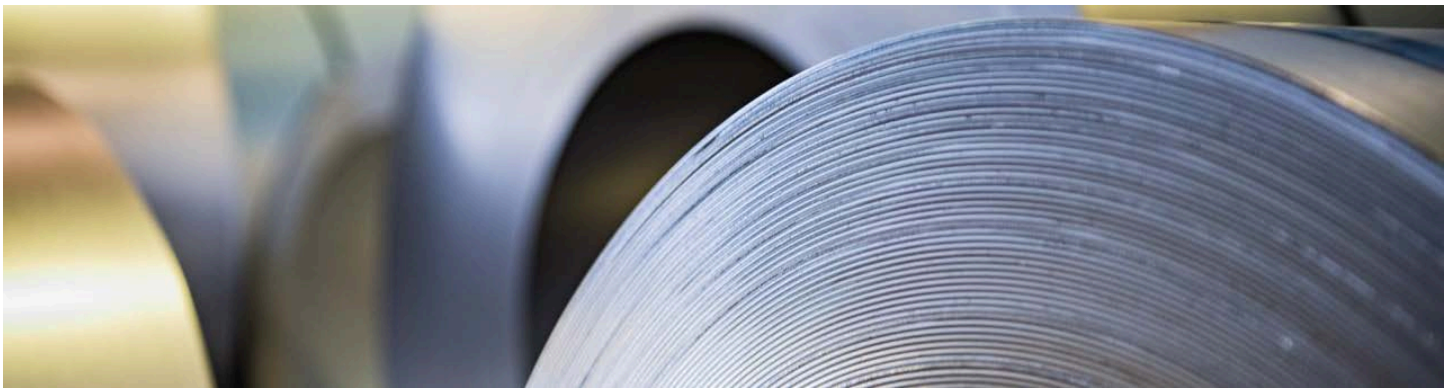
### Continued development

In 2023, focus was on continuing to serve our customers in a professional manner, strengthening cash flow and implementing the savings and efficiency enhancement program announced in the third quarter to mitigate the effect of the economic downturn. In the warehousing and production facility in Norrköping, the company has seen the effect of the structure and efficiency improvement work and the unit developed strongly. The market situation is tough and the construction sector is expected to continue at low levels and efforts to increase growth and strengthen margins will continue in 2024. This will take place through enhanced cooperation with our customers, active efforts to streamline the supply chain, to increase and clarify the value we generate and price them correctly and to continue working on the cost side.



In 2023, focus was on continuing to serve our customers in a professional manner, strengthening cash flow and implementing the savings and efficiency enhancement program announced in the third quarter to mitigate the effect of the economic downturn

Key data	2023	2022	Change
Shipped tonnage, thousands of tonnes	137	157	-20
Net sales, SEK M	2,641	3,408	-767
Operating result (EBIT), SEK M	-24	217	-241
Operating margin, %	-0.9	6.4	-7.3
Underlying operating result (uEBIT), SEK M	39	236	-197
Underlying operating margin, %	1.5	6.9	-5.4
Investments, SEK M	27	7	20
Average number of employees	373	348	25



## Business area Finland & Baltics

# Deliver value-creating solutions

In 2023, the business area accounted for a total of 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. The operations in Finland consist of production and warehousing facilities in Lapua, Lahti and Turku and sales offices in nine locations. The operations in the Baltics consists of sales units in Maardu, Riga and Kaunas and a warehouse facility in Maardu.

In the Finnish market, the Company has 2,900 customers and the ten largest customers account for 11 percent of the business area's sales. Focus is on delivering value-generating services to both construction and manufacturing industries. BE Group Finland is running its own steel service center for cutting and slitting of thin sheets and coils, which means a higher share of sales of these products compared with business area Sweden & Poland. The primary competitors are Tibnor and Feon.

In the Baltics, the market is more fragmented and conditions vary substantially between Estonia, Latvia and Lithuania, and BE Group generally has a smaller position in the market.

### Sales and business development

Net sales for the year decreased by -22 percent compared to last, amounting to SEK 2,729 M (3,497). Delivered tonnage during the period decreased by -8 percent due to the weak economy.

The operating result amounted to SEK -22 M (217) and adjusted for inventory losses of SEK -17 M (-50) and items affecting comparability of SEK -2 M (-), the underlying operating result amounted to SEK -5 M (267). The weak result is attributable to falling steel prices, declining volume in the Finnish operations and a pressured gross margin.

### Continued development

The surrounding world situation meant that demand in 2023 was generally weak both in the construction and the manufacturing industries. Focus has been on exceeding customer expectations and strengthening cash flow. During the year, the implementation of the strategic investments continued. A fully automated saw and machining line for long products was installed at the Turku facility.

A major focus is now on growth, improving profitability in the Finnish operations and the Baltic operations and in areas such as development and sustainability. As before, the goal is to offer the best customer experience in our industry by providing value-creating solutions to every customer and segment that we focus on. In terms of sustainability efforts, the goal is to reduce the carbon footprint in both materials and production services.



The surrounding world situation meant that demand in 2023 was generally weak both in the construction and the manufacturing industries. Focus has been on exceeding customer expectations and strengthening cash flow

Key data	2023	2022	Change
Shipped tonnage, thousands of tonnes	151	164	-13
Net sales, SEK M	2,729	3,497	-768
Operating result (EBIT), SEK M	-22	217	-239
Operating margin, %	-0.8	6.2	-7
Underlying operating result (uEBIT), SEK M	-5	267	-272
Underlying operating margin, %	-0.2	7.6	-7.8
Investments, SEK M	75	47	28
Average number of employees	297	298	-1



## The share

BE Group AB (publ) is listed on Nasdaq Stockholm. 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 2023 was approximately 7 M shares with a combined value of SEK 699 M, representing an average turnover of 27,708 shares or SEK 2.8 M per trading day. On the year's last trading day, December 29, 2023, the market price for the BE Group share was SEK 71.25. The highest price paid in 2023 was SEK 149.90 and the year's lowest price paid was SEK 65.90. At the end of the year, BE Group's total market capitalization was SEK 927 M.

### Share capital and voting rights

At December 31, 2023, 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.

### Largest shareholders December 31, 2023

Shareholders	Number of share	Capital and votes (%)
AB Traction	3,260,000	25.1
Svedulf Fastighets AB	3,250,426	24.9
Ahldin, Johan	642,285	4.9
Försäkringsaktiebolaget, Avanza Pension	613,093	4.7
Ålandsbanken ABP (Finland), svensk, filial	142,931	1.1
Nordnet Pensionsförsäkring AB	125,401	1.0
Coeli Wealth Management AB	109,120	0.8
Futur pension Försäkringsaktiebolag	106,911	0.8
Skandinaviska Enskilda Banken AB	88,992	0.7
Diklev, Jens Philip	76,051	0.6
<b>Total, 10 largest shareholders</b>	<b>8,415,210</b>	<b>64.7</b>
BE Group's holding of treasury shares	26,920	0.2
Other shareholders	4,567,994	35.1
<b>Total number</b>	<b>13,010,124</b>	<b>100</b>

### Ownership structure

At the end of 2023, BE Group had 13,615 shareholders, compared to 12,101 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 65.4 percent and foreign ownership was 3.1 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 that no dividend will be paid for the financial year of 2023.

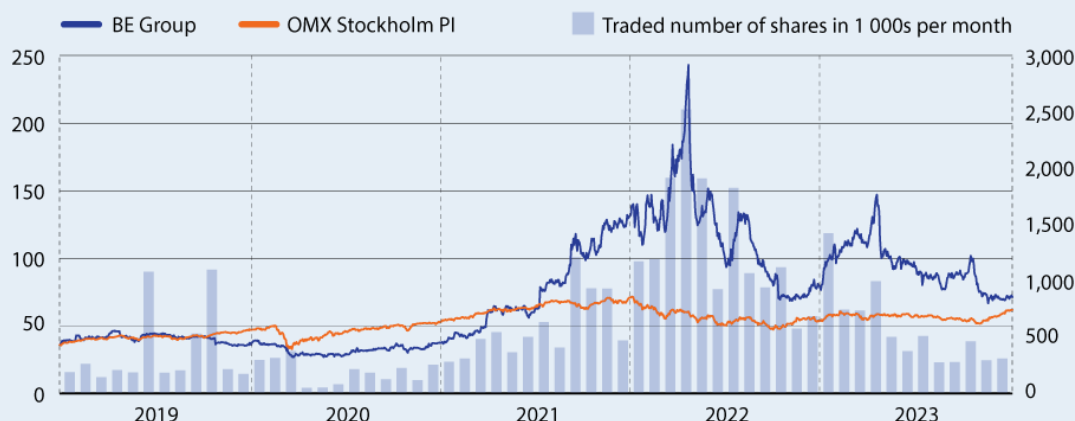
### Shareholder structure, December 31, 2023

Holding	Number of shareholders	Number of shares	Capital and votes (%)
1 - 500	12,234	1,003,078	7.7
501 - 1,000	710	549,552	4.2
1,001 - 5,000	545	1,111,160	8.5
5,001 - 10,000	57	401,679	3.1
10,001 - 15,000	16	207,159	1.6
15,001 - 20,000	16	280,094	2.2
20,001 -	37	9,457,402	72.7
<b>Total</b>	<b>13,615</b>	<b>13,010,124</b>	<b>100</b>

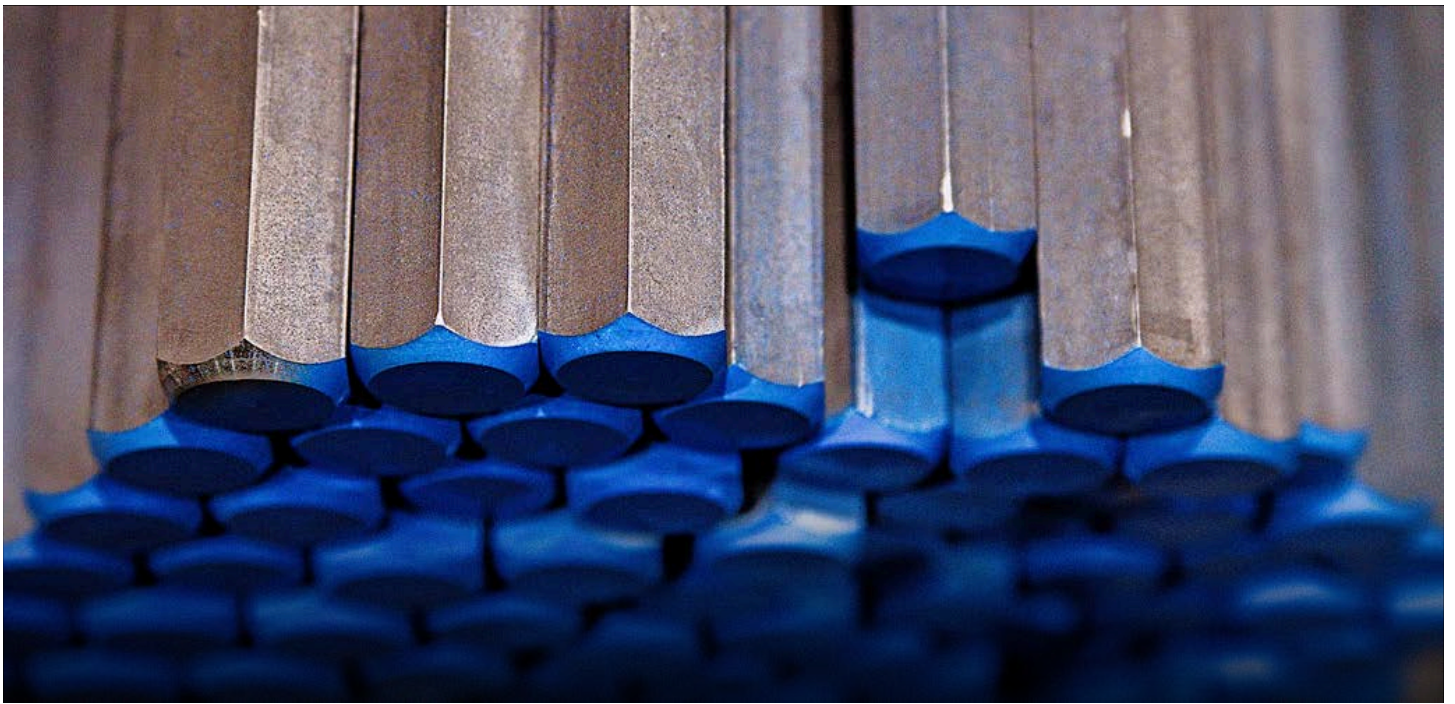
### Per share data

SEK unless otherwise stated	2023	2022
Earnings per share	-4.59	24.96
Earnings per share after dilution	-4.59	24.96
Equity per share	109.68	126.11
Proposed dividend per share	-	12.00
Market price, December 29. latest price paid	71.25	80.80
Market capitalization, December 29, SEK M	927	1,051.2
P/E ratio	-15.5	3.2
Yield rate, %	-	14.85

### Share price development January 2019 – December 2023



ISIN code: SE0001852211 Ticker on NASDAQ Stockholm Exchange: BEGR Source: Allfunds Tech Solutions



## Board of Directors' Report

# 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 2023, the Group reported sales of SEK 5.3 billion. BE Group has approximately 680 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](http://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), 126.3 million tons of raw steel were produced during the year according to the World Steel Association, which is the global trade association for the steel producers. This is a decrease by about 7 percent compared to 2022. The surrounding world was spared major events in 2023 and European steel prices were consequently guided by supply and demand, which resulted in less price volatility than earlier years, however, led to considerable changes. Different kinds of steel had different trends.

Long products (beams, rebar and so on) are largely consumed by the construction sector and the decline there most likely pushed down the spot prices that fell in the first half of the year and was stable and slightly recovered during autumn, but they were about 20 percent lower at the end of the year compared to the beginning. Spot prices in Europe for flat products (hot and cold rolled sheets) rose during the first quarter, since distributors tried to fill their inventories while producers had limited their capacity. Then they fell until the end of October when the distributors yet again started to fill their inventories and by the end of the year, prices had recovered to levels close to the beginning of the year.

### 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 and Group eliminations.

### Net sales and business performance

During the year, the Group's net sales decreased by -23 percent compared to last year and amounted to SEK 5,328 M (6,875). The decrease is explained by negative price and mix effects of -15 percent, negative organic tonnage growth of -12 percent, partly counteracted by positive currency effects of 4 percent. Tonnage to the construction industry decreased by -28 percent, which mainly affects the Swedish operations, while the manufacturing industry decreased by -5 percent. Organic tonnage growth within business area Sweden & Poland decreased by -15 percent and Finland & Baltics delivered -8 percent less. Mainly, sales of long and flat products decreased compared to last year.

Gross profit amounted to SEK 544 M (1,009) with a gross margin of 10.2 percent (14.7). Adjusted for inventory losses and items affecting comparability, the underlying operating margin amounted to 11.4 percent (15.6).

The operating result amounted to SEK -52 M (418), corresponding to an operating margin of -1.0 percent (6.1). Adjusted for inventory losses of SEK -76 M (-70) and items affecting comparability of SEK -6 M (-), the underlying operating result amounted to SEK 30 M (488). The underlying operating margin amounted to 0.6 percent (7.1).

### 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 BE Group Sp.z o.o. Net sales for the year decreased by -23 percent compared to last year, amounting to SEK 2,641 M (3,408). The operating result amounted to SEK -24 M (217). Adjusted for inventory losses of SEK -59 M (-19) and items affecting comparability of SEK -4 M (-), the underlying operating result amounted to SEK 39 M (236). 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

Business area Finland & Baltics accounted for 51 percent (51) of the Group's net sales during the year. The business area consists of the Group's operations in Finland and the three Baltic States. Net sales decreased by -22 percent compared to last year, amounting to SEK 2,729 M (3,497). The operating result amounted to SEK -22 M (217) and adjusted for inventory losses of SEK -17 M (-50) and items affecting comparability of SEK -2 M (-), the underlying operating result amounted to SEK -5 M (267). 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 and Group eliminations. 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 128 M (148) 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 -64 M (-68), SEK 54 M (55) was distributed to the subsidiaries.

The operating result amounted to SEK 64 M (81). Net financial items amounted to SEK 97 M (266). The result before tax amounted to SEK 63 M (386) and the result after tax was SEK 70 M (360). At the end of the year, Parent Company equity amounted to SEK 1,077 M (1,163). Investments in the Parent Company amounted to SEK 44 M (0). At the end of the period, cash and equivalents in the Parent Company amounted to SEK 64 M (31).

## Net financial items and tax

Consolidated net financial items amounted to SEK -23 M (-18) and net interest accounted for SEK -25 M (-18), of which SEK -10 M (-10) is related to leasing according to IFRS 16. Tax amounted to SEK 15 M (-76). Result after tax amounted to SEK -60 M (324).

## Cash flow

Cash flow from operating activities was strong and increased to SEK 491 M (204) as a result of the release of working capital. The cash flow from investing activities amounted to SEK -145 M (-56) of which SEK -44 M is related to a new business system. Cash flow after investments thereby amounted to SEK 346 M (148).

## Capital, investments and return

At the end of the period, consolidated working capital amounted to SEK 683 M (1,130) and average working capital tied-up was 16.2 percent (15.5). Of the year's investments, totalling SEK 146 M (54), investments in intangible assets accounted for SEK 44 M (1) and investments in tangible assets for SEK 102 M (53). The return on capital employed excl. IFRS 16 was negative and amounted to -3.1 percent (20.3). The negative operating result was due to declining steel prices, sales volume and inventory losses.

## Financial position and liquidity

At the end of the period, consolidated cash and equivalents, including overdraft facilities, were SEK 224 M (200) and consolidated interest-bearing net debt excl. IFRS 16 amounted to SEK 259 M (357). At the end of the period, equity amounted to SEK 1,424 M (1,637).

## Employees

The employees are BE Group's most important resource and there is a high correlation between the company's future success and its ability to recruit, retain and develop qualified personnel. In order to meet expectations of the employees, a major focus is required on areas such as health and safety, leadership, influence opportunities, diversity and working conditions including culture and values. 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 the 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 657 compared to 665 at the same time last year and the average number of employees during the year amounted to 678 (654).

## Sustainability report

BE Group has established a sustainability report pursuant to the Annual Accounts Act. The Group's sustainability report includes pages 17-25, disclosures in accordance with the EU Taxonomy Regulation on pages 26-29, the section on risks and risk management in the Board of director's Report on page 16 and the business model on page 4.

## Environmental policy and environmental work

BE Group is working with environmental issues as an integrated part of its operations. The company is working to continuously 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 among others 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.





## 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 13,615 shareholders, compared to 12,101 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 and at the company's website. At the end of the year, the proportion of institutional ownership (legal entities) totalled 68.4 percent and foreign ownership was 3.1 percent.

At the end of 2023, the three members of Group Management together held 7,795 shares in BE Group. At the same time, the company's directors together held 3,403,282 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 2023.

### Share capital, shares outstanding and rights

The registered share capital amounted to 13,010,124 (13,010,124) common shares on December 31, 2023. 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](http://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 2024 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 effected 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 that no dividend (12) will be paid for the financial year of 2023.

### Corporate governance

The Corporate Governance Report is presented on pages 78-84.

### Contingent liabilities

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

### 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.

# Risks and risk management

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. Effective risk management supports BE Group's strategic targets and ensures business continuity even under shifting circumstances.

The Group operates in several countries and is therefore exposed to various risks as a consequence of differences in legislation, regulations and guidelines. Group management reports ongoing risk issues to the Board, which has ultimate responsibility for the company's risk management. This may apply, for example, to financial status and changes in the surrounding world. Responsibility for risk management within the Group is governed by established policies and routines, which are continuously revised. Group management receives support in strategic decisions by identifying, mapping and managing the Group's risks.

The most important risks and factors of uncertainty for BE Group can be divided between:

- Market risks
- Operational risks
- Financial risks
- Sustainability related risks

Market risks	Description	Management
<b>Economic trend</b>	The company 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.
<b>Legal risks</b>	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 sanctions, 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.	BE Group follows the laws and regulations that apply in each country the company operates. The company follows developments, complies to new rules and regulations and implements policies and/or activity plans where required.
<b>War and conflicts</b>	The European producers are dependent on inputs from different countries. War can have a negative impact and mean, for example, high energy prices, shortages of materials and interruptions in supply chains with sharp price increases as a consequence.	As an independent supplier, BE Group is not committed to one supplier but is working with different alternatives. The company conducts environmental monitoring and monitors critical material flows.
<b>Steel price trend</b>	Steel price trends are volatile and has a direct impact on the company's profitability. Steel prices affect the company such that lower market prices provide a smaller 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 leads to 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. BE Group has longer price agreements with several customers, which reduces the risk. Consequently, falling steel prices have a negative impact on BE Group's operations and earnings, while increased prices have a positive impact.

## Sensitivity analysis

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 2023 and assumes a constant underlying gross margin.

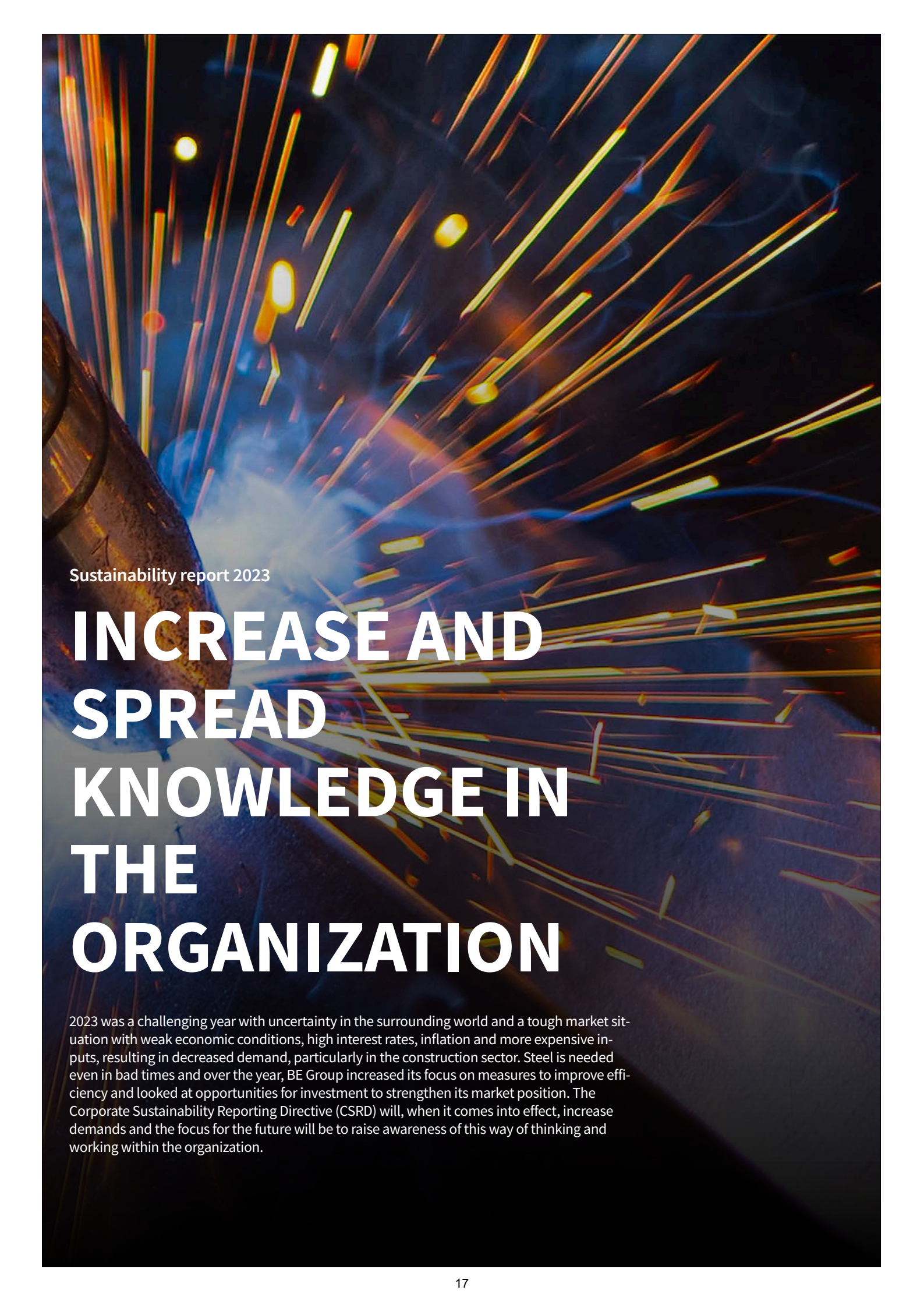
	Change	Operating result effect
Steel price	+/-5 %	+/-35 MSEK
Tonnage	+/-5 %	+/-23 MSEK

Operational risks	Description	Management
<b>Information security</b>	Dependence on IT systems increases vulnerability to cyber-attacks and downtime, which can seriously affect the business in various ways and lead to extensive financial consequences. Cyber risks through ransomware, phishing, information leakage and other types of online fraud are a growing threat that requires great vigilance.	In order to minimize external threats and their impact, the Group continuously invests in appropriate technology and internal IT security training takes place on an ongoing basis. BE Group carefully follows developments in the area in order to best protect critical information and ensure stable IT operations.
<b>Global disturbances in the supply chain</b>	The company is exposed to the risk that deliveries from suppliers may be significantly delayed or absent in the event of production interruptions, capacity shortages or transport problems beyond its control. This can mean loss of revenue and/or costly measures to meet commitments to customers.	It is BE Group's assessment that the group is not dependent on any single supplier and all major suppliers are deemed to be replaceable, which is why a supplier interruption does not necessarily lead to long-term consequences for the business. Some product groups are more vulnerable, but the Group strives to develop relationships with the best steel producers in order to maintain a long-term and sustainable collaboration.
<b>Customer dependence</b>	The company's customers are mainly within the construction and manufacturing industries and the company is exposed to risks at declining demand and production.	BE Group's operations are conducted in several different markets and to numerous customer categories. The ten largest customers accounted for 19 percent (16) of total sales in 2023. BE Group has a large number of customers in different industries and consequently, a good risk diversification.
<b>Insufficient delivery capability</b>	The lead time to the customers is highly dependent on the purchase process and production activities proceeding as planned. Production disruptions and deficiencies in incoming deliveries may affect delivery capability to customers.	BE Group's ten largest suppliers together account for about 60 percent of the purchases, however, the company is cooperating with around 500 different suppliers which ensures the availability of materials. The company measures and follow up lead times and delivery accuracy as a part of an ongoing improvement work.

Financial risks	Description	Management
<b>Currency risk</b>	The company is exposed to transaction exposure arising when the Group conducts purchasing in one currency and sales in another. This means that the transaction exposure is attributable to accounts receivable and accounts 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 utilizes forward contracts for currency hedging.
<b>Refinancing risk</b>	The company 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.	According to BE Group's finance policy 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.
<b>Credit risk</b>	The company makes a commercial assessment when entering into new business relations and extending existing ones. 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. 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.



Sustainability related risks	Description	Management
<b>Health and safety</b>	Deficiencies in safety and work environment leads to a greater risk of illness and incidents for the company's employees.	The work environment, health and safety are central issues for BE Group and the company 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.
<b>Human resources</b>	The company 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.	In order to achieve an organization with committed employees, the company conducts during the year, among other things, employee talks and employee surveys, systematic work with the work environment, competence development and internal training. Training takes place both through broad programs for many employees and as individual-based competence development.
<b>Gender equality, diversity and discrimination</b>	Shortcomings in implementation and compliance with the company'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 gender equality, diversity and discrimination.
<b>Corruption</b>	Corruption can exist to varying degrees in some countries and different sectors of society. Like many other companies, the company 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 has an Anti Corruption Policy and a Code of Conduct for the company's employees, suppliers and cooperative partners. BE Group applies central and local authorization manuals to avoid conflicts of interest and uses procurement processes that ensure good business ethics.
<b>Sanctions</b>	EU has tightened restrictions on imports of iron, steel and other goods by requiring importers to prove that the material does not come from sanctioned countries, companies or individuals.	BE Group has developed a sanction policy that covers the entire organization. It states that the company does not interact, directly or indirectly, with any person or entity listed as unauthorized on sanction lists and that the company does not conduct business, directly or indirectly, with countries or regions subject to sanctions. All companies within BE Group are required to collect basic identification information about all business partners and to conduct sanction controls.
<b>Human rights</b>	With units in several countries in Northern Europe and a geographically widespread supplier base 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 whistleblower system.
<b>Environmental legislation and responsibility for the environment</b>	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. The company could become liable for environmental damage caused by operations conducted, or that have previously been conducted by the company. It cannot be ruled out that operations such as those that are conducted, or have been conducted, by the company could lead to liability for environmental impacts that do not appear until much later.	BE Group works to comply with laws and regulations and to reduce the company's environmental impact within the ISO14001 framework. BE Group also works to reduce the environmental impact in the value chain, through the production and distribution process from suppliers to end users.
<b>Emissions from transports</b>	The company primarily sells its products in six markets, which means 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..



Sustainability report 2023

# INCREASE AND SPREAD KNOWLEDGE IN THE ORGANIZATION

2023 was a challenging year with uncertainty in the surrounding world and a tough market situation with weak economic conditions, high interest rates, inflation and more expensive inputs, resulting in decreased demand, particularly in the construction sector. Steel is needed even in bad times and over the year, BE Group increased its focus on measures to improve efficiency and looked at opportunities for investment to strengthen its market position. The Corporate Sustainability Reporting Directive (CSRD) will, when it comes into effect, increase demands and the focus for the future will be to raise awareness of this way of thinking and working within the organization.



## About the report

BE Group's Board of Directors bears ultimate responsibility for sustainability efforts and continuously monitors that operations meet the statutory and regulatory requirements imposed on the company. The Board of Directors has delegated the establishment of the framework for sustainability work to the Group Management Team and the Board of Directors regularly reviews the work through the Audit Committee. The Group Management Team handles strategic issues, targets, follow-up and communications. The managing director of the respective unit bears the operating responsibility and sets local goals and plans that are subsequently followed up by the Group Management Team. This work is held together by a sustainability coordinator who reports to the President and CEO.

The sustainability report pursuant to the Annual Accounts Act includes pages 17-25, disclosures in accordance with the EU Taxonomy Regulation on pages 26-29, the section on risks and risk management in the Board of Director's Report on page 16 and the business model on page 4. This sustainability report applies to the Group and all wholly owned subsidiaries.

## Mapping of operations

One of BE Group's strengths is that the company is an independent steel distributor. The company can offer a varied range from several suppliers, which gives the customer greater choice. But it also imposes higher demands on the company in an increasingly regulated market where demands on traceability and transparency through the value chain are increasing.

During the year, work began to map operations based on the new EU Corporate Sustainability Reporting Directive. In 2023, together with an external consulting firm, BE Group commenced the implementation of a double materiality analysis of the activities in the company and in the value chain and a first round of stakeholder dialogues. The process is based on a number of workshops conducted together with representatives from production, HR, sales, purchasing and Group-wide functions. In the course of the work, participants look at the organization and determine the boundaries for the value chain. After that, the company's impact, risks and opportunities were discussed and clarified. This work is held together by the sustainability coordinator and the result will form the basis for upcoming reports and lead to the development of focus areas in the continued sustainability work where the most important sustainability issues are identified. This allows systematic prioritization of tasks that are important to enable BE Group to contribute to the goals set by the EU in line with the Green Deal.

One challenge, facing the company, is raising awareness among employees and how this affects their day-to-day work and is integrated into existing processes. For this reason, a guiding idea in the project has been to involve the company's various functions in the work. In the future, it will be increasingly important that employees understand what they can contribute with and relevant targets will be set in the respective working group.

## Dialogue with key stakeholders

BE Group strives to maintain an open dialogue with the identified key stakeholders to be able to meet their needs and expectations of the company. Their opinions add valuable information to develop the company. The following stakeholders had already been identified: customers, employees, shareholders, suppliers and society, where dialogue has been conducted through personal meetings, customer and employee surveys, investor meetings, networks, collaborative projects and union collaboration.

In connection with the introduction of the Corporate Sustainability Reporting Directive, additional demands are placed on stakeholder dialogues and BE Group has begun this process. Additional key stakeholders have been identified, such as banks, insurance companies and analyst firms and a first set of interviews has been conducted with selected representatives of key stakeholders. The selection process has been conducted in consultation with the advising consultants.

## Core areas as a compass

The company has developed three core areas that are supposed to be a compass for how the company should act in a sustainable manner to achieve the overarching strategy. The double materiality analysis will clarify the activities within each focus area to drive the sustainability work forward. The work is based on Agenda 2030 and the global goals for sustainable development and the UN Global Compact's 10 principles.



### Circular business

Selection of activities:

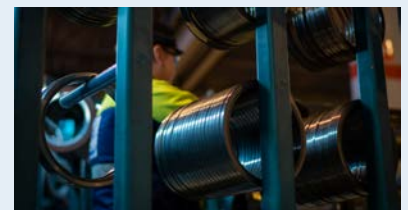
- Material optimization
- Waste handling
- Reduced number of returns



### Climate initiatives

Selection of activities:

- Optimize transports
- Modernize truck fleet
- Change to waterbased color



### Social and ethic responsibility

Selection of activities:

- Safety first
- Established a trade sanctions policy
- ISO 45001 in Sweden

The activities relates to the following global goals according to Agenda 2030:







The regulations that are introduced require that the company has a strategy that is not only effective in the short term, but is also designed to last in the medium to long term.

## Operations

### Increased demands in the steel industry

BE Group has commenced an extensive mapping of the company's operations and impact on the surrounding world. A major part of the work is also looking at the opportunities that exist. How BE Group can help promote a more sustainable steel industry and a better world for future generations.

Climate change and environmental degradation are a threat to the continued stability and development of the EU and the world. The EU has set a target to become the world's first climate-neutral region in 2050. To achieve this goal, the EU's Green Deal framework has been launched. The framework includes a number of directives that will affect all people and businesses in Europe, directly or indirectly.

One of the directives called Carbon Border Adjustment Mechanism (CBAM) will affect BE Group's operations more directly. The Directive, which entered into force in 2023, complements the EU's emissions trading and acts as an import duty on the carbon dioxide content of selected products. All sectors covered by emissions trading are covered by CBAM, steel and aluminum are two of these. Between 2026 and 2034, customs duties will be phased in at the same time that free allocation in emissions trading for European producers is phased out. Fully implemented, CBAM will increase the cost of steel produced with fossil fuels for producers in the internal market and for those who import to it. BE Group imports a small amount of non-European steel and is therefore included in the CBAM reporting.

Until 2026, the reporting is limited to the carbon dioxide content of the imported products. BE Group's relevant units submitted their first reports to the European Commission in January 2024. The reports included the last quarter imports in 2023. In 2024, BE Group will work to improve the quality of data that forms the basis for CBAM reporting.

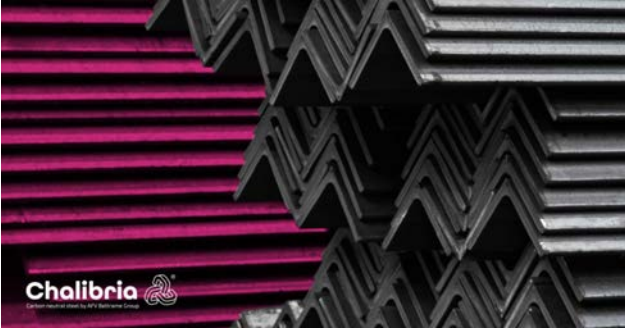
For BE Group, it is important to adapt its operations and offering to the regulations that are being implemented. This requires the company to have a strategy that is not only effective in the short term but also designed to hold in the medium to long term. The purchasing organization must be aware of the impact of the different options and salespeople must be able to provide customers with the information they need to make informed material choices, where price may not always be the most important factor.

### Policy and code of conduct

BE Group is supported by several policies and guidelines in its sustainability work: such as the code of conduct, core values, environmental policy, information policy, Safety first policy, anti-corruption policy, sanction 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.

The company's whistleblower service is published on the website and BE Group has a policy to meet the requirements in each country in which the company operates. A whistleblower committee receives and handles possible cases together with an external advisory party. No qualified whistleblower cases were received during the year.



## Trade sanctions policy

The Russian invasion of Ukraine has resulted in several sanctions from the EU. With these rules, the EU has strengthened restrictions on imports of iron, steel and other goods by requiring importers to prove that the material does not come from Russia. During the year, BE Group established a trade sanctions policy covering the entire organization. It states that the company does not interact, directly or indirectly, with any person or entity listed as unauthorized on sanction lists and that the company does not conduct business, directly or indirectly, with countries or regions subject to sanctions.

All companies within BE Group are required to collect basic identification information about all business partners and to conduct sanction controls. If it is apparent, or there is a suspicion, that a business partner has links to a high-risk country, is a listed person or that a transaction may otherwise violate applicable laws, this must immediately be reported and followed up.

## Risks and risk management

BE Group's profits and financial position are affected by a large number of factors. Several of these are outside of its own control. Effective risk management supports the company's strategic targets and ensures business continuity even under changed circumstances.

The Group operates in several countries and is therefore exposed to various risks as a consequence of differences in legislation, regulations and guidelines. Group management reports ongoing risk issues to the Board, which has ultimate responsibility for the company's risk management. This may apply, for example, to financial status and changes in the surrounding world. Responsibility for risk management within the Group is governed by established policies and routines, which are continuously revised. By identifying, mapping and planning the Group's risks, group management receives support in strategic decisions. Read more about the identified risks and risk management in the annual report on page 14-16.

## Sustainable steel

BE Group works to eventually be able to offer a complete range of sustainable steel. As an independent steel distributor, BE Group has a major responsibility to contribute to the green transition in the sector and the company sees increased interest from customers in materials with a lower carbon footprint. During the year, the following initiatives were taken to increase the offering:

- Co-operation agreement signed with leading steel producer AFV Beltrame regarding their new product line of steel bars and profiles, the carbon-neutral Chalibria
- Our joint venture ArcelorMittal BE Group SSC AB maintains warehousing and BE Group distributes ArcelorMittal's low carbon XCarb hot-rolled steel
- An agreement was signed with SSAB regarding the distribution of fossil-free steel in the Finnish market
- In 2023, BE Group stocked aluminum tread plate with a significantly lower carbon footprint from the Austrian aluminum producer AMAG Austria Metall AG
- The company already signed an agreement with H2 Green Steel and discussions are being held with several European steel producers on future partnerships

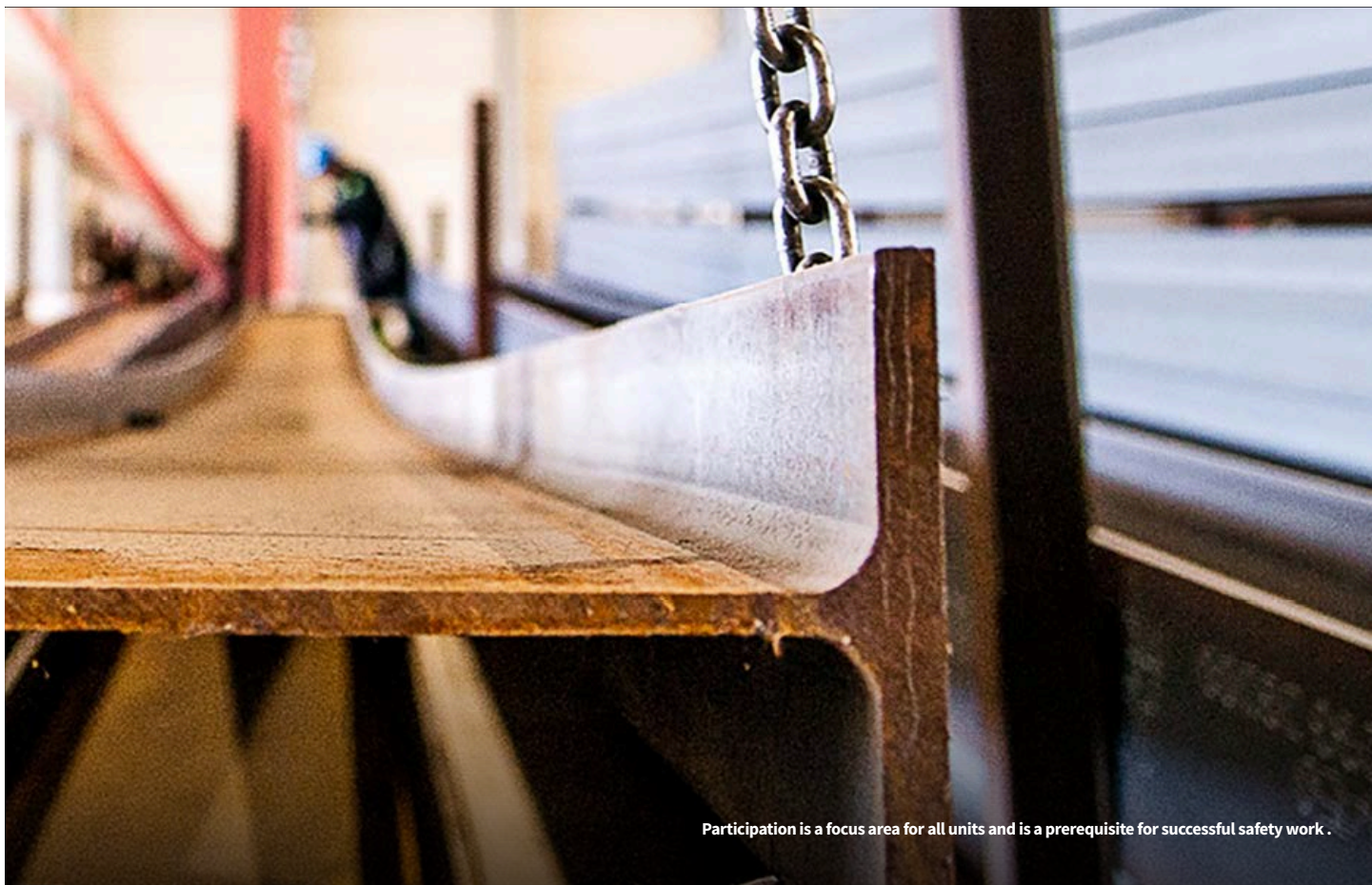
BE Group continued its efforts to prepare environmental product declarations (EPDs). This is a certified summary of the climate impact a product has throughout its life cycle. From primary raw materials, via production, transport and use, to recycling or "end of life" in other ways.

**BE Group's ambition is to eventually be able to offer a complete range of durable steel and during the year a lot has happened around this**

## Supply chain

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 and transparency are important parameters both in the classification and evaluation of suppliers. BE Group actively seeks out suppliers with explicit sustainability efforts that can offer products with lower CO<sub>2</sub> emissions. In 2023, there was an update of the Code of Conduct for suppliers that was sent out in the autumn.





Participation is a focus area for all units and is a prerequisite for successful safety work.

## Corporate culture

### Focusing on safety

For many years, health and safety have been a priority area for BE Group. In recent years, the company has reduced the number of accidents leading to absence by nearly 75 percent. This is a major step in the right direction, but the goal is for no employee to get hurt at work.

There is a policy with a zero vision for workplace accidents called Safety First where the basic idea is that all accidents can be prevented and safety must come first at all times. The units work locally to assess and address risks in the operations and to prevent accidents. Governing documents have been established and regular follow-ups, workplace meetings and training are implemented. Each incident and risk observation are reported, evaluated, resolved and followed up.

In 2023, 11 accidents (11) were reported, resulting in more than one day's absence. However, 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 proactive with improvement projects.

In Sweden, they were certified in accordance with ISO 45001 during the year. This is an international management system standard and a tool for organizations that want to work systematically to strengthen their physical and social health at the workplace. The standard imposes for example requirements on risk management, management commitment and employee participation.

Participation is a focus area for all units and is a prerequisite for successful safety work since behavior that violates the rules is a major cause of workplace accidents. By discussing both what happens, accidents, incidents and risk observations, awareness among the employees increases.

In the 2023 employee survey, 91 percent (89) of employees said that they experienced that their manager always puts safety first. What is also positive is that 89 percent (81) feel they can tell a colleague if they feel that they are not complying with safety regulations. The overall target is that no one should be injured at BE Group's workplaces and that everyone should have the prerequisites to be able to do the right thing in an easy way. One of the largest risk groups is new employees and work was done to further improving introductory training during the year.

### The basic idea is that every accident can be prevented and safety must come first at all times

#### BE Group's core values

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 :

- Dynamic
- Transparent
- Sustainable

Read more about the values at [www.begroup.com](http://www.begroup.com).



## Employees

BE Group strives to be an attractive and reliable 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.

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 90 percent (85) of the employees participated in the survey in 2023. The results are compiled at department level and every group work on preparing an action plan for the improvement areas established. The goal is that the employees shall have the possibility of influencing their work situation and, besides the employee survey, performance reviews are regularly held with the immediate manager.

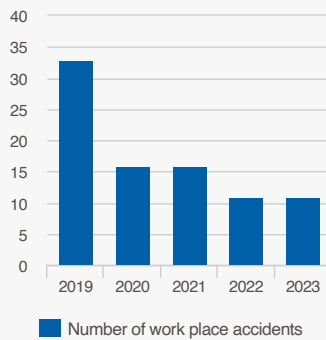
In the performance reviews, among other things, discussions are held around the opportunity to develop in the work role and this includes training courses, both external and internal. The units work locally with profession-specific training and during the year, several health and safety trainings were held, including forklift operation, conflict management and change management. In Finland, there is a digital tool, BE Academy, with ready-made short-term training courses where the employees themselves have the opportunity to develop in various work-related areas.

## Average number of employees and diversity

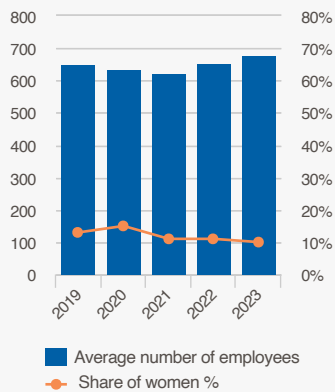
The average number of employees in BE Group in 2023 was 678 (654), of whom 10 percent (11) were women. The percentage of women in the organization is still low and work is ongoing to map how to create conditions to attract more female employees and managers. However, there are considerable differences between the percentage of women on the white-collar side and in production. The reduction in the average number of women in the organization during the year is mainly attributable to an increase in employees in production, which is a male-dominated role.

On december 31 2023, the percentage of women among white-collar workers was about 27 percent (27) and for production it was about 2 percent (1). Work is continuing to increase the diversity of workplaces and to create balanced teams with individuals with different genders, ethnic backgrounds and ages.

**NUMBER OF WORK PLACE ACCIDENTS WITH ABSENCE**



**EMPLOYED MEN/WOMEN**







Steel production is a heavy and energy-demanding industry, but at the same time the service life of steel structures is long and the recycling rate is high.

## Environment and climate

### Strategic transport optimization

Environmental issues are an integrated part of BE Group's 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.

#### Investments to enhance efficiency

During the year, the company implemented a number of measures to improve the environmental impact of the facilities. Among other things, BE Group in Sweden has worked on the energy efficiency enhancement of selected buildings in Norrköping by improving insulation, changing fan units and expanding the use of LED lighting. In the preceding year, tests were conducted using water-based paint, instead of solvent-based in production, and during the year, operations shifted to water-based paint. This results in reduced emissions of volatile organic compounds, increased recycling of process heat and an improved working environment for the employees.

BE Group in Finland continued to expand the use of LED lighting and upgraded some of the machinery, thereby improving energy efficiency.

At the end of 2023, modernization of the forklift fleet began in Sweden and Finland, which will continue in 2024. There will then be a switch to electric forklifts, which improves the work environment and reduces emissions.

In recent years, the company has taken a series of measures to reduce the operation's energy dependence and reduce emissions of carbon dioxide.

#### Outcome for the year

As an independent steel distributor, BE Group works with the leading steel producers around Europe and is already able to offer low carbon steel to customers. The ambition is to increase the share purchased from ISO 14001 certified suppliers and, in 2023, 83 percent (85) of purchases were made from certified suppliers. Target figures will be set in the coming years.

BE Group has made calculations of carbon dioxide emissions according to the recommendations in the Greenhouse Gas Protocol, GHG Scope 1-2. BE Group's combined climate impact expressed in CO<sub>2</sub>-equivalents was about 2,900 tons in 2023. This is an increase of around 500 tons compared with 2022. The CO<sub>2</sub> emissions then amount to 11.2 kg per ton sold (8.6) from the Group's operations, excluding transports. Including transports, CO<sub>2</sub> emissions are 21.6 kg per ton sold (16.4). In general, the operations in Poland are the most carbon-intensive, largely due to Poland's electricity market being highly fossil-dependent.

The increase is mainly attributable to two factors. The first is that the Swedish unit made two acquisitions in 2022, the emissions of which were only calculated for the period after being included in BE Group. If the effects of the acquisitions had been calculated for the entire year of 2022, the result would have only differed approximately 60 tons from the 2023 emissions. The other is that Lahti temporarily had to use oil combustion instead of natural gas, since there was a risk of lack of natural gas in Europe. This solution is not intended to be permanent and alternatives are being investigated.

As part of its work on the Corporate Sustainability Reporting Directive, the company will review internal processes for how it works with the GHG Protocol. Plans are under way for how Scope 3 will be included in the reporting in the next few years.

BE Group's total energy consumption amounted to around 89 kWh/ton sold (84) during the year. The increase is mainly attributable to increased sales of more energy-intensive types of production services 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 61 percent of the energy consumption comes from renewable sources (60). 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.

## Optimizing transports

Many of BE Group's customers prefer low or zero inventory, which requires frequent but smaller deliveries. However, the complex physical dimensions of many of our products impose considerable limitations on how the transport service can be organized. In Finland and Sweden, BE Group, in cooperation with its transport partners, operates a dedicated network for the company's logistical needs. This approach gives BE Group direct control over the cost efficiency and environmental impact of transports.

In Sweden, the strategic focus over the past year has been to optimize the transport organization to meet demands on cost restrictions and level of service from the market. During the year, a comprehensive study was conducted together with a major transport partner to review existing timetables and routes. Despite largely maintaining the delivery frequency, the cooperation resulted in an updated route plan that significantly reduced costs.

In Finland, the primary focus in 2023 was to achieve a significant decrease in the carbon footprint from transports. Despite somewhat higher costs, BE Group chose to go from fossil-based fuels to renewable fuels in the main markets. By adopting sustainable models in relation to cost considerations, the company works to reduce emissions.

The units in Sweden and Finland account for the majority of transports and, together with the transport companies, are working to review fuel consumption, increase awareness of emissions and look at the possibility of using electric transports in the future.



## Circular waste management

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. Residual materials in BE Group's operations are mainly metal, wood and cardboard where scrap metal accounts for about 95 percent of the waste. The scrap metal is of great importance in the production of low carbon products and 100 percent of BE Group's scrap metal is sent to recycling. In this way, BE Group supports the transformation of the steel industry into a circular economy.

The other residual materials are sorted and recycled to the greatest possible extent. In 2023, the Group recycled a total of 97 percent (98) of the total amount of residual products from the operations.

### KEY FIGURES 2023

#### NET SALES

SEK 5,328 M <sub>(6,875)</sub>

#### RESULT AFTER TAX

SEK -60 M <sub>(324)</sub>

#### CO<sub>2</sub> EMISSION/TON

11.2 kg <sub>(8.6)</sub>

#### UNDERLYING OPERATING RESULT

SEK 30 M <sub>(488)</sub>

#### RESULT PER SHARE

SEK -4.95 <sub>(24.96)</sub>

#### ENERGY CONSUMPTION/TON

89 kWh <sub>(84)</sub>

#### OPERATING RESULT

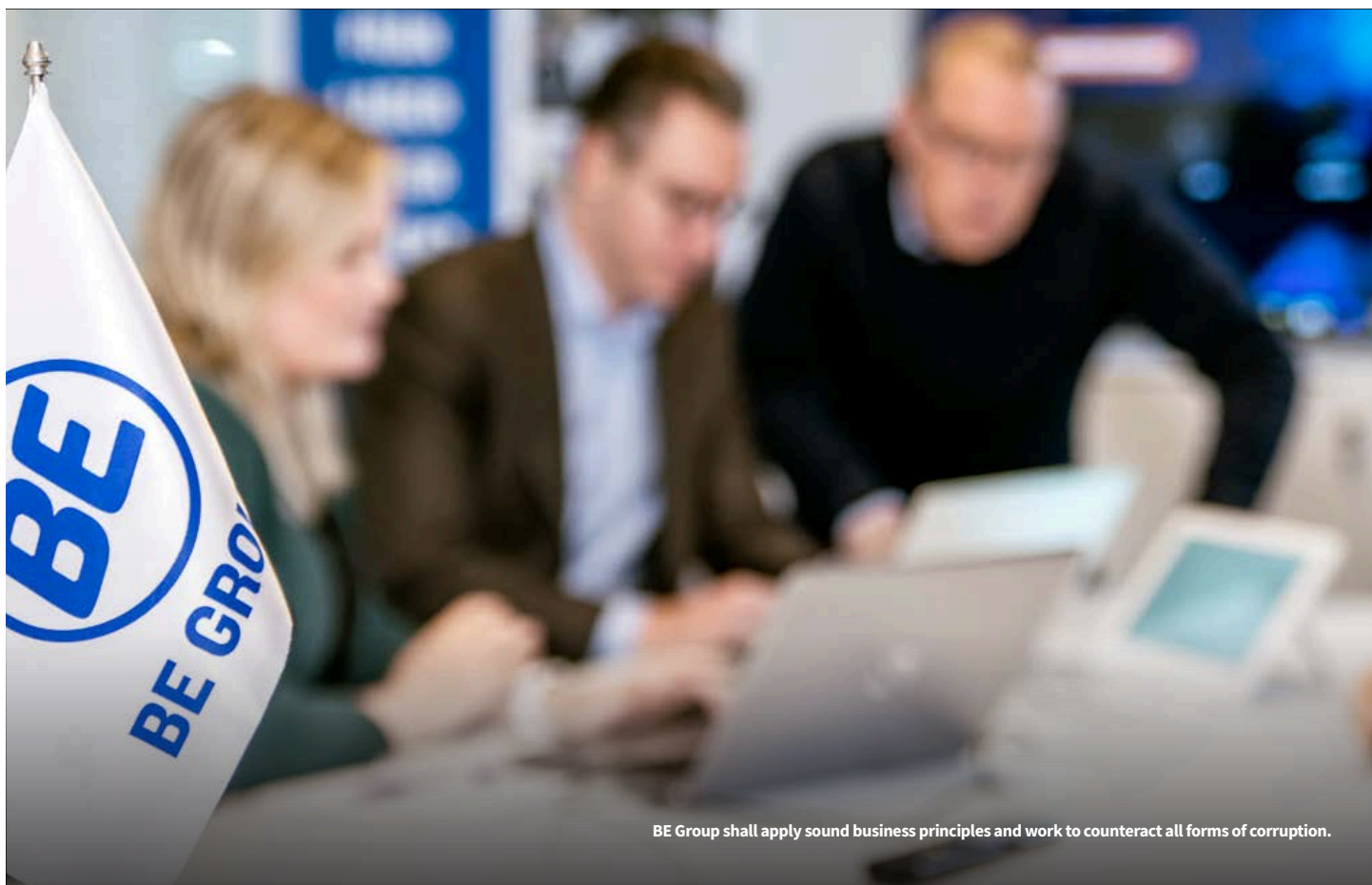
SEK -52 M <sub>(418)</sub>

#### SOLD TON (THOUSANDS)

285 <sub>(320)</sub>

#### RECYCLED RESIDUALS

97% <sub>(98)</sub>



BE Group shall apply sound business principles and work to counteract all forms of corruption.

## Social sustainability

### Focus on internal processes

BE Group works 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. The company works with internal processes and reporting tools to be able to detect irregularities in the organization. BE Group's Code of Conduct forms the foundation of this work.

BE Group strives for good working conditions and fair pay for its employees and to be a reliable employer. The work for many employees is conducted in a heavy industrial environment where focus on well-being and safety are key issues. Non-compliance with regulations and directives constitutes a dangerous work environment. The company has a zero vision for workplace accidents and every incident is reported, evaluated, corrected and followed up.

### Combating corruption

Corruption occurs when individuals abuse their power or position for personal gain. This is not just illegal but can have serious consequences for the company and society at large. BE Group applies sound business principles and works to combat all forms of corruption.

An anti-corruption policy has been developed in which it is established that the company's employees are not to pay, offer or accept bribes or other wrongful advantages, such as gifts or representation that are considered extravagant, with the purpose of influencing business decisions or securing undue benefits. In addition, BE Group shall not work with suppliers, sellers or partners that offer bribes or are involved in corrupt activities.

### Social responsibility

BE Group has units in several countries in northern Europe and is an important player and employer in the locations where the company operates and strives to be an active part of the community around the units.

This is achieved through various activities such as sponsorship of local sports clubs, internships and summer jobs and working together on degree projects. Together with other companies in the Naantali and Turku regions, BE Group in Finland donated money to the University of Turku to establish a professorship for the circular economy. The University of Turku has a lot of expertise related to sustainable development and the circular economy. At the Turku School of Economics, for example, the circular economy is studied based on strategic management of companies. The professorship will complement the University's competence by studying the phenomenon from a technical and financial perspective.

Respect for human rights is an important factor in achieving the UN's sustainable development goals. Internally, the company's Code of Conduct governs the rights of its employees, such as the right to be represented by a trade union in negotiations, reasonable terms of employment and pay, a workplace free of discrimination and harassment and zero tolerance of child labor.

With a geographically spread supplier base, transparency can be limited and there is a risk that BE Group will involuntarily contribute to human rights violations. The company's Code of Conduct for Suppliers addresses its minimum requirements and ambitions in areas such as human rights, health and safety, discrimination, working conditions, child labor, corruption and environmental liability issues. Follow-up is conducted via the whistleblower function where employees are able to report serious irregularities within the Group.

## EU Taxonomy

# Common definitions

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 environmentally-friendly.

BE Group is covered by the Non-Financial Reporting Directive (NFRD) and is thus subject to the reporting requirements from the EU Taxonomy. In order to comply with the regulation, a company must report, based on three financial goals, the extent to which the company's economic activities correspond to the Taxonomy-eligible economic activities (eligibility), as well as the extent to which the parts of the Taxonomy-eligible company's operations also meet the regulations so called Technical Screening Criteria (TSC) and Minimum safeguards (aligned). Those parts of the company's operations that meet the criteria are classified according to the Taxonomy as environmentally sustainable for the current financial year.

The EU Taxonomy covers a total of six environmental objectives that are subject to an assessment: Climate change mitigation, Climate change adaptation, 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 significant 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 2023 it is, according to the Article 8 of the Taxonomy Regulation (EU) 2020/852, the associated Delegated regulation (EU) 2021/2178 of 6 July 2021 as well as the associated Delegated regulation (EU) 2023/3851 of 7 June 2023, a requirement to report eligibility and alignment for the first two objectives and eligibility with the other four remaining objectives.

For analysis of economic activities linked to the TSC, the Delegated regulation (EU) 2021/2139 of 4 June 2021 and the associated Delegated regulation (EU) 2023/3851 of 7 June 2023 has been used. KPI's used is Turnover, Capital expenditure (CAPEX) and Operating expenditure (OPEX).

## 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 regulations and associations which, using NACE Codes (EU classification of Economic Activities), describe the taxonomy's activities and specify Technical Screening Criteria that must be met in order to be evaluated as aligned with the Taxonomy. Below activities were deemed eligible:

- Transport by motorbikes, passenger cars and light commercial vehicles (6.5)
- Installation, maintenance and repair of energy efficient equipment (7.3)
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4)
- Acquisition and ownership of buildings (7.7)

All of the activities above relates to the environmental objective Climate change mitigation. However, BE Group has evaluated all activities related to the environmental objectives and whether any of its activities are linked to BE Group's operations.

## Derivation of figures

### Turnover

The analysis from the working group concludes that the Group's Turnover cannot be connected to any activity within the scope of the TSC. This means that 0% of the turnover is covered during the financial year 2023, which is the same figure as for the financial year 2022. 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 OPEX and CAPEX.

### OPEX

The working group has identified and reviewed applicable activities based on the companies OPEX during the financial year. OPEX includes renovation measures, short-term leasing, maintenance and repair as well as other direct expenses related to the ongoing management of assets and which are necessary to ensure the continued and efficient functioning of the assets. OPEX is included in note 2 on row External costs.

From the description of activity 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings), it appears that installation of charging stations is included in the activity. During 2023, BE Group has had OPEX linked to the installation of charging stations which are therefore deemed to be costs covered by the Taxonomy. OPEX resulting from the installation of the charging stations during the year has been compiled and divided with total OPEX for the group amounting to SEK 56 M. OPEX for activity 7.4 amounts to SEK 1 M in 2023 (1.2% of total OPEX).

The working group's assessment is that the activity also meets the criteria for a significant contribution to limiting climate change, which are: 7.4 Installation, maintenance or repair of charging stations for electric vehicles. However, the working group has not carried out a climate risk and vulnerability analysis for the activity in line with Appendix A to the Delegated Regulation (EU) 2021/2139. The installation of charging posts is therefore not considered to be aligned with the



Taxonomy. This means that 1.2% of BE Group's OPEX is covered by the Taxonomy in the financial year 2023, which can be compared to 0% in 2022. Furthermore, 0% of BE Group's OPEX is aligned with the Taxonomy in the financial year 2023. The corresponding figure from 2022 is 0%.

The Group currently owns a building that was acquired in 2022 and the building is relevant for activity 7.7 Acquisition and ownership of buildings. The OPEX linked to the building is 0% of the Group's total OPEX, which is why the activity is not deemed essential to include as a taxonomy activity.

## 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, 2023 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 note 15 Right of use assets (additional rights of use) in accordance with IFRS 16 which can be found in the Annual Report.

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. No 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, 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 3 M 2023 (2% of total CAPEX), SEK 2 M 2022 (3% of the total CAPEX) and to SEK 2 M 2021 (5% of the total CAPEX).

Activity 7.3 – Installation, maintenance and repair of energy efficient equipment, described as individual renovation measures that include installation, maintenance and repair of energy efficient equipment. During the year, BE Group invested in the installation of LED lighting in all of the company's warehouses in Finland and these investments are deemed to be covered by the above activity in the Taxonomy. CAPEX for the installation of LED lighting in 2023 amounts to SEK 5 M in 2023 (3% of total CAPEX). The working group has not been able to determine that the installation of LED lighting meets the applicable TSC and the activity is therefore not aligned with the Taxonomy.

In summary, the above means that 5% of BE Group's CAPEX is covered by the Taxonomy in the financial year 2023, which can be compared to 8% in 2022. Furthermore 0% of BE Group's CAPEX is deemed to be compatible with the Taxonomy in the financial year 2023. The corresponding figure from 2022 is 0%.

CAPEX regarding investments in automatic control valves connected to district heating systems for reduced energy consumption has been subject to assessment. However, the working group has not been able to establish that the installation of such valves is referred to with activity 7.3, which is why the installations have not been included in this year's Taxonomy report. It is possible that the assessment may change in future years as further guidance on interpretations becomes available and practice being prepared.

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

Financial year 2023	Year			Substantial contribution criteria					
	Code	Turnover	Proportion of Turnover year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
Economic Activities		SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–
Of which enabling		–	–	–	–	–	–	–	–
Of which transitional		–	–	–	–	–	–	–	–
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		–	–	–	–	–	–	–	–
<b>A. Turnover of Taxonomy-eligible activities (A.1 + A.2)</b>		–	–	–	–	–	–	–	–
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>									
Turnover of Taxonomy-non-eligible activities		5,328	100%						
<b>Total</b>		<b>5,328</b>	<b>100%</b>						

DNSH criteria									
Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Turnover, year N-1	Category (Enabling activity)	Category (Transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	0%	E	
-	-	-	-	-	-	-	0%		T
							-		
							-		

Table for Turnover used from Annex II in the Delegated regulation (EU) 2023/2486.

Financial year 2023	Year			Substantial contribution criteria						
Economic activities	Code	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>										
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>										
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>										
Of which enabling										
Of which transitional										
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>										
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
A.2 Transport by motorbikes, passenger cars & light commercial vehicles	CCM 6.5	3	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
A.2 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	5	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
A.2 Acquisition and ownership of building	CCM 7.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>8</b>	<b>5%</b>	<b>5%</b>	-	-	-	-	-	
<b>CapEx of Taxonomy-eligible activities (A.1 + A.2)</b>		<b>8</b>	<b>5%</b>	<b>5%</b>	-	-	-	-	-	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>										
<b>CapEx of Taxonomy-non-eligible activities</b>		<b>149</b>	<b>95%</b>							
<b>Total</b>		<b>157</b>	<b>100%</b>							

DNSH criteria									
Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, year 2022	Category (Enabling activity)	Category (Transitional activity)
J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	0%	E	
-	-	-	-	-	-	-	0%		T
							0%		
							0%		
							0%		
							-		
							-		

Table for CAPEX used from Annex II in the Delegated regulation (EU) 2023/2486.

Financial year 2023	Year			Substantial contribution criteria					
	Code	OpEx	Proportion of OpEx, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
Economic Activities		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>									
<b>Of which enabling</b>			0%	-	-	-	-	-	-
<b>Of which transitional</b>			0%	-	-	-	-	-	-
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
A.2 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>									
		1	1%	1%	-	-	-	-	-
<b>A. OpEx of Taxonomy-eligible activities (A.1 + A.2)</b>									
		1	1%	1%	-	-	-	-	-
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>									
<b>OpEx of Taxonomy-non-eligible activities</b>									
		55	99%						
<b>Total</b>									
		56	100%						

DNSH criteria									
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, year N-1	Category (Enabling activity)	Category (Transitional activity)
J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	0%	E	-
-	-	-	-	-	-	-	0%	-	T
							0%		
							-		
							0%		

Table for OPEX used from Annex II in the Delegated regulation (EU) 2023/2486.

## Nuclear energy and fossil gas related activities

The working group has also analyzed the delegated act for nuclear energy and fossil gas, the supplementary delegating regulation (EU) 2022/1214, and the Group currently has no activity linked to this business. See table below for additional information:

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

## Financial overview

### Group

Consolidated income statement	31
Consolidated statement of comprehensive income	31
Consolidated balance sheet	32
Changes in consolidated equity	33
Consolidated cash flow statement	34

### Parent Company

Income statement	33
Statement of comprehensive income	33
Balance sheet	36
Changes in equity	38
Cash flow statement	39
Accounting principles	39-43
Notes	44-71



## Consolidated Income Statement

Amounts in SEK M	Note	2023	2022
Net sales	1	5,328	6,875
Cost of goods sold	2	-4,784	-5,866
<b>Gross profit/loss</b>		<b>544</b>	<b>1,009</b>
Selling expenses	2	-473	-482
Administrative expenses	2	-131	-134
Participation in earnings of joint venture	17	23	34
Other operating income	6	4	2
Other operating expenses	2, 7	-19	-11
<b>Operating result</b>	3, 4, 13, 14, 15	<b>-52</b>	<b>418</b>
Financial income	8	10	6
Financial expenses	9	-33	-24
<b>Result before tax</b>		<b>-75</b>	<b>400</b>
Tax	10	15	-76
<b>Result for the year attributable to Parent Company shareholders</b>	11	<b>-60</b>	<b>324</b>
Earnings per share before dilution	11	-4.59	24.96
Earnings per share after dilution	11	-4.59	24.96

## Consolidated Statement of Comprehensive Income

Amounts in SEK M	2023	2022
<b>Result for the year</b>	<b>-60</b>	<b>324</b>
<b>Other comprehensive income</b>		
<b>Items that may later be reclassified to profit/loss for the period</b>		
Translation differences	3	56
<b>Total other comprehensive income</b>	<b>3</b>	<b>56</b>
<b>Comprehensive income for the year attributable to Parent Company shareholders</b>	<b>-57</b>	<b>380</b>

# Consolidated Balance Sheet

Amounts in SEK M	Note	2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Goodwill	12	582	583
Other intangible assets	13	49	7
		<b>631</b>	<b>590</b>
Tangible assets	14	213	138
		<b>213</b>	<b>138</b>
Right of use assets	15	473	494
		<b>473</b>	<b>494</b>
Participations in joint ventures	17	191	183
		<b>191</b>	<b>183</b>
<i>Financial assets</i>			
Other securities held as non-current assets	18	0	0
Non-current receivables		0	0
		<b>0</b>	<b>0</b>
Deferred tax assets	25	28	6
		<b>28</b>	<b>6</b>
<b>Total non-current assets</b>		<b>1,536</b>	<b>1,411</b>
<b>Current assets</b>			
<i>Inventories</i>			
Goods for resale	20	792	1,127
		<b>792</b>	<b>1,127</b>
<i>Current receivables</i>			
Accounts receivable	31	532	675
Tax receivables		0	14
Other receivables		58	37
Prepaid expenses and accrued income	21	30	27
		<b>620</b>	<b>753</b>
<i>Cash and equivalents</i>			
Cash and equivalents		74	50
		<b>74</b>	<b>50</b>
<b>Total current assets</b>		<b>1,486</b>	<b>1,930</b>
<b>TOTAL ASSETS</b>		<b>3,022</b>	<b>3,341</b>

Amounts in SEK M	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	22		
Share capital		260	260
Other capital contributions		251	251
Translation reserve		95	92
Retained earnings including result for the year		818	1,034
<b>Equity attributable to Parent Company shareholders</b>		<b>1,424</b>	<b>1,637</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	26, 29, 31	334	406
Non-current leasing liabilities	15, 29, 31	376	405
Deferred tax liabilities	25	52	48
<b>Total long-term liabilities</b>		<b>762</b>	<b>859</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	26, 27, 29, 31	0	1
Current leasing liabilities	15, 27, 29, 31	103	94
Accounts payable		528	480
Tax liabilities		16	56
Derivatives	31	14	-
Other liabilities	31	72	101
Accrued expenses and deferred income	28	99	112
Provisions	23	4	1
<b>Total current liabilities</b>		<b>836</b>	<b>845</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,022</b>	<b>3,341</b>

## Changes in consolidated equity

Amounts in SEK M	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total equity
<b>2023</b>					
<b>Equity, opening balance, January 1, 2023</b>	260	251	92	1,034	1,637
Result for the year	-	-	-	-60	-60
Dividend	-	-	-	-156	-156
Other comprehensive income	-	-	3	0	3
<b>Comprehensive income for the year</b>	-	-	3	-216	-213
<b>Equity, closing balance, December 31, 2023</b>	260	251	95	818	1,424

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



# Consolidated Cash Flow Statement

Amounts in SEK M	Note	2023	2022
<b>Operating activities</b>			
Operating result		-52	418
Adjustment for non-cash items	29	88	173
– of which, amortization/depreciation and write-downs		121	115
– of which, other items		-33	58
Interest received		8	6
Interest paid		-33	-23
Income tax paid		-28	-53
<b>Cash flow from operating activities before changes in working capital</b>		<b>-17</b>	<b>521</b>
<i>Cash flow from changes in working capital</i>			
Increase (-)/decrease (+) in inventories		373	-86
Increase (-)/decrease (+) in operating receivables		116	-53
Increase (+)/decrease (-) in operating liabilities		19	-178
<b>Cash flow from operating activities</b>		<b>491</b>	<b>204</b>
<b>Investing activities</b>			
Acquisitions of intangible assets	13	-44	-1
Acquisitions of tangible assets	14	-101	-53
Acquisitions of businesses	16	–	-9
Divestments of businesses	16	–	10
Other cash flow from investing activities		0	-3
<b>Cash flow from investing activities</b>		<b>-145</b>	<b>-56</b>
<b>Cash flow after investments</b>		<b>346</b>	<b>148</b>
<b>Financing activities</b>			
Dividend		-156	-156
Loans raised		13	100
Amortization of loan liabilities		-86	-10
Amortization of leasing liabilities acc. to IFRS 16	15	-93	-89
<b>Cash flow from financing activities</b>		<b>-322</b>	<b>-155</b>
<b>Cash flow for the year</b>		<b>24</b>	<b>-7</b>
<b>Cash and equivalents at January 1</b>		<b>50</b>	<b>54</b>
<b>Translation differences in cash and equivalents</b>		<b>0</b>	<b>3</b>
<b>Cash and equivalents at December 31</b>		<b>74</b>	<b>50</b>

## Income Statement – Parent Company

Amounts in SEK M	Note	2023	2022
Net sales	1	128	148
		<b>128</b>	<b>148</b>
Administrative expenses		-64	-68
Other operating income and expenses	6, 7	0	1
<b>Operating profit/loss</b>	3, 4, 13, 14	<b>64</b>	<b>81</b>
Profit/loss from participations in Group companies	5	83	257
Other interest income and similar profit/loss items	8	28	20
Interest expense and similar profit/loss items	9	-14	-11
<b>Profit/loss after financial items</b>		<b>161</b>	<b>347</b>
Appropriations		-98	39
<b>Profit/loss before tax</b>		<b>63</b>	<b>386</b>
Tax	10	7	-26
<b>Profit/loss for the year</b>		<b>70</b>	<b>360</b>

## Statement of Comprehensive Income – Parent Company

Amounts in (SEK M)	2023	2022
<b>Profit/loss for the year</b>	<b>70</b>	<b>360</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Comprehensive income for the year</b>	<b>70</b>	<b>360</b>

## Balance Sheet – Parent Company

Amounts in SEK M	Note	2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Capitalized expenditure for development work and similar	13	45	3
		<b>45</b>	<b>3</b>
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings	14	0	0
		<b>0</b>	<b>0</b>
<i>Financial assets</i>			
Participations in Group companies	16	856	856
Interest-bearing receivables from Group companies	19	17	17
		<b>873</b>	<b>873</b>
Deferred tax receivable	25	7	-
		<b>7</b>	<b>-</b>
<b>Total non-current assets</b>		<b>925</b>	<b>876</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Current interest-bearing receivables from Group companies	19	157	231
Receivables from Group companies		34	109
Tax receivables		-	1
Other receivables		34	26
Prepaid expenses and accrued income	21	7	10
		<b>232</b>	<b>377</b>
Cash and equivalents		64	31
		<b>64</b>	<b>31</b>
<b>Total current assets</b>		<b>296</b>	<b>408</b>
<b>TOTAL ASSETS</b>		<b>1,221</b>	<b>1,284</b>

Amounts in SEK M	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	22		
<b>Restricted equity</b>			
Share capital		260	260
Statutory reserve		31	31
		<b>291</b>	<b>291</b>
<b>Non-restricted equity</b>			
Share premium reserve		240	240
Profit brought forward		476	272
Profit/loss for the year		70	360
		<b>786</b>	<b>872</b>
<b>Total equity</b>		<b>1,077</b>	<b>1,163</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	26, 31	-	-
Non-current interest-bearing liabilities to Group companies	31	-	39
		-	<b>39</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	31	-	-
Current interest-bearing liabilities to Group companies	31	104	5
Accounts payable		12	10
Liabilities to Group companies		5	3
Tax liabilities		12	49
Other liabilities		0	6
Accrued expenses and deferred income	28	11	9
		<b>144</b>	<b>82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,221</b>	<b>1,284</b>



## 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
<b>2023</b>						
<b>Equity, opening balance, January 1, 2023</b>	<b>260</b>	<b>31</b>	<b>240</b>	<b>272</b>	<b>360</b>	<b>1,163</b>
Profit/loss brought forward from previous year	-	-	-	360	-360	-
<b>Total transactions reported directly in Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360</b>	<b>-360</b>	<b>-</b>
Profit/loss for the year	-	-	-	-	70	70
Other comprehensive income	-	-	-	-	-	-
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>70</b>
Dividend	-	-	-	-156	-	-156
<b>Equity, closing balance, December 31, 2023</b>	<b>260</b>	<b>31</b>	<b>240</b>	<b>476</b>	<b>70</b>	<b>1,077</b>

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

# Cash Flow Statement – Parent Company

Amounts in SEK M	Note	2023	2022
<b>Operating activities</b>			
Operating result		64	81
Adjustment for non-cash items	29	3	-11
– of which, amortization/depreciation		2	2
– of which, other items		1	-13
Interest received	29	27	15
Interest paid	29	-13	-9
Income tax paid/received		-36	-1
<b>Cash flow from operating activities before changes in working capital</b>		<b>45</b>	<b>75</b>
<i>Cash flow from changes in working capital</i>			
Increase (-)/decrease (+) in operating receivables		72	-28
Increase (+)/decrease (-) in operating liabilities		-37	36
<b>Cash flow from operating activities</b>		<b>80</b>	<b>83</b>
<b>Investing activities</b>			
Divestments of subsidiaries		–	17
Acquisitions of intangible assets		-44	–
Lending to subsidiaries		37	-205
Dividend from subsidiaries		83	261
<b>Cash flow after investing activities</b>		<b>156</b>	<b>156</b>
<b>Financing activities</b>			
Dividend to shareholders		-156	-156
Net change in borrowing/lending in cash pool		33	-7
<b>Cash flow after financing activities</b>		<b>33</b>	<b>-7</b>
<b>Cash flow for the year</b>		<b>33</b>	<b>-7</b>
<b>Cash and equivalents at January 1</b>		<b>31</b>	<b>38</b>
<b>Cash and equivalents at December 31</b>		<b>64</b>	<b>31</b>

# 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 January 1, 2023, 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 enters into effect after December 31, 2023 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 mainly reported at amortized cost, for example accounts receivable, accounts payable and interest-bearing liabilities. The Group also has derivatives which are reported at fair value.

#### 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.

The acquisition method is used for reporting of the Group's business combinations. The acquisition cost is the purchase consideration paid for a subsidiary and consists of the fair value of the transferred assets, liabilities and contingent liabilities that the Group incurs to former owners of the acquired company. Identifiable acquired assets, assumed liabilities and contingent liabilities in a business combination are initially measured at fair value on the acquisition date. Acquisition-related costs are expensed when incurred.

#### Joint venture

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.

## 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.

## 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.

### Software-as-a-Service (SaaS) arrangement

The Software-as-a-Service (SaaS) arrangement is a service agreement that gives the Group the right to access the cloud provider's software during the term of the agreement. In connection with such arrangements, the Group will not receive any intangible asset in the form of software at the start of the contract. A right to future access to the supplier's software does not, at the start of the contract, confer on the customer the right to obtain the future economic benefits arising from the software itself, nor to limit the access of others to obtaining financial benefits.

If the Group has the opportunity to transfer the software from the cloud service provider to its own servers at any time during the contractual period, thereby taking control and controlling the software, the arrangement is deemed to contain an intangible asset that the Group controls. There may be a number of other costs as part of the arrangement, such as the development of modules that link or integrate the SaaS software with existing software/systems that are controlled by the Group. The Group assesses such expenses to determine whether they are to be expensed or meet the criteria for being recognized as an asset in the consolidated statement of financial position.

The Group recognizes expenses incurred in connection with SaaS arrangements as administrative expenses during the term of the contract or as administrative expenses when the service is received, depending on how connected these services are to the software service itself and whether they are distinct from the cloud service or not.

### Amortization principles for 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
Software and licenses	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. The useful lives and residual values of assets are re-assessed at least on an annual basis.

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



## Impairment of non-financial assets

Intangible assets that have an indefinite useful life (goodwill) or intangible assets that are not ready for use are not amortized but are tested annually for possible impairment or for indication of impairment, if any. Assets amortized are assessed with respect to a decline in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is made in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use.

In impairment testing, assets are grouped at the lowest levels where there are essentially independent cash flows (cash generating units). For assets (other than goodwill) previously impaired, an assessment is made on each balance sheet day to determine whether reversals should be made.

## 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.

## Financial instruments

Financial instruments that are reported in the balance sheet include accounts receivable, cash and equivalents, payables to credit institutions 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. A financial asset is derecognized when the contractual rights are realized, mature or are no longer under the company's control. A financial liability is derecognized in the balance sheet when contractual obligations are met or otherwise extinguished. Purchases and sales of financial assets are recognized using trade date accounting, which is the trade 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.

### 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.

## Derivatives

Derivatives are recognized at fair value as current receivables or current liabilities depending on whether the derivative has a positive or negative value. The Group does not apply hedge accounting.

## 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.

## 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.

## Employee benefits

### 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.

### Financial income and expenses

Financial income and expenses consist mainly of interest income on bank balances and receivables, interest expense on loans, exchange rate 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.

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.

There are exemptions 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 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 intra-group 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 potential Share Savings programs. The Group currently has no Share Savings programs that could lead to dilutions effects.

### 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. Cash and cash equivalents in the Cash Flow Statement correspond to cash and cash equivalents in the balance sheet, which consists of cash and available balances at banks.

## 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. Dividends received from Group companies are recognized in their entirety as Profit/loss from participation in Group companies in the Income Statement.

### 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, IFRS 9 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. Derivatives are measured at fair value.

### 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 IFRS 9 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.

### 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.

### Group contributions in the Parent Company

Group contributions paid or received are reported as appropriations.

## Notes

Note 1 – Operating segments

Note 2 – Costs divided by type of expense

Note 3 – Employees, personnel costs and executive remuneration

Note 4 – Auditors' fees and reimbursements

Note 5 – Profit/loss from participations in Group companies

Note 6 – Other operating income

Note 7 – Other operating expenses

Note 8 – Financial income

Note 9 – Financial expenses

Note 10 – Taxes

Note 11 – Earnings per share

Note 12 – Goodwill

Note 13 – Other intangible assets

Note 14 – Tangible assets

Note 15 – Lease agreements

Note 16 – Participations in Group companies

Note 17 – Participations in joint ventures

Note 18 – Other securities held as non-current assets

Note 19 – Interest-bearing receivables, group companies

Note 20 – Inventories

Note 21 – Prepaid expenses and accrued income

Note 22 – Equity

Note 23 – Provisions

Note 24 – Appropriation of earnings

Note 25 – Deferred tax assets and tax liabilities

Note 26 – Pledged assets and contingent liabilities

Note 27 – Current interest-bearing liabilities

Note 28 – Accrued expenses and deferred income

Note 29 – Supplementary disclosures to cash flow statement

Note 30 – Related-party transactions

Note 31 – Financial risk management

Note 32 – Key estimates and assessments

Note 33 – Significant events after balance sheet date



## Note 1 – Operating segments

	Sweden & Poland	Finland & Baltics	Parent Company & consolidated items	Elimination	Group
<b>2023</b>					
External sales	2,633	2,695	2	-2	5,328
Internal sales	8	34	126	-168	-
<b>Net sales</b>	<b>2,641</b>	<b>2,729</b>	<b>128</b>	<b>-170</b>	<b>5,328</b>
Participation in earnings of joint venture	23	-	-	-	23
<b>Underlying operating result</b>	<b>39</b>	<b>-5</b>	<b>-4</b>	<b>0</b>	<b>30</b>
Inventory gains/losses	-59	-17	0	-	-76
Items affecting comparability	-4	0	-2	-	-6
<b>Operating result</b>	<b>-24</b>	<b>-22</b>	<b>-6</b>	<b>0</b>	<b>-52</b>
Net financial items					-23
<b>Profit/loss before tax</b>					<b>-75</b>
Taxes					15
<b>Profit/loss for the year</b>					<b>-60</b>
<b>Underlying operating margin</b>	<b>1.5%</b>	<b>-0.2%</b>	<b>neg</b>	-	<b>0.6%</b>
<b>Operating margin</b>	<b>-0.9%</b>	<b>-0.8%</b>	<b>neg</b>	-	<b>-1.0%</b>
<b>Shipped tonnage (thousands of tonnes)</b>	<b>137</b>	<b>151</b>	<b>0</b>	<b>-3</b>	<b>285</b>
<b>Investments</b>	<b>27</b>	<b>75</b>	<b>44</b>	-	<b>146</b>
Depreciation/amortization of tangible/intangible assets	12	13	2	-	27
Depreciation of right of use assets	-	-	94	-	94
Other non-cash flow items	-5	-29	1	-	-33
<b>Total non-cash flow items</b>	<b>7</b>	<b>-16</b>	<b>97</b>	-	<b>88</b>

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

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.

### 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 and Group eliminations. 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 11 M (10) on the operating result.

## Group

Sales by business area and product group	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Long steel products	1,200	1,773	763	1,052	0	0	1,963	2,825
Flat steel products	1,040	1,056	1,389	1,747	0	0	2,429	2,803
Stainless steel	300	397	406	496	0	0	706	893
Aluminium	65	95	121	161	0	0	186	256
Other	36	87	50	41	-42	-30	44	98
<b>Total</b>	<b>2,641</b>	<b>3,408</b>	<b>2,729</b>	<b>3,497</b>	<b>-42</b>	<b>-30</b>	<b>5,328</b>	<b>6,875</b>

Sales by country based on customer's domicile	2023	2022
Sweden	2,549	3,261
Finland	2,430	3,162
Other countries	349	452
<b>Total</b>	<b>5,328</b>	<b>6,875</b>

Sales by business solution, SEK M	2023	2022
Inventory sales	2,106	2,809
Production service sales	2,655	3,185
Direct sales	567	881
<b>Total</b>	<b>5,328</b>	<b>6,875</b>

Tangible, intangible and financial fixed assets per country <sup>1)</sup>	2023	2022
Sweden	625	564
Finland	401	342
Other countries	9	5
<b>Total</b>	<b>1,035</b>	<b>911</b>

<sup>1)</sup> 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 respective countries.

## Parent company

Sales of intra-group services by country based on domicile of subsidiary	2023	2022
Sweden	56	67
Finland	60	69
Other countries	10	10
<b>Total</b>	<b>126</b>	<b>146</b>

## 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	2023	2022
Material costs	4,273	5,355
Salaries, other remuneration and social security expenses	443	422
Other external costs	520	552
Depreciation, amortization and write-downs <sup>1)</sup>	121	115
Other operating expenses	19	11
<b>Total</b>	<b>5,376</b>	<b>6,455</b>

<sup>1)</sup> In depreciation, amortization and write-downs 2023, SEK 94 M (90) 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	2023	of whom men	2022	of whom men
<b>Parent Company</b>				
Sweden	8	53%	8	61%
<b>Total in the Parent Company</b>	<b>8</b>	<b>53%</b>	<b>8</b>	<b>61%</b>
<b>Subsidiaries</b>				
Sweden	294	85%	273	89%
Finland	275	98%	270	93%
Estonia	16	76%	20	61%
Latvia	4	75%	4	59%
Lithuania	2	100%	4	95%
Poland	79	85%	75	86%
<b>Total for subsidiaries</b>	<b>670</b>	<b>90%</b>	<b>646</b>	<b>89%</b>
<b>Group total</b>	<b>678</b>	<b>90%</b>	<b>654</b>	<b>89%</b>

## Specification of gender distribution in Group management

Gender distribution, Group management	2023	2022
	Percentage women	Percentage women
<b>Parent Company</b>		
Board	20%	20%
Other senior executives	0%	0%
<b>Group</b>		
Board	11%	10%
Other senior executives	0%	0%

## Salaries, other remuneration and social security expenses

Group	2023	2022
Salaries and remunerations	339,927	326,291
Pension expense, defined-contribution plans	12,873	9,983
Social security contributions	90,168	86,044
	<b>442,968</b>	<b>422,318</b>

Parent Company	2023		2022	
	Salaries and remunerations	Social security expenses	Salaries and remunerations	Social security expenses
Parent Company	10,530	6,037	12,299	5,957
(of which, pension expenses) <sup>1)</sup>		(2,068)		(2,226)

<sup>1)</sup> Of the Parent Company's pension expenses, 1,018 (1,187) 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<sup>1)</sup>

	2023		2022	
	Senior executives <sup>2)</sup>	Other employees	Senior executives <sup>2)</sup>	Other employees
<b>Parent Company</b>	<b>5,712</b>	<b>4,818</b>	<b>6,913</b>	<b>5,386</b>
(of which, bonuses, etc.)	(-)	(-)	(1,415)	(491)
<b>Subsidiaries<sup>3)</sup></b>	<b>6,173</b>	<b>319,733</b>	<b>6,042</b>	<b>302,330</b>
(of which, bonuses, etc.)	(-)	(1,248)	(1,055)	(13,418)
<b>Group total</b>	<b>11,885</b>	<b>324,551</b>	<b>12,955</b>	<b>307,716</b>
(of which, bonuses, etc.)	(-)	(1,248)	(2,470)	(13,909)

<sup>1)</sup> Salaries and other remuneration include base salary, supplementary vacation pay and variable remunerations.

<sup>2)</sup> Senior executives include Board members, members of Group Management and company presidents.

<sup>3)</sup> The managing director of BE Group Sverige left the company in August 2023 and receives compensation until April 2024 according to agreement.

## 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. 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 8 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 2023, Alecta's surplus expressed as the preliminary collective funding ratio amounted to 157 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 2023 and 2022 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 2023	Basic salary 2)/ Board fee	Variable remuneration	Others benefits	Pension expenses	Other remuneration	Total	Pension commitments
<b>Chairman of the Board</b>							
Jörgen Zahlin	500	–	–	–	–	500	–
<b>Directors</b>							
Monika Gutén	230	–	–	–	–	230	–
Lars Olof Nilsson	310	–	–	–	–	310	–
Mats O Paulsson	230	–	–	–	–	230	–
Petter Stillström	270	–	–	–	–	270	–
<b>President and CEO</b>							
Peter Andersson	2,709	–	83	699	–	3,491	–
<b>Other senior executives 1)</b>	6,004	–	380	1,417	–	7,801	–
<b>Total</b>	<b>10,253</b>	<b>–</b>	<b>463</b>	<b>2,116</b>	<b>–</b>	<b>12,832</b>	<b>–</b>
Recognized as an expense in the Parent Company	5,712	–	158	1,018	–	6,888	–

1) Other senior executives consist of three persons.

2) Basic salary also include supplementary vacation pay.

3) The managing director of BE Group Sverige left the company in August 2023 and receives compensation until April 2024 according to agreement. The amount is included in the table above.

Remunerations and benefits 2022	Basic salary 4)/ Board fee	Variable remuneration	Others benefits	Pension expenses	Other remuneration	Total	Pension commitments
<b>Chairman of the Board</b>							
Jörgen Zahlin	487	–	–	–	–	487	–
<b>Directors</b>							
Carina Andersson 1)	70	–	–	–	–	70	–
Monika Gutén 2)	153	–	–	–	–	153	–
Lars Olof Nilsson	300	–	–	–	–	300	–
Petter Stillström	263	–	–	–	–	263	–
Mats O Paulsson	223	–	–	–	–	223	–
<b>President and CEO</b>							
Peter Andersson	2,633	1,008	76	815	3	4,535	–
<b>Other senior executives 3)</b>	4,975	1,622	363	1,471	0	8,431	–
<b>Total</b>	<b>9,104</b>	<b>2,630</b>	<b>439</b>	<b>2,286</b>	<b>3</b>	<b>14,462</b>	<b>–</b>
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.

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 (1,380) will be distributed among the Board members as follows: SEK 460 thousands (460) to the Chairman of the Board and SEK 230 thousands (230) to each of the remaining Board members who are not employees of the company. In addition, remuneration of SEK 80 thousands (80) 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 2,640 M (2,520). 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

<b>Group</b>	<b>2023</b>	<b>2022</b>
PwC		
Audit assignments	3	2
Audit activities in addition to the audit assignment	–	–
Consultation on taxation	0	0
Other services	0	0
<b>Total fees and compensation for expenses</b>	<b>3</b>	<b>2</b>
<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
PwC		
Audit assignments	1	1
Audit activities in addition to the audit assignment	–	–
Consultation on taxation	0	0
Other services	0	0
<b>Total fees and compensation for expenses</b>	<b>1</b>	<b>1</b>

The total fee to PwC and its international network amounts to SEK 3 M (2) for the fiscal year 2023. The fee to the audit firm Öhrlings PricewaterhouseCoopers AB amounts to SEK 2 M (2).

## Note 5 – Profit/loss from participations in Group companies

<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
Dividend	83	261
Result from divestments of Group companies	–	–4
<b>Total</b>	<b>83</b>	<b>257</b>

## Note 6 – Other operating income

<b>Group</b>	<b>2023</b>	<b>2022</b>
Net exchange rate differences on receivables/liabilities of an operating nature	1	-
Capital gains on sale of fixed assets	0	-
Other	3	2
<b>Total</b>	<b>4</b>	<b>2</b>

<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
Net exchange rate differences on receivables/liabilities of an operating nature	-	1
Other	0	-
<b>Total</b>	<b>0</b>	<b>1</b>

## Note 7 – Other operating expenses

<b>Group</b>	<b>2023</b>	<b>2022</b>
Net exchange rate differences on receivables/liabilities of an operating nature	-	11
Net exchange rate derivative	12	-
Other	7	-
<b>Total</b>	<b>19</b>	<b>11</b>

<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
Net exchange rate differences on receivables/liabilities of an operating nature	0	-
<b>Total</b>	<b>0</b>	<b>-</b>

## Note 8 – Financial income

<b>Group</b>	<b>2023</b>	<b>2022</b>
Interest income from credit institutions	3	1
Other interest income	0	0
Net exchange rate differences	3	0
Other	4	5
<b>Total</b>	<b>10</b>	<b>6</b>

<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
Interest income, Group companies	24	15
Other interest income	3	-
Net exchange rate differences	1	5
Other	0	-
<b>Total</b>	<b>28</b>	<b>20</b>

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

## Note 9 – Financial expenses

<b>Group</b>	<b>2023</b>	<b>2022</b>
Interest expense to credit institutions	18	8
Interest expense leasing acc. to IFRS 16	10	10
Other interest expense	0	1
Net exchange rate differences	-	-
Other expenses	5	5
<b>Total</b>	<b>33</b>	<b>24</b>

<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
Interest expense to credit institutions	0	0
Interest expense, Group companies	13	9
Net exchange rate differences	-	-
Other expenses	1	2
<b>Total</b>	<b>14</b>	<b>11</b>

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

## Note 10 – Taxes

<b>Group</b>	<b>2023</b>	<b>2022</b>
<b>Current tax expense (-)/tax asset (+)</b>		
Tax expense/tax asset for the period	-2	-77
Adjustment of tax attributable to prior years	0	0
<b>Total</b>	<b>-2</b>	<b>-77</b>
<b>Deferred tax expense (-)/tax asset (+)</b>		
Deferred tax attributable to temporary differences	-5	2
Deferred tax attributable to tax loss carryforwards	22	-1
Deferred tax attributable to change in tax rate	-	-
Others	0	0
<b>Total</b>	<b>17</b>	<b>1</b>
<b>Total consolidated reported tax expense (-)/tax asset (+)</b>	<b>15</b>	<b>-76</b>

<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
<b>Current tax expense (-)/tax asset (+)</b>		
Tax expense/tax asset for the period	-	-26
<b>Total</b>	<b>-</b>	<b>-26</b>
<b>Deferred tax expense (-)/tax asset (+)</b>		
Deferred tax attributable to tax loss carryforwards	7	-
<b>Total</b>	<b>7</b>	<b>-</b>
<b>Total reported tax expense (-)/ tax asset (+) Parent Company</b>	<b>7</b>	<b>-26</b>



<b>Reconciliation of effective tax</b>	<b>2023</b>	<b>2022</b>
<b>Group</b>		
Profit/loss before tax	-75	400
Tax at prevailing rate for the Parent Company (21.4%)	15	-82
Effect of different tax rates for foreign subsidiaries	-1	1
Non-deductible expenses	-4	-2
Non-taxable revenues	3	2
Increase of loss carryforward without corresponding capitalization of deferred tax	-3	-4
Taxes attributable to previous years	0	2
Share in earnings of joint venture	5	7
Other	0	0
<b>Recognized effective tax</b>	<b>15</b>	<b>-76</b>

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.

<b>Reconciliation of effective tax</b>	<b>2023</b>	<b>2022</b>
<b>Parent Company</b>		
Profit/loss before tax	63	386
Tax at prevailing rate for the Parent Company (21.4%)	-13	-80
Non-deductible expenses	0	-4
Non-taxable revenues	20	58
Other	0	0
<b>Recognized effective tax</b>	<b>7</b>	<b>-26</b>

Tax items recognized in other comprehensive income

<b>Group</b>	<b>2023</b>	<b>2022</b>
<b>Total tax in other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Tax items recognized directly in equity</b>	<b>-</b>	<b>-</b>

## Note 11 – Earnings per share

<b>Group</b>	<b>2023</b>	<b>2022</b>
Earnings per share before dilution (SEK)	-4.59	24.96
Earnings per share after dilution (SEK)	-4.59	24.96

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

<b>Profit/loss for the year</b>	<b>2023</b>	<b>2022</b>
Profit/loss for the year (SEK M)	-60	324

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

	<b>2023</b>	<b>2022</b>
Total ordinary shares at January 1	12,983,204	12,983,204
<b>Weighted common shares outstanding during the year, before dilution</b>	<b>12,983,204</b>	<b>12,983,204</b>

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

	<b>2023</b>	<b>2022</b>
Weighted average ordinary shares outstanding, before dilution	12,983,204	12,983,204
<b>Weighted common shares outstanding during the year, after dilution</b>	<b>12,983,204</b>	<b>12,983,204</b>

## Note 12 – Goodwill

### Cash-generating units with goodwill

Goodwill	Sweden	Finland	Group total
Opening balance, January 1, 2022	314	247	561
Exchange differences	–	22	22
<b>Closing balance, December 31, 2022</b>	<b>314</b>	<b>269</b>	<b>583</b>
Opening balance, January 1, 2023	314	269	583
Exchange differences	–	-1	-1
<b>Closing balance, December 31, 2023</b>	<b>314</b>	<b>268</b>	<b>582</b>

### 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 steel price development, operating margins, overheads, working capital needs and investment needs. The parameters have been set to correspond to a growth rate of about 2-5.8 percent (2-2.5) per year for all operating segments. The pre-tax discount rate applied amounts to 15.7 percent (13.6) for all operating segments.

The calculation as per December 31, 2023 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, 2022.

#### 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

Group	Other intangible assets		Customer relations		Software and licenses		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Accumulated cost</b>								
At January 1	8	6	1	1	153	152	162	159
Acquisitions	0	0	-	-	44	1	44	1
Disposals and scrappings	-1	-	-	-	0	-1	-1	-1
Reclassification	1	2	-	-	-	-	1	2
Divested/liiquidated operations	-	-	-	-	-	-1	-	-1
Exchange differences for the year	0	0	-	-	0	2	0	2
<b>Total accumulated closing balance</b>	<b>8</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>197</b>	<b>153</b>	<b>206</b>	<b>162</b>
<b>Accumulated scheduled depreciation</b>								
At January 1	-5	-4	-1	-1	-149	-145	-155	-150
Disposals and scrappings	1	-	-	-	0	1	1	1
Reclassification	-	-	-	-	-	1	-	1
Scheduled amortization for the year	-1	-1	-	-	-2	-3	-3	-4
Exchange differences for the year	0	-	-	-	0	-3	0	-3
<b>Total accumulated depreciation</b>	<b>-5</b>	<b>-5</b>	<b>-1</b>	<b>-1</b>	<b>-151</b>	<b>-149</b>	<b>-157</b>	<b>-155</b>
<b>Accumulated impairment</b>								
At January 1	-	-	-	-	-	-	-	-
Impairment losses for the year	-	-	-	-	-	-	-	-
<b>Total accumulated impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at end of period</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>46</b>	<b>4</b>	<b>49</b>	<b>7</b>
<b>Amortization for the year is reported on the following lines in the income statement</b>								
Selling expenses	-	-	-	-	0	0	0	0
Administrative expenses	-1	-1	-	-	-2	-3	-3	-4
<b>Total</b>	<b>-1</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>-3</b>	<b>-3</b>	<b>-4</b>
<b>Parent Company</b>								
<b>Accumulated cost</b>								
At January 1	-	-	-	-	112	114	112	114
Acquisitions	-	-	-	-	44	-	44	-
Reclassification	-	-	-	-	-	-2	-	-2
<b>Total accumulated closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156</b>	<b>112</b>	<b>156</b>	<b>112</b>
<b>Accumulated scheduled depreciation</b>								
At January 1	-	-	-	-	-109	-109	-109	-109
Scheduled amortization for the year	-	-	-	-	-2	0	-2	0
<b>Total accumulated depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-111</b>	<b>-109</b>	<b>-111</b>	<b>-109</b>
<b>Carrying amount at end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>3</b>	<b>45</b>	<b>3</b>
<b>Amortization for the year is reported on the following lines in the income statement</b>								
Administrative expenses	-	-	-	-	-2	0	-2	0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>0</b>	<b>-2</b>	<b>0</b>

## Note 14 – Tangible assets

Group	Buildings		Plant and machinery		Equipment, tools, fixtures and fittings		New construction progress and advance payments for tangible assets		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Accumulated cost</b>										
At January 1	45	30	503	460	113	112	19	6	680	608
Acquisitions	2	-	73	30	6	1	21	22	102	53
Acquisitions of subsidiaries	-	15	-	32	-	1	-	-	-	48
Divestments of subsidiaries	-	0	-	-45	-	-3	-	-	-	-48
Disposals and scrappings	-	-	-27	-6	-2	-1	-	-	-29	-7
Reclassification	-	-	16	2	1	2	-17	-10	-	-6
Exchange differences for the year	-1	0	0	30	0	1	0	1	-1	32
<b>Total accumulated closing balance</b>	<b>46</b>	<b>45</b>	<b>565</b>	<b>503</b>	<b>118</b>	<b>113</b>	<b>23</b>	<b>19</b>	<b>752</b>	<b>680</b>
<b>Accumulated scheduled depreciation</b>										
At January 1	-28	-20	-411	-393	-108	-105	-	-	-547	-518
Acquisitions of subsidiaries	-	-7	-	-19	-	-2	-	-	-	-28
Divestments of subsidiaries	-	0	-	36	-	3	-	-	-	39
Disposals and scrappings	-	-	27	5	2	0	-	-	29	5
Reclassification	-	-	0	4	-	-	-	-	0	4
Scheduled depreciation for the year	-1	-1	-20	-18	-3	-3	-	-	-24	-22
Exchange differences for the year	0	0	-1	-26	-1	-1	-	-	-2	-27
<b>Total accumulated depreciation</b>	<b>-29</b>	<b>-28</b>	<b>-405</b>	<b>-411</b>	<b>-110</b>	<b>-108</b>	<b>-</b>	<b>-</b>	<b>-544</b>	<b>-547</b>
<b>Accumulated impairment</b>										
At January 1	-	-	5	0	0	0	-	-	5	0
Disposals and scrappings for the year	-	-	0	0	-	0	-	-	0	0
Impairment losses for the year	-	-	-	5	-	-	-	-	-	5
Exchange differences for the year	-	-	0	0	0	0	-	-	0	0
<b>Total accumulated impairment</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>
<b>Carrying amount at end of period</b>	<b>17</b>	<b>17</b>	<b>165</b>	<b>97</b>	<b>8</b>	<b>5</b>	<b>23</b>	<b>19</b>	<b>213</b>	<b>138</b>

Parent Company	Equipment, tools, fixtures and fittings		New construction progress and advance payments for tangible assets		Total	
	2023	2022	2023	2022	2023	2022
<b>Accumulated cost</b>						
At January 1	1	1	0	0	1	1
Reclassifications	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-
<b>Total accumulated closing balance</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Accumulated scheduled depreciation</b>						
At January 1	-1	-1	-	-	-1	-1
Scheduled depreciation for the year	0	-	-	-	0	-
<b>Total accumulated depreciation</b>	<b>-1</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-1</b>
<b>Carrying amount at end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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.

<b>2023</b>	<b>Buildings</b>	<b>Cars</b>	<b>Equipment, tools, fixtures and fittings</b>	<b>Other</b>	<b>Total</b>
Depreciation	-82	-4	-7	-1	<b>-94</b>
Closing balance, December 31, 2023	424	6	41	2	<b>473</b>

Additional right of use assets during the 2023 financial year total SEK 11 M (94).

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

### Lease liabilities

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

	<b>2023</b>	<b>2022</b>
Non-current leasing liabilities	376	405
Current leasing liabilities	103	94
<b>Total</b>	<b>479</b>	<b>499</b>

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

	<b>2023</b>	<b>2022</b>
Maturity within 1 year	104	95
Maturity within 1-2 years	101	86
Maturity within 2-3 years	101	86
Maturity within 3-5 years	167	164
Maturity later than 5 years	33	99
<b>Total</b>	<b>506</b>	<b>530</b>

### Earnings impact attributable to leases

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

<b>Costs</b>	<b>2023</b>	<b>2022</b>
Depreciation of rights of use	94	90
Interest expenses for leasing liabilities	10	10
<b>Total</b>	<b>104</b>	<b>100</b>

The Group's total cash outflow attributable to leases amounted to SEK 103 M (100).

### Uncommenced leasing commitments

The Group has no material uncommenced leasing commitments.



## Note 16 – Participations in Group companies

Parent Company	2023	2022
<b>Accumulated cost</b>		
At January 1	1,618	1,630
Divestment	-	-12
<b>Total accumulated cost</b>	<b>1,618</b>	<b>1,618</b>
<b>Accumulated impairment</b>		
At January 1	-762	-762
<b>Total accumulated impairment</b>	<b>-762</b>	<b>-762</b>
<b>Carrying amount at end of period</b>	<b>856</b>	<b>856</b>

### 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	-
			<b>856</b>

Divestments during the year	2023	2022
Lecor Stålteknik AB	-	-12
<b>Total</b>	<b>-</b>	<b>-12</b>

## Acquisitions

No acquisitions have been made during 2023. During the second half of the year in 2022, BE Group Sverige AB acquired the shares of BE Group Produktion Arvika AB.

The table below includes assets and liabilities consolidated in connection to the acquisition in 2022. 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
<b>Total net assets</b>	<b>2</b>	<b>8</b>	<b>10</b>

Cash flow effect	
Purchase price	-10
Cash and equivalents in the acquired companies	1
<b>Total cash flow effect</b>	<b>-9</b>

## Earnings attributable to divested operations

No divestments have been made during 2023. In the third quarter 2022, 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 operations 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.

<b>Earnings in joint venture ArcelorMittal BE Group SSC AB</b>	<b>2023</b>	<b>2022</b>
Profit/loss before tax	57	85
Tax	-12	-18
<b>Profit/loss after tax</b>	<b>45</b>	<b>67</b>
Dividends received	15	33
<b>Overview of income statements and balance sheets for the joint venture</b>	<b>2023</b>	<b>2022</b>
Net sales	1,044	1,192
Operating result <sup>1)</sup>	56	85
Net financial items	1	0
Tax	-12	-18
<b>Profit/loss for the year <sup>2)</sup></b>	<b>45</b>	<b>67</b>
<sup>1)</sup> Depreciations amounts to	8	6
	<b>2023</b>	<b>2022</b>
Non-current assets	203	197
Current assets excl. cash and equivalents	352	315
Cash and equivalents	15	56
<b>Total assets</b>	<b>570</b>	<b>568</b>
	<b>2023</b>	<b>2022</b>
Equity	448	431
Provisions	16	15
Long-term interest-bearing liabilities	-	-
Short-term interest-bearing liabilities	0	0
Other non-interest-bearing liabilities	106	122
<b>Total equity and liabilities</b>	<b>570</b>	<b>568</b>
<b>Participations in joint ventures</b>	<b>2023</b>	<b>2022</b>
Opening balance, cost	183	182
Dividends received	-15	-33
Share in earnings of joint venture	23	34
<b>Carrying amount at year-end <sup>2)</sup></b>	<b>191</b>	<b>183</b>
<b>Transactions with joint venture ArcelorMittal BE Group SSC AB</b>	<b>2023</b>	<b>2022</b>
Receivables due from joint venture	-	-
Debts owed to joint venture	3	4
Sales to joint venture	-	-
Purchases from joint venture	56	85
Dividends received	15	32

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

<sup>2)</sup> 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 191 M.

The calculation as per December 31, 2023 shows that there is no impairment requirement. Nor was there any impairment requirement for the calculation as per December 31, 2022. For more information regarding impairment testing of goodwill, see Note 12.

## Note 18 – Other securities held as non-current assets

Group	2023	2022
<b>Accumulated cost</b>		
At January 1	0	0
Exchange rate differences for the year	0	0
<b>Carrying amount at end of period</b>	<b>0</b>	<b>0</b>

## Note 19 – Interest-bearing receivables, Group companies

Parent Company	2023	2022
<b>Accumulated cost</b>		
At January 1	248	184
New receivables	22	78
Settled receivables	-94	-7
Impairment of receivables	-	-10
Exchange rate differences for the year	-2	3
<b>Carrying amount at end of period</b>	<b>174</b>	<b>248</b>
<i>Of which recognized as non-current</i>	<i>17</i>	<i>17</i>
<i>Of which recognized as current</i>	<i>157</i>	<i>231</i>

## Note 20 – Inventories

Group	2023	2022
<b>Inventories</b>		
Raw materials	397	614
Finished goods	361	482
Work in progress	34	31
<b>Total</b>	<b>792</b>	<b>1,127</b>

Group	2023	2022
<b>Obsolescence reserve, inventories</b>		
Carrying amount at January 1	-20	-10
Translation difference	0	0
Change for the year	8	-10
<b>Total obsolescence reserve, inventory</b>	<b>-12</b>	<b>-20</b>

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 -12 MSEK (-20).

## Note 21 – Prepaid expenses and accrued income

Group	2023	2022
Rent for premises	8	8
Insurance fees	0	0
IT expences	6	9
Other items	16	10
<b>Total prepaid expenses and accrued income</b>	<b>30</b>	<b>27</b>

Parent Company	2023	2022
IT expences	6	9
Other items	1	1
<b>Total prepaid expenses and accrued income</b>	<b>7</b>	<b>10</b>

## Note 22 – Equity

### Share capital and shares outstanding

Group	2023	2022
Issued capital at January 1	13,010,124	13,010,124
<b>Issued capital at December 31</b>	<b>13,010,124</b>	<b>13,010,124</b>

At December 31, 2023, 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	2023	2022
Carrying amount at January 1	92	36
Exchange rate difference for the year	3	56
<b>Carrying amount at end of period</b>	<b>95</b>	<b>92</b>

#### 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

Group	2023		2022	
	Number	Amount	Number	Amount
Balance at January 1	26,920	21	26,920	21
<b>Closing balance at end of period</b>	<b>26,920</b>	<b>21</b>	<b>26,920</b>	<b>21</b>

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.

#### 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.

## Note 23 – Provisions

Group	2023	2022
Restructuring costs	4	1
<b>Total</b>	<b>4</b>	<b>1</b>
Of which:		
Non-current	–	–
Current	4	1
<b>Total</b>	<b>4</b>	<b>1</b>

2023	Restructuring costs	Other
Carrying amount at January 1	1	–
New provisions	6	–
Amount used during the period	-3	–
<b>Carrying amount at end of period</b>	<b>4</b>	<b>–</b>

*Expected date of outflow of resources:*

2024	4	–
2025–2028	–	–
<b>Total</b>	<b>4</b>	<b>–</b>

The restructuring reserve is in all essential attributable to the savings and efficiency enhancement program that started during autumn 2023.

## Not 24 – Appropriation of earnings

### The Board of Director 's proposal for the appropriation of earnings

The Board of Directors proposes that no dividend (SEK 12 per share) will be paid for the financial year of 2023.

Funds available		
Share premium reserves	239,719,829	SEK
Retained earnings	476,620,076	SEK
Result for the year	69,455,999	SEK
<b>Total</b>	<b>785,795,904</b>	<b>SEK</b>
The Board of Directors proposes that the following amount is distributed to the shareholders	–	SEK
Balance carried forward	785,795,904	SEK
<b>Total</b>	<b>785,795,904</b>	<b>SEK</b>



## Note 25 – Deferred tax assets and tax liabilities

2023

Group	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	–	-22	-22
Buildings	–	-2	-2
Machinery and equipment	–	-5	-5
Inventory	0	0	0
Accounts receivable	1	–	1
Prepayments and accrued income	–	–	–
Other provisions	–	–	–
Loss carryforwards	22	–	22
Other <sup>1)</sup>	5	-23	-18
	<b>28</b>	<b>-52</b>	<b>-24</b>
Offset	0	0	0
<b>Net deferred tax liability</b>	<b>28</b>	<b>-52</b>	<b>-24</b>

2022

Group	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	–	-23	-23
Buildings	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 <sup>1)</sup>	4	-22	-18
	<b>6</b>	<b>-48</b>	<b>-42</b>
Offset	0	0	0
<b>Net deferred tax liability</b>	<b>6</b>	<b>-48</b>	<b>-42</b>

<sup>1)</sup> Mostly related to a deferred tax liability in Estonia. In Estonia, the tax is paid only when the dividend is paid to the Parent Company.

2023

Parent Company	Deferred tax assets	Deferred tax liabilities	Net
Loss carryforwards	7	–	7
	<b>7</b>	<b>–</b>	<b>7</b>
Offset	–	–	–
<b>Net deferred tax assets</b>	<b>7</b>	<b>–</b>	<b>7</b>

2022

Parent Company	Deferred tax assets	Deferred tax liabilities	Net
Loss carryforwards	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>
Offset	–	–	–
<b>Net deferred tax assets</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Change of deferred tax in temporary differences and loss carryforwards

<b>Group</b>				
	Carrying amount at beginning of period	Recognized in profit or loss	Translation differences	Carrying amount at end of period
<b>2023</b>				
Intangible assets	-23	-	1	-22
Buildings	-2	0	-	-2
Machinery and equipment	-1	-4	0	-5
Inventory	0	0	0	0
Accounts receivable	1	0	0	1
Prepayments and accrued income	1	-1	-	-
Other provisions	0	-	-	-
Loss carryforwards	0	22	0	22
Other	-18	0	0	-18
	<b>-42</b>	<b>17</b>	<b>1</b>	<b>-24</b>

<b>Group</b>					
	Carrying amount at beginning of period	Recognized in profit or loss	Acquisitions	Translation differences	Carrying amount at end of period
<b>2022</b>					
Intangible assets	-21	-	-	-2	-23
Buildings	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
	<b>-37</b>	<b>1</b>	<b>-2</b>	<b>-4</b>	<b>-42</b>

## Change of deferred tax in temporary differences and loss carryforwards

<b>Parent Company</b>				
	Carrying amount at beginning of period	Recognized in profit or loss	Translation differences	Carrying amount at end of period
<b>2023</b>				
Loss carryforwards	-	7	-	7
	-	<b>7</b>	-	<b>7</b>

<b>Parent Company</b>				
	Carrying amount at beginning of period	Recognized in profit or loss	Translation differences	Carrying amount at end of period
<b>2022</b>				
Loss carryforwards	-	-	-	-
	-	-	-	-

Of the Group's capitalized deferred tax assets on tax loss carryforwards, assets of SEK – M (0) 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 3 M (4), 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	2023	2022
Liens on assets	1,299	1,302
<b>Total</b>	<b>1,299</b>	<b>1,302</b>
<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
Promissory notes receivable	345	345
<b>Total</b>	<b>345</b>	<b>345</b>

### 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	2023	2022
Other guarantees	-	-
Future commitments <sup>1)</sup>	1,400	1,400
<b>Total</b>	<b>1,400</b>	<b>1,400</b>
<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
Guarantee obligations for the benefit of subsidiaries	-	-
Future commitments <sup>1)</sup>	1,400	1,400
<b>Total</b>	<b>1,400</b>	<b>1,400</b>

<sup>1)</sup> Refers to commitments according to agreement with H2 Green Steel regarding cooperation and distribution of fossil-free steel at the Nordic market. The commitment 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	2023	2022
<b>Overdraft facility</b>		
Credit limit	150	150
Unutilized part of credit limit	-150	-150
<b>Utilized credit amount</b>	<b>-</b>	<b>-</b>
Current leasing liabilities	103	94
Other current interest-bearing liabilities	-	1
<b>Total current interest-bearing liabilities</b>	<b>103</b>	<b>95</b>

## Note 28 – Accrued expenses and deferred income

Group	2023	2022
Accrued salaries	49	64
Accrued social security expenses	15	14
Bonuses to customers	2	3
Other items	33	31
<b>Total accrued expenses and deferred income</b>	<b>99</b>	<b>112</b>
<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
Accrued salaries	1	4
Accrued social security expenses	1	1
Other accrued expenses	9	4
<b>Total accrued expenses and deferred income</b>	<b>11</b>	<b>9</b>

## Note 29 – Supplementary disclosures to cash flow statement

Group	2023	2022
<b>Interest paid</b>		
Interest received	8	6
Interest paid	-33	-23
<b>Adjustment for non-cash items</b>		
Depreciation, amortization and write-down of fixed assets <sup>1)</sup>	121	115
Impairment of inventory	-	42
Unrealized exchange rate differences	9	1
Capital gain/loss on sale of fixed assets	0	0
Difference between participation in joint venture and dividends received	-8	-1
Provisions and other items not affecting liquidity	-34	16
<b>Total</b>	<b>88</b>	<b>173</b>
<b>Parent Company</b>	<b>2023</b>	<b>2022</b>
<b>Interest paid and dividends received</b>		
Dividends received	83	261
Dividends paid	-156	-156
Interest received	27	15
Interest paid	-13	-9
<b>Adjustment for non-cash items</b>		
Depreciation and write-down of assets	2	2
Provisions and other items not affecting liquidity	1	-13
<b>Total</b>	<b>3</b>	<b>-11</b>

<sup>1)</sup> In depreciation, amortization and write-downs, SEK 94 M (90) is associated with amortization on right of use assets related to IFRS 16.

### Reconciliation of debt

Group	Cash flow		Items not affecting cash flow			31/12/23
	31/12/22	Acquisitions	New lease agreements	Other <sup>1)</sup>	Exchange rate differences	
Overdraft facility	-	-	-	-	-	-
Factoring	407	-72	-	-	-1	334
Bank loan	-	-	-	-	-	-
Lease liability	499	-103	-	11	54	479
<b>Total</b>	<b>906</b>	<b>-175</b>	<b>-</b>	<b>11</b>	<b>54</b>	<b>813</b>

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

<sup>1)</sup> 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	2023	2022
Sales of services	126	154
Purchases of services	-16	-5
Interest income	23	15
Interest expense	-13	-9
Dividend received (+)/paid (-)	83	261
Group contributions received(+)/paid (-)	-98	39
Claims on related parties on balance day	208	353
Debt to related parties on balance day	-109	-47

## 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.

During 2023, BE Group's transaction exposure in EUR amounted to EUR 92 M (142), 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 1 M (-12). Based on income and expenses in foreign currency for 2023, it is estimated that a change of +/- 5 percent in the SEK against the EUR would give an effect of about +/- SEK 6 M in the operating result. On the balance sheet date, the Group had operating liabilities of EUR 10 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	1,038	73%
EUR	390	27%
Others	-4	0%
<b>Total</b>	<b>1,424</b>	<b>100%</b>

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 2023, it is estimated that a 5 percent strengthening of the SEK against the EUR would entail an effect of SEK +3 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 334 M (407). Interest-bearing assets in the form of cash and bank balances amounted to SEK 74 M (50).



A change in interest rates of one percent would affect consolidated net financial items by approximately SEK +/- 3 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, 2022 and December 31, 2023.

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

(SEK M)		Nominal amount in original currency		Carrying amount (SEK M)		Fixed interest rate No of days		Interest rate on the balance sheet day		Maturity	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Factoring	EUR M	14	14	152	155	floating	floating	5.05%	3.10%	2026	2024
Factoring	SEK M	182	252	182	252	floating	floating	5.05%	3.60%	2026	2024
<i>accrued interest</i>				-	-						
<b>Total financial liability</b>					<b>334</b>	<b>407</b>					
<i>Of which, current liability</i>					-	1					
<b>Parent Company <sup>1)</sup></b>											
Bank loan, SEK	SEK M	-	-	-	-	-	-	-	-	-	-
Bank loan, EUR	EUR M	-	-	-	-	-	-	-	-	-	-
<i>accrued interest</i>				-	-						
<b>Total interest-bearing liabilities, Parent Company</b>					-	-					
<i>Of which, current liability</i>					-	-					
<b>Total interest-bearing liabilities, Group</b>					<b>334</b>	<b>407</b>					
<i>Of which, current liability</i>					-	1					

<sup>1)</sup> The Parent Company has Group-internal liabilities amounting to EUR 0 M (0) and SEK 97 M (39). The recognized amount totals SEK 97 M (39). 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 7 M (5) as per the balance sheet date. The interest applied in the cash pool is based on SEB Base rate.

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	
	2023	2022
Maturity within 90 Days	566	536
Maturity within 91–180 Days	4	3
Maturity within 181–365 Days	8	9
Maturity within 1–5 years	354	423
Maturity later than 5 years	0	0
<b>Total</b>	<b>932</b>	<b>971</b>

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, 2023, 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 2026.

## Credit agreement

In June 2023, a new credit agreement was signed with Skandinaviska Enskilda Banken. The total credit facility is SEK 775 M and it has a maturity of three years with an option for extension of another 1+1 years. The majority of the facility refers to factoring.

The performance measures measured are net debt/equity ratio and interest coverage ratio. The performance measures are measured quarterly, and the interest coverage ratio is based on the trend over the past 12-month period. On the balance sheet date, the Group has unutilized credit facilities in an amount of SEK 421 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 7 percent (6) of sales in 2023. The ten largest customers combined accounted for about 19 percent (16) of sales.

Credit exposure arises in conjunction with placements of cash and cash equivalents but also in connection with trading in derivative instruments. 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.

Group	Not overdue		Overdues 1-30 days		Overdues 31-90 days		Overdues more then 90 days		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Accounts receivable – gross	480	621	46	48	6	6	5	8	537	683
Loss	0	0	0	-1	0	0	-5	-7	-5	-8
Expected loss %	0%	0%	0%	2%	0%	0%	100%	88%	1%	1%

### Loss reserve

The changes in the loss reserve are specified below.

	2023	2022
<b>Provision at January 1</b>	<b>8</b>	<b>4</b>
Increase of loss reserve, change accounted for in income statement	3	4
Reversals of reserves	-4	0
Realized losses	-2	0
Exchange rate differences	0	0
<b>Provision at December 31</b>	<b>5</b>	<b>8</b>

### 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

	Carrying value according to balance sheet	Of which, financial instruments covered by disclosure requirements in IFRS 7	Group				Total carrying value	Fair value
			A	B	C	D		
<b>2023</b>								
<b>Assets</b>								
Other securities held as non-current assets	0	0	-	-	0	-	0	E/T
Non-current receivables	0	0	0	-	-	-	0	0
Accounts receivable	532	532	-	532	-	-	532	532
Other receivables	58	5	-	5	-	-	5	5
Prepaid expenses and accrued income	30	12	-	12	-	-	12	12
Cash and equivalents	74	74	-	74	-	-	74	74
<b>Liabilities</b>								
Non-current interest-bearing liabilities	334	334	-	-	-	334	334	334
Current interest-bearing liabilities	-	-	-	-	-	-	-	-
Non-current leasing liabilities <sup>1)</sup>	376	376	-	-	-	376	376	-
Current leasing liabilities <sup>1)</sup>	103	103	-	-	-	103	103	-
Accounts payable	528	528	-	-	-	528	528	528
Derivative <sup>2)</sup>	14	14	14	-	-	-	14	14
Other liabilities	72	-	-	-	-	-	-	-
Accrued expenses and deferred income	99	33	-	-	-	33	33	33

	Carrying value according to balance sheet	Of which, financial instruments covered by disclosure requirements in IFRS 7	Group				Total carrying value	Fair value
			A	B	C	D		
<b>2022</b>								
<b>Assets</b>								
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
<b>Liabilities</b>								
Non-current interest-bearing liabilities	406	406	-	-	-	406	406	406
Current interest-bearing liabilities	1	1	-	-	-	1	1	1
Non-current leasing liabilities <sup>1)</sup>	405	405	-	-	-	405	405	-
Current leasing liabilities <sup>1)</sup>	94	94	-	-	-	94	94	-
Accounts payable	480	480	-	-	-	480	480	480
Other liabilities	101	0	-	-	-	0	0	0
Accrued expenses and deferred income	112	53	-	-	-	53	53	53

<sup>1)</sup> Lease liabilities are reported at accrued acquisition value and no fair value is assigned.

<sup>2)</sup> Derivative instruments used for hedging purposes.

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 that no dividend (SEK 12 per share) will be paid for the financial year of 2023.

<b>Funds available</b>		
Retained earnings	716,339,905	SEK
Result for the year	69,455,999	SEK
<b>Total</b>	<b>785,795,904</b>	<b>SEK</b>
<hr/>		
Balance carried forward	785,795,904	SEK
<b>Total</b>	<b>785,795,904</b>	<b>SEK</b>

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 18, 2024.

The Board of Directors and the President and CEO has approved the annual report and the financial statements for publication on March 15, 2024.

Malmö, March 15, 2024

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 15, 2024  
Öhrlings PricewaterhouseCoopers AB

Cecilia André 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 19, 2024.



# 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 2023 except for the sustainability report on pages 17-29. The annual accounts and consolidated accounts of the company are included on pages 11-73 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 17-29. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the 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
<i>Valuation of goodwill</i> 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 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 goodwill. 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.
<i>Inventory – valuation</i> 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 1-10, the sustainability report on pages 17-29 and pages 86-89. Other information also consists of the remuneration report 2023 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](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## Report on other legal and regulatory requirements

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

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BE Group AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

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

#### Basis for Opinions

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

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

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

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

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

#### Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website [www.revisorsinspektionen.se/revisorsansvar](http://www.revisorsinspektionen.se/revisorsansvar). 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 2023.

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

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

#### Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of 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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable 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 17-29 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 20 April 2023 and has been the company's auditor since 7 May 2015.

Malmö, 15 March 2024

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, Section 2, 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](http://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, 2023, 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 13,615 shareholders. The Company's largest shareholders were AB Traction, Svedulf Fastighets AB, Johan Ahldin and Avanza Pension. The proportion of foreign ownership amounted to 3.1 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](http://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 2023 Annual General Meeting was held on April 20 in Malmö, Sweden. At the Annual General Meeting 6,727,530 shares were represented, divided among 32 shareholders who participated in person or through a proxy. The shares represented corresponded to 51.8 percent of the total number of voting shares in BE Group. The minutes are available at the company's website, [www.begroup.com](http://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, Monika Gutén, Lars Olof Nilsson, Mats O Paulsson and Petter Stillström. 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 per share for financial year 2022 divided in two installments of SEK 6 respectively SEK 6;
- 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 2024 Annual General Meeting, to make decisions regarding the transfer of treasury shares for the purpose of financing smaller corporate acquisitions.

#### Annual General Meeting 2024

BE Group's Annual General Meeting will take place on April 18, 2024, at 4:00 pm in Malmö, Sweden. Further information will be available at the company's website, [www.begroup.com](http://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 2024 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 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 2023 and 2024, 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 2023 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 2024 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 2023 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](http://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 2023.

### 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 Remuneration 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 2023

During 2023, the Board of Directors held 13 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 five meetings prior to the Annual General Meeting and the eight meetings after the Annual General Meeting.

The Board of Directors, attendance 2023	Elected	Attendance	Committee work	Attendance	Board-fees	Fee audit-committee	Independent of company & companies management	Independent of larger owners
Jörgen Zahlin, chairman	2013	13 of 13	Remuneration & Audit Committee	3 of 3 5 of 5	460,000	40,000	Yes	Yes
Petter Stillström	2012	13 of 13	Remuneration & Audit Committee	3 of 3 5 of 5	230,000	40,000	Yes	No
Lars Olof Nilsson	2006	13 of 13	Audit Committee	5 of 5	230,000	80,000	Yes	Yes
Mats O Paulsson	2020	13 of 13			230,000		Yes	Yes
Monika Gutén	2022	13 of 13			230,000		Yes	Yes
Ida Strömberg (E)	2022	13 of 13						



## 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 monitors corporate governance, financial reporting, ESG aspects (Environmental, Social and Governance), risk management and compliance with external and internal regulations. They identify and report relevant 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 five times in 2023. 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 2023 Annual General Meeting, a fee of SEK 460,000 was paid to the Chairman of the Board for the period extending from the 2023 Annual General Meeting until the 2024 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 2023 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](http://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.

A review of the guidelines for the remuneration of senior executives was conducted ahead of the 2024 Annual General Meeting. The review resulted in the 2024 Annual General Meeting being proposed to resolve on the following minor changes compared with previously applicable guidelines:

- clarify that senior executives' targets are measured on a business unit rather than on a business area
- variable cash compensation is measured by the Group's operating margin or operating result and the underlying operating margin or operating result of the business unit
- other benefits may not exceed 15 percent of the fixed annual cash salary

## **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](http://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 2023 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 2023 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 2023 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 2023 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 17-25, disclosures in accordance with the EU Taxonomy Regulation on pages 26-29, the section on risks and risk management in the Board of director's Report on pages 14-16 and the business model on page 4.

### **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.

## 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

1,000

#### Shares in close association

0



### Lars Olof Nilsson

Board Member  
Born 1962  
Member of the Board since 2006

#### Other assignments

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

President and CEO  
Managing Director,  
BE Group Sverige AB  
Born 1975  
Employed since 2016

### Previous experience

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

### Education

B.Sc. Engineering

### Number of shares

5,490

### 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



## 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 2023 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](http://www.begroup.com)

# 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 2023 on pages 78-82 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, 15 March 2024

Öhrlings PricewaterhouseCoopers AB

**Cecilia Andrén Dorselius**

Authorized Public Accountant

Partner in charge

**Johan Rönnbäck**

Authorized Public Accountant

## 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)	2023	2022
Operating result	-52	418
Reversal of inventory gains (-)/losses (+)	76	70
Adjustment for items affecting comparability	6	-
<b>Group</b>	<b>30</b>	<b>488</b>

### Working capital

(SEK M)	2023	2022
Inventories	792	1,127
Accounts receivables	532	675
Other receivables	88	78
Deduction accounts payables	-528	-480
Deduction other current liabilities	-201	-269
Rounding	-	-1
<b>Group</b>	<b>683</b>	<b>1,130</b>

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

### Net debt excl. IFRS 16

(SEK M)	2023	2022
Non-current interest-bearing liabilities and leasing liabilities	710	811
Current interest-bearing liabilities and leasing liabilities	103	95
Deduction leasing liabilities	-479	-499
Deduction financial assets	0	0
Deduction cash and equivalents	-74	-50
Rounding	-1	-
<b>Group</b>	<b>259</b>	<b>357</b>

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)	2023	2022
Equity excl. IFRS 16	1,431	1,645
Non-current interest bearing liabilities and leasing liabilities	710	811
Current interest bearing liabilities and leasing liabilities	103	95
Deduction leasing liabilities	-479	-499
Rounding	-	-
<b>Group</b>	<b>1,765</b>	<b>2,052</b>

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



# Multi-year summary

(SEK M unless otherwise stated)	2019	2020	2021	2022	2023
Sales	4,359	3,672	5,388	6,875	5,328
<b>Earnings measurements</b>					
Gross profit/loss	605	548	1,102	1,009	544
Underlying gross profit/loss	609	563	1,038	1,075	606
Operating result (EBIT)	88	39	621	418	-52
Underlying operating result (uEBIT)	94	96	529	488	30
<b>Margin measurements</b>					
Gross margin (%)	13.9	14.9	20.4	14.7	10.2
Underlying gross margin (%)	14.0	15.3	19.3	15.6	11.4
Operating margin (%)	2.0	1.1	11.5	6.1	-1.0
Underlying operating margin (%)	2.1	2.6	9.8	7.1	0.6
<b>Cash flow</b>					
Cash flow from operating activities	200	341	32	204	491
<b>Capital structure</b>					
Net debt excl. IFRS 16 <sup>1)</sup>	373	156	241	357	259
Net debt/equity ratio (%) excl. IFRS 16 <sup>1)</sup>	40	17	17	21.7	18.1
Working capital at end of period	549	343	856	1,130	683
Working capital (average)	570	468	524	1,064	863
Capital employed at end of period excl. IFRS 16 <sup>1)</sup>	1,468	1,234	1,716	2,052	1,765
Capital employed (average) excl. IFRS 16 <sup>1)</sup>	1,466	1,305	1,457	2,003	1,899
Working capital tied-up (%)	13.1	12.8	9.7	15.5	16.2
<b>Return</b>					
Return on capital employed (%) excl. IFRS 16 <sup>1)</sup>	5.6	2.3	42.0	20.3	-3.1
<b>Per share data</b>					
Earnings per share (SEK)	3.87	0.33	38.10	24.96	-4.59
Earnings per share after dilution (SEK)	3.87	0.33	38.10	24.96	-4.59
Proposed dividend per share (SEK)	-	-	12	12	-
Equity per share (SEK)	71.05	69.73	108.84	126.11	109.68
Cash flow from operating activities per share (SEK)	15.37	26.28	2.49	15.72	37.85
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
<b>Growth</b>					
Sales growth (%)	-9	-16	47	28	-23
<i>of which, organic tonnage growth (%)</i>	-10	-10	11	-9	-12
<i>of which, price and mix changes (%)</i>	-1	-5	38	32	-15
<i>of which, currency effects (%)</i>	2	-1	-2	2	4
<i>of which, acquisitions (%)</i>	-	-	-	3	1
<i>of which, divestments (%)</i>	-	-	-	0	-1
<b>Other</b>					
Average number of employees	652	633	621	654	678
Inventory gains and losses	-6	-17	92	-70	-76
Shipped tonnage (thousands of tonnes)	340	307	342	320	285

<sup>1)</sup> 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.

# Financial definitions

<b>Earnings measurements</b>	
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".
<b>Margin measurements</b>	
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.
<b>Capital structure</b>	
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.
<b>Return</b>	
Return on capital employed excl. IFRS 16	Annually adjusted operating result excl. IFRS 16. as a percentage of average capital employed excl. IFRS 16.
<b>Per share data</b>	
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.
<b>Growth</b>	
Sales growth	Change in the net sales of the business compared with the previous period, in percent.
<b>Other</b>	
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.

# Annual General meeting

The Annual General Meeting will be held on Thursday 18 April 2024, at HighCourt, Malmöhusvägen 1 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 10 April 2024, and
- give notice of participation no later than Friday 12 April 2024, 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 10 April 2024. 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 Friday 12 April, 2024, 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](mailto: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 12 April 2024 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](http://www.begroup.com). An announcement of notice publication was also published in Svenska Dagbladet.



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