BE GROUP

ANNUAL REPORT 2021

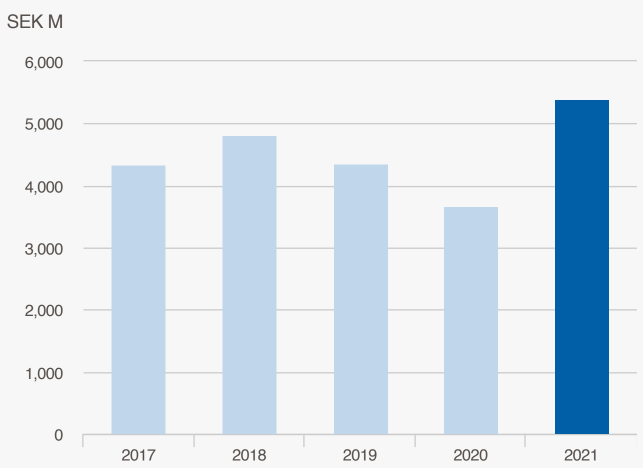
CONTENT

Pages 6 – 60 comprise the formal Annual Report and have been reviewed by the Company’s Auditors.

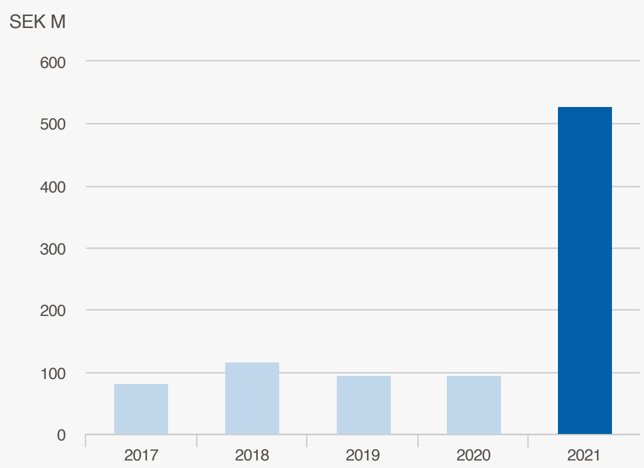
THE YEAR IN BRIEF

- Net sales increased by 47% to SEK 5,388 M (3,672)
- The underlying operating result increased to SEK 529 M (96)
- Inventory gains and losses amounted to SEK 92 M (-17)
- The operating result increased to SEK 621 M (39)
- Result after tax increased to SEK 495 M (4)
- Cash flow from operating activities amounted to SEK 32 M (341)
- Earnings per share increased to SEK 38.10 (0.33)
- BE Group signed a letter of intent with H2 Green Steel regarding cooperation and distribution of fossil-free steel
- The reorganization of the business in the Baltics was completed
- The Board of Directors proposes dividend of SEK 12 (-) per share for the financial year of 2021

NET SALES



UNDERLYING OPERATING RESULT [1)]



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

Key data	**2021**	**2020**	**Change**
Tonnage, thousands of tonnes	342	307	35 (11%)
Net sales, SEK M	5,388	3,672	1,716 (47%)
Operating result, SEK M [1)]	621	39	582
Operating margin, %	11.5	1.1	10.4
Underlying operating result [2)]	529	96	433
Result after tax, SEK M	495	4	491
Result per share, SEK	38.10	0.33	37.77
Return on capital employed excl. IFRS 16, %	42.0	2.3	39.7
Net debt excl. IFRS 16, SEK M	241	156	85
Net debt/equity ratio excl. IFRS 16, % [2)]	17	17	0
Cash flow from operating activities, SEK M	32	341	-309
Average number of employees	621	633	-12

1) The operating result 2020 was impacted by items affecting comparability of SEK -40 M (-) related to the centralization of warehouse and production operations in Sweden and the Baltics.
2) Part of BE Group's alternative performance measures which you can read more about in Alternative performance measures and Financial definitions.

Sales by business solution, SEK M	**2021**	**2020**	**%**
Inventory sales	2,284	1,541	48%
Production service sales	2,384	1,684	42%
Direct sales	720	447	61%
Total	**5,388**	**3,672**	**47%**

Sales by product area, SEK M	**2021**	**2020**	**%**
Long steel products	2,081	1,363	53%
Flat steel products	2,213	1,428	55%
Stainless steel	757	611	24%
Aluminium	219	170	29%
Other	118	100	18%
Total	**5,388**	**3,672**	**47%**

”First and foremost, the customer offering must be the sharpest and most attractive in terms of competence, availability and delivery accuracy.”

A STRONG YEAR THAT PROVIDES STRENGTH FOR THE FUTURE

In 2021, BE Group delivered the best operating margin since the stock exchange listing in 2006. The recipe behind this is good employees who work hard, a focus on the customer experience and sales clearly seasoned with high material prices together with the major structural changes of recent years.

In total, sales increased by 47 percent and the underlying operating result improved strongly, amounting to SEK 529 M (96). Rising steel prices led to inventory gains of SEK 92 M (-17) and the operating result rose to SEK 621 M (39), which is also the best since 2006.

Steel price trend

At the beginning of 2021, there was a rapid and strong recovery in the European manufacturing and construction sectors. In the first quarter, more materials were in demand than planned and a shortage arose, particularly for products linked to the automotive industry. This pushed steel prices up sharply. The trend in the second half of the year was somewhat different for various products, but prices can essentially be said to have stabilized at entirely new levels by the end of the year.

A continuation of a generally high price level is supported by high costs for input materials and energy prices together with strong demand where customers have real needs and a good market for their products. The transition to sustainable steel production will require major investments, which in the longer term must lead to more sustainable prices for steel producers.

Sustainability

BE Group’s business model is essentially sustainable. Steel is one of the world’s most recycled materials and can be recycled over and over again without losing its characteristics. As steel distributors, we buy steel in large quantities and deliver a specific need, such as steel cut to specific lengths, to each individual customer. With this, we can optimize both transports and material utilization.

As an independent steel distributor, BE Group continuously conducts discussions with multiple steel producers throughout Europe and 100% climate-compensated steel is already part of the offering to our customers. Another step in the sustainability work was taken through a signed letter of intent with H2 Green Steel regarding cooperation and distribution of fossil-free steel in the Nordic market from 2025.

We have a good history in the work with sustainability, but in the future, these efforts will be further intensified in various ways. An important part of this work is helping small and medium-sized companies, which most often buy steel in smaller quantities, to buy sustainable steel at competitive prices.

The impact of the Ukrainian war on BE Group

Russia and Ukraine are major producers of iron ore and other inputs and it is clear that the war will have a major impact on the European steel market with material shortages and sharp price increases as a consequence. About 10% of BE Group’s total steel purchases in 2021 came from Russian-controlled steel producers. We expect that this geopolitical situation will affect global supply chains and are therefore reviewing what can be done proactively to secure the delivery of steel and our ability to support our customers during these challenging times.

Focus in the future

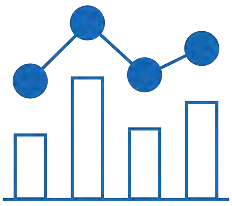
In an industry with standardized products and paper-thin margins, it is important to work hard with continuous improvements. First and foremost, the customer offering must be the sharpest and most attractive in terms of competence, availability and delivery accuracy. After that, I usually visualize it with a coin worth SEK 0.10. In 2021, SEK 0.10 per kg was equivalent to about SEK 35 M. Slightly lower purchasing prices, a slightly better margin, slightly more efficient handling and the mentality that a penny saved is a penny earned. All of this has a positive impact on the bottom line and with good and well-motivated employees, we will continue on that path.

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

Peter Andersson
President and CEO

FINANCIAL TARGETS AND OUTCOME

Earnings in BE Group shall be used to develop the business and generate returns for the owners. The Board of Directors of BE Group has therefore set three financial targets that should be achieved for earnings to be considered adequate. Over time, the goal completion can vary depending on various phases in the Company's development and the current business cycle.



Sales growth that exceeds the market growth

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

Outcome

The market is estimated to have increased by 12.0 percent (-7.0) compared to last year. BE Group has had a corresponding market growth and thus an unchanged market share.

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A profit margin of at least 5 percent

Profit margin is defined as the underlying operating margin (uEBIT%) in the past 12 months. The target level is set to at least 5 percent measured over a longer period of time. This corresponds to approximately SEK 269 M in underlying operating result (uEBIT) at current sales. The underlying operating result, i.e. the operating result excluding the impact of inventory gains or losses and items affecting comparability, is used to put focus on how the operating activities perform and develop.

Outcome

The underlying operating margin amounted to 9.8 percent (2.6) for 2021.

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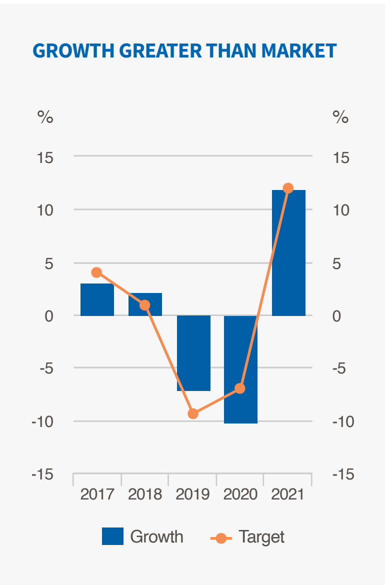
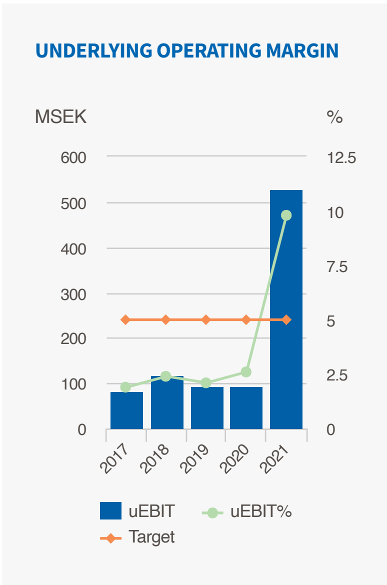
At least 15 percent return on capital employed

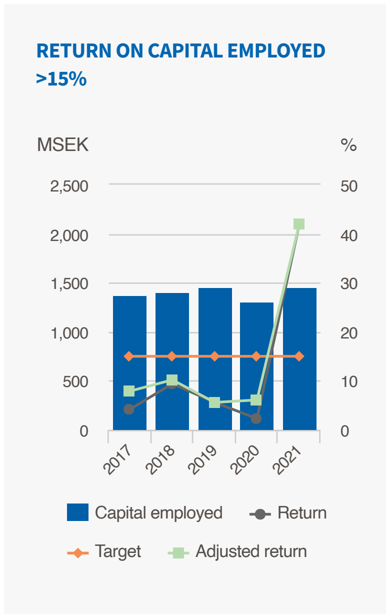
As a measure of return, return on capital employed excl. IFRS 16 is used, defined as operating result excl. IFRS 16 in the past 12 months divided by the average capital employed excl. IFRS 16 (equity and interest-bearing liabilities). The target level is set to at least 15 percent considering the prevailing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

Outcome

The return on capital employed increased to 42.0 percent (2.3) during the year. The reason is mainly that the operating result has increased due to higher steel prices and a strenghtened gross margin. The diagram also illustrates an adjusted return where evential items affecting comparability have been excluded.







THE SHARE

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

Total turnover of BE Group shares in 2021 was 7.1 M shares with a combined value of SEK 623 M, representing an average turnover of 28,159 shares or SEK 2.5 M per trading day. On the year's last trading day, December 30, 2021, the market price for the BE Group share was SEK 132.50. The highest price paid in 2021 was SEK 133.00 and the year's lowest price paid was SEK 36.40. At the end of the year, BE Group's total market capitalization was SEK 1,723.8 M.

Share capital and voting rights

At December 31, 2021, the share capital in BE Group was SEK 260.2 M (260.2) allocated among 13,010,124 shares, each with a quotient value of SEK 20.00. Under the Articles of Association, minimum share capital in the Company is SEK 150,000,000 and maximum share capital SEK 600,000,000, with a minimum of 10,000,000 and a maximum of 40,000,000 shares. Each share carries one vote and there is only one class of shares.

Ownership structure

At the end of 2021, BE Group had 7,119 shareholders, compared to 4,371 at the end of last year. Svedulf Fastighets AB and AB Traction 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 65.9 percent and foreign ownership was 14.4 percent.

Dividend and dividend policy

According to BE Group's dividend policy, the Group shall distribute at least 50 percent of profit after tax, over time. BE Groups financial positions and future outlook shall be taken into account in determining the payment of dividends. The Board of Directors proposes dividend of SEK 12 (-) per share for the financial year of 2021 which corresponds to approximately SEK 156 M.

Shareholder contacts

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

Per share data

SEK unless otherwise stated	2021	2020
Earnings per share	38.10	0.33
Earnings per share after dilution	38.10	0.33
Equity per share	108.84	69.73
Proposed dividend per share	12.00	–
Market price, December 30. latest price paid	132.50	37.60
Market capitalization, December 30, SEK M	1,723.8	489.2
P/E ratio	3.4	113.9
Yield rate, %	9.06	–

Largest shareholders December 30, 2021

Shareholders	Number of share	Capital and votes (%)
Svedulf Fastighets AB	3,183,172	24.5
AB Traction	3,177,894	24.4
Försäkringsaktiebolaget, Avanza Pension	693,108	5.3
Quilter Inter Isle of Man Ltd	642,285	4.9
BNY Mellon SA/NV (Former BNY), W8IMY	193,835	1.5
Nordnet Pensionsförsäkring AB	167,845	1.3
Nordea Livförsäkring Sverige AB	167,607	1.3
Quilter International IOM Ltd	145,809	1.1
Ålandsbanken ABP (Finland), svensk, filial	144,194	1.1
Thorell, Johan	129,543	1.0
Total, 10 largest shareholders	***8,645,292***	***66.4***
BE Group´s holding of treasury shares	26,920	0.2
Other shareholders	4,337,912	33.4
Total number	**13,010,124**	**100**

Shareholder structure, December 30, 2021

Holding	Number of shareholders	Number of shares	Capital and votes (%)
1 – 500	6,215	544,881	4.2
501 – 1,000	389	289,128	2.2
1,001 – 2,000	243	356,996	2.7
2,001 – 5,000	147	455,101	3.5
5,001 – 10,000	40	286,818	2.2
10,001 – 20,000	36	522,551	4.0
20,001 – 50,000	24	754,640	5.8
50,001 – 100,000	11	807,347	6.2
100,001 – 500,000	10	1,296,203	10.0
500,001 – 1,000,000	2	1,335,393	10.3
1,000,001 – 5,000,000	2	6,361,066	48.9
Total	**7,119**	**13,010,124**	**100**

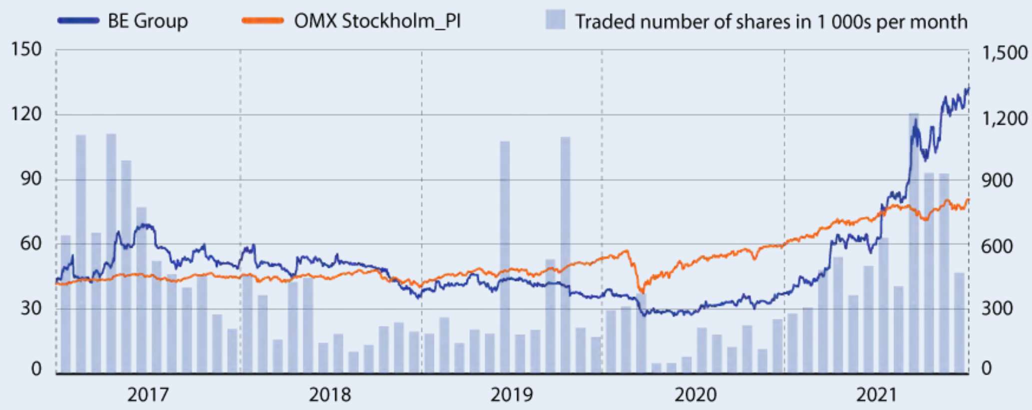
Shareholdings per country, December 30, 2021

Sweden	85.6%
Isle of man	6.1%
USA	1.9%
Luxembourg	1.8%
Belgium	1.5%
Others	3.1%
Total	**100%**

Shareholder category, December 30, 2021

Other Swedish legal entities and persons	54.0%
Swedish physical persons	19.6%
Foreign ownership	14.5%
Insurance companies and pension institutions	7.4%
Pension foundations	2.6%
Fund management companies	1.9%
Total	**100%**

Share price development January 2017 – December 2021



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

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 2021, the Group reported sales of SEK 5.4 billion. BE Group has approximately 630 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at www.begroup.com.

Alternative performance measures

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

Market and business environment

In Europe (EU28), 152.5 million tons of raw steel were produced in 2021, according to the World Steel Association, which is the global trade association for the steel mills. This is an increase of 15.4 percent compared with 2020. Early in 2021, a rapid and strong recovery was noted in the European industrial and construction sectors. This increased the need for all steel and metal products. In the first quarter, more materials were in demand than planned and a shortage arose, particularly for products linked to the automotive industry. This sharply increased steel and metal prices, even beyond the record listings from 2008. After several tough years, producers suddenly achieved good profitability. Development in the second half of the year was somewhat different for different products, but prices essentially stabilized at entirely new levels.

Group structure and organization

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

Net sales and business performance

During the year, the Group's consolidated net sales increased by 47 percent compared to last year and amounted to SEK 5,388 M (3,672). Tonnage in business area Sweden & Poland increased by 14 percent compared to last year, while Finland & Baltics delivered 10 percent more. Net sales was positively affected by rising steel prices and mix effects of 38 percent and negatively by currency effects of -2 percent. Inventory gains and losses of SEK 92 M (-17) also affected the period.

Gross profit increased to SEK 1,102 M (548), with a strong gross margin of 20.4 percent (14.9). Adjusted for inventory gains and losses, the underlying gross margin increased to 19.3 percent (15.3).

The operating result increased to SEK 621 M (39), corresponding to an operating margin of 11.5 percent (1.1). Adjusted for inventory gains and losses of SEK 92 M (-17) and items affecting comparability of SEK 0 M (-40), the underlying operating result increased to SEK 529 M (96). The underlying operating margin increased to 9.8 percent (2.6).

Business area Sweden & Poland

Business Area Sweden & Poland accounted for 49 percent (48) of the Group's net sales in 2021. The business area includes the Group's operations in Sweden consisting of BE Group Sverige and Lecor Stålteknik, as well as the Polish operations. Net sales for the year increased by 47 percent compared to last year, amounting to SEK 2,625 M (1,782). Operating result increased to SEK 282 M (-14). Adjusted for inventory gains and losses of SEK 61 M (-11) and items affecting comparability of SEK 0 M (-35), the underlying operating result increased to SEK 221 M (32). In the result, intra-group expenses invoiced from the Parent Company have been eliminated except for expenses for IT and business systems.

Business area Finland & Baltics

In 2021, business area Finland & Baltics accounted for 51 percent (52) of the Group's net sales. The business area consists of the Group's operations in Finland and the three Baltic States. Net sales increased by 47 percent compared to last year, amounting to SEK 2,790 M (1,896). The operating result improved to SEK 370 M (63) and adjusted for inventory gains and losses of SEK 31 M (-6) and items affecting comparability of SEK 0 M (-5), the underlying operating result increased to SEK 339 M (74). In the result, intra-group expenses invoiced from the Parent Company have been eliminated except for expenses for IT and business systems.

Parent Company & consolidated items

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

Parent Company

Sales for the Parent Company, BE Group AB (publ), amounted to SEK 104 M (79) 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 44 M (42), SEK 35 M (31) was distributed to the subsidiaries.

The operating result amounted to SEK 60 M (53). Net financial items amounted to SEK 98 M (37). The result before tax amounted to SEK 282 M (75) and the result after tax was SEK 244 M (73). At the end of the year, Parent Company equity amounted to SEK 959 M (715). Investments in the Parent Company amounted to SEK 3 M (2). At the end of the year, cash and equivalents in the Parent Company amounted to SEK 38 M (152).

Net financial items and tax

Consolidated net financial items amounted to SEK -17 M (-28) and net interest accounted for SEK -14 M (-18), of which SEK -10 M (-11) is related to leasing according to IFRS 16. Tax amounted to SEK -109 M (-7). Result after tax amounted to SEK 495 M (4) including items affecting comparability of SEK 0 M (-40).

Cash flow

Cash flow from operating activities amounted to SEK 32 M (341). The cash flow from investing activities amounted to SEK -25 M (-21). Cash flow after investments thereby amounted to SEK 7 M (320).

Capital, investments and return

At the end of the period, consolidated working capital amounted to SEK 856 M (343) and average working capital tied-up was 9.7 percent (12.8). Of the year's investments, totalling SEK 26 M (21), investments in intangible assets accounted for SEK 1 M (0) and investments in tangible assets for SEK 25 M (21). The return on capital employed excl. IFRS 16 amounted to 42.0 percent (2.3).

Financial position and liquidity

At the end of the period, consolidated cash and equivalents, including overdraft facilities, were SEK 154 M (316) and consolidated interest-bearing net debt excl. IFRS 16 amounted to SEK 241 M (156). At the end of the period, equity amounted to SEK 1,413 M (905) and the debt/equity ratio was 17 percent (17).

Employees

BE Group considers the employees to be the Group's most important resource. They are the face towards customers and suppliers and it is therefore important that everyone who works at BE Group contributes to the company being perceived as an economically, socially and ethically responsible company. It is the people at BE Group who make things happen and make it possible for the company to keep its promises. The corporate culture is based, among other things, on what BE Group has defined as its core values. These values act as guidance in the day-to-day work of everyone within BE Group. They address how the employees behave towards one another, as well as towards customers, suppliers and others with whom they come into contact. These are: Dynamic, Transparent and Sustainable.

The number of employees amounted to 627 compared to 618 at the same time last year and the average number of employees during the year amounted to 621 (633).

Environmental policy and environmental work

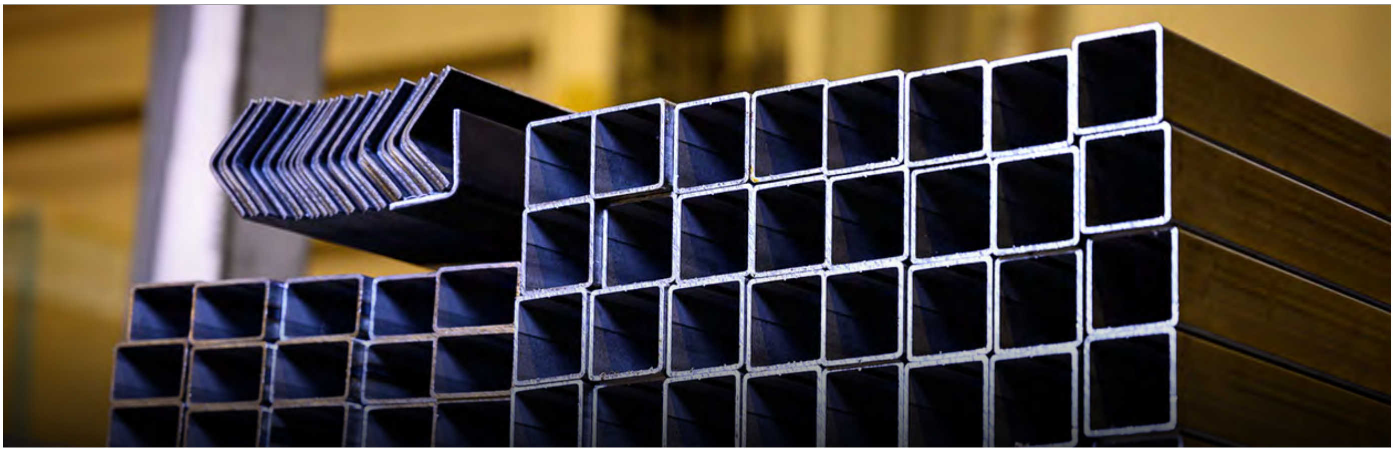
BE Group is working with environmental issues as an integrated part of its operations. With its position between steel producers and customers, it is in the area of transport in particular that BE Group is able to help reducing the environmental impact. In addition, BE Group works continuously to improve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

Overarching environmental policy

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

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

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



Risks and risk management in BE Group

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

- Market risks
- Operational risks
- Financial risks

Market risks

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

Steel price trend

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

The table below shows the estimated effect on underlying operating result of changes in steel prices and sold tonnage. The sensitivity analysis is based on the outcome for 2021 and assumes a constant underlying gross margin.

	Change	Operating result effect
Steelprice	+/-5 %	+/-57 MSEK
Tonnage	+/-5 %	+/-45 MSEK

Covid-19

It is not possible to fully quantify the impact that Covid-19 may have on the company. BE Group is monitoring developments closely and is adjusting the measures that have been implemented in the Group in the short term to counteract the negative effects, such as Government grants, renegotiated agreements and increased control of working capital and costs. The company acts in accordance with decisions and recommendations from governments and authorities in the respective markets and with the health and well-being of its employees as a top priority.

Operational risks

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

In BE Group's assessment, it is not dependent on any single supplier and all major suppliers are considered fully replaceable, so disruption to deliveries by any one of them does therefore not entail long-term consequences for operations. In 2021, the largest single supplier accounted for 15 percent (19) of the Group's purchases. Combined, the ten largest suppliers accounted for 57 percent (53) of the Group's total purchasing. BE Group is exposed to the risk that deliveries from suppliers could be substantially delayed in the event of interrupted production, capacity shortage or transport issues, outside the control of BE Group. This can mean loss of income and/or more expensive actions to meet our commitments to customers.

Customers

BE Group's operations are conducted in several different markets and to numerous customer categories. The ten largest customers accounted for 14 percent (13) of total sales in 2021. BE Group has a large number of customers in different industries and consequently, a good risk diversification. The Company actively works to manage credit risks (see Note 31 for further information) by setting credit limits and focusing on collecting overdue receivables.

Product liability

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

Increased direct deliveries from steel producers

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

Contractual relations

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

Human Resources

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

Health and safety

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

Gender equality, diversity and discrimination

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

Legal

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

Corruption

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

Human rights

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

Environmental legislation and responsibility for the environment

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

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

Energy use

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

Greater emissions from transports

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

Financial risks

For an account of financial risks, see Note 31.

Share-related information

Ownership structure

The BE Group share has been listed on the Nasdaq Stockholm Exchange since the end of 2006. At the end of the financial year, BE Group had 7,119 shareholders, compared to 4,371 at the end of last year. Svedulf Fastighets AB and AB Traction were the two largest owners with 24.5 percent and 24.4 percent of the shares, respectively. Information regarding other major owners is available under The Share. At the end of the year, the proportion of institutional ownership (legal entities) totalled 80.3 percent and foreign ownership was 14.4 percent.

At the end of 2021, the four members of Group Management together held 12,105 shares in BE Group. At the same time, the company's directors together held 3,245,176 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 physically related owned shares, 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 2021.

Share capital, shares outstanding and rights

The registred share capital amounted to 13,010,124 (13,010,124) common shares on December 31, 2021. Each share has a quotient value of SEK 20.00 (20.00). According to the Articles of Association, minimum share capital in the Company is SEK 150,000,000 and maximum share capital SEK 600,000,000, with a minimum of 10,000,000 and a maximum of 40,000,000 shares. Share capital is determined in Swedish kronor.

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

Authorization to the Board of Directors

The Annual General Meeting resolved to authorize the Board of Directors, on one or several occasions and not later than the 2022 Annual General Meeting, to make decisions regarding the transfer of treasury shares for the purpose of financing smaller corporate acquisitions. Transfers of at most 26,920 shares, corresponding to the company's existing holding of treasury shares, may deviate from shareholders' preferential rights. Transfers may be applied as payment of all or part of the purchase consideration in the acquisition of companies or operations or parts of companies or operations, in which case the payment shall correspond to the assessed market value of the shares. Alongside share transfers, payment may be effectuated through capital contributed in kind or by setting off claims against BE Group. Transfers may also be made on cash payment through sales on the Nasdaq Stockholm Exchange at a price within the price interval registered at any given time – that being the interval between the highest bid price and lowest asking price at the time of sale. The Board of Directors shall have the right to decide on other conditions for the transfer. However, the conditions shall be market-based.

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

Dividend and dividend policy

According to BE Group's dividend policy, the Group will distribute at least 50 percent of profit after tax, over time. BE Groups financial positions and future outlook shall be taken into account in determining the payment of dividends. The Board of Directors proposes dividend of SEK 12 (-) to be paid for the financial year of 2021 which corresponds to approximately SEK 156 M.

Corporate governance

The Corporate Governance Report is presented on pages 65-69.

Contingent liabilities

Consolidated contingent liabilities amounted to SEK 1 M (6).

Significant events after the end of the financial year

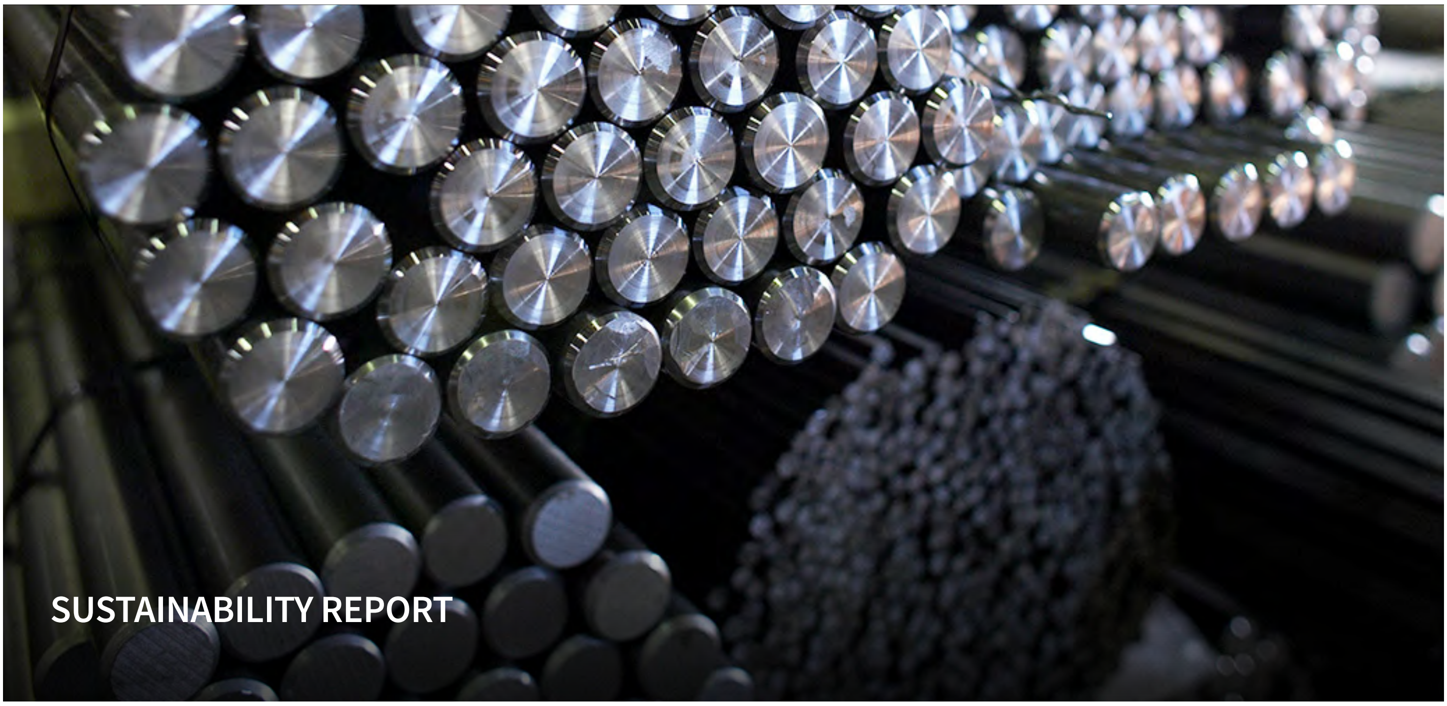
Russias invasion of Ukraine on February 24, 2022, entails a significantly increased risk level, as well as in terms of security and financial. The consequences for BE Group and its employees is however impossible to assess right now. No other significant events have taken place after the end of the period.

Accounting principles

As of January 2005, the consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Commission for application within the European Union. A more detailed explanation of accounting principles is available under "Accounting principles".

Appropriation of earnings

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



SUSTAINABILITY REPORT

BE Group's vision is to be the most professional, successful and respected steel service company on the markets the company is active. The business idea not only includes BE Group being a leading player in terms of buying, selling and processing steel, but also being a professional partner to the customers. BE Group should be a support in their development, help them identify both strengths and weaknesses and be able to offer the best solution in terms of availability, expertise and delivery accuracy. BE Group's sustainability work is based on creating conditions for small and mid-sized companies to buy sustainable steel at competitive prices.

Business model

BE Group is a trading and service company that offers efficient distribution and value-generating production service in steel, stainless steel and aluminum to the construction and manufacturing industries in Europe. BE Group's role is to compensate for the gap between steel producers' delivery capacity and steel consumers' needs. BE Group creates value to its customers through efficiency and coordination of sourcing, transportation and warehousing of a wide selection of commercial steel, engineering steel, stainless steel and aluminum. BE Group's sales to customers take place in three different ways; Inventory sales, Production service sales and Direct sales.

PRODUCTS

Long steel products

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

Flat steel products

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

Stainless steel

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

Engineering steel

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

Aluminium

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

Rebars

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

SERVICES

Production service

BE Group offers production service of steel, stainless steel and aluminium with production resources within thermal cutting, drilling, sawing, slitting, blasting and painting. Production service involves different processes where steel and other metals are processed to fulfil the customer's specific needs.

Material advice and services

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

BE Group's sustainability work

BE Group is working to reduce the Company's environmental impact and to be an economically, socially and ethically responsible actor. The sustainability issues are an important part of the operations and the goal is for them to be an integral part of daily activities and be viewed as strategic decisions and investments. The scope of the sustainability work is set by the Group management team, which handles issues concerning strategy, goals, follow-up and communication. The managing director of the respective unit bears the operating responsibility and sets local goals and plans that are followed up by the Group management team. The result of this work is reported to BE Group's Board of Directors and through the sustainability report to investors, media and other external stakeholders. The sustainability report pursuant to the Annual Accounts Act includes pages 11-15 and the section on risks and risk management in the Board of Director's Report on pages 8-10. This sustainability report applies to the Group and all wholly owned subsidiaries.

The sustainability work is based on the UN Global Compact's 10 principles for responsible enterprise and the Group works with the following:

- *BE Group strives to create a safe, inclusive and stimulating workplace*
  The Company shall work for a good and safe working environment where accidents and illness are prevented and that the right expertise and knowledge are in the company. BE Group works to ensure diversity and equal opportunities. Everyone in the organization shall be aware of BE Group's Code of Conduct and comply with it, and adopt the Group's values.
- *BE Group works in a goal-oriented way to limit its environmental and climate impact*
  The Company shall strive to continuously improve its own facilities regarding energy consumption, emissions and waste management.
- *BE Group shall be a reliable partner to its business partners, suppliers and customers*
  The company shall apply sound business principles and be financially responsible. The prevention of corruption is an important part of this work. BE Group strives to develop and maintain a transparent and responsible dialog with its key stakeholders.

In 2020, the Group management team began the work to map the business based on the global sustainable development goals in Agenda 2030 and this work continued in 2021. The company's opportunities and impact have been discussed and a plan for what can be done has been initiated. Among other things, an anti-corruption policy was prepared and approved by the Board of Directors. In 2022, the Group management team will document and specify interim targets to be achieved by the organization.

Group management has defined the following goals as particularly relevant to the business:

BE Group's key stakeholders

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

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

Operations

BE Group is a trading and service company that offers efficient distribution and value-added production service in steel, stainless steel and aluminum to the construction and manufacturing industries in Europe. The organization is divided into two business areas: Sweden & Poland and Finland & Baltics. Business Area Sweden & Poland includes BE Group Sverige AB, Lecor Stålteknik AB, BE Group Poland Sp. z o.o. and the joint venture ArcelorMittal BE Group SSC AB. Business Area Finland & Baltics includes BE Group Finland Oy Ab and BE Group OÜ (Estonia) with the branches BE Group OÜ filiāle Latvijā (Latvia) and BE Group OÜ Lietuvos filnas (Lithuania). Only the wholly owned companies are covered by this report. The Group's subsidiaries are operated as individual units under each business area.

To be able to grow and develop, good business ethics must be ensured and in its sustainability efforts BE Group is supported by several policies and guidelines: such as the code of conduct, core values, environmental policy, Safety first policy, 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.

Suppliers

BE Group is an independent steel distributor offering products from several steel producers around the world. The Company works with a code of conduct for suppliers, which requires suppliers to act responsibly when it comes to human rights, working conditions, business ethics and the environment.

Green steel

BE Group's ambition is to be able to help small and medium-sized companies, which most often buy steel in smaller quantities, to buy sustainable steel at competitive prices. 100% climate-compensated steel is already today a part of the offering to customers. Discussions are being held with several European steel producers and the Company is following the trend towards lower, and ultimately zero, emissions of fossil carbon dioxide within the Voestalpine H2Future and ArcelorMittal Xcarb projects. During the year, the Company signed a letter of intent regarding cooperation and distribution of fossil-free steel with H2 Green Steel (H2GS). The agreement, which means that BE Group will be able to deliver green steel to the Nordic market starting in 2025, is an important step in the company's ambition to eventually be able to offer a complete range of sustainable steel.

Anti-corruption

BE Group's Code of Conduct contains guidelines for business ethics and anti-corruption. To further illustrate this important area, the Group management team developed an anti-corruption policy during the year that was approved by the Board of Directors. It has been translated into the local languages and will be implemented in the organization in 2022.

Taxes

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

Risks and risk management in BE Group

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

- Market risks
- Operational risks
- Financial risks

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

Reporting according to the EU taxonomy

BE Group has reviewed the operations based on the EU Taxonomy Regulation and has not identified any applicable sales linked to the taxonomy at present. Since BE Group has not identified any sales that can be linked to the taxonomy, the Company has also not identified any Capex or Opex linked to category a or b. Nor is it possible to determine whether there is any Capex or Opex linked to category c since there is no information available from suppliers. Without this information, we are not able to identify and link them to the taxonomy for the current year, but we have the ambition to be able to do this moving forward.

Total sales are based on our consolidated net sales. Total capital expenditure (Capex) consists of the year's investments in tangible and intangible assets, as defined in Notes 13 and 14. Total operating expenses (OPEX) consist of direct non-capitalized costs related to short-term leases, maintenance and repairs and other expenses related to the day-to-day maintenance of our tangible assets. Category a means that the Company has no investments or operating expenses linked to current sales and category b means that the Company has no investments or operating expenses that are linked to future sales. Category c means that it is possible to include other investments and operating expenses if they are purchased from suppliers with applicable sales linked to the taxonomy and where the activity leads to reduced climate impact.

BE Group is an independent steel wholesaler 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, with the exception of Lecor Stålteknik, which on assignment manufactures prefabricated steel structures for construction and industrial projects. BE Group provides transports, particularly road transports, and this is part of the sales that the company has chosen to subcontract to third parties. BE Group surveys emissions from transports and works to reduce the environmental impact by assessing suppliers but has no direct impact on operations.

The assessments in the analysis were made on public information available on January 31, 2022.

NET SALES

SEK 5 388 M (3 672)

UNDERLYING OPERATING RESULT

SEK 529 M (96)

OPERATING RESULT

SEK 621 M (39)

RESULT AFTER TAX

SEK 495 M (4)

RESULT PER SHARE

SEK 38,10 (0,33)

AVERAGE NO EMPLOYEES

621 (633)

Corporate culture

BE Group's ambition is to create a stimulating and healthy work environment for employees and all workplaces within BE Group to be safe and pleasant and free from harassment and discrimination. The employees are our most valuable asset and a prerequisite for the Company to perform well.

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

Safety first

Health and safety is a priority area at the workplaces and there is a Safety First policy with a zero vision regarding workplace accidents. The basic idea is that all accidents can be prevented and safety must come first at all times. During the year, the units worked locally to assess and address risks in the operations and to prevent accidents. They have steering documents in place and regular follow-ups, workplace meetings and training sessions. Each accident and incident are reported, evaluated, followed up and resolved.

In 2021, 16 accidents (16) were reported, resulting in more than one day's absence. Moving forward, the units will continue to work proactively and focus on increasing the proportion of risk observations at the workplaces. Once the processes are in place, it is important to work behavior-based.

Code of Conduct

BE Group's Code of Conduct is established by the Board of Directors and comprises all operations and employees within BE Group. The ethical guidelines provide guidance in the daily work to achieve the Group's goals and point out everyone's responsibilities towards business partners, owners, employees and society. The Code addresses issues of business ethics, anti-corruption, child labor, equality, work environment, career issues and competence development.

Leadership principles

In addition to the values, BE Group has eight leadership principles that are common to the entire Group. They must create uniformity and clarity regarding the expectations of how a manager should be and act to be a role model and contribute to creating a good work environment and a successful company.

Employees

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

Once a 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 survey is done anonymously and takes up issues that, among other things, include the Company's strategy, values and safety and shed light on any harassment at the workplace. The results are presented by department and every group work on preparing an action plan for the improvement areas established. The employee survey is sent to all employees and 84% of the employees chose to participate in 2021. The employee survey measures four different indices: Engagement, Leadership, Team efficiency and Psychosocial work environment and, in all of the indices, we saw a positive development during the year.

The employees shall have the possibility of influencing their work situation and, besides the employee survey, performance reviews are held with the immediate manager.

Work has begun to increase the diversity of workplaces and to create balanced teams with individuals with different genders, ethnic backgrounds and ages. The percentage of women in the organization is still low, for example, and work has begun to look at how to create conditions to attract more women employees and managers. Working with diversity and gender equality is part of the management team's work linked to the global sustainable development goals in Agenda 2030.

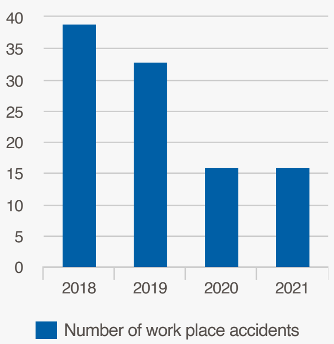
Training

During the year, training within the environment and safety area was carried out at the units. In addition to this, there has been training in sales culture in Sweden and the Group began a leadership training program for management teams at all of the units. Unfortunately, the pandemic has caused some planned training sessions to be postponed or adapted to current circumstances, but they will be carried out in 2022.

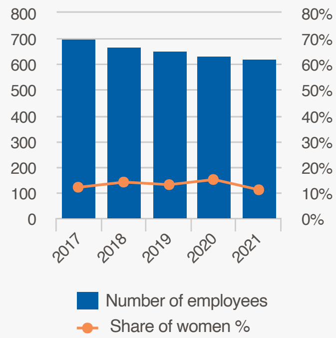
Whistleblower policy

There is a whistleblower policy, translated into all local languages, which means that all employees have the opportunity to report serious irregularities within the Group without risking being opposed or harassed. Reporting may be made to an external party that ensures appropriate steps are taken. No such reports were received during the year.

NUMBER OF WORK PLACE ACCIDENTS WITH ABSENCE



EMPLOYED MEN/WOMEN



Environment

BE Group works actively to minimize the environmental impact of its operations. Environmental issues are an integrated part of the operations and the foundation of the environmental work is a Group-wide environmental policy. The units work locally with the environmental issues linked to the operations and focus is on continuously improving their facilities' energy consumption, emissions and waste management. All operations, except Lecor Stålteknik, are certified in accordance with the international environmental standard ISO 14001.

In 2022, management will develop new environmental targets for the Group to reduce carbon dioxide emissions and to strive to become climate-neutral in the future. In the refinement chain from the steel producers to the customers, it is at the producer level that the majority of carbon dioxide emissions take place. With its position between steel producers and customers, it is in the area of transport in particular that BE Group is able to help reduce the environmental impact. BE Group can also participate in and influence the selection of materials on the market. The company is already working with several steel producers throughout Europe and is able to offer climate-compensated steel to customers. As from 2025, BE Group will also be able to offer fossil-free steel from H2 Green Steel.

The ambition is that as much as possible will be purchased from ISO 14001 certified suppliers and, in 2021, 84.5% (80.7) of purchases were made from certified suppliers.

GHG calculations

Since 2013, BE Group has made calculations of carbon dioxide emissions according to the recommendations in the Greenhouse Gas Protocol, GHG Scope 1-2. The calculations show that the Group had CO_2 emissions of 8.1 kg per ton sold (9.0) in total in 2021, which is a decrease of about 63% compared with the start-up year 2013. The decrease in 2021 is mainly attributable to the increased tonnage.

BE Group's total energy consumption amounted to 74 kWh/ton sold (77) 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. 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.

Emissions and residual materials management

BE Group's own operations cause only limited emissions. Emissions primarily originate from the production units in Norrköping and Turku where operations such as painting and blasting are carried out. The filtration of solvents (VOCs) from painting facilities and dust from blasting and cutting equipment is efficient and is continuously followed up.

Residual materials in BE Group's operations are principally metals, wood and cardboard. These are sorted and recycled to the greatest possible extent. Steel production is a heavy and energy-intensive industry, but at the same time, the life expectancy of steel structures is long and the recycling rate is high compared with many other materials. In 2021, the Group recycled a total of 98 percent (99) of the total number of residual products from the operations.

Transports

The materials are transported by train, boat and truck. Since nearly half of all transports are made by road, the Group is actively working to find transport companies that have an explicit and deliberate sustainability and environmental focus. The transports are increasingly made by trucks powered by diesel with an add-mixture of non-fossil HVO/BIO components and today, there are also a few trucks powered by biogas. The units in Sweden and Finland account for the majority of transports and gather detailed data for current fuel consumption in cooperation with the transport companies to gain greater knowledge of the emissions and how the company can influence them from an environmental perspective. During the year, 90.5 percent (88.4) of the shipments were handled by ISO 14001 certified suppliers.

SOLD TONNES (THOUSANDS)	CO_2 EMISSIONS/TONNE	ENERGY CONSUMPTION/TONNE	RECYCLED MATERIAL
342 (307)	8,1 kg (9,0)	74 kWh (77)	98% (99)

Social aspects and human rights

BE Group's sustainability work is based on the ambition to create corporate social responsibility, which shall pervade the entire business. The company is striving to be an economically, socially and ethically responsible actor. As support in the sustainability work BE Group has several policies and guidelines, for example the Code of Conduct, Values, Environmental policy, Safety First policy, Whistle-blower policy, Anti-corruption policy and a Code of Conduct for suppliers. BE Group is working to have healthy employees and a safe work environment and to safeguard diversity, equality and the development of the company's employees. There are KPI's for the work with safety in the operations and during 2022 additional indicators will be developed as a part of the work with Agenda 2030. The employee survey is an important tool in the follow up of the internal work, where the teams after the survey work with their result. The company shall apply sound business principles and an important part in this is to work against corruption. An anti-corruption policy was developed in 2021 and will be implemented in the organization in 2022 when a follow up process will be developed too.

Human rights

With units in several countries in Northern Europe and a geographically widespread supplier base, insights regarding human rights may be limited and there is a risk that the company may involuntarily contribute to human rights violations. These issues are addressed in BE Group's Code of Conduct and it applies to all operations and employees within BE Group. The follow up takes place through the whistle-blower function where employees have the possibility to report serious inaccuracies within the organization. When working with the suppliers there is a Code of Conduct for suppliers and follow up occurs through talks with the suppliers. Indicators and follow up processes will be reviewed in the work with Agenda 2030 that has commenced.

CONSOLIDATED INCOME STATEMENT

Amounts in SEK M	**Note**	**2021**	**2020**
Net sales	1	5,388	3,672
Cost of goods sold	2	-4,286	-3,124
Gross profit/loss		**1,102**	**548**
Selling expenses	2	-418	-371
Administrative expenses	2	-110	-110
Participation in earnings of joint venture	17	65	7
Other operating income	6	2	6
Other operating expenses	2, 7	-20	-41
Operating result	3, 4, 13, 14, 15	**621**	**39**
Financial income	8	2	2
Financial expenses	9	-19	-30
Result before tax		**604**	**11**
Tax	10	-109	-7
Result for the year attributable to Parent Company shareholders	11	**495**	**4**
Earnings per share before dilution	11	38.10	0.33
Earnings per share after dilution	11	38.10	0.33

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	2021	2020
Result for the year	**495**	**4**
Other comprehensive income		
Translation differences	13	-21
Hedging of net investments in foreign subsidiaries	–	0
Tax attributable to items in other comprehensive income	–	0
Items that will not be reclassified to profit/loss for the period	**–**	**–**
Total other comprehensive income	**13**	**-21**
Comprehensive income for the year attributable to Parent Company shareholders	**508**	**-17**

CONSOLIDATED BALANCE SHEET

Amounts in SEK M	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	12	561	557
Other intangible assets	13	9	5
		570	**562**
Tangible assets	14	90	89
		90	**89**
Right of use assets	15	479	541
		479	**541**
Participations in joint ventures	17	182	117
		182	**117**
Financial assets			
Other securities held as non-current assets	18	0	0
Non-current receivables		0	0
		0	**0**
Deferred tax assets	25	5	24
		5	**24**
Total non-current assets		**1,326**	**1,333**
Current assets			
Inventories			
Goods for resale	20	1,033	501
		1,033	**501**
Current receivables			
Accounts receivable		653	376
Tax receivables		4	6
Other receivables		19	14
Prepaid expenses and accrued income	21	16	22
		692	**418**
Cash and equivalents			
Cash and equivalents		54	166
		54	**166**
Total current assets		**1,779**	**1,085**
TOTAL ASSETS		**3,105**	**2,418**

Amounts in SEK M	Note	2021	2020
EQUITY AND LIABILITIES			
Equity	22		
Share capital		260	260
Other capital contributions		251	251
Translation reserve		36	23
Retained earnings including result for the year		866	371
Equity attributable to Parent Company shareholders		**1,413**	**905**
Non-current liabilities			
Non-current interest-bearing liabilities	26, 31	287	321
Non-current leasing liabilities	15	394	457
Provisions	23	–	0
Deferred tax liabilities	25	42	42
Total long-term liabilities		**723**	**820**
Current liabilities			
Current interest-bearing liabilities	26, 27, 31	8	1
Current leasing liabilities	15, 27	87	84
Accounts payable		641	414
Tax liabilities		22	0
Other liabilities		97	93
Accrued expenses and deferred income	28	110	69
Provisions	23	4	32
Total current liabilities		**969**	**693**
TOTAL EQUITY AND LIABILITIES		**3,105**	**2,418**

CHANGES IN CONSOLIDATED EQUITY

Amounts in SEK M	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total equity
2020					
Equity, opening balance, January 1, 2020	**260**	**251**	**44**	**367**	**922**
Result for the year	–	–	–	4	4
Dividend	–	–	–	–	–
Other comprehensive income	–	–	-21	–	-21
Comprehensive income for the year	**–**	**–**	**-21**	**4**	**-17**
Equity, closing balance, December 31, 2020	**260**	**251**	**23**	**371**	**905**

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

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK M	Note	2021	2020
Operating activities			
Operating result		621	39
Adjustment for non-cash items	29	28	134
Interest paid/received and other financial items		-15	-21
Income tax paid/received		-67	-10
Cash flow from operating activities before changes in working capital		**567**	**142**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventories		-525	135
Increase (-)/decrease (+) in operating receivables		-277	15
Increase (+)/decrease (-) in operating liabilities		267	49
Cash flow from operating activities		**32**	**341**
Investing activities			
Acquisitions of intangible assets	13	-1	0
Acquisitions of tangible assets	14	-25	-21
Divestments of tangible assets		1	0
Other cash flow from investing activities		0	0
Cash flow from investing activities		**-25**	**-21**
Cash flow after investments		**7**	**320**
Financing activities			
Dividend		–	–
Loans raised		68	309
Amortization of loan liabilities		-98	-538
Amortization of leasing liabilities acc. to IFRS 16	15	-91	-89
Cash flow from financing activities		**-121**	**-318**
Cash flow for the year		**-114**	**2**
Cash and equivalents at January 1		**166**	**168**
Translation differences in cash and equivalents		**2**	**-4**
Cash and equivalents at December 31		**54**	**166**

INCOME STATEMENT – PARENT COMPANY

Amounts in SEK M	Note	2021	2020
Net sales	1	104	79
		104	**79**
Administrative expenses		-44	-42
Other operating income and expenses	6, 7	0	16
Operating profit/loss	3, 4, 13, 14	**60**	**53**
Profit/loss from participations in Group companies	5	98	49
Other interest income and similar profit/loss items	8	13	14
Interest expense and similar profit/loss items	9	-13	-26
Profit/loss after financial items		**158**	**90**
Appropriations		124	-15
Profit/loss before tax		**282**	**75**
Tax	10	-38	-2
Profit/loss for the year		**244**	**73**

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

Amounts in (SEK M)	2021	2020
Profit/loss for the year	**244**	**73**
Other comprehensive income	**–**	**–**
Comprehensive income for the year	**244**	**73**

BALANCE SHEET – PARENT COMPANY

Amounts in SEK M	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for development work and similar	13	5	1
		5	**1**
Tangible assets			
Equipment, tools, fixtures and fittings	14	0	2
		0	**2**
Financial assets			
Participations in Group companies	16	868	868
Interest-bearing receivables from Group companies	19	12	23
		885	**891**
Deferred tax receivable	25	–	15
Total non-current assets		**885**	**909**
Current assets			
Current receivables			
Current interest-bearing receivables from Group companies	19	172	79
Receivables from Group companies		172	19
Tax receivables		1	1
Other receivables		2	4
Prepaid expenses and accrued income	21	6	5
		353	**108**
Cash and equivalents		38	152
		38	**152**
Total current assets		**391**	**260**
TOTAL ASSETS		**1,276**	**1,169**

Amounts in SEK M	Note	2021	2020
EQUITY AND LIABILITIES			
Equity	22		
Restricted equity			
Share capital		260	260
Statutory reserve		31	31
		291	**291**
Non-restricted equity			
Share premium reserve		240	240
Profit brought forward		184	111
Profit/loss for the year		244	73
		668	**424**
Total equity		**959**	**715**
Non-current liabilities			
Non-current interest-bearing liabilities	26, 31	–	–
Non-current interest-bearing liabilities to Group companies		226	305
Provisions		–	–
		226	**305**
Current liabilities			
Current interest-bearing liabilities	31	–	–
Current interest-bearing liabilities to Group companies		49	132
Accounts payable		2	8
Liabilities to Group companies		3	3
Tax liabilities		22	–
Other liabilities		4	–
Accrued expenses and deferred income	28	11	6
		91	**149**
TOTAL EQUITY AND LIABILITIES		**1,276**	**1,169**

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
2020						
Equity, opening balance, January 1, 2020	**260**	**31**	**240**	**73**	**38**	**642**
Profit/loss brought forward from previous year	–	–	–	38	-38	–
Total transactions reported directly in Equity	**–**	**–**	**–**	**38**	**-38**	**–**
Profit/loss for the year	–	–	–	–	73	73
Other comprehensive income	–	–	–	–	–	–
Comprehensive income for the year	**–**	**–**	**–**	**–**	**73**	**73**
Dividend				–		–
Equity, closing balance, December 31, 2020	**260**	**31**	**240**	**111**	**73**	**715**

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

CASH FLOW STATEMENT – PARENT COMPANY

Amounts in SEK M	**Note**	**2021**	**2020**
Operating activities			
Operating result		60	53
Adjustment for non-cash items	29	1	-39
Interest paid/received and other financial items		3	1
Income tax paid/received		0	–
Cash flow from operating activities before changes in working capital		**64**	**15**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in operating receivables		-144	-2
Increase (+)/decrease (-) in operating liabilities		-21	6
Cash flow from operating activities		**-101**	**19**
Investing activities			
Acquisitions of tangible assets		-3	-2
Lending to subsidiaries		6	479
Dividend from subsidiaries		98	21
Dividend to shareholders		–	–
Cash flow from investing activities		**101**	**498**
Financing activities			
Net change in borrowing/lending in cash pool		-114	28
Amortization of loan liabilities		–	-538
Cash flow from financing activities		**-114**	**-510**
Cash flow for the year		**-114**	**7**
Cash and equivalents at January 1		**152**	**145**
Cash and equivalents at December 31		**38**	**152**

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 new standards and interpretations applicable as from the financial year 2021, have had no material effect on the financial statements.

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

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

Conditions applied to Parent Company and consolidated financial statements

Functional currency and reporting currency

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

Valuation principles

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

Assessments and estimates

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

Management's assessments in connection with application of IFRS that have significant effect on the financial statements and estimates that may cause material adjustments to the financial statements of subsequent years are described in greater detail in Note 33, Significant estimates and assessments.

Basis for consolidation

Subsidiaries

The Parent Company BE Group AB (publ) directly or indirectly owns all shares and votes in its subsidiaries and therefore has a controlling influence over these.

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

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

Joint venture

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

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

Transactions eliminated on consolidation

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

Foreign currency

Transactions in foreign currencies

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

Foreign businesses' financial statements

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

Classification

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

Intangible assets

Goodwill

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

Other intangible assets

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

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

Amortization principles for customer relations and other intangible assets

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

The estimated useful lives are:

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

Tangible assets

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

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

Depreciation principles for tangible assets

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

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

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

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

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

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

Inventories

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

Provisions

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

Financial instruments

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

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

Classification and measurement of financial instruments

Amortized cost – financial assets

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

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

Cash and cash 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.

Other receivables

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

Amortized cost – financial liabilities

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

Impairment of financial assets

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

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

Hedge accounting

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

Warranties

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

Onerous contracts

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

Revenues

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

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

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

Employee benefits

Short-term employee benefits

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

Pensions

The Group's pension agreements are mainly 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 3) from the Swedish Financial Reporting Board, this is a multiple-employer defined benefit plan. The Company has not had access to information that would permit recognition of the plan as a defined benefit which is why the pension plan in accordance with ITP is secured through insurance with Alecta such as a defined contribution plan.

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

Termination benefits

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

Financial income and expenses

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

Tax

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

Leases

The Group as lessee

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

Lease liabilities

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

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

Right of use assets

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

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

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

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

Segment reporting

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

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

Earnings per share

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

Cash Flow Statement

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

Government grants

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

Parent Company accounting principles

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

Classification and presentation

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

Participations in subsidiaries

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

Shareholder contributions

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

Financial instruments

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

Taxes

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

Leasing

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

Financial guarantees

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

Group contributions in the Parent Company

Group contributions paid or received are reported as appropriations.

Financial liabilities

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

Notes

NOTE 1 – OPERATING SEGMENTS

2021	Sweden & Polen	Finland & Baltics	Parent Company & consolidated items	Group
External sales	2,620	2,768	0	5,388
Internal sales	5	22	-27	–
Net sales	**2,625**	**2,790**	**-27**	**5,388**
Participation in earnings of joint venture	65	–	–	65
Underlying operating result	**221**	**339**	**-31**	**529**
Inventory gains/losses	61	31	–	92
Items affecting comparability	–	–	–	–
Operating result	**282**	**370**	**-31**	**621**
Net financial items				-17
Profit/loss before tax				**604**
Taxes				-109
Profit/loss for the year				**495**
Underlying operating margin	**8.4%**	**12.1%**	**neg**	**9.8%**
Operating margin	**10.7%**	**13.2%**	**neg**	**11.5%**
Shipped tonnage (thousands of tonnes)	**164**	**180**	**-2**	**342**
Investments	**12**	**11**	**3**	**26**
Depreciation/amortization of tangible/intangible assets	13	11	1	25
Depreciation of right of use assets	–	–	93	93
Other non-cash flow items	-90	0	0	-90
Total non-cash flow items	**-77**	**11**	**94**	**28**

2020	Sweden & Polen	Finland & Baltics	Parent Company & consolidated items	Group
External sales	1,781	1,891	0	3,672
Internal sales	1	5	-6	–
Net sales	**1,782**	**1,896**	**-6**	**3,672**
Participation in earnings of joint venture	7	–	–	7
Underlying operating result	**32**	**74**	**-10**	**96**
Inventory gains/losses	-11	-6	–	-17
Items affecting comparability [1)]	-35	-5	–	-40
Operating result	**-14**	**63**	**-10**	**39**
Net financial items				-28
Profit/loss before tax				**11**
Taxes				-7
Profit/loss for the year				**4**
Underlying operating margin	1.8%	3.9%	neg	2.6%
Operating margin	-0.8%	3.3%	neg	1.1%
Shipped tonnage (thousands of tonnes)	**144**	**164**	**-1**	**307**
Investments	**17**	**2**	**2**	**21**
Depreciation/amortization of tangible/intangible assets	13	13	0	26
Depreciation of right of use assets	–	–	89	89
Other non-cash flow items	21	-2	0	19
Total non-cash flow items	**34**	**11**	**89**	**134**

[1)] During 2020, the result was impacted by items affecting comparability totaling SEK -40 M, of which, SEK -35 M was attributable to the centralization of warehouse and production operations in Sweden and SEK -5 M was attributable to the restructuring of operations in the Baltics.

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 BE Group. 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 Lecor Stålteknik AB and the operations in Poland under the name BE Group Sp.z o.o. BE Group Sverige AB offers sales and distribution of BE 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 cutting to length, shot 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. Lecor Stålteknik AB provides steel construction solutions to customers in the Swedish construction sector and 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 BE Group's products, such as commercial steel, stainless steel and aluminium, are offered in all operations. In Finland, production services are also provided on a large scale. Examples include cutting to length, shot blasting, painting, drilling and cutting in various forms. In addition, the company in Finland offers its customers logistics solutions, advisory services and financing of working capital.

Parent Company & consolidated items

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

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

Group

Sales by business area and product group	**Sweden & Poland**		**Finland & Baltics**		**Parent company & consolidated items**		**Total**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Long steel products	1,285	852	796	511	0	0	2,081	1,363
Flat steel products	808	517	1,405	911	0	0	2,213	1,428
Stainless steel	348	268	409	343	0	0	757	611
Aluminium	78	58	141	112	0	0	219	170
Other	106	87	39	19	-27	-6	118	100
Total	**2,625**	**1,782**	**2,790**	**1,896**	**-27**	**-6**	**5,388**	**3,672**

Sales by country based on customer's domicile	**2021**	**2020**
Sweden	2,575	1,743
Finland	2,442	1,681
Other countries	371	248
Total	**5,388**	**3,672**

Parent company

Sales of intra-group services by country based on domicile of subsidiary	**2021**	**2020**
Sweden	49	36
Finland	46	35
Other countries	8	6
Total	**103**	**77**

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	2021	2020
Material costs	3,958	2,831
Salaries, other remuneration and social security expenses [1)]	379	352
Other external costs	359	307
Depreciation, amortization and write-downs [2)]	118	115
Other operating expenses	20	41
Total	**4,834**	**3,646**

[1)] The Group's operations have obtained Covid-19 related government grants of approximately SEK 1 M (10), which have been reported as a cost reduction in the Consolidated income statement.
[2)] In depreciation, amortization and write-downs 2021, SEK 93 M (89) 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	2021	of whom men	2020	of whom men
Parent Company				
Sweden	8	61%	9	59%
Total in the Parent Company	**8**	**61%**	**9**	**59%**
Subsidiaries				
Sweden	255	87%	274	79%
Finland	255	94%	259	94%
Estonia	20	54%	15	67%
Latvia	7	74%	11	77%
Lithuania	7	84%	10	80%
Poland	69	91%	55	91%
Total for subsidiaries	**613**	**89%**	**624**	**86%**
Group total	**621**	**89%**	**633**	**85%**

Specification of gender distribution in Group management

	2021	2020
Gender distribution, Group management	**Percentage women**	**Percentage women**
Parent Company		
Board	20%	20%
Other senior executives	0%	0%
Group		
Board	10%	10%
Other senior executives	0%	0%

Salaries, other remuneration and social security expenses

Group	2021	2020
Salaries and remunerations	293,467	272,815
Pension expense, defined-contribution plans	10,885	11,632
Social security contributions	74,448	67,951
	378,800	**352,398**

Parent Company	2021		2020	
	Salaries and remunerations	Social security expenses	Salaries and remunerations	Social security expenses
Parent Company	11,392	6,418	9,448	6,146
(of which, pension expenses) 1)		*(2,252)*		*(2,355)*

1) Of the Parent Company's pension expenses, 1,232 (1,179) KSEK refers to senior executives. There are no outstanding pension commitments.

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

	2021		2020	
	Senior executives 2)	Other employees	Senior executives 2)	Other employees
Parent Company	**6,614**	**4,778**	**5,096**	**4,352**
(of which, bonuses, etc.)	*(1,308)*	*(509)*	*(-)*	*(-)*
Subsidiaries	**6,748**	**271,010**	**6,805**	**251,745**
(of which, bonuses, etc.)	*(975)*	*(12,731)*	*(543)*	*(3,811)*
Group total	**13,362**	**275,788**	**11,901**	**256,097**
(of which, bonuses, etc.)	*(2,283)*	*(13,240)*	*(543)*	*(3,811)*

1) Salaries and other remuneration include base salary and supplementary vacation pay.

2) Senior executives include Board members, members of Group Management and company presidents.

Defined benefit plans

Pension obligations for retirement pensions and family pensions for white-collar employees in Sweden are secured through an insurance policy provided by 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 7.1 M (5.6).

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 155 percent. If Alecta's collective consolidation level is below 125 percent or exceeds 155 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 2021, Alecta's surplus expressed as the preliminary collective funding ratio amounted to 172 percent (148).

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 Board of Directors' Report.

The following tables provide details of actual remunerations and other benefits paid in financial years 2021 and 2020 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 2021	Basic salary [2]/ Board fee	Variable remuneration	Others benefits	Pension expenses	Other remuneration	Total	Pension commitments
Chairman of the Board							
Jörgen Zahlin	460	–	–	–	5	465	–
Directors							
Carina Andersson	210	–	–	–	–	210	–
Lars Olof Nilsson	280	–	–	–	–	280	–
Petter Stillström	250	–	–	–	–	250	–
Mats O Paulsson	210	–	–	–	–	210	–
President and CEO							
Peter Andersson	2,496	912	71	740	1	4,220	–
Other senior executives [1]	4,854	1,560	400	1,550	1	8,365	–
Total	**8,760**	**2,472**	**471**	**2,290**	**7**	**14,000**	**–**
Recognized as an expense in the Parent Company	5,306	1,308	163	1,232	6	8,015	–

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

Remunerations and benefits 2020	Basic salary [4]/ Board fee	Variable remuneration	Others benefits	Pension expenses	Other remuneration	Total	Pension commitments
Chairman of the Board							
Jörgen Zahlin	460	–	–	–	1	461	–
Directors							
Carina Andersson	210	–	–	–	–	210	–
Lars Olof Nilsson	280	–	–	–	–	280	–
Petter Stillström	250	–	–	–	–	250	–
Mats O Paulsson [1]	140	–	–	–	–	140	–
Mikael Sjölund [2]	70	–	–	–	–	70	–
President and CEO							
Peter Andersson	2,207	–	73	670	3	2,953	–
Other senior executives [3]	4,930	415	341	1,487	0	7,173	–
Total	**8,547**	**415**	**414**	**2,157**	**4**	**11,537**	**–**
Recognized as an expense in the Parent Company	5,096	–	152	1,179	3	6,430	–

[1] Mats O Paulsson became board member in connection with the Annual General Meeting in April 2020.
[2] Mikael Sjölund withdrew as board member in connection with the Annual General Meeting in April 2020.
[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 Board of Directors' 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 1,260 thousands (1,260) will be distributed among the Board members as follows: SEK 420 thousands (420) to the Chairman of the Board and SEK 210 thousands (210) to each of the remaining Board members who are not employees of the Company. In addition, remuneration of SEK 70 thousands (70) will be paid to the Chairman of the Audit Committé and SEK 40 thousands (40) for each of the other members of the Audit Committee. No fees are paid to members of the Remunerations Committee. Other remuneration has been paid in the form of taxable travel expense reimbursements.

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 base salary, variable remuneration, pension and other benefits. The base salary of the President and CEO amounted to SEK 2,280 M (2,160). For the President and CEO, maximum variable remuneration payable is 50 percent of base 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

In addition to benefits in accordance with the National Income Replacement Pension Act, pension contributions are made corresponding to 30 percent (30) of fixed annual salary plus vacation pay, which constitutes pensionable pay. BE Group AB's commitment is limited to paying the annual premium. Pension rights are not conditional on future employment.

Remunerations for other senior executives of the Parent Company and Group

Remuneration

Remuneration consists of base salary, variable remuneration, pensions and other benefits. The maximum variable remuneration payable to other senior executives is 30 percent of base salary. Whether or not bonuses are distributed and bonus amounts are determined by the CEO 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 managing directors 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.

Pension benefits

For other senior executives, contribution-defined pension solutions are applied. BE Group's commitment is limited to paying the annual premium. Pension rights are not conditional on future employment. Pensionable pay consists of fixed annual salary plus average bonus for the past three years.

Remuneration Committee

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

NOTE 4 – AUDITORS' FEES AND REIMBURSEMENTS

Group	**2021**	**2020**
PwC		
Audit assignments	2	2
Audit activities in addition to the audit assignment	0	–
Consultation on taxation	0	0
Other services	0	0
Total fees and compensation for expenses	**2**	**2**

Parent Company	**2021**	**2020**
PwC		
Audit assignments	1	1
Audit activities in addition to the audit assignment	0	–
Consultation on taxation	–	–
Other services	0	0
Total fees and compensation for expenses	**1**	**1**

The total fee to PwC and its international network amounts to SEK 2 M (2) for the fiscal year 2021. The fee to the audit firm Öhrlings PricewaterhouseCoopers AB amounts to SEK 1 M (1).

NOTE 5 – PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

Parent Company	**2021**	**2020**
Dividend	98	21
Write-down of shares in subsidiaries	–	–
Write-down of interest-bearing receivables from Group companies	–	–
Reversal of write-down of interest-bearing receivables from Group companies	–	28
Total	**98**	**49**

NOTE 6 – OTHER OPERATING INCOME

Group	2021	2020
Net movements in exchange rates on receivables/liabilities of an operating nature	–	3
Liquidation result	–	1
Capital gains on sales of fixed assets	1	1
Other	1	1
Total	**2**	**6**

Parent Company	2021	2020
Net movements in exchange rates on receivables/liabilities of an operating nature	–	0
Liquidation result	–	16
Other	0	0
Total	**0**	**16**

NOTE 7 – OTHER OPERATING EXPENSES

Group	2021	2020
Net movements in exchange rates on receivables/liabilities of an operating nature	4	–
Restructuring expenses [1)]	–	40
Write-down of assets	13	–
Other	3	1
Total	**20**	**41**

Parent Company	2021	2020
Net movements in exchange rates on receivables/liabilities of an operating nature	0	–
Total	**0**	**–**

[1)] During 2020, the result was impacted by items affecting comparability attributable to the centralization of warehouse and production operations in Sweden and the restructuring of operations in the Baltics.

NOTE 8 – FINANCIAL INCOME

Group	2021	2020
Interest income from credit institutions	0	0
Other interest income	0	0
Net movements in exchange rates	–	–
Other	2	2
Total	**2**	**2**

Parent Company	2021	2020
Interest income, Group companies	13	14
Other interest income	–	–
Total	**13**	**14**

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

NOTE 9 – FINANCIAL EXPENSES

Group	2021	2020
Interest expense to credit institutions	4	7
Interest expense leasing acc. to IFRS 16	10	11
Other interest expense	0	0
Net movements in exchange rates	0	6
Other expenses	5	6
Total	**19**	**30**

Parent Company	2021	2020
Interest expense to credit institutions	0	3
Interest expense, Group companies	10	10
Net movements in exchange rates	1	12
Other expenses	2	1
Total	**13**	**26**

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

NOTE 10 – TAXES

Group	2021	2020
Current tax expense (–)/tax asset (+)		
Tax expense/tax asset for the period	-91	-10
Adjustment of tax attributable to prior years	0	0
Total	**-91**	**-10**
Deferred tax expense (–)/tax asset (+)		
Deferred tax attributable to temporary differences	-3	5
Deferred tax attributable to tax loss carryforwards	-15	-2
Deferred tax attributable to change in tax rate	0	–
Deferred tax expense attributable to impairment of capitalized tax value attributable to tax-loss carryforwards	0	0
Others	0	–
Total	**-18**	**3**
Total consolidated reported tax expense (-)/tax asset (+)	**-109**	**-7**

Parent Company	2021	2020
Current tax expense (–)/tax asset (+)		
Tax expense/tax asset for the period	-23	0
Adjustment of tax attributable to prior years	–	–
Total	**-23**	**0**
Deferred tax expense (–)/tax asset (+)		
Deferred tax attributable to tax loss carryforwards	-15	-2
Total	**-15**	**-2**
Total reported tax expense (-)/ tax asset (+) Parent Company	**-38**	**-2**

Reconciliation of effective tax	2021	2020
Group		
Profit/loss before tax	604	11
Tax at prevailing rate for the Parent Company (21.4%)	-124	-3
Effect of different tax rates for foreign subsidiaries	2	0
Non-deductible expenses	-2	-2
Non-taxable revenues	1	0
Increase of loss carryforward without corresponding capitalization of deferred tax	0	-2
Taxes attributable to previous years	0	0
Share in earnings of joint venture	13	1
Other	1	-1
Recognized effective tax	**-109**	**-7**

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.

Reconciliation of effective tax	2021	2020
Parent Company		
Profit/loss before tax	282	75
Tax at prevailing rate for the Parent Company (21.4%)	-58	-16
Non-deductible expenses	–	0
Non-taxable revenues	20	14
Taxes attributable to previous years	–	0
Other	–	0
Recognized effective tax	**-38**	**-2**

Tax items recognized in other comprehensive income

Group	2021	2020
Current tax for currency risk hedging in foreign operations	–	0
Total tax in other comprehensive income	**–**	**0**

Tax items recognized directly in equity

Group	2021	2020
Tax items recognized directly in equity	**–**	**–**

NOTE 11 – EARNINGS PER SHARE

Group	2021	2020
Earnings per share before dilution (SEK)	38.10	0.33
Earnings per share after dilution (SEK)	38.10	0.33

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

Profit/loss for the year	2021	2020
Profit/loss for the year (SEK M)	495	4

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

	2021	2020
Total ordinary shares at January 1	12,983,204	12,983,204
Weighted common shares outstanding during the year, before dilution	**12,983,204**	**12,983,204**

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

	2021	2020
Weighted average ordinary shares outstanding, before dilution	12,983,204	12,983,204
Weighted common shares outstanding during the year, after dilution	**12,983,204**	**12,983,204**

NOTE 12 – GOODWILL

Cash-generating units with goodwill

Goodwill	Sweden	Finland	Group total
Opening balance, January 1, 2020	314	252	566
Impairment	–	–	–
Exchange differences	–	-9	-9
Closing balance, December 31, 2020	**314**	**243**	**557**
Opening balance, January 1, 2021	314	243	557
Impairment	–	–	–
Exchange differences	–	4	4
Closing balance, December 31, 2021	**314**	**247**	**561**

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 is tested for impairment at least once annually. This testing compares the recoverable amount with the carrying amount. Impairment testing was updated at December 31 and no impairment requirement in other cash-generating units was identified.

The recoverable amount of the cash generating units is determined by calculating their value in use. The recoverable amount has been determined using a value in use based on cash flow forecasts for five years forward and an end value based on an annual rate of growth of two percent, which is deemed to correspond to inflation. For the calculation of value in use, a discount rate has been calculated based on the weighted average cost of capital (WACC), which for the year amounted to 10.7 percent (10.7) before tax.

Sensitivity analysis

A number of sensitivity analyzes have been done where the variables included in the value-in-use model were changed and the effect on the recoverable amount was analysed. For the forecasted cash flow, growth, operating margin, working capital tied-up and investments are important factors. For the valuation, the discount rate is also an important parameter. The analyzes have focused on a deterioration of the average growth rate or operating margin by one percentage point or that the discount rate has been increased by one percentage point. The analyses have not indicated any impairment requirements, but rather that the value in use exceeds the book value for both of the cash generating units.

NOTE 13 – OTHER INTANGIBLE ASSETS

	Other intangible assets		Customer relations		Software and licenses		Total	
Group	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Accumulated cost								
At January 1	4	4	1	1	147	148	152	153
Acquisitions	2	0	–	–	0	0	2	0
Disposals and scrappings	–	–	–	–	0	–	0	–
Reclassification	–	–	–	–	5	–	5	–
Divested/liquidated operations	–	–	–	–	–	–	–	–
Exchange differences for the year	0	0	–	–	0	-1	0	-1
Total accumulated closing balance	**6**	**4**	**1**	**1**	**152**	**147**	**159**	**152**
Accumulated scheduled depreciation								
At January 1	-3	-2	-1	-1	-143	-143	-147	-146
Disposals and scrappings	–	0	–	–	0	–	0	0
Reclassification	–	–	–	–	–	–	–	–
Divested/liquidated operations	–	–	–	–	–	–	–	–
Scheduled amortization for the year	-1	-1	–	–	-1	-2	-2	-3
Exchange differences for the year	0	0	–	–	-1	2	-1	2
Total accumulated depreciation	**-4**	**-3**	**-1**	**-1**	**-145**	**-143**	**-150**	**-147**
Accumulated impairment								
At January 1	–	–	–	–	–	–	–	–
Divested/liquidated operations	–	–	–	–	–	–	–	–
Impairment losses for the year	–	–	–	–	–	–	–	–
Total accumulated impairment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Carrying amount at end of period	**2**	**1**	**–**	**–**	**7**	**4**	**9**	**5**
Amortization for the year is reported on the following lines in the income statement								
Selling expenses	–	–	–	–	0	0	0	0
Administrative expenses	-1	-1	–	–	-1	-2	-2	-3
Total	**-1**	**-1**	**–**	**–**	**-1**	**-2**	**-2**	**-3**

Parent Company	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Accumulated cost								
At January 1	–	–	–	–	109	109	109	109
Acquisitions	–	–	–	–	–	–	–	–
Reclassification	–	–	–	–	5	–	5	–
Total accumulated closing balance	**–**	**–**	**–**	**–**	**114**	**109**	**114**	**109**
Accumulated scheduled depreciation								
At January 1	–	–	–	–	-108	-108	-108	-108
Scheduled amortization for the year	–	–	–	–	-1	0	-1	0
Total accumulated depreciation	**–**	**–**	**–**	**–**	**-109**	**-108**	**-109**	**-108**
Carrying amount at end of period	**–**	**–**	**–**	**–**	**5**	**1**	**5**	**1**
Amortization for the year is reported on the following lines in the income statement								
Administrative expenses	–	–	–	–	-1	0	-1	0
Total	**–**	**–**	**–**	**–**	**-1**	**0**	**-1**	**0**

NOTE 14 – TANGIBLE ASSETS

	Buildings and land		Plant and machinery		Equipment, tools, fixtures and fittings		New constructioning progress and advance payments for tangible assets		Total	
Group	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Accumulated cost										
At January 1	30	19	492	522	122	132	3	14	647	687
Acquisitions	–	–	4	2	2	1	19	18	25	21
Disposals and scrappings	–	–	-52	-34	-13	-10	–	–	-65	-44
Reclassification	–	11	10	18	1	0	-16	-29	-5	0
Exchange differences for the year	0	0	6	-16	0	-1	0	–	6	-17
Total accumulated closing balance	**30**	**30**	**460**	**492**	**112**	**122**	**6**	**3**	**608**	**647**
Accumulated scheduled depreciation										
At January 1	-19	-18	-422	-454	-115	-123	–	–	-556	-595
Disposals and scrappings	–	–	50	34	13	10	–	–	63	44
Reclassification	–	–	3	4	–	–	–	–	3	4
Scheduled depreciation for the year	-1	-1	-19	-19	-3	-3	–	–	-23	-23
Exchange differences for the year	0	0	-5	13	0	1	–	–	-5	14
Total accumulated depreciation	**-20**	**-19**	**-393**	**-422**	**-105**	**-115**	**–**	**–**	**-518**	**-556**
Accumulated impairment										
At January 1	–	–	-1	-2	-1	-1	–	–	-2	-3
Disposals and scrappings for the year	–	–	1	–	1	–	–	–	2	–
Impairment losses for the year	–	–	–	–	–	–	–	–	–	–
Exchange differences for the year	–	–	0	1	0	0	–	–	0	1
Total accumulated impairment	**–**	**–**	**0**	**-1**	**0**	**-1**	**–**	**–**	**0**	**-2**
Carrying amount at end of period	**10**	**11**	**67**	**69**	**7**	**6**	**6**	**3**	**90**	**89**

	Equipment, tools, fixtures and fittings		New constructioning progress and advance payments for tangible assets		Total	
Parent Company	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Accumulated cost						
At January 1	1	1	2	–	3	1
Reclassifications	0	–	-5	–	-5	–
Acquisitions	–	–	3	2	3	2
Total accumulated closing balance	**1**	**1**	**0**	**2**	**1**	**3**
Accumulated scheduled depreciation						
At January 1	-1	-1	–	–	-1	-1
Scheduled depreciation for the year	–	–	–	–	–	–
Total accumulated depreciation	**-1**	**-1**	**–**	**–**	**-1**	**-1**
Carrying amount at end of period	**0**	**0**	**0**	**2**	**0**	**2**

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.

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

Additional right of use assets during the 2021 financial year total SEK 16 M (32).

2020	Buildings	Cars	Equipment, tools, fixtures and fittings	Other	Total
Depreciation	-84	-3	-1	-1	**-89**
Closing balance, December 31, 2020	489	5	44	3	**541**

Lease liabilities

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

	2021	2020
Non-current leasing liabilities	394	457
Current leasing liabilities	87	84
Total	**481**	**541**

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

	2021	2020
Maturity within 1 year	86	91
Maturity within 1-2 years	82	77
Maturity within 2-3 years	70	74
Maturity within 3-5 years	137	134
Maturity later than 5 years	131	209
Total	**506**	**585**

Earnings impact attributable to leases

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

Costs	2021	2020
Depreciation of rights of use	93	89
Interest expenses for leasing liabilities	10	11
Total	**103**	**100**

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

Uncommenced leasing commitments

The Group has no uncommenced leasing commitments that have not yet entered into effect.

NOTE 16 – PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2021	2020
Accumulated cost		
At January 1	1,630	1,630
Acquisitions and capital contributions	–	–
Divestment and liquidation	–	–
Total accumulated cost	**1,630**	**1,630**
Accumulated impairment		
At January 1	-762	-762
Divestment and liquidation	–	–
Impairment losses for the year	–	–
Total accumulated impairment	**-762**	**-762**
Carrying amount at end of period	**868**	**868**

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

Subsidiaries/Reg. No./Domicile	Participating interests	%	Carrying amount
BE Group Sverige AB, 556106-2174. Sweden	20,000	100	709
BE Group Oy Ab, 1544976-7. Finland	204,000	100	147
BE Group OÜ, 10024510. Estonia	40	100	0
BE Group OÜ filiāle Latvijā, 40203322166. Latvia	100	100	0
BE Group OÜ Lietuvos filialas, 305776594. Lithuania	100	100	–
BE Group Sp. z o.o, 0000006520. Poland	20,216	100	–
Lecor Stålteknik AB, 556584-6382. Sweden	1,000	100	12
			868

The Group and the Parent company have not made any impairments during the year (-).

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 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.

Earnings in joint venture ArcelorMittal BE Group SSC AB	**2021**	**2020**
Profit/loss before tax	165	17
Tax	-35	-3
Profit/loss after tax	**130**	**14**
Dividends received	–	–

Overview of income statements and balance sheets for the joint venture	**2021**	**2020**
Net sales	1,032	670
Operating result	165	18
Net financial items	0	-1
Tax	-35	-3
Profit/loss for the year	**130**	**14**

	2021	**2020**
Non-current assets	186	189
Current assets excl. cash and equivalents	424	197
Cash and equivalents	25	8
Total assets	**635**	**394**

	2021	**2020**
Equity	399	283
Provisions	20	20
Interest-bearing liabilities	5	1
Other non-interest-bearing liabilities	211	90
Total equity and liabilities	**635**	**394**

Participations in joint ventures	**2021**	**2020**
Opening balance, cost	117	110
Dividends received	–	–
Share in earnings of joint venture	65	7
Rounding	–	–
Carrying amount at year-end	**182**	**117**

Transactions with joint venture ArcelorMittal BE Group SSC AB	**2021**	**2020**
Receivables due from joint venture	–	–
Debts owed to joint venture	11	11
Sales to joint venture	–	–
Purchases from joint venture	111	64
Dividends received	–	–

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

Impairment testing

Through BE Group Sverige AB, the Group is the owner of 50 percent of the shares in ArcelorMittal BE Group SSC AB and the value of the company's proportion was tested by the recoverable amount being compared with the carrying amount. The carrying amount consists of the book value.

The recoverable amount of the cash generating units is determined by calculating their value in use. The recoverable amount has been determined using a value in use based on cash flow forecasts for five years forward and an end value based on an annual rate of growth of 2 percent, which is deemed to corresponding to inflation. For the calculation of value in use, a discount rate has been calculated based on the weighted average cost of capital (WACC), which for the year amounted to 10.7 percent (10.7) before tax. The carrying amount is SEK 182 M. Read more about the testing of Goodwill in Note 12.

NOTE 18 – OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Group	2021	2020
Accumulated cost		
At January 1	0	0
Divestments for the year	–	–
Exchange differences for the year	0	0
Carrying amount at end of period	**0**	**0**

NOTE 19 – INTEREST-BEARING RECEIVABLES, GROUP COMPANIES

Parent Company	2021	2020
Accumulated cost		
At January 1	102	222
New receivables	116	71
Settled receivables	-34	-218
Reversal of impairment of receivables	–	28
Exchange rate differences for the year	0	-1
Carrying amount at end of period	**184**	**102**
Of which recognized as non-current	*12*	*23*
Of which recognized as current	*172*	*79*

NOTE 20 – INVENTORIES

Group	2021	2020
Inventories		
Finished goods	520	265
Raw materials	474	220
Work in progress	39	16
Other	–	–
Total	**1,033**	**501**

Group	2021	2020
Obsolescence reserve, inventories		
Carrying amount at January 1	-9	-15
Translation difference	0	0
Change for the year	-1	6
Total obsolescence reserve, inventory	**-10**	**-9**

NOTE 21 – PREPAID EXPENSES AND ACCRUED INCOME

Group	2021	2020
Rent for premises	5	8
Insurance fees	1	2
IT expences	5	4
Other items	5	8
Total prepaid expenses and accrued income	**16**	**22**

Parent Company	2021	2020
IT expences	4	4
Other items	2	1
Total prepaid expenses and accrued income	**6**	**5**

NOTE 22 – EQUITY

Share capital and shares outstanding

Group	2021	2020
Issued capital at January 1	13,010,124	13,010,124
Issued capital at December 31	**13,010,124**	**13,010,124**

At December 31, 2021, 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.

Other capital contributions

Refers to capital contributions from shareholders. Includes share premium reserves transferred to the statutory reserve at December 31, 2005. Share premium reserve provisions are also reported as capital contributions as of January 1, 2006.

Reserves

Translation reserve

The translation reserve comprises of exchange 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).

Hedging of net investments in foreign subsidiaries was recognized in the translation reserve until August 2019. Please see the Accounting principles for more information.

Group	2021	2020
Carrying amount at January 1	23	44
Exchange rate difference for the year	13	-21
Hedging of net investments in foreign subsidiaries	–	0
Tax attributable to hedging of net investment in foreign subsidiary	–	0
Carrying amount at end of period	**36**	**23**

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

	2021		2020	
Group	**Number**	**Amount**	**Number**	**Amount**
Balance at January 1	26,920	21	26,920	21
Closing balance at end of period	**26,920**	**21**	**26,920**	**21**

Acquisition of treasury shares are recognized directly in retained earnings.

Parent Company

Restricted equity

Restricted reserves

Dividends that reduce restricted reserves are prohibited.

Statutory reserve

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

Non-restricted equity

Retained earnings

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

Share premium reserve

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

NOTE 23 – PROVISIONS

Group	2021	2020
Restructuring costs	4	32
Other	–	–
Total	**4**	**32**
Of which:		
Non-current	0	0
Current	4	32
Total	**4**	**32**

2021	Restructuring costs	Other
Carrying amount at January 1	32	–
New provisions	–	–
Amount used during the period	-28	–
Carrying amount at end of period	**4**	**–**
Expected date of outflow of resources:		
2022	4	–
2023–2026	–	–
Total	**4**	**–**

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

Parent Company

The Parent Company currently holds no provisions (-).

NOT 24 – APPROPRIATION OF EARNINGS

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

The Board of Directors proposes dividend of SEK 12 (-) to be paid for the financial year of 2021 which corresponds to approximately SEK 156 M.

Funds available		
Share premium reserves	239,719,829	SEK
Retained earnings	183,901,379	SEK
Loss for the year	244,121,031	SEK
Total	**667,742,239**	**SEK**
The Board of Directors proposes that the following amount is distributed to the shareholders	155,798,448	SEK
Balance carried forward	511,943,791	SEK
Total	**667,742,239**	**SEK**

NOTE 25 – DEFERRED TAX ASSETS AND TAX LIABILITIES

2021

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

2020

Group	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	–	-20	-20
Buildings and land	0	–	0
Machinery and equipment	–	-1	-1
Inventory	0	0	0
Accounts receivable	1	–	1
Other provisions	6	–	6
Loss carryforwards	16	–	16
Other [1]	1	-21	-20
	24	**-42**	**-18**
Offset	0	0	0
Net deferred tax liability	**24**	**-42**	**-18**

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

2021

Parent Company	Deferred tax assets	Deferred tax liabilities	Net
Loss carryforwards	–	–	–
	–	**–**	**–**
Offset	–	–	–
Net deferred tax assets	**–**	**–**	**–**

2020

Parent Company	Deferred tax assets	Deferred tax liabilities	Net
Loss carryforwards	15	–	15
	15	**–**	**15**
Offset	–	–	–
Net deferred tax assets	**15**	**–**	**15**

Change of deferred tax in temporary differences and loss carryforwards

Group

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

Group

2020	**Carrying amount at beginning of period**	**Recognized in profit or loss**	**Recognized in equity**	**Carrying amount at end of period**
Intangible assets	-21	–	1	-20
Buildings and land	0	0	–	0
Machinery and equipment	-1	0	–	-1
Inventory	0	0	–	0
Accounts receivable	1	0	–	1
Other provisions	0	6	–	6
Interest-bearing liabilities	–	–	–	–
Loss carryforwards	19	-3	–	16
Other	-21	1	–	-20
	-23	**4**	**1**	**-18**

Change of deferred tax in temporary differences and loss carryforwards

Parent Company

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

Parent Company

2020	**Carrying amount at beginning of period**	**Recognized in profit or loss**	**Recognized in equity**	**Carrying amount at end of period**
Loss carryforwards	18	-3	–	15
	18	**-3**	**–**	**15**

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

Unrecognized deferred tax assets

In the balance sheet, deferred tax assets have not been recognized for tax loss carryforwards for a deferred tax value of SEK 0 M (2), 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	2021	2020
Liens on assets	1,236	1,222
Property mortgages	–	–
Shares in subsidiaries	–	–
Total	**1,236**	**1,222**

Parent Company	2021	2020
Promissory notes receivable	325	320
Shares in subsidiaries	–	–
Total	**325**	**320**

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	2021	2020
Guarantees	1	5
Other items	–	1
Total	**1**	**6**

Parent Company	2021	2020
Guarantee obligations for the benefit of subsidiaries	1	5
Total	**1**	**5**

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	2021	2020
Overdraft facility		
Credit limit	100	150
Unutilized part of credt limit	-100	-150
Utilized credit amount	**–**	**–**
Current leasing liabilities	87	84
Other current interest-bearing liabilities	8	1
Total current interest-bearing liabilities	**95**	**85**

Disclosures concerning collateral are provided in Note 26 Pledged assets and contingent liabilities

NOTE 28 – ACCRUED EXPENSES AND DEFERRED INCOME

Group	2021	2020
Accrued salaries	58	41
Accrued social security expenses	14	14
Bonuses to customers	3	2
Other items	35	12
Total accrued expenses and deferred income	**110**	**69**

Parent Company	2021	2020
Accrued salaries	3	1
Accrued social security expenses	1	1
Other accrued expenses	7	4
Total accrued expenses and deferred income	**11**	**6**

NOTE 29 – SUPPLEMENTARY DISCLOSURES TO CASH FLOW STATEMENT

Group	2021	2020
Interest paid and dividends received		
Dividends received	–	–
Interest received	0	0
Interest paid	-14	-18
Adjustment for non-cash items		
Depreciation, amortization and write-down of assets [1)]	118	115
Unrealized exchange rate differences	2	–
Capital gain/loss on sale of fixed assets	-1	0
Difference between participation in joint venture and dividends received	-65	-7
Provisions and other items not affecting liquidity	-26	26
Total	**28**	**134**

Parent Company	2021	2020
Interest paid and dividends received		
Dividends received	98	21
Dividends paid	–	–
Interest received	13	14
Interest paid	-10	-13
Adjustment for non-cash items		
Depreciation and write-down of assets	1	-44
Provisions and other items not affecting liquidity	–	5
Total	**1**	**-39**

[1)] In depreciation, amortization and write-downs, SEK 93 M (89) is associated with amortization on right of use assets related to IFRS 16.

Reconcilation of debt

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

		Cash flow	Items not affecting cash flow				
Group	**31/12/19**		**Acquisitions**	**New lease agreements**	**Other [1)]**	**Exchange rate differences**	**31/12/20**
Overdraft facility	**–**	–	–	–	–	–	**–**
Factoring	**6**	309	–	–	–	7	**322**
Bank loan	**536**	-538	–	–	2	–	**–**
Lease liability	**541**	-89	–	32	57	0	**541**
Total	**1,083**	**-318**	**–**	**32**	**59**	**7**	**863**

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

NOTE 30 – RELATED-PARTY TRANSACTIONS

Group

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

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

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

Parent Company

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

Parent Company´s transactions with subsidiaries	**2021**	**2020**
Sales of services	103	77
Purchases of services	-5	-5
Interest income	13	14
Interest expense	-10	-10
Dividend received (+)/paid (-)	98	21
Group contributions received(+)/paid (-)	124	-15
Claims on related parties on balance day	355	121
Debt to related parties on balance day	-278	-440

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

During 2021, BE Group's transaction exposure in EUR amounted to EUR 112 M (57), 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 -4 M (3). Based on income and expenses in foreign currency for 2021, it is estimated that a change of +/- 5 percent in the SEK against the EUR would give an effect of about +/- SEK 9 M in the operating result. On the balance sheet date, the Group had operating liabilities of EUR 10 M net and financial liabilities of EUR 7 M.

Translation exposure

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

Amount	**SEK M**	
SEK	810	58%
EUR	612	43%
Others	-9	-1%
Total	**1,413**	**100%**

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

The Group's earnings are affected by the currency rates used in the translation of the results of its foreign units. Based on conditions in 2021, it is estimated that a 5 percent strengthening of the SEK against the EUR would entail an effect of SEK -16 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 295 M (322). Interest-bearing assets in the form of cash and bank balances amounted to SEK 54 M (166).

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 +/- 2 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, 2020 and December 31, 2021.

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

		Nominal amount in original currency		Carrying amount (SEK M)		Maturity	
(SEK M)		**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Factoring	EUR M	6	15	61	148	2023	2022
Factoring	SEK M	234	174	234	174	2023	2022
accrued interest				–	–		
Total financial leasing liability				**295**	**322**		
Of which, current liability				*8*	*1*		
Parent Company [1]							
Bank loan, SEK	SEK M	–	–	–	–	–	–
Bank loan, EUR	EUR M	–	–	–	–	–	–
accrued interest				–	–		
Total interest-bearing liabilities, Parent Company				**–**	**–**		
Of which, current liability				–	–		
Total interest-bearing liabilities, Group				**295**	**322**		
Of which, current liability				*8*	*1*		

[1] In addition to its external interest-bearing liabilities, the Parent Company has Group-internal liabilities amounting to EUR 6 M (20) and SEK 163 M (148). The recognized amount totals SEK 226 M (347). The liabilities mature on December 31, 2022 with interest rates based on three-month EURIBOR and STIBOR. There is no accrued interest on the balance sheet date. In addition to these liabilities, the Parent Company has interest-bearing liabilities related to the intra-group cash pool that amount to SEK 49 M (77) as per the balance sheet date. The interest applied in the cash pool is based on STIBOR T/N.

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

Refinancing risk (liquidity risk)

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

Maturity structure, financial liabilities

	Financial liabilities	
	2021	**2020**
Maturity within 90 Days	700	427
Maturity within 91–180 Days	0	34
Maturity within 181–365 Days	18	4
Maturity within 1–5 years	288	321
Maturity later than 5 years	0	0
Total	**1,006**	**786**

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 100 M, of which SEK 0 M had been utilized as of December 31, 2021, 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 2023.

Credit agreement

Current credit agreement with Skandinaviska Enskilda Banken was signed 2019 and have a maturity of three years with an option for extension of another 1+1 years. In 2021, the first option for extension was used and the credit agreement was thus extended until 2023.

The key figures measured are net debt/equity ratio and interest coverage ratio. The covenants are measured quarterly, and the interest coverage ratio is based on the trend over the past 12-month period. On the balance sheet date, the Group has unutilized credit facilities in an amount of SEK 417 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. 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 5 percent (4) of sales in 2021. The ten largest customers combined accounted for about 14 percent (13) of sales.

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

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

Provision for accounts receivable

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

	Not overdue		Overdues 1-30 days		Overdues 31-90 days		Overdues more then 90 days		Total	
Group	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Accounts receivable – gross	612	354	38	18	4	4	3	3	657	**379**
Loss	0	0	0	0	-1	-1	-3	-2	-4	**-3**
Expected loss %	*0%*	*0%*	*0%*	*2%*	*12%*	*25%*	*100%*	*72%*	***1%***	***1%***

Loss reserve

The changes in the loss reserve are specified below.

	2021	2020
Provision at January 1	**3**	**3**
Increase of loss reserve, change accounted for in income statement	1	1
Reversals of reserves	0	0
Realized losses	0	-1
Exchange rate differences	0	0
Provision at December 31	**4**	**3**

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 cash 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

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

2020	Carrying value according to balance sheet	Of which, financial instruments covered by disclosure requirements in IFRS 7	Group A	Group B	Group C	Group D	Total carrying value	Fair value
Assets								
Other securities held as non-current assets	0	0	–	–	0	–	**0**	E/T
Non-current receivables	0	0	0	–	–	–	**0**	0
Accounts receivable	376	376	–	376	–	–	**376**	376
Other receivables	14	10	–	10	–	–	**10**	10
Prepaid expenses and accrued income	22	12	–	12	–	–	**12**	12
Cash and equivalents	166	166	–	166	–	–	**166**	166
Liabilities								
Non-current interest-bearing liabilities	321	321	–	–	–	321	**321**	321
Current interest-bearing liabilities	1	1	–	–	–	1	**1**	1
Accounts payable	414	414	–	–	–	414	**414**	414
Other liabilities	93	34	–	–	–	34	**34**	34
Accrued expenses and deferred income	69	16	–	–	–	16	**16**	16

The assessment of the fair value of the financial assets and liabilities has been carried out in accordance with level 2, with the exception of cash and cash equivalents and bank loans, which are valued in accordance with level 1. The Group also holds shares/participations in unlisted companies, which are included in the assessment category of "Financial assets valued at fair value via profit and loss for the period".

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 – INVESTMENT COMMITMENTS

BE Group has no principal investments in progress, nor future investments regarding which the Board of Directors has made a clear commitment.

NOTE 33 – 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 on the Group's leasing agreements, 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 34 – SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

Russias invasion of Ukraine on February 24, 2022, entails a significantly increased risk level, as well as in terms of security and financial. The consequences for BE Group and its employees is however impossible to assess right now.

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

APPROPRIATION OF EARNINGS

The Board of Directors' proposal for the appropriation of earnings

The Board of Directors proposes dividend of SEK 12 (-) to be paid for the financial year of 2021 which corresponds to approximately SEK 156 M.

Funds available		
Retained earnings	423,621,208	SEK
Profit for the year	244,121,031	SEK
Total	**667,742,239**	**SEK**

The Board of Directors proposes that the following amount are distributed to shareholders	155.798.448	
Balance carried forward	511,943,791	SEK
Total	**667,742,239**	**SEK**

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

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

The annual and consolidated accounts are subject to approval by the Annual General Meeting on April 21, 2022.

Malmö, March 15, 2022

Jörgen Zahlin
Chairman of the Board

Carina Andersson
Member of the Board

Lars Olof Nilsson
Member of the Board

Mats O Paulsson
Member of the Board

Petter Stillström
Member of the Board

Peter Andersson
President and CEO

Our Audit Report was submitted on March 18, 2022
Öhrlings PriceWaterhouseCoopers AB

Eva Carlsvi
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 25, 2022.

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 2021 except for the statutory sustainability report on pages 11-15. The annual accounts and consolidated accounts of the company are included on pages 6-60 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2021 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 2021 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 11-15. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Our audit approach

Audit scope

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

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

Materiality

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

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

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
Valuation of intangible assets With reference to Note 12.	
The value of goodwill with indefinite useful lives represents a significant part of the Balance Sheet for BE Group. In accordance with IFRS, management is to annually execute an impairment text. No impairment requirement was identified by management in conjunction with this testing as at year end closing. Certain of the 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 tied up, investments and the discount rate. Changes in these assumptions could lead to a change in the reported value of intangible assets and goodwill.	In our audit, we have assessed the calculation models applied by management and have concluded that the most important assumptions in the models agree with the company's budgets and strategic plan. In our audit we have focused on determining if impairment requirement exists for intangible assets. We have also taken a position as regards the reasonability of company management's assumptions and judgments. This has been carried out through an analysis of how well previous years' assumptions have been achieved, and effects of any possible adjustments in assumptions compared with the previous year due to changes arising as a result of the development of the operations and external factors. We have also executed independent sensitivity analyses to test the safety margin for the cash-generating units in order to determine the extent of changes required in key variables before an impairment requirement would arise. We have also assessed the correctness in the related disclosures in the Annual Report.
Inventory- valuation and existence With reference to Note 20.	
The inventory reporting is based on the number of articles, either in the physical inventory or as goods in transit, based on the weighted average cost model applied by the Group also considering write down effects for obsolescence or slow moving inventory. This is an essential area for the financial statements and also due to the fact that the accounting of these assumptions involve, to a certain degree, complex calculations and judgments on behalf of management.	We have assessed documentation for the routines of physical stock count procedures at the inventory site in order to ensure the existence of the inventory articles. In addition, we have also executed independent inventory counts against reported inventory levels in the inventory system and against the Group's physical stock counts to ensure that the reported articles exist. We have also evaluated the mathematical calculation model applied to the pricing of inventory according to the weighted average costs method. 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 through control calculations applied to the group's calculation models and assumptions. We have also assessed the correctness in the related disclosures in the Annual Report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-5, the sustainability report on pages 11-15 and pages 70-73. The Board of Directors are responsible for this other information.

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

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

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

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

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

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

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

Auditor's responsibility

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of BE Group AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

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

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

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

Auditor's responsibility

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

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

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

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

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

The auditor's examination of the ESEF report

Opinion

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

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

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

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of 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 ensuring that the Esef report has been prepared 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 form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

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

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

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

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

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

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 11-15, and that it is 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 different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of BE Group AB (publ) by the general meeting of the shareholders on the 20 April 2021 and has been the company's auditor since the 7 May 2015.

Malmö, 18 March 2022
Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

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

Operations and governance of BE Group

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

Shareholders exercise their decision-making rights at the Annual General Meeting (as well as at possible extraordinary meetings), which is the Company's highest decision-making authority. The Board of Directors and the Chairman of the Board of Directors are appointed by the Annual General Meeting while the President is appointed by the Board of Directors.

The Company's accounts as well as the administration of the Board of Directors and the President are reviewed by auditors appointed by the Annual General Meeting. The Annual General Meeting adopts principles for the appointment of the Nomination Committee, which formulates proposals to the Annual General Meeting prior to the election and setting of fees for the Board of Directors and auditors. In addition to laws, regulations and the Code, BE Group applies internal governance instruments such as a code of conduct and information policy.

Shareholders

Ownership and share capital

On December 31, 2021, 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 7,119 shareholders. The Company's largest shareholders were Svedulf Fastighets AB, AB Traction, Avanza Pension and Quilter Inter Isle of Man Ltd. The proportion of foreign ownership amounted to 14.4 percent. At the end of the year, the Company held 26,920 treasury shares (0.2 percent of share capital). More information on the ownership structure of BE Group is available at www.begroup.com.

Annual General Meeting

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

The 2021 Annual General Meeting was held on April 20. To curb the spread of covid-19, the annual general meeting was conducted only by way of postal vote pursuant to temporary legislation being in effect in 2021. At the Annual General Meeting 4 shareholders voted, representing 6,203,669 shares. The shares represented corresponded to 47.8 percent of the total number of voting shares in BE Group.

The Annual General Meeting re-elected Board members Jörgen Zahlin, who was also elected as the Chairman of the Board of Directors, Carina Andersson, 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, not to pay a dividend for financial year 2020;
- to pay Board fees totaling SEK 1,260,000, of which an unchanged SEK 420,000 was to the Chairman of the Board of Directors and SEK 210,000 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 150,000;
- 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 2022 Annual General Meeting, to make decisions regarding the transfer of treasury shares for the purpose of financing smaller corporate acquisitions;
- to adopt the changes in the Articles of Association.

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 2022 Annual General Meeting, the Nomination Committee consists of Petter Stillström, AB Traction, chairman, Jörgen Zahlin, (Chairman of the Board of BE Group), Alf Svedulf, Svedulf Fastighets AB and Johan Ahldin, The Pure Circle AB. The Nomination Committee is tasked with: submitting to the Annual General Meeting its nominations for Chairman of the Board of Directors and other Board members accompanied by a justified statement regarding the proposal, proposing fees for the Board of Directors and the auditors and any remuneration for committee work, proposing auditors and nominating an individual to serve as the chairman of the Annual General Meeting. The Nomination Committee is also charged with assessing the independence of Board members in relation to the Company and major shareholders.

When preparing its proposal for the Board of Directors before the Annual General Meeting 2021 and 2022, 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 2021 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 2022 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 2021 Annual General Meeting: Jörgen Zahlin (Chairman), Carina Andersson, Lars Olof Nilsson, Mats O Paulsson and Petter Stillström. Please refer to the Company Report and www.begroup.com for a more detailed presentation of the Board members. All members are independent in relation to BE Group and executive management. With the exception of Petter Stillström, all Board members are considered independent in relation to BE Group's principal owners. From Group Management, the President and the CFO normally attend Board meetings and report on the Group's development. Apart from the members of the Board of Directors, other officers of BE Group and external parties participated in Board meetings to present reports on particular issues. The Company's CFO served as the secretary of the Board in 2021.

Rules of procedure of the Board of Directors

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

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

Work of the Board of Directors in 2021

During 2021, the Board of Directors held 11 meetings, of which one per capsulam. According to the rules of procedure, the Board of Directors shall meet on five occasions per year, in addition to its statutory meeting. Additional meetings shall be held as necessary. One of the meetings during the year is regularly held at one of BE Group's operative units. The table provides a report of attendance by Board members at the four meetings prior to the Annual General Meeting and the seven meetings after the Annual General Meeting. As shown, attendance at Board meetings during the year was excellent.

The Board of Directors, attendance 2021	Elected	Attendance	Committee work	Attendance	Board-fees	Fee audit-committee	Independent of company & companies management	Independent of larger owners
Jörgen Zahlin, chairman	2013	11 of 11	Remuneration & Audit Committee	1 of 1 3 of 3	420,000	40,000	Yes	Yes
Petter Stillström	2012	11 of 11	Remuneration & Audit Committee	1 of 1 3 of 3	210,000	40,000	Yes	No
Carina Andersson	2018	11 of 11			210,000		Yes	Yes
Lars Olof Nilsson	2006	11 of 11	Audit Committee	3 of 3	210,000	70,000	Yes	Yes
Mats O Paulsson	2020	11 of 11			210,000		Yes	Yes
Mikael Törnros (E)[1)]	2016	5 of 11						

[1)] Mikael Törnros resigned as Board member in June 2021.

Evaluation of the Board of Directors' work

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

Audit Committee

The Audit Committee prepares a number of questions for the Board of Directors' decision and supports the Board of Directors in its work to carry out its responsibility within the areas auditing and internal control, as well as to quality-assure BE Group's financial reporting, which requires that the Company have a satisfactory organization and appropriate processes.

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 three times in 2021. 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 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 2021 Annual General Meeting, a fee of SEK 420,000 was paid to the Chairman of the Board for the period extending from the 2021 Annual General Meeting until the 2022 Annual General Meeting. The other Board members were each paid SEK 210,000 for the same term of office. In addition, the members of the Audit Committee were paid fees totaling SEK 150,000, of which SEK 70,000 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 2021 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 Company Report and www.begroup.com for a more detailed presentation of Group management.

Remuneration principles for senior executives

The annual general meeting 2020 resolved on the guidelines for executive remuneration. The individuals who are members of the group management of BE Group during the period of which these guidelines are in force, fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed and amendments to remuneration already agreed. These guidelines do not apply to any remuneration decided or approved by the general meeting. The actual remunerations agreed during the year are detailed in Note 3.

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

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

Types of remuneration, etc.

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

Fixed cash salary

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

Variable cash remuneration

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

Pension benefits

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

Other benefits

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

Foreign employments

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

Criteria for awarding variable cash remuneration, etc.

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

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

Employment term and termination of employment

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

Salary and employment conditions for employees

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

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

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

Derogation from the guidelines

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

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

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

Auditors

At the 2021 Annual General Meeting, the auditing firm Öhrlings PricewaterhouseCoopers AB was reelected to be the auditor for a period of one year. Eva Carlsvi, Authorized Public Accountant, is the Auditor-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 2021 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 2021 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. Clear regulations on delegation of authority and responsibilities are followed within BE Group, which follow Group structure. Since 2012, the Board of Directors has applied a so-called "whistle blower" 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.

Follow-up

The President is responsible for internal control being organized and followed up in accordance with the guidelines adopted by the Board of Directors. Financial control is exercised by the Corporate Finance Department. Financial reporting is analyzed monthly at a detailed level. The Board of Directors has followed up financial reporting at Board meetings and BE Group's auditor has reported its observations to the Board of Directors. The Board of Directors has received monthly financial reports and the Company's financial situation was discussed at every Board meeting.

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 2021 on pages 65-69 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, 18 March 2022
Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi
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)	2021	2020
Operating result	621	39
Reversal of inventory gains (-)/losses (+)	-92	17
Adjustment for items affecting comparability	–	40
Group	**529**	**96**

Working capital

(SEK M)	2021	2020
Inventories	1,033	501
Accounts receivables	653	376
Other receivables	39	42
Deduction accounts payables	-641	-414
Deduction other current liabilities	-229	-162
Rounding	1	–
Group	**856**	**343**

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

Net debt excl. IFRS 16

(SEK M)	2021	2020
Non-current interest-bearing liabilities and leasing liabilities	681	778
Current interest-bearing liabilities and leasing liabilities	95	85
Deduction leasing liabilities	-481	-541
Deduction financial assets	0	0
Deduction cash and equivalents	-54	-166
Rounding	–	–
Group	**241**	**156**

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)	2021	2020
Equity excl. IFRS 16	1,420	912
Non-current interest bearing liabilities and leasing liabilities	681	778
Current interest bearing liabilities and leasing liabilities	95	85
Deduction leasing liabilities	-481	-541
Rounding	1	–
Group	**1,716**	**1,234**

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

MULTI-YEAR SUMMARY

(SEK M unless otherwise stated)	2017	2018	2019	2020	2021
Sales	4,348	4,803	4,359	3,672	5,388
Earnings measurements					
Gross profit/loss	619	669	605	548	1,102
Underlying gross profit/loss	596	643	609	563	1,038
Operating result (EBIT)	57	132	88	39	621
Underlying operating result (uEBIT)	82	117	94	96	529
Margin measurements					
Gross margin (%)	14.2	13.9	13.9	14.9	20.4
Underlying gross margin (%)	13.7	13.4	14.0	15.3	19.3
Operating margin (%)	1.3	2.8	2.0	1.1	11.5
Underlying operating margin (%)	1.9	2.4	2.1	2.6	9.8
Cash flow					
Cash flow from operating activities	95	86	200	341	32
Capital structure					
Net debt excl. IFRS 16 [1)]	478	440	373	156	241
Net debt/equity ratio (%) excl. IFRS 16 [1)]	60	49	40	17	17
Working capital at end of period	492	572	549	343	856
Working capital (average)	514	562	570	468	524
Capital employed at end of period excl. IFRS 16 [1)]	1,341	1,440	1,468	1,234	1,716
Capital employed (average) excl. IFRS 16 [1)]	1,373	1,408	1,466	1,305	1,457
Working capital tied-up (%)	11.8	11.7	13.1	12.8	9.7
Return					
Return on capital employed (%) excl. IFRS 16 [1)]	4.2	9.4	5.6	2.3	42.0
Per share data					
Earnings per share (SEK)	1.87	6.13	3.87	0.33	38.10
Earnings per share after dilution (SEK)	1.87	6.13	3.87	0.33	38.10
Proposed dividend per share (SEK)	–	1.75	–	–	12
Equity per share (SEK)	61.77	68.67	71.05	69.73	108.84
Cash flow from operating activities per share (SEK)	7.35	6.60	15.37	26.28	2.49
Average number of shares outstanding (thousands)	12,983	12,983	12,983	12,983	12,983
Average number of shares outstanding after dilution (thousands)	12,983	12,983	12,983	12,983	12,983
Growth					
Sales growth (%)	12	10	-9	-16	47
of which, organic tonnage growth (%)	*-3*	*4*	*-10*	*-10*	*11*
of which, price and mix changes (%)	*14*	*3*	*-1*	*-5*	*38*
of which, currency effects (%)	*1*	*3*	*2*	*-1*	*-2*
Other					
Average number of employees	700	668	652	633	621
Inventory gains and losses	27	27	-6	-17	92
Shipped tonnage (thousands of tonnes)	363	377	340	307	342

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

The comparative figures for 2017 – 2018 are prepared according to previous accounting principles regarding leasing (IAS 17).

FINANCIAL DEFINITIONS

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

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Thursday 21 April 2022, at Elite Hotel Savoy, Norra Vallgatan 62 in Malmö.

The company will take precautions at the Annual General Meeting to be able to carry this out with the lowest possible risk. Shareholders are encouraged follow the authorities recommendations and take responsibility to prevent spread of the virus. Shareholders that are feeling worried about the spread of the virus, belongs to a risk group or suspects infection is requested not to participate personally but participate through a proxy.

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 Monday 11 April 2022, and
- give notice of participation no later than Wednesday 13 April 2022, 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, Monday 11 April 2022. 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 13 April 2022 will be taken into account in the presentation of the share register.

Notice of attendance

Notice of physical attendance can be made by telephone +46 40 38 42 00 or by email to AGM@begroup.com. The notice of attendance shall state name, personal identity number/corporate identity number, address, telephone number and number of advisors (maximum two). Shareholders represented by proxy must issue a written, dated and by the shareholder signed power of attorney for the proxy. A proxy form is available at the company and on the company website. Representative of a legal entity shall submit a copy of the certificate of registration or similar papers of authorization indicating persons authorized to sign on behalf of the legal entity. In order to facilitate the entrance to the meeting, the original power of attorney and documents of authorization should be provided to the company at the address BE Group AB, Box 225, SE 201 22 Malmö, Sweden, on Wednesday 13 April 2022 at the latest. Label the envelope ”Annual General Meeting”.

Notice

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

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