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ANNUAL REPORT
SUSTAINABILITY REPORT

BEIJER • ALMA

Beijer Alma

Beijer Alma AB is the Parent Company of an international, listed industrial group. Value is created by acquiring, owning and developing companies with favorable growth potential. The Group's three subsidiaries specialize in component manufacturing and industrial trading, primarily in industry, engineering, automotive, infrastructure, telecom, energy, defense and offshore. Beijer Alma commands strong international positions in industrial and chassis springs as well as cables for mobile telecom and nuclear power.

SUBSIDIARIES

Lesjöfors – a global manufacturer of springs, wire and flat strip components.
Habia Cable – a leading European manufacturer of customized cables and cable harnesses.
Beijer Tech – strong positions in selected niches in industrial trading and manufacturing of industrial consumables in the Nordic region.

CONTENTS

SUSTAINABLE BUSINESS MODEL

The development of the Group companies is based on long-term ownership and decentralized operational control. The Group's growth initiatives, which are built on organic growth and corporate acquisitions, affect the environmental and social conditions in the areas where the Group conducts its operations. Active sustainability work is therefore carried out with aim of limiting the Group's environmental impact, reducing costs and lowering risks as well as creating new business opportunities. This sustainability work focuses on efficient resource consumption, lower emissions and reduced waste management. Business ethics play a central role in the development of the companies' growth potential. Bribes are prohibited, and Beijer Alma demands honesty and honorability not only from its own employees but also from its customers, suppliers and other stakeholders. At the same time, the Group is to have a positive impact on social conditions by respecting human rights, offering employees safe and stimulating workplaces, and supporting and collaborating with various organizations, schools and associations.

FOUR STRATEGIES IN FOCUS

- high customer value, with customer-specific products increasing profitability.
- international market coverage, which provides a return on the Group's niche products.
- strong market positions, with quality, service and customization providing a competitive edge.
- broad customer and supplier base, which reduces our dependence and risks.

2,564

The Group has 2,564 employees in 16 countries.

60

Sales in over 60 markets – the Nordic region, other European countries, Asia and North America.

4,250

INVOICING DECREASED 8 PERCENT TO MSEK 4,250 (4,622).

4,229

ORDER BOOKINGS DECREASED 6 PERCENT TO MSEK 4,229 (4,494).

515

PROFIT AFTER NET FINANCIAL ITEMS AMOUNTED TO MSEK 515 (557).

12.8%

THE OPERATING MARGIN WAS 12.8 PERCENT (12.6).

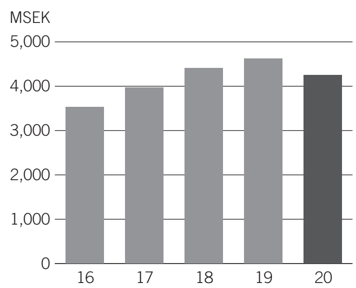
6.58

EARNINGS PER SHARE TOTALED SEK 6.58 (7.15).

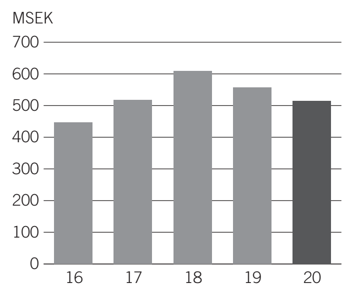
3.00

THE BOARD PROPOSES A DIVIDEND OF SEK 3.00 (2.50).

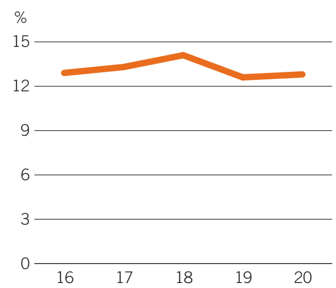
INVOICING



PROFIT AFTER NET FINANCIAL ITEMS



OPERATING MARGIN



REVENUES AND EARNINGS PER OPERATING SECTOR/SEGMENT

MSEK	Q1	Q2	Q3	Q4	Total
Net revenues					
Lesjöfors	725.8	510.4	588.4	624.1	**2,448.7**
Habia Cable	228.4	220.7	177.5	177.4	**804.0**
Beijer Tech	262.8	231.6	225.0	277.7	**997.1**
Parent Company and intra-Group	0.1	–	–	–0.1	**0.0**
Total	**1,217.1**	**962.7**	**990.9**	**1,079.1**	**4,249.8**
Operating profit					
Lesjöfors	122.6	62.9	107.1	148.6	**441.2**
Habia Cable	15.9	12.8	11.2	13.8	**53.7**
Beijer Tech	13.2	10.1	16.1	30.3	**69.7**
Parent Company and intra-Group	–5.3	–6.8	–2.8	–5.0	**–19.8**
Consolidated operating profit	**146.5**	**79.0**	**131.6**	**187.7**	**544.8**
Net financial items	–9.9	–3.6	–8.7	–7.2	**–29.6**
Profit after net financial items	**136.6**	**75.4**	**122.9**	**180.5**	**515.2**

Braking and accelerating during an eventful year

2020 was an eventful year due to a turbulent operating environment, deeply impacted by the pandemic. We were particularly affected during the first wave of the pandemic and the second quarter. Order bookings, net revenues and operating profit for the full year declined, although not as severely as we initially feared thanks to a strong end to the year. Three acquisitions contributed to our growth.

EFFECTS OF COVID-19

The year began with a slowdown in the industrial economy. At the same time, the outbreak of COVID-19 had a limited impact due to the shutdown of our operations in China. When it became clear that the world was in the grip of a pandemic, which reached Europe and the US in the spring, both the global economy and demand were more drastically affected. For Beijer Alma, this meant lower order bookings and sales in many of our operations. However, this trend was not equally drastic in all areas, and we noted differences between our various subsidiaries and business areas and between different customer segments geographic markets.

Decisive actions were taken throughout the Group to handle the prevailing situation and apply the brakes in a controlled manner, without skidding off course! Our focus was on cash flow and cost savings with the aim of ensuring adequate liquidity and earnings. We utilized various tools at our disposal – opting, for example, to place employees on furlough leave rather than laying them off. Restructuring costs were also incurred in order to ensure our long-term competitiveness. At the same time, we paused certain investments for a period of time. Thanks to the extraordinary efforts of our employees, the Group companies succeeded in fulfilling their deliveries to customers throughout this entire period. This confirms the benefits of our companies always working close to our customers and remaining robust, reliable suppliers, even in the face of new, unexpected challenges.

BRAKING AND ACCELERATING AT THE SAME TIME

The Group's financial strength enabled us to take decisive action while maintaining a long-term approach – our ambition being to apply the brakes and the gas at the same time. In parallel with our focus on cash flow and cost savings, for example, we also worked to maintain the right inventory levels in order to serve our customers and to implement new acquisitions.

The activity level in the M&A market slowed in the wake of the pandemic, particularly in the spring and summer. Nevertheless, we kept our foot on the gas in order to leverage any opportunities that arose and make forward-looking investments. A total of three companies were acquired in a cautious market, which later saw a gradual improvement in activity during the autumn. A number of long-term investments were also completed, including in Lesjöfors's new plant in Latvia and a capacity expansion at the fire hose manufacturer Svebab.

LESJÖFORS – DIFFERENT DYNAMICS

Demand in Lesjöfors's Industry and Chassis Springs business areas varied considerably and a change in dynamic was noted. Chassis Springs – which normally has a clear peak season in the spring – instead experienced an initial sharp slowdown as workshops across Europe closed. Demand recovered by the summer, and the activity that normally takes place during the peak season largely shifted to the autumn since the fundamental need to replace springs was only impacted to a marginal degree. Within Industry, demand in certain segments and markets declined significantly during the spring. This decline was particularly noticeable among customers in the automotive industry, many of which were forced to close their plants. There has been a gradual recovery since the summer, even surpassing the pervious year's levels toward the end of the year.

HABIA CABLE – SECURE PROFITABILITY

Early in the year, Habia Cable continued to deliver on its project contracts, particularly in offshore. Demand from industrial customers remained favorable at the start of the second quarter. In response to a gradual decline in demand – both in terms of project contracts and among industrial customers – restructuring measures were implemented, mainly in China and Sweden. The aim of these measures is to help ensure that Habia remains profitable, even in periods of lower demand. At the same time, the company continued to invest in proprietary cable technology for exciting future applications in such areas as sustainable transportation.

BEIJER TECH – PLATFORM FOR ACQUISITIONS

Beijer Tech mainly works with Nordic industrial companies, an area where a decline in demand was noted in the second quarter. As a result of well-adapted inventory levels – for example, in Fluid Technology – deliveries could be made without any disruptions, despite the company's dependence on foreign supply chains. Growth in segments such as medical technology partially offset the decline in demand. The company also donated materials and processing capacity for the production of protective equipment for healthcare professionals at the start of the pandemic. Demand in Fluid Technology increased gradually during the autumn. Within Industrial Products, the Norwegian market was hit hardest, while the operations in Denmark and Finland were impacted by the pandemic to a lesser degree.

At the same time, Beijer Tech is an important platform for acquisitions, not least in new areas that broaden the operations and enable growth. One such example is INU-gruppen, which was acquired during the autumn. INU-gruppen is a reputable, well-managed company specializing in building automation systems, an exciting area where the need for energy-efficiency enhancement and improved air quality are strong drivers.

CONTINUED FOCUS ON SUSTAINABILITY

The Group and the companies' work related to sustainability continued, despite an unusual market situation. We have a strong focus on internal training related to corporate social responsibility and anti-corruption, and the number of employees who took part in this training increased in 2020. In terms of environmental improvements, solar panels have been installed at two plants to produce electricity needed to power the manufacturing operations.

Our sustainability objectives remain based on the UN Global Compact, the UN Sustainable Development Goals (SDGs) and the direct environmental impact of our Group companies. At the same time, we are part of a value chain in which the shift toward a clearer focus on sustainability among our raw material, energy and transport suppliers plays an important role and has an indirect impact on the Group. It is important that we report the results of our sustainability efforts. We do this through our participation in CDP, an organization that helps companies, including investors, to measure and disclose their environmental impact. I am pleased to report that we succeeded in improving our CDP rating during 2020.

PROFITABLE GROWTH

Despite these uncertain times, we all expect 2021 to be a better year than 2020. We know that the second wave of the pandemic has had a much less severe impact on the industrial sector than on society as whole. Our Group is stable and robust, not only financially, but also in terms of our close proximity to our customers, which in the long term will provide us with a strong business model – in a world where local and regional suppliers seem to be becoming increasingly important to industrial customers.

We also have a competitive cost base that can be leveraged, and will continue to focus on low costs and strong cash flow throughout 2021. At the same time, we must keep one foot on the gas, achieving profitable growth through further acquisitions and increasing our organic growth through investments in Group companies.

Over the past year, we have seen the powerful results that can be achieved when all of our employees do their utmost and work toward the same goals. As part of this work, a number of local initiatives have been carried out, proving that our decentralized way of working is an important asset for us. As we now put 2020 behind us, I would like to express my gratitude for the outstanding efforts of our employees over the year. I would particularly like to thank our CFO Jan Blomén, who has now retired after 34 years at Beijer Alma. With his years of experience, Jan was an invaluable support to me during my first two years as CEO.

HENRIK PERBECK, PRESIDENT AND CEO, BEIJER ALMA

The share

- A total of 29.6 percent of the outstanding shares in the Group were traded during the year. An average of 70,774 shares were traded every day.
- At year-end 2020, Beijer Alma had a market capitalization of MSEK 7,894.
- Earnings per share totaled SEK 6.58 (7.15).
- At year-end 2020, Beijer Alma had 15,459 shareholders.
- The closing price at year-end was SEK 131.00 (156.60).
- The highest price was SEK 162.20, which was quoted on January 3, 2020.
- The lowest price was SEK 72.20, which was quoted on March 23, 2020.
- Beijer Alma's share price fell 16.3 percent in 2020.
- The Stockholm All Share Index increased 10.8 percent.

PER-SHARE DATA	**2020**	2019	2018	2017	2016
Earnings per share after tax, SEK	**6.58**	7.15	7.78	6.45	5.44
Shareholders' equity per share, SEK	**41.55**	40.04	37.04	33.04	31.56
Dividend per share, SEK	**3.00**	2.50	5.10	4.75	4.75
Dividend ratio, %	**46**	35	66	74	87
Dividend yield, %	**2.3**	1.6	3.9	3.6	4.1
Share price at year-end, SEK	**131.00**	156.60	129.98	131.00	116.50
Highest share price, SEK	**162.20**	156.60	152.48	141.00	122.00
Lowest share price, SEK	**72.20**	113.00	115.00	111.00	88.75
P/E ratio at year-end	**19.9**	21.9	16.7	20.3	21.4
Cash flow per share after capital expenditures	**6.26**	1.70	3.80	4.48	3.68
Closing number of shares	**60,262,200**	60,262,200	60,262,200	60,262,200	60,262,200
Average number of shares	**60,262,200**	60,262,200	60,262,200	60,262,200	60,262,200

HOLDING	No. of shareholders	No. of shares	No of Class A shares	No. of Class B shares	Holding, %	Votes, %
1–500	12,198	1,242,621	2	1,242,619	2.1	1.0
501–5,000	2,770	4,366,415	0	4,366,415	7.3	3.7
5,001–10,000	218	1,566,913	0	1,566,913	2.6	1.3
10,001–20,000	112	1,627,689	24,066	1,603,623	2.7	1.5
20,001–50,000	66	2,049,394	72,000	1,977,394	3.4	2.3
50,001–100,000	33	2,324,937	349,846	1,975,091	3.9	4.6
100,000–	62	47,084,231	6,124,086	40,960,145	78.0	85.6
Total	**15,459**	**60,262,200**	**6,570,000**	**53,692,200**	**100.0**	**100.0**

As of December 31, 2020

LARGEST SHAREHOLDERS	No. of shares	Of which, Class A	Of which, Class B	Holding, %	Votes, %
Anders Wall Foundation	8,238,940	1,548,400	6,690,540	13.7	18.5
Anders Wall with family and companies	7,026,240	3,843,200	3,183,040	11.7	34.9
Verdipapirfond Odin Sverige	5,600,772	0	5,600,072	9.3	4.7
Lannebo Fonder	4,266,136	0	4,266,136	7.1	3.6
Handelsbanken Fonder	2,998,207	0	2,998,207	5.0	2.5
JP Morgan Bank	2,407,568	0	2,407,568	4.0	2.0
Fourth National Swedish Pension Insurance Fund	1,859,597	0	1,859,597	3.1	1.6
Didner & Gerge Fonder	1,707,877	0	1,707,877	2.8	1.4
Cliens Fonder	978,300	0	978,300	1.6	0.8
Göran W Huldtgren with family and companies	958,122	613,266	344,856	1.6	5.4
Swedbank Robur Fonder	930,000	0	930,000	1.5	0.8
Öhman Fonder	837,025	0	837,025	1.4	0.7
Skandia Fonder	811,066	0	811,066	1.4	0.7
Third National Swedish Pension Insurance Fund	773,492	0	773,492	1.3	0.7
Other shareholders	20,869,558	565,134	20,304,424	34.5	21.7
Total	**60,262,200**	**6,570,000**	**53,692,200**	**100.0**	**100.0**

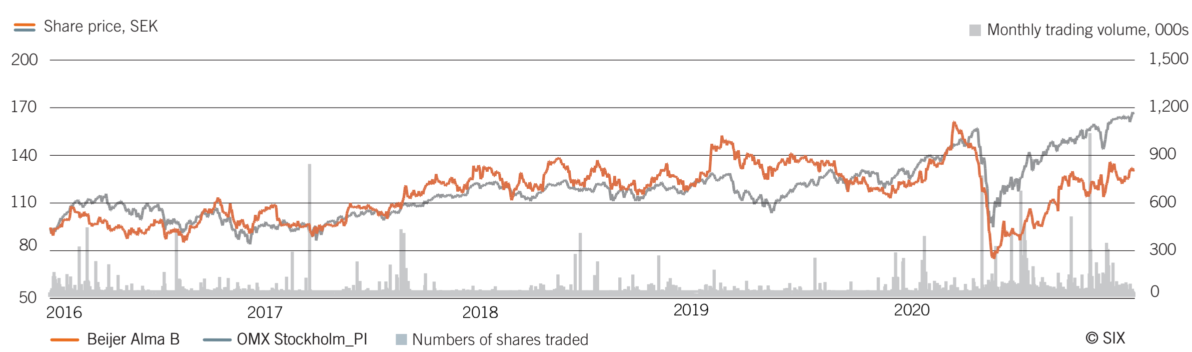
As of December 31, 2020

Ten-year summary

MSEK	**2020**	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net revenues	**4,249.8**	4,621.7	4,408.8	,3,971.5	3,527.5	3,521.9	3,298.2	3,066.5	2,779.7	2,830.2
Operating profit	**544.8**	582.6	622.8	528.4	455.2	477.3	427.5	396.3	372.3	441.4
Net financial items	**–29.6**	–25.2	–13.6	–11.0	–8.2	–10.4	–3.9	–11.6	–10.5	–12.7
Profit after net financial items	**515.2**	557.4	609.2	517.4	447.0	466.9	423.6	384.7	361.8	428.7
Tax	**–118.3**	–126.6	–140.4	–129.1	–119.4	–113.2	–104.3	–95.7	–93.3	–115.8
Net profit	**396.9**	430.8	468.8	388.3	327.6	353.7	319.3	289.0	286.5	312.9
Fixed assets	**2,388.8**	2,261.6	1,676.8	1,551.5	1,504.8	1,314.2	1,347.0	1,192.5	1,111.6	927.4
Current assets	**2,295.6**	2,293.3	2,051.9	1,883.8	1,646.4	1,555.6	1,396.7	1,355.5	1,283.1	1,273.4
Shareholders' equity	**2,517.9**	2,413.2	2,231.8	1,991.1	1,901.5	1,835.3	1,744.8	1,610.9	1,519.5	1,482.9
Non-current liabilities and provisions	**918.4**	785.8	270.4	219.7	309.0	262.3	313.9	299.2	323.5	171.0
Current liabilities	**1,261.8**	1,351.8	1,222.3	1,220.6	936.9	768.5	681.3	634.3	549.1	544.2
Total assets	**4,684.4**	4,554.9	3,728.7	3,435.3	3,151.2	2,869.8	2,743.7	2,548.0	2,394.7	2,200.8
Cash flow	**174.5**	169.0	229.3	186.5	173.6	251.8	146.0	200.0	130.1	152.0
Depreciation/amortization	**239.7**	230.7	138.5	130.5	117.3	110.6	98.7	86.7	78.7	76.3
Net investments excluding corporate acquisitions	**124.5**	203.0	205.2	125.9	203.6	135.8	140.0	126.3	70.5	89.2
Capital employed	**3,706.6**	3,599.1	2,962.7	2,727.8	2,488.2	2,281.5	2,125.8	1,957.0	1,815.8	1,729.4
Net debt	**572.6**	720.9	439.6	408.7	313.1	194.1	189.8	92.3	56.8	–22.5
Performance measures, %										
Gross margin	**30.4**	29.8	31.2	31.8	32.5	32.8	32.4	32.4	33.7	34.8
Operating margin	**12.8**	12.6	14.1	13.3	12.9	13.7	13.0	12.9	13.4	15.6
Profit margin	**12.1**	12.1	13.8	13.0	12.7	13.3	12.8	12.5	13.0	15.1
Equity ratio	**53**	53	60	58	60	64	64	63	64	67
Net debt/equity ratio	**23**	30	20	20	16	11	11	6	4	–2
Return on shareholders' equity	**16.5**	19.2	22.5	20.7	18.7	20.3	19.7	19.2	17.8	21.8
Return on capital employed	**14.9**	17.7	22.0	20.8	19.1	21.7	21.3	21.1	21.2	26.4
Interest-coverage ratio, multiple	**17.9**	22.1	39.9	42.5	48.8	41.8	41.3	28.9	27.5	27.5
Average number of employees	**2,585**	2,658	2,610	2,546	2,340	2,262	2,124	2,110	1,831	1,687
Earnings per share after tax	**6.58**	7.15	7.78	6.70	5.79	6.05	5.48	4.80	4.46	5.19
Dividend per share, SEK	**3.00**	2.50	5.10	4.75	4.75	4.75	4.25	4.00	3.50	3.50

Refer to Note 36 on page 63 for definitions. Definitions and calculations are also available on beijeralma.se under Investor Relations.

SHARE PERFORMANCE 2016–2020



Decentralization – a driving force behind growth

Better business expertise, quicker decisions close to the customers as well as specifically targeted acquisitions. All of this enables Beijer Alma's decentralized way of working, where responsibility and clear mandates increase drive and hone a sense of entrepreneurship.

ORGANIC GROWTH – STRONGER BUSINESS EXPERTISE

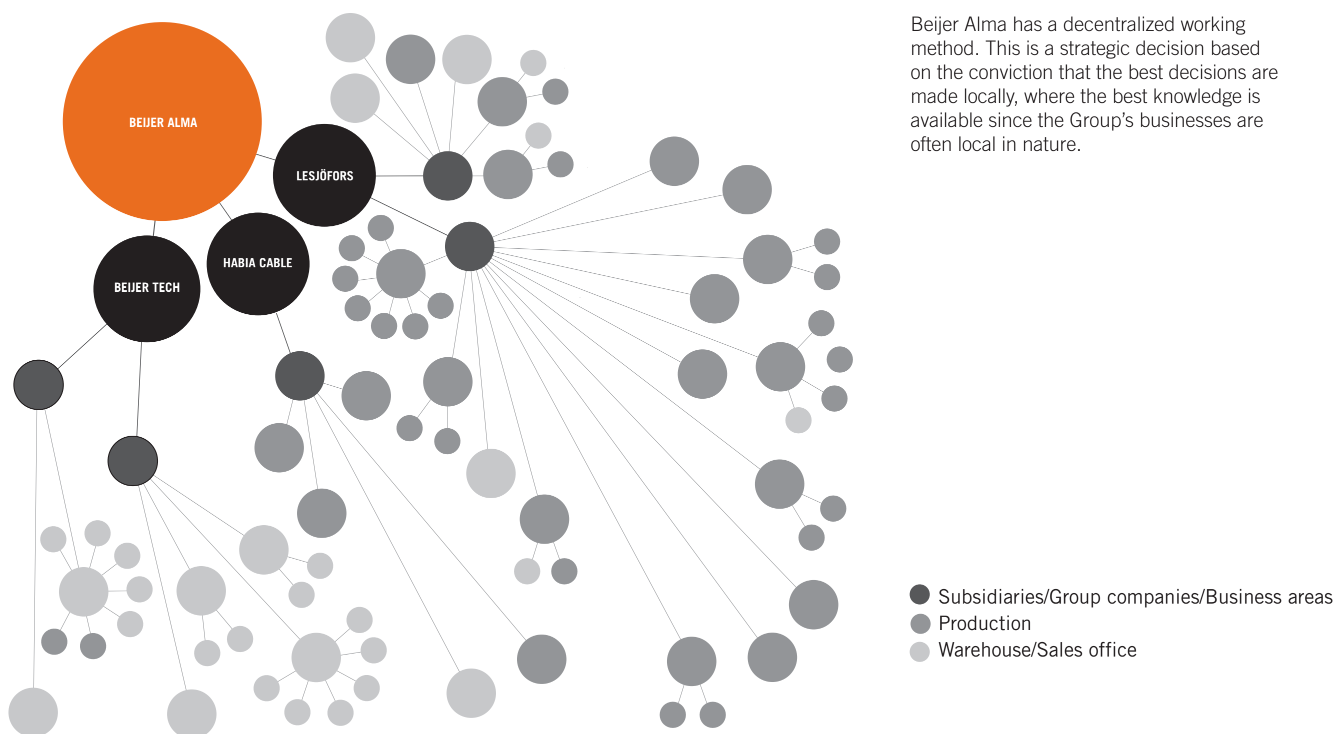
Thinking locally in terms of entrepreneurship and encouraging responsibility strengthens business expertise. Those who are closest to the customer understand the market best and are therefore the right people to identify risks and new business opportunities. This decentralized working method also includes the spread of good ideas between units. This may include offering proven tools to improve production operations management, finding organizational advantages in procurement or increasing cross-selling through a unit selling components from other parts of the operations.

ACQUISITIONS – SPECIFICALLY TARGETED COMPANY ACQUISITIONS

Decentralization is an asset during acquisitions. When the subsidiaries buy new companies, they are often managed by their owners. Key employees in these operations are used to working independently and appreciate joining a group where initiative-taking is appreciated and decisions are made with local support. This makes Beijer Alma more attractive to sellers and can even affect requested purchase prices. In many of these acquired companies, the previous owners have chosen to continue working for the company. This is a further indication that the decentralized Group culture is regarded as a positive and stimulating way of working.

BETTER DECISIONS – GREATER EMPLOYEE MOTIVATION

When employees have a mandate to make their own decisions, things happen faster. This makes a difference, regardless of whether the decision pertains to aggressive investments or adaptations. At the same time, the quality of decisions improves when they are made by people close to the operations. Ultimately, faster and better decisions help the organization as a whole develop more efficiently and more responsively. Many employees are also motivated by having responsibility and trust, which provides them with the scope to grow the operations and, ultimately, deliver positive results.



DECENTRALIZATION

Beijer Alma has a decentralized working method. This is a strategic decision based on the conviction that the best decisions are made locally, where the best knowledge is available since the Group's businesses are often local in nature.

"Decentralization paves the way for a culture of responsibility in the Group. We have enterprising local management teams that not only take ownership of their earnings performance, but are also an effective driving force behind everything from growth to employee issues."

HENRIK PERBECK, PRESIDENT AND CEO

130 kWh

Investments in the fire hose manufacturer Svebab continue. Two new weaving machines went into operation this year. This increased capacity significantly. Another two machines will go into operation in early 2021. Investments were also made in the environment. In 2021, a solar power facility was installed with a capacity of 130 kWh. These solar panels will meet a large portion of the production operations' energy needs during the summer.

"Investments are based on our local expertise regarding the industry and environment in which we operate. Our short decision-making channels mean that we can act quickly, that our decision-making processes are transparent and that our employees can be involved, which provides positive added value," explains Henrik Palmu, President of Svebab.

MSEK 27

The family-owned company PA Ventiler sells valves, primarily to the pulp and paper industry as well as the chemical and petrochemical industry. The company generates revenues of MSEK 27 with favorable profitability. Beijer Tech acquired the operation in the beginning of the year and it is now a part of the Fluid Technology business area. Key employees in the previous owner family will remain in place as the head of the operations.

"We are confident that we will strengthen PA Ventiler's market position as a supplier to Swedish industry together with Beijer Tech," says President Fredrik Karlsson.

CONTINUED JOURNEY OF GROWTH

Beijer Tech became the majority shareholder in the Swedish INU-gruppen during the summer. The company offers technical solutions to customers in the property sector to improve indoor environments. After the acquisition, the previous principal owners will remain in their operational roles.

"For us, this feels like a natural step in our ongoing journey of growth. In Beijer Tech, we have found the right strategical partner for the long-term ownership and development of the company alongside new and existing customers," says INUstyr President Anders Eriksson.

APPROPRIATE GOVERNANCE AND CONTROL

Decentralization is also connected to active governance and control. All operations are evaluated monthly by reviewing performance measures and market developments. The dramatic effects of the COVID-19 pandemic during part of 2020 led to more intense reviews. Focus on liquidity and cost adjustments increased during this period, with all units reporting on a weekly basis and measures being taken regularly.

40%

Lesjöfors advanced its position in the UK springs market through the acquisition of Metrol Springs, a leading manufacturer of gas springs. The UK is its main market. About 40 percent of its products are exported to markets in Europe, Asia and the US. Customers include companies in the industrial and automotive markets.

"We appreciate Lesjöfors's decentralized organization and look forward to staying and continuing to develop the company," says Robert Lamb, President of Metrol Springs.

Lesjöfors

Lesjöfors is a full-range supplier of standard and specially produced industrial springs as well as wire and flat strip components. The company also manufactures replacement springs for the light vehicle aftermarket. Lesjöfors holds a leading position in the Nordic region and is the third largest spring company in Europe.

CHASSIS SPRINGS

OPERATIONS

Manufacturing and sales of replacement springs in the aftermarket for cars and light trucks. The range includes chassis springs, sport spring kits, leaf springs and gas springs, with a focus on European and Asian car models. Its products contribute to improved safety and better driving properties.

COMPETITIVE ADVANTAGES

Comprehensive range. Full-service supplier that manages the entire value chain – design, manufacturing, inventory management and distribution, where high delivery precision is an important strength.

CUSTOMERS/MARKET

Spare part wholesalers and distributors who supply components to workshops in the free aftermarket. Lesjöfors is unquestionably the largest player in Europe within chassis springs. Its main markets are the UK, Germany, Russia, Sweden and other European countries. 95 percent of sales are conducted outside Sweden.

PERFORMANCE IN 2020

- A weak start to the year, with demand impacted by the mild winter, closed workshops and reduced car traffic due to COVID-19.
- A clear recovery midway through the year allowed Lesjöfors to maintain its market positions.
- Strongest growth in Russia and Ukraine. Other European markets also grew, though later in the year.
- The US market – where Lesjöfors is still a minor player – performed very well, with a 50 percent increase in sales.
- Sales amounted to MSEK 609 (641).

INDUSTRY

OPERATIONS

Development and manufacturing of industrial springs as well as wire and flat strip components, offering the customer high-tech, customized solutions. Lesjöfors also sells standard products. Manufacturing in 13 countries.

COMPETITIVE ADVANTAGES

High level of technical expertise in spring design and an ability to solve problems for customers' operations. Decentralized manufacturing operations near customers. Global delivery capacity. Complete, proprietary range of standard products.

CUSTOMERS/MARKET

13,000 customers in 60 markets Customers are found in most industrial sectors. The main markets are Sweden along with the other Scandinavian countries, Germany, the UK, China and North America. 80 percent of sales are conducted outside Sweden.

PERFORMANCE IN 2020

- Stable growth during the first quarter.
- Subsequently a clear decline, as COVID-19 negatively affected the activity level in several industrial sectors.
- Gradual improvement during the autumn.
- Industries such as infrastructure, heavy vehicles, and medical and hygiene products performed best.
- Positive growth through synergies in Tribelt, De Spiraal and Metrol Springs, which were acquired relatively recently.
- Manufacturing of power springs for the European market began in Latvia.
- Sales amounted to MSEK 1,840 (1,923).

MAIN AREAS – SUSTAINABILITY WORK

- Ensure that sustainability issues are integrated into the daily operations and contribute to efficiency enhancements.
- Energy-efficiency enhancement.
- Continued work on anti-corruption and social commitment.
- Minimize emissions of greenhouse gases.
- Reduce the amount of waste disposed of in landfills.
- Meet customer requirements concerning sustainable development.
- Offer a safe and stimulating work environment.

25%

Lesjöfors Banddetaljer installed solar panels on the roof of its plant. These solar panels produce electricity corresponding to 25 percent of the annual energy consumption at the facility.

“Despite major challenges, we’ve maintained and even strengthened our positions. By ensuring everything from liquidity to service levels, we are demonstrating how robust Lesjöfors’s decentralized working method really is.”

OLA TENGROTH, PRESIDENT OF LESJÖFORS

PRODUCTIVITY AND SUSTAINABILITY

During the spring, Lesjöfors opened a new facility in Latvia, a building spanning over 11,000 square meters in size where manufacturing of springs, gas springs and flat strip components is now fully under way. Production, which was previously spread across several buildings, is now under one roof. This has streamlined the transportation of goods and improved accessibility for employees. It has also improved the company’s proximity to other services in the area. The plant is also designed to increase productivity and improve the work environment.

“This new, updated machinery is naturally an important step in our efforts to become more productive, but will also allow us to be more efficient in our use of energy and materials. The Latvian team is now more than ready to take on new business and advanced spring projects,” says Ingars Jaunzems, President of Lesjöfors Springs LV.

ULTRAMODERN EQUIPMENT – INCREASED CAPACITY

“Ultramodern” is the best word to describe the latest production equipment at the plant in Nordmarkshyttan, Sweden: a high-capacity universal torsion spring coiling machine. The new technology has increased the plant’s production capacity and means that Lesjöfors Industrifjädrar can now manufacture springs in wire dimensions up to 5.0 mm. It has also expanded the plant’s capacity for manufacturing longer springs – up to 700 mm. Investments were also made in larger and more modern premises and in new shot peening equipment for stainless steel products. Shot peening is performed to improve spring fatigue tolerance. Torsion springs manufactured at Nordmarkshyttan are used in several different applications – everything from paper mills and heavy industry to vehicle and offshore components.

BULK ORDERS OF SPECIAL PRODUCTS

As a result of COVID-19, demand for medical equipment – a focus area for Lesjöfors – increased during the year. John While Solutions in Singapore has produced specially developed wire strip components in smaller volumes for many years. Its customers include a leading manufacturer of advanced medical equipment. In 2020, the company’s delivery volumes to this customer increased ten-fold. This means that several thousand components were delivered.

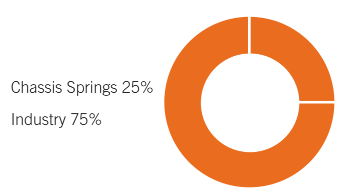
“We are very happy that we can contribute to fighting this global pandemic. Our products meet the stringent standards of the highly regulated area of medical equipment. We are doing our utmost to speed up the production of this particular component and deliver within the requested time frame,” says Roy Loh, VP Technology Asia, Lesjöfors Spring Technology in Asia.

PERFORMANCE MEASURES

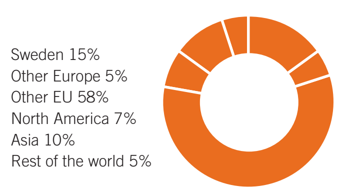
MSEK	**2020**	2019	2018	2017	2016
Net revenues	**2,448.7**	2,563.5	2,624.9	2,351.2	2,009.4
Invoicing, Chassis Springs business area	**608.8**	640.5	761.0	675.0	533.0
Invoicing, Industry business area	**1,839.9**	1,923.0	1,863.9	1,676.2	1,476.4
Cost of goods sold	**–1,654.6**	–1,746.7	–1,740.9	–1,537.5	–1,332.5
Gross profit	**794.1**	816.8	884.0	813.7	676.9
Selling expenses	**–169.5**	–185.3	–178.4	–162.0	–144.2
Administrative expenses	**–183.5***	–190.2	–175.0	–174.4	–152.5
Operating profit	**441.2**	441.3	530.6	477.3	380.2
Operating margin, %	**18.1**	17.2	20.2	20.3	18.9
Net financial items	**–12.2**	–13.0	–7.1	–5.2	–4.0
Profit after net financial items	**429.0**	428.8	523.5	472.1	376.2
Of which, depreciation and amortization	**148.2**	142.8	98.5	92.1	81.3
Capital expenditures excl. corporate acquisitions	**91.0**	153.9	158.9	111.2	149.2
Return on capital employed, %	**19**	20	32	26	27
Average number of employees	**1,696**	1,742	1,733	1,703	1,528

*includes other income of MSEK 13.2.

SHARE OF INVOICING



SALES PER MARKET



Habia Cable

Habia is a leading European manufacturer of customized cables and cable harnesses. Its products are often used in high-tech applications and are sold around the world to customers in telecom, nuclear power, defense, offshore and other industries.

HABIA CABLE

OPERATIONS

Manufacturing and sales of customized cables and cable harnesses. Many of Habia Cable's products are used in high-tech applications in harsh environments and are therefore manufactured in various types of high-performance materials. Cables are developed and manufactured in Sweden, Germany and China. Cable harness operations are concentrated in Poland.

COMPETITIVE ADVANTAGES

In-house expertise in material development, electrical properties in cables and cable design. Technical sales staff in the local markets and designers at the plants are responsible for the company's customization. They contribute complete, technical solutions that solve customers' problems. Manufacturing is flexible and often to order. Strong competitive advantages in telecom include own low-cost production in China, high quality and electrical performance, which increases the range of the base station antennas.

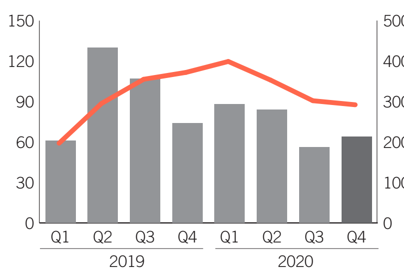
CUSTOMERS/MARKET

Habia is one of Europe's largest manufacturers of custom-designed cables for customers in the defense, nuclear power, offshore and other industries. Sales cover 50 countries, where the largest markets are Germany, France, the UK, the Netherlands, Belgium and the Nordic countries. In mobile telecom cables, Habia has long held a strong global market position. Customers include antenna manufacturers in Asia, Europe and North America.

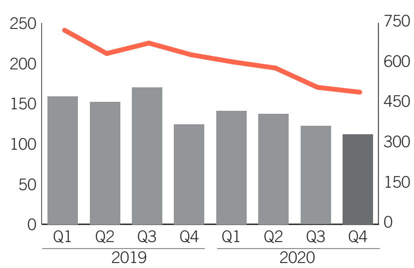
PERFORMANCE IN 2020

- Declining demand in the defense sector as the spread of COVID-19 led to delays in project procurement.
- Ongoing deliveries in nuclear power, where order bookings were stable.
- Final delivery of offshore projects. The lower oil price slowed down investments.
- Lower order bookings in telecom, since Habia focused on profitability ahead of volumes in this area.
- Demand in Other Industry in Europe was healthy at the beginning of the year, but decreased in the summer and then stabilized at a lower level in the autumn. After a short downturn in the first quarter, demand in China recovered to normal levels.
- Cost adjustments in Sweden and China, which also included personnel reductions.
- Sales amounted to MSEK 804 (979).

DEFENSE, NUCLEAR POWER AND OFFSHORE



TELECOM AND OTHER INDUSTRY



Habia Cable's products are mainly sold to customers in telecom, nuclear power, defense, offshore and other industry. Sales to nuclear power, defense and offshore are usually strongly project-related.

Net revenues, MSEK
Rolling 12 months
Quarter

MAIN AREAS – SUSTAINABILITY WORK

- More efficient energy consumption.
- Reduced VOC emissions.
- Reduced waste – increased recycling of plastics and metals.
- Further development of systems for registering near misses in the work environment.
- Continued work on anti-corruption, increased social commitment and partnerships with schools.

50%

Some 215 Habia Cable employees participated in the Group-wide business ethics training in 2020. This is an increase of approximately 50 percent compared with the preceding year.

"Sales in defense, nuclear power and offshore are strongly project-related and are therefore presented separately from Telecom and Other Industry."

CARL MODIGH, PRESIDENT OF HABIA CABLE

POTENTIAL IN DEFENSE

Sales of cables to defense customers are expected to increase in the coming years due to growing demand for cables that meet VG standards. This means that they are certified according to the standards of the German armed forces and used in military vehicles.

"The competitive situation has changed, which is creating opportunities for Habia as we have been VG-certified for quite some time," explains Thorbjörn Gustafsson, Vice President Sales & Marketing at Habia. "German defense companies have also won several international vehicle procurements recently. This will likely continue in other ongoing procurements and will benefit us in the next few years."

INVESTMENTS IN CAPACITY AND QUALITY

Investments have been made in manufacturing capacity in both Sweden and Germany, specifically in new extruders. These machines are used to coat the cable's copper wire in plastic. One new extruder is now operational at the plant in Sweden, and two at the plant in Germany.

"Through these investments, we've increased productivity several times over in this part of the manufacturing process," explains Habia President, Carl Modigh. "We also have more consistent quality in the process and can measure quality more easily than before. The new extruders can also handle several kinds of plastic. This broadens the technical solutions we can offer the market."

LIGHTWEIGHT CABLE WITH MANY COMPETITIVE ADVANTAGES

Light, simple to use and with a long lifespan, Habia's lightweight cables are used in various kinds of marine technology.

"The cables are used in diesel engines for ferries, for example. These large engines are built into the vessels at shipyards, primarily in China," explains Henrik Ollandt, Cable Solutions, Sales Asia. Because the cables' light weight is a competitive advantage, they are also used in smaller and mid-sized boats.

The lightweight cables weigh about 30 percent less than the competing products. In smaller boats, this contributes to reduced fuel consumption and maintaining speed performance. The cables' smaller diameter and ease of use also save space.

"The lifespan is another competitive advantage. Our cable is built to withstand temperatures of up to 135 degrees Celsius. This effectively doubles its lifespan compared with many other products. When it comes to sales, it is important that the product is approved by international classification companies in order to clarify the cable's expected performance.

"Our lightweight cables have a broad range of classifications and allow us to create various concepts by assembling different components and building custom-designed solutions for the customer. This leads to new opportunities, for example in defense, where interest in high-tech cables with civilian approval is growing," says Henrik Ollandt.

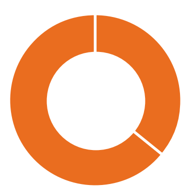
PERFORMANCE MEASURES

MSEK	**2020**	2019	2018	2017	2016
Net revenues	**804.0**	978.6	870.4	808.5	786.8
Cost of goods sold	**–573.4**	–716.9	–630.6	–581.0	–508.0
Gross profit	**230.6**	260.9	239.8	227.5	278.8
Selling expenses	**–90.7**	–106.9	–112.7	–109.1	–109.3
Administrative expenses	**–86.2**	–73.9	–69.8	–76.2	–72.5
Operating profit	**53.7**	80.1	57.3	42.2	97.0
Operating margin, %	**6.7**	8.2	6.6	5.2	12.3
Net financial items	**–6.1**	–6.8	–5.7	–4.6	–3.7
Profit after net financial items	**47.6**	73.3	51.6	37.6	93.3
Of which, depreciation and amortization	**41.8**	47.0	32.7	31.4	25.9
Capital expenditures excl. corporate acquisitions	**11.5**	18.9	38.1	11.8	49.3
Return on capital employed, %	**11**	14	11	9	22
Average number of employees	**518**	653	648	624	595

SHARE OF INVOICING

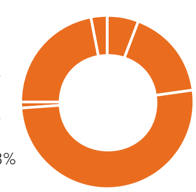
Defense, nuclear power and offshore 36%

Telecom and other industry 64%



SALES PER MARKET

Sweden 6%
Other Europe 17%
Other EU 51%
North America 1%
Asia 22%
Rest of the world 3%



Beijer Tech

Beijer Tech is a leader in selected niches in industrial trading and manufacturing in the Nordic region. The company manufactures and sells consumables and components, and sells machinery and technical solutions. Customers include Nordic industrial companies for whom Beijer Tech's products and services are adapted to meet specific needs.

FLUID TECHNOLOGY

OPERATIONS

Wholesale and manufacturing focused on hoses/couplings/valves and industrial rubber. The largest business is Lundgrens, which has warehouses, manufacturing and sales operations throughout Sweden. PA Ventiler specializes in valves for the pulp and paper industry, among others. Svebab manufactures fire hoses and firefighting equipment.

COMPETITIVE ADVANTAGES

Comprehensive product range with 35,000 items, high level of competence and a growing range of customized and proprietary components, primarily gaskets and plastic parts. Standard and specialized products for the processing industry. Leading expertise in manufacturing high-quality fire hoses.

CUSTOMERS/MARKET

The main market is Sweden. Customers include manufacturers (OEMs), specialist retailers, authorities/emergency services and industrial companies operating in manufacturing, operation and maintenance. In Sweden, Lundgrens is a market leader in industrial hoses, while Svebab is a leader in fire hoses.

PERFORMANCE IN 2020

- Lower sales addressed through increased focus on costs.
- Acquisition of PA Ventiler during the first quarter, which broadened the operations in fluid technology/valves. The company performed well during the year.
- Growth in medical technology equipment – a sales area that gained importance as healthcare's needs grew with the spread of COVID-19.
- Positive growth in the relatively recently established Lundgrens Norge, which signed several new deals.
- Sales totaled MSEK 434 (482).

INDUSTRIAL PRODUCTS

OPERATIONS

Sales of equipment, consumables and machinery as well as proprietary manufacturing. The company's business concepts include Karlebo (foundries and 3D printing), Beijers (foundries and grinding technology), Tebeco (blasting and grinding), PMU (industrial service and production automation), Norspray (surface treatment), Preben Z (surface treatment), KTT Tekniikka (transmission), Encitech (electronic components), Uudenmaan Murskaus (spare and wear parts) and INU-gruppen (building automation systems).

COMPETITIVE ADVANTAGES

Value-creating sales where products and services strengthen customers' overall finances, for example, by improving the outcome of a process or quality of a product or by reducing costs and environmental impact.

CUSTOMERS/MARKET

Industrial companies in surface treatment, foundries, steelworks and smelters, engineering companies and companies in offshore. Operations in Sweden, Norway, Denmark and Finland. Sweden is the largest market and accounts for 60 percent of sales. Market leader in the Nordic region in blasting and foundry products.

PERFORMANCE IN 2020

- Lower sales as a result of COVID-19, but increased focus on costs ensured profitability in all units.
- Acquisition of INU-gruppen in the third quarter expanded the offering into the area of building automation systems, which is a growth industry.
- Positive growth in Finland, where the relatively recently acquired Uudenmaan Murskaus signed new deals and improved its positions.
- Despite major challenges in offshore, the Norwegian Norspray was able to strengthen its operations through new customer projects.
- Sales amounted to MSEK 563 (599).

MAIN AREAS – SUSTAINABILITY WORK

- Increased energy efficiency, for example, through energy audits and preparations for solar panel installations in owned properties.
- Optimize the logistics flow through improved packaging, goods transport and business travel to reduce climate impact.
- Work environment improvements – reduce noise, improve lighting and ergonomics.
- Offer products/solutions that reduce the customer's environmental impact.
- Continued work on anti-corruption.

33%

The share of plug-in hybrids in Lundgrens' company car fleet is gradually increasing, reaching 33 percent in 2020.

"During this difficult year, we've both leveraged opportunities and completed two solid acquisitions. Our employees have also demonstrated great cost awareness, which made a positive contribution to earnings".

STAFFAN JOHANSSON, PRESIDENT OF BEIJER TECH

DIGITAL HOSE LABELING

It is now easier for customers to order hoses from Lundgrens. The company has started using digital labeling, a process by which hoses are fitted with a label that has a QR code. This code provides information regarding the type of hose, length and where the hose is to be used. Any customer who wants to place a new hose order only needs to scan the QR code using a mobile phone and send the information to Lundgrens. This saves time and reduces the risk of disruptions. Lundgrens is the only company in Europe to offer this technology, which can be used by both retailers and end customers.

LUNDGRENS QUICK TO ADAPT

The pandemic has affected Lundgrens. The company delivers products used in respirators, including gaskets and filters. During the year, demand skyrocketed and the need for fast turnaround times increased.

"In addition to a significant increase in volumes, we had shorter lead times than normal. This kind of manufacturing relies, to an extent, on manual labor. A number of employees thus had to be quickly reallocated so we could make deliveries," explains Jeanette Spångberg, Site Manager at Lundgrens.

In the spring, Karolinska University Hospital in Stockholm inquired after a sponsorship for protective equipment, specifically the foam rubber used in visors worn by healthcare workers. Lundgrens procured the foam rubber, cut the material into the correct lengths and delivered approximately 3,000 pieces to the hospital.

"In both of these cases, it was obvious that we had to do what we could to help. Everyone here has been incredibly engaged and committed to helping in this unique situation. Our customers have also been grateful for these initiatives."

NORSPRAY DELIVERS

Despite challenges, Norspray maintained its position in 2020. The company specializes in surface treatment in areas such as offshore. The entire Norwegian national economy has been affected by the pandemic. At the same time, changes are taking place in the energy industry that also affect the oil and gas industry.

"It's been a tough, challenging year, during which our volumes in offshore decreased dramatically. This led to a decline in revenues for Norspray compared to 2019. Even so, we've managed to maintain our positions, due in part to increased demand from smelter customers," explains Roar Bråtane, President of Norspray.

In parallel with cost-saving measures, the company also continued to make investments and enjoyed a healthy flow of new projects and customer requests.

"Predicting the future in the midst of the COVID-19 pandemic is difficult. Nevertheless, we hope that developments at Norspray will be positive in 2021," concludes Roar Bråtane.

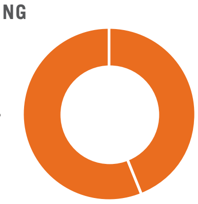
PERFORMANCE MEASURES

MSEK	**2020**	2019	2018	2017	2016
Net revenues	**997.1**	1,080.1	913.1	811.5	731.1
Invoicing, Fluid Technology business area	**434.2**	481.5	415.0	359.2	300.0
Invoicing, Industrial Springs business area	**562.9**	598.6	498.1	452.3	431.1
Cost of goods sold	**–720.6**	–778.5	–660.8	–588.4	–541.1
Gross profit	**276.5**	301.6	252.3	223.1	190.0
Selling expenses	**–123.2**	–129.3	–117.3	–105.0	–115.2
Administrative expenses	**–83.6***	–90.9	–74.5	–70.9	–66.9
Operating profit	**69.7**	81.4	60.5	47.2	7.9
Operating margin, %	**7.0**	7.5	6.6	5.8	1.1
Net financial items	**–8.2**	–4.8	–0.3	–0.9	–0.5
Profit after net financial items	**61.5**	76.6	60.2	46.3	7.4
Of which, depreciation and amortization	**48.9**	40.1	6.8	6.6	7.1
Capital expenditures excl. corporate acquisitions	**21.9**	48.2	7.7	2.3	5.0
Return on capital employed, %	**13**	19	20	18	4
Average number of employees	**367**	313	229	213	211

*includes other income of MSEK 6.

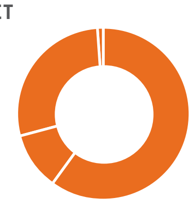
SHARE OF INVOICING

Fluid Technology 44%
Industrial Products 56%



SALES PER MARKET

Sweden 60%
Other Europe 11%
Other EU 28%
Asia 1%



Beijer Alma's Sustainability Report

SUSTAINABILITY OBJECTIVES 2019–2023

1. Sound business ethics with social commitment – zero tolerance for corruption or anti-competitive practices. Involvement in the communities where we have operations.

2. More efficient use of resources – reduced energy consumption, more efficient recycling and lower amounts of waste.

3. Reduced climate impact – reduced CO_{2e} emissions from energy consumption, transportation and travel.

4. Safe and stimulating work environment – a vision of zero tolerance when it comes to workplace accidents and a reduced accident frequency rate. Combating discrimination and encouraging diversity in all forms.

34 MANUFACTURING UNITS

This year's Sustainability Report is based on data from 34 manufacturing units regarding energy consumption, CO_2 emissions and anti-corruption. Sales companies and other units that work a lot with sales, purchasing or procurements reported data on their work with anti-corruption and business ethics.

INVESTMENTS IN THE ENVIRONMENT AND WORK ENVIRONMENT

Improved work environment 55%

Energy-efficiency enhancement 28%

Air purification 4%

Waste management 2%

Other investments 11%

GLOBAL COMPACT ONLINE

Beijer Alma has been a signatory of the UN Global Compact since 2015. As a signatory to this initiative, the Group agrees to adhere to ten principles in the areas of human rights, labor conditions, the environment and anti-corruption. A Communication on Progress (CoP) is prepared annually to show how the Group adheres to these principles. The 2020 CoP is presented on our website: beijeralma.se.

INVESTMENT IN SOLAR PANELS

Beijer Alma aims to increase the share of independently produced green electricity. This is a sub-target under the objective "More efficient use of resources." Two facilities in Sweden have installed solar panels on the roof of their plants. These solar panels produce electricity corresponding to 25 percent of the annual consumption at each facility.

40%

Approximately 40 percent of the Group's units manufacture products that contribute to a lower environmental impact, for example by replacing plastic products with greener alternatives. Many components are developed and produced using processes that reduce material usage, while others cut the customer's energy consumption or have longer lifespans than competing products.

CONTENTS

READ MORE AT BEIJERALMA.SE

A sustainable Beijer Alma

GOVERNING GROUP OBJECTIVES

Beijer Alma has long-term sustainability objectives in four areas. These Group-wide objectives are based on the materiality analysis carried out and are connected to the detailed objectives and action plans prepared by the local operations, mainly within the framework of ISO 14001.

PART OF THE DAILY OPERATIONS

Sustainability influences planning and decision-making throughout the Group, including the Board's annual strategy review and monthly meetings with subsidiaries and their weekly reports. It also affects everyday issues from risk management and business plans to investment decisions and product development.

IN LINE WITH THE GLOBAL COMPACT

Beijer Alma is also a signatory of the Global Compact, a UN initiative to promote and implement corporate socia responsibility (CSR). The Group follows the Global Compact's principles by:

- applying sound business principles and high ethical standards, for example by preventing corruption.
- creating a safe, positive and stimulating work environment.
- using natural resources as efficiently as possible and minimizing environmental impact and climate change.
- approaching its operations from a life cycle perspective – raw materials, suppliers, products, services and customers
- becoming involved in the communities where Beijer

STAKEHOLDER ANALYSIS

Stakeholder group	Demands and expectations	Value creation	Communication channels
Customers	Certified environmental management systems, requirements for chemical substances, environmental product declarations, conflict minerals, product labeling, transportation with a lower environmental impact, codes of conduct and specific legislation that must be fulfilled.	Customer commitment to sustainable development is gradually increasing. Most of the Group companies are now subject to various demands. During 2020, customer follow-ups were conducted at 17 (18) units through either surveys or visits. Minor shortcomings were noted, but the outcome was mainly positive. The results were used to further advance both the Group's sustainability work and customer confidence.	Code of Conduct, on-site visits, surveys and dialogues during procurement. Annual report/sustainability report, CDP reporting, CoP and social media
Employees	Health, safety, salaries, benefits, social conditions, job satisfaction and development opportunities.	Employee performance reviews, professional development, preventative healthcare and preventative work environment measures. During 2020, Beijer Alma paid MSEK 1,179 (1,263) in salary and other personnel costs. The number of training hours and investments in work environment improvements are presented on page 23.	Employee surveys, development talks, local sustainability reports
Investors	Minimize risks, create new business opportunities and engage in credible, forward-thinking sustainability work. Financial returns.	The integration of sustainable development into strategies and day-to-day operations reduces risks and creates business opportunities. Beijer Alma regularly communicates with its owners and investors. Beijer Alma's share price declined 16.3 percent in 2020. The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 3.00 (2.50) per share.	Website, Annual General Meeting, interim reports, annual report/ sustainability report, CDP reporting and CoP (Global Compact)
Authorities	Beijer Alma is subject to extensive environmental and work environment legislation. The introduction of new or amended legislation impacts the Group's operations.	Compliance is monitored through reports to various authorities and by way of internal and external inspections and audits. No significant violations of environmental or work environment legislation occurred in 2020.	Reports, internal and external audits
Social commitment	Involvement in society at both the local and national level.	Creates a sense of trust and interest in Beijer Alma. Support for non-profit organization strengthens their operations. Partnerships with schools and universities help to attract future employees.	Website, study visits, annual report/sustainability report
Suppliers	Clear, consistent demands with respect to sustainable development and follow-up of these demands.	Trustworthy relationships, where Group companies provide information about Beijer Alma's Code of Conduct and expect their suppliers to share this approach. Suppliers' sustainability agendas are evaluated. In 2020, 276 (224) surveys and 27 (72) audits were performed. These suppliers all demonstrated an acceptable level of compliance with the Group's requirements. Beijer Alma paid MSEK 1,810 (2,052) to its suppliers of input materials.	Code of Conduct, annual report/sustainability report

Alma operates – through both Group projects and local initiatives with schools and associations.

CODE OF CONDUCT – GUIDING PRINCIPLES

Beijer Alma's Code of Conduct serves as a guide for its employees and partners in their everyday operations. By applying the Code:

- we comply with legislation, the UN Global Compact, the UN Convention on the Rights of the Child and other international agreements and guidelines.
- we take the financial expectations of our stakeholders into consideration and create customer and shareholder value.
- we ensure that CSR is integrated into the Group and practiced in relation to employees, customers, suppliers, owners and other stakeholders.
- we contribute to sustainable development, including health and social welfare.

The Code places demands on our employees and partners when it comes to acting honestly. Bribes are prohibited. Gifts and benefits may not exceed the amounts prescribed by local practices and legislation. We comply with competition legislation and apply sound marketing principles.

ALERTING THROUGH THE WHISTLEBLOWER SYSTEM

The whistleblower system allows our employees to report any suspected improprieties without a risk of harassment or reprisal. All reports are handled by an external recipient, who ensures that appropriate action is taken.

GOVERNANCE AND FOLLOW-UP

The overall strategy, objectives and follow-up are handled by Beijer Alma's management and a Group-wide team that includes the presidents and sustainability managers of Lesjöfors, Habia Cable and Beijer Tech. Sustainability data is collected from the relevant units in the Group once per year. This is managed through the digital platform Worldfavor, which simplifies data collection, follow-up and improvement measures. Status updates are reported regularly by Group management to Beijer Alma's Board of Directors and, through the annual Sustainability Report, to investors, the media and other stakeholders.

Operating responsibility for the sustainability agenda – implementing and reporting on local objectives and plans – is delegated to the manager at each unit. The unit managers are supported by sustainability managers in the Group-wide team who organize the work related to the overall objectives and strategies in each subsidiary. This work is then followed up in consultation with the companies' management teams and through audits and sustainability reports. Each unit also receives a report on their own sustainability performance once a year. This report also serves as a tool in local efforts to improve and meet the unit's objectives.

SYSTEMATIC WORK

Certified environmental management systems are a component of the sustainable development strategy. ISO 14001 provides a systematic approach to environmental work and contributes to continuous improvements. The goal is for the Group's production units and other major units to be certified. A total of 27 (27) units are currently certified. Three additional companies are preparing to implement the environmental management system over the next six to 18 months. Environmental audits are part of the Group's continuous efforts to monitor and improve the environmental management system. Beijer Alma employs 54 (58) internal environmental auditors, who conducted 37 (42) environmental audits in 2020. The Group's facilities were audited by external certification auditors on 26 (27) occasions.

MATERIALITY ANALYSIS

The materiality analysis is inspired by the GRI guidelines. It identifies the most important areas to address, which in turn provide a foundation for the Sustainability Report. The materiality analysis and the stakeholder analysis presented on page 15 thus serve as a combined sustainability agenda.

1 Business ethics/corruption
2 Attract, develop employees
3 Work environment issues
4 Climate change
5 Innovation/sustainable solutions
6 Legal requirements – environment/work environment
7 Energy consumption
8 Social commitment
9 Diversity/human rights
10 Transport/travel
11 Waste management
12 Sustainability risks – acquisitions
13 Water consumption

GUIDANCE – STATUTORY SUSTAINABILITY INFORMATION	PAGE
Business model	inside cover
Policies, frameworks, stakeholders and material topics	15–16
Environmental responsibility	15–17, 21–22
Working conditions and CSR	15–16, 23
Human rights	15, 18, 20, 23
Prevention of corruption	15–16, 18, 20
Risks and risk management	18–19
Diversity on the Board and management	23

About the Sustainability Report

STATUTORY SUSTAINABILITY REPORT

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Beijer Alma has chosen to prepare its statutory Sustainability Report separately from the Annual Report. The Sustainability Report is presented on the inside cover and pages 14–23. The Annual Report and Sustainability Report were submitted to the auditor at the same time. Unless otherwise specified, the information pertains to the entire Beijer Alma Group, including subsidiaries.

ENVIRONMENTAL ASPECTS/SYSTEMATIC ENVIRONMENTAL WORK/ISO 14001

Component manufacturing is associated with a number of key environmental aspects. Examples include Lesjöfors and Habia Cable's use of materials (metals, plastics), chemicals (solvents), energy and water. Other key issues include emissions of climate-impacting gases and solvents (VOC) as well as the creation of waste. Within Beijer Tech, significant environmental aspects mainly pertain to products, packaging and transportation. The ISO 14001 environmental management system is a valuable tool used by the Group to systematically reduce its environmental impact.

ENVIRONMENTAL LEGISLATION

Beijer Alma is subject to extensive environmental and work environment legislation as well as new and amended requirements that impact the Group's operations. Around 60 percent of the units hold specific environmental permits for their operations. Six of these units are located in Sweden. Five units plan to renew their environmental permits in the coming years. Compliance with legislation is monitored through reports to various authorities, by way of inspections and through internal and external environmental audits. During 2020, nine units were inspected by supervisory authorities. In all cases, these inspections resulted in no negative remarks or only minor corrective measures. No violations of environmental or work environment legislation were reported. In addition to environmental permits, many of the units are subject to other environmental legislation, including legislation pertaining to hazardous substances (REACH, RoHS, etc.), producer liability for packaging or rules for waste management. The EU Energy Efficiency Directive affects all of Beijer Alma's units within the EU, requiring them to carry out energy audits and submit reports to authorities. In Sweden, for example, a new audit cycle began in 2020 that will last until 2023.

REPORTING PRINCIPLES

The Sustainability Report addresses aspects pertaining to the environment, work environment, social issues, anti-corruption and human rights. In addition to meeting the relevant legal requirements, the report is intended to provide clear information on the company's CSR activities and how they are connected to the company's business operations. The report is also intended to explain the Group's work related to the Ten Principles of the UN Global Compact in accordance with CoP requirements. This information is also used to report the Group's climate impact in accordance with CDP.

The GRI guidelines provide a basis for the Group's reporting and choice of indicators. Most units that were part of Beijer Alma in 2020 are included in the report. Data was provided by a total of 34 manufacturing units in Sweden, Denmark, Finland, Latvia, Poland, Slovakia, Germany, the Netherlands, the UK, the US, Thailand, Singapore and China. An additional 13 units, including sales companies, contributed data for the report on anti-corruption. The calculation of relative performance measures for resource consumption and climate impact does not include net revenues from acquired units, which have not yet begun reporting sustainability data.

DATA QUALITY ASSURANCE

Each unit has contributed quantitative and qualitative information. The head of each unit is responsible for assuring the quality of the information. The data for the year has been compared and verified against the information from the preceding year. Emissions of carbon dioxide, sulfur dioxide and nitrogen oxide from direct energy consumption have been measured using conversion factors based on the energy content and quality of the fuel used. CO_2 emissions from indirect energy consumption – mainly electricity – are measured based on emission factors from Carbon Footprint (www.carbonfootprint.com) for the countries in which Beijer Alma conducts operations. In cases where energy suppliers present specific information regarding the energy mix, the supplier's measurement models are used. Information about VOC emissions is primarily based on mass balance calculations.

GHG PROTOCOL

The Group's CO_{2e} emissions from direct and indirect energy consumption are measured according to Scope 1 and Scope 2 of the GHG Protocol. This is the most common international method for measuring greenhouse gases.

GLOBAL COMPACT

As a member of the Global Compact, Beijer Alma agrees to adhere to ten principles in the areas of human rights, labor conditions, the environment and anti-corruption. The CoP explains how the Group's work relates to the Ten Principles. The 2020 CoP is available on the Group's website: beijeralma.se.

Sustainability objectives and risk management

The group has four sustainability objectives. These objectives are based on the materiality analysis but are also connected to a number of risks. Management of these risks is part of the Group's sustainability agenda, which helps to protect Beijer Alma's reputation, financial position and long-term competitive ability.

SOUND BUSINESS ETHICS WITH SOCIAL COMMITMENT

Beijer Alma represents honesty and honorability, and we expect the same from all of the stakeholders that the Group collaborates with. The Group applies sound business ethics, and bribes and anti-competitive practices are forbidden. Our social responsibility is clear and involves supporting and collaborating with different stakeholders who share our values.

BUSINESS ETHICS AND HUMAN RIGHTS

Risk

A lack of business ethics and human rights violations – in the Group companies or among our suppliers – could harm Beijer Alma's reputation and business operations.

Risk management

We prevent corruption, anti-competitive practices and human rights violations through information, training, internal regulations (the Code of Conduct) and follow-up, including audits and employee surveys. The whistle-blower system is also part of this work.

Outcome

No breaches of business ethics or human rights violations were reported. More employees received the anti-corruption and business ethics information and training material developed in 2019.

HANDLING OF CONFLICT MINERALS

Risk

The trading of conflict minerals finances violence and attacks. Being associated with such trading could seriously damage the Group's reputation and business operations.

Risk management

Ten Group companies work with the raw materials in question. They have rules in place, are evaluated by customers and conduct review procedures to determine with reasonable certainty that minerals such as tin, tantalum and wolfram are not sourced from areas of armed conflict.

Outcome

None of the raw materials handled by the Group were connected to any conflict minerals.

MORE EFFICIENT USE OF RESOURCES

Beijer Alma's use of energy, materials and other natural resources is to be efficient and economical. Resources are to be recycled to the greatest extent possible to contribute to sustainable development.

ENERGY COSTS

Risk

Insufficient control of energy consumption and higher energy costs could have a negative impact on the operations, for example in terms of the purchase of electricity, for which prices are expected to increase in the long term. Taxes and charges for fossil-based fuels are also expected to rise.

Risk management

The Group monitors developments and evaluates alternative energy sources and, as a result, has installed solar panels at two facilities. A Group-wide energy-efficiency objective has been established. Measures are being carried out at our various units to make our energy consumption more efficient and to reduce our energy consumption in line with the sustainability objectives.

Outcome

Energy costs have not risen beyond what was expected. Several units carried out or prepared to conduct energy audits during the year. Examples of energy efficiency measures are reported on page 21.

REDUCED CLIMATE IMPACT

Beijer Alma supports the UN SDGs for 2030 and actively contributes to reducing climate change and its consequences. We do so by reducing our emissions of climate-affecting gases and by evaluating how climate change affects our activities.

CLIMATE CHANGE

Risk
Climate change may result in damage to plants, impact our access to raw materials or the conditions among suppliers and give rise to changes in customer behavior. Taxes, fees and emission limitations could also affect the Group.

Risk management
The Group follows developments through its own risk analyses – and those conducted by government authorities in the countries affected – and takes action accordingly. Because many products are developed together with customers, the local units can better adapt to new customer behaviors/demand patterns.

Outcome
Two units are located in areas where extreme weather conditions may occur (China and Thailand). No climate-related damage or restrictions were noted. Nor were the operations affected by new or increased taxes, fees or emission limitations to any great extent.

CHANGES IN ENVIRONMENTAL LEGISLATION THAT INCREASE COSTS

Risk
Changes in environmental legislation can impact the operations and increase costs.

Risk management
We monitor developments in environmental legislation and implement changes, such as the energy audits required under the EU Energy Efficiency Directive. This work initially results in costs, but also paves the way for efficiency enhancements and savings.

Outcome
New or expanded environmental legislation had no material impact on the operations. The units hold the necessary permits for their operations. The requirements in the REACH chemical legislation, the RoHS product legislation, producer liability for packaging waste and other relevant legislation are met. New energy audits will be carried out from 2020 to 2023.

CONTAMINATED LAND AND HAZARDOUS SUBSTANCES IN BUILDINGS

Risk
Contaminated land and hazardous substances in buildings can harm people and the environment, increase costs and damage Beijer Alma's reputation and business operations.

Risk management
Inventories are used to identify any occurrences of contamination and hazardous substances, including in connection with acquisitions. Remediation is undertaken as required.

Outcome
There are currently no known instances of asbestos used in buildings. PCB inventories were taken in Sweden. The land at one facility in Sweden is contaminated by metals and oil. Beijer Alma is not financially responsible for any investigations or environmental remediation. The matter is being administered and financed by the County Administrative Board. Another Swedish unit is included in the official government register of contaminated land, known as the MIFO Register, in the lowest risk category.

SAFE AND STIMULATING WORK ENVIRONMENT

Beijer Alma takes a preventive and systematic approach in order to create a healthy and safe work environment, where employees have the opportunity to develop their knowledge and skills. We treat everyone equally and with respect, and support diversity across the entire Group.

Risk
Workplace accidents and injuries can have a significant impact on employees' lives and health. In addition to safety, workplaces are to be associated with opportunities for personal development. Otherwise recruiting becomes difficult and, over the long term, the Group's competitive ability could be weakened.

Risk management
Work environment committees, internal audits and incident reporting are important preventative measures when it comes to creating safe workplaces. Accident and absence statistics are monitored and linked to tangible measures. Work environment issues and employee requests for personal development are identified in employee surveys and development talks.

Outcome
During the year, the rate of short and long-term sickness absence remained low. The accident frequency rate and number of employee surveys and development talks are reported on page 23. No violations of the Code of Conduct related to equality, respect or diversity were reported.

Sound business ethics with social commitment

SUSTAINABLE DEVELOPMENT OBJECTIVE

The sustainability objective for business ethics/anti-corruption states that Beijer Alma has zero tolerance for any type of corruption or anti-competitive practices. To ensure a high level of ethics, employees are regularly trained in the Code of Conduct. We are engaged and assume social responsibility in the communities where the Group operates. We do this by supporting selected organizations and associations as well as collaborating with schools, universities and industry networks.

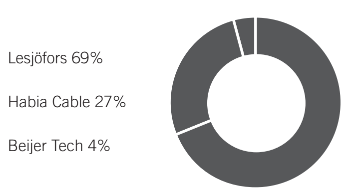
BUSINESS ETHICS

The Group's anti-corruption initiatives are built on information and training related to the Code of Conduct, sanction systems for violations, and guidelines on gift amounts and business entertainment. Corruption is also prevented through management systems, internal dialogues and financial monitoring.
Outcome: 793 (721) employees completed the Group's business ethics training, which was launched in 2019. Management in all major units also perform an annual business ethics self-assessment based on guidelines from the Global Compact. According to this year's assessment, no aspects of the Code were violated. No sanctions were imposed.

SOCIAL COMMITMENT

At the Group level, social commitment encompasses support for vulnerable people and for training teachers in natural science subjects. Several units have local partnerships with schools, universities, engineering colleges and research institutes, in addition to supporting sports clubs, healthcare, cultural programs and local development organizations.
Outcome: The Group's social commitment efforts were affected by the pandemic. Many schools and organizations were closed for certain periods, worked from home or implemented other forms of social distancing. This reduced the Group's opportunities to establish contacts and partnerships. A total of 110 people (277) participated in open houses, and 85 students (285) took part in other kinds of activities. Support/sponsorship of local development organizations decreased marginally. Almost 40 percent of the units provided this kind of support.

BUSINESS ETHICS TRAINING – SHARE OF PARTICIPANTS PER DOTTERBOLAG



OUR CONTRIBUTION TO THE SDGS

SDG 16.5: Substantially reduce corruption and bribery in all their forms

- developing our own Code of Conduct. connected to information and training initiatives for employees.
- informing our business partners about our Code of Conduct.
- customizing business ethics/anti-corruption training for key individuals.
- conducting an annual ethics self-assessment based on the Global Compact.
- maintaining a whistleblower system.
- following up on internal management systems.
- maintaining a sanctions system for violations.

SDG 17: Partnerships for the goals

- having our own guidelines and sustainability objectives.
- monitoring/reporting our sustainability work.
- collaborating with and meeting requirements from stakeholders.
- supporting non-profit organizations.
- supporting people with social disadvantages.

793

793 employees participated in the Group's ethics training. This program was launched in 2019 and focuses on issues like conflicts of interest, anti-competitive practices and undue influence.

195

Due to the pandemic, the number of participants in open houses and study visits decreased dramatically. The number of such visitors totaled 195.

More efficient use of resources

SUSTAINABLE DEVELOPMENT OBJECTIVE

The Group-wide energy objective is based on reducing energy consumption by 10 percent by 2023 compared with 2018. Efficiency enhancements and independently produced fossil-free energy contribute to this objective. The performance measure used is energy consumption/net revenues (MWh/MSEK). By 2023, at least 95 percent of all waste is to be recycled as materials or energy. Compared with the level in 2018, the relative amount of waste (tons of waste/MSEK in net revenues) should decrease by 2023.

58.3

ENERGY CONSUMPTION

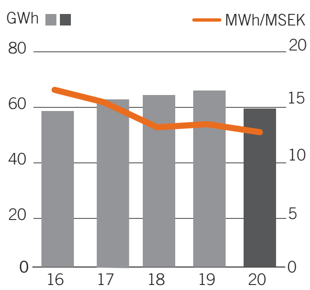
The Group's energy consumption amounted to 58.3 GWh (64.9), of which approximately 73 percent (73) comprised indirect energy. Biofuel and electricity from renewable sources accounted for 16 percent (15) of energy consumption.
Outcome: The relative performance measure amounted to 14.0 (14.5) MWh/MSEK. Several German units performed energy audits in accordance with the EU Energy Efficiency Directive. Audits at additional units in Europe are planned for the next three years.

4,750

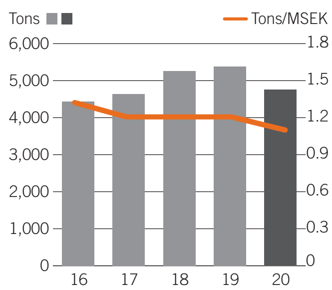
WASTE MANAGEMENT

The amount of waste generated totaled approximately 4,750 tons (5,400). Around 88 percent (90) was recycled as materials or energy. Approximately 3,400 tons (4,000) of metal were recycled. About 8 percent (7) of the total volume comprised hazardous waste, which was handled by approved waste management companies.
Outcome: The relative performance measure amounted to 1.1 tons of waste/MSEK (1.2). This waste primarily comprised metals recovered in optimized systems with low improvement potential.

ENERGY CONSUMPTION



WASTE



OUR CONTRIBUTION TO THE SDGS

SDG 7: Affordable and clean energy

- analyzing our energy consumption and increasing efficiency.
- purchasing and producing our own green electricity.
- investing in new technology and optimizing manufacturing processes to reduce energy consumption.
- installing energy-efficient LED lighting.
- reusing energy in production.
- making investments to reduce water consumption.
- streamlining production flows to reduce energy consumption.

SDG 9: Industry, innovation and infrastructure

- working closely with customers during product development.
- investing in machinery/production lines with a lower environmental impact.
- working systematically with ISO 14001.
- conducting internal and external environmental audits.
- working with improvement tools such as Lean and Six Sigma.
- improving the outcomes of customer manufacturing processes.
- collaborating on development projects with external stakeholders.

SDG 12: Responsible consumption and production

- reducing scrapping in our production.
- increasing sorting at source/recycling of waste.
- offering products that reduce the customer's environmental impact.
- helping customers to reduce their environmental impact.

RAW MATERIALS AND CHEMICALS

In 2020, approximately 28,000 tons (29,000) of metal, 860 tons (1,210) of plastic and 115 tons (156) of solvents and other chemicals were used. Three chemical substances were replaced with alternatives with a lower environmental impact. Several units use metals that are classified as conflict minerals. Procedures are in place to ensure that raw materials do not originate from areas with ongoing armed conflicts.

Reduced climate impact

SUSTAINABLE DEVELOPMENT OBJECTIVE

The objective is for CO_{2e} emissions from the Group's energy consumption to be reduced by 25 percent by 2023 compared with 2018. This is a relative objective and the performance measure used for emission intensity is tons of CO_2/MSEK in net revenues. The goal is also to reduce the Group's total emissions. Beijer Alma is also to reduce the share of fossil-dependent transportation and travel by establishing more comprehensive guidelines in the Group companies and through the companies purchasing fewer fossil-dependent transportation services, vehicles and journeys.

OUR CONTRIBUTION TO THE SDGS

SDG 13: Climate action

- reducing emissions of climate gases.
- producing our own green electricity.
- implementing energy-efficiency enhancements.
- reducing emissions from travel/transportation/company cars.
- minimizing VOC emissions.

12,700

CO_2 EMISSIONS

CO_{2e} emissions from direct and indirect energy consumption are measured according to Scope 1 and Scope 2 of the GHG Protocol. These emissions amounted to 12,700 tons (14,800). Of these emissions, 73 percent (74) were Scope 2 emissions: indirect emissions from purchased electricity and district heating. The remaining 27 percent (26) were Scope 1 emissions: direct emissions from, for example, oil and gas. Approximately 65 percent (70) of indirect emissions were linked to the purchase of electricity in Germany and China. This reduction in emissions was largely due to decreased energy consumption at several units, including units in China.

Outcome: The performance measure amounted to 3.0 tons of CO_2/MSEK (3.3). The purchase and production of green electricity, use of biofuels and energy-efficiency enhancements are examples of measures taken to limit the growth of our carbon footprint. Over time, these measures have been counteracted by increased energy consumption, mainly in countries with coal-based electricity production.

18.3

OTHER EMISSIONS TO THE ATMOSPHERE

VOC emissions amounted to 18.3 tons (17.6). Emissions of sulfur dioxide and nitrogen oxide amounted to 1.8 tons. The installed quantity of coolants (CFC/HCFC) was less than 0.1 ton. Some of these ozone-depleting substances were released to the atmosphere.

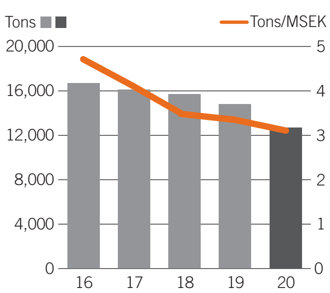
TRANSPORTATION, BUSINESS TRIPS AND COMPANY CARS

The environmental impact from transportation is to be reduced by purchasing company cars with a lower environmental impact, installing charging stations for electric and hybrid cars, streamlining transportation planning, using video conferences more often and using more rail transport. 11 units have a sustainability policy regarding company cars. 19 units plan to implement similar policies by no later than 2021/2022. Nine units have a sustainability policy for business trips, while 23 units plan to develop a policy in 2021/2022.

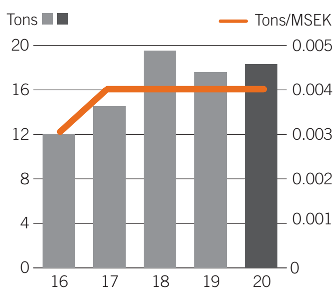
GREEN ELECTRICITY

Purchasing green electricity reduces CO_2 emissions. This electricity is produced from renewable sources like hydropower or wind turbines. Plants in Sweden, Denmark and Poland currently use green electricity. Swedish units hold a clear lead and account for more than 95 percent of the green electricity used. The front runner in green electricity is Habia Cable's plant in Söderfors, Sweden, with 5,000 MWh consumed every year.

CO_2 EMISSIONS



VOC EMISSIONS



50%

The plants in China and Germany continue to account for the largest portion of the Group's total CO_2 emissions. In these two countries, Lesjöfors and Habia Cable currently have a total of seven manufacturing units, which accounted for approximately half of Beijer Alma's CO_2 emissions in 2020.

Safe and stimulating work environment

SUSTAINABLE DEVELOPMENT OBJECTIVE

The Group has a vision of zero tolerance when it comes to workplace accidents and aims to reduce the accident frequency rate by 2023. Beijer Alma encourages diversity, is against all forms of discrimination and is to actively work to improve the gender distribution at every level within the operations.

75%

WORK ENVIRONMENT INITIATIVES

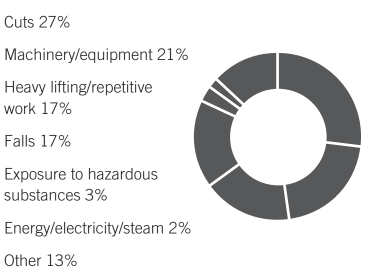
The rate of short and long-term sickness absence amounted to 2.9 percent (2.5) and 1.7 percent (1.5), respectively. There were 51 (57) workplace accidents resulting in more than one day of absence (lost work cases, LWC). The number of lost work days (LWD) due to accidents amounted to 716 (620). During the year, 384 near misses (341) were reported. Approximately 75 percent of the companies performed workplace health and safety inspections, including noise and dust measurements, general health checks, risk analyses and reviews of chemical use in their operations. *Outcome:* The number of accidents per million hours worked amounted to approximately 3.1*. No irregularities, near misses or whistleblower incidents pertaining to human rights were identified in the preparation of this report.

*The basis of calculation was revised in 2020.

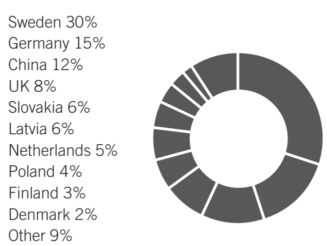
TRAINING

Approximately 25,500 (32,900) hours of training for managers and sales, production and marketing employees were completed in 2020. In the areas of health, environment and safety, an average of 3.5 (3.5) training hours per employee were completed.

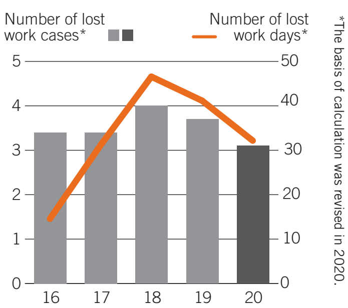
CAUSES OF WORKPLACE ACCIDENTS



GEOGRAPHIC DISTRIBUTION OF EMPLOYEES

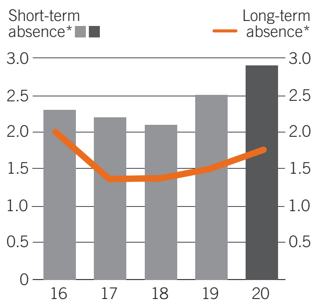


WORKPLACE ACCIDENTS RESULTING IN ABSENCE



* % of million hours worked.

SICKNESS ABSENCE, SHORT/LONG-TERM



* % of million hours worked.

OUR CONTRIBUTION TO THE SDGS

SDG 4: Quality education

- supporting the Teach for Sweden organization.
- collaborating with local upper-secondary schools on internships.
- engaging in technical collaborations with universities/colleges.
- offering students internships and the opportunity to carry out degree projects.
- cooperating with industrial research institutes.
- offering employees training and development opportunities.

SDG 5: Gender equality

- offering all employees the same development opportunities.
- taking equality into consideration during recruitment.
- striving for fair, competence-based pay.
- implementing local equality plans.

SDG 8: Decent work and economic growth

- minimizing near misses and accidents in the work environment.
- investing in technology/aids that improve the work environment.
- conducting workplace health and safety inspections
- offering employees training and development opportunities.
- investing in existing operations to increase growth.
- acquiring new companies that broaden our range and create growth.

EMPLOYEES

Beijer Alma had an average of 2,564 employees (2,658) in 16 (17) countries. The proportion of female employees was 31 percent (31). The proportion of women on the company's Board of Directors was 38 (43) percent. Group management included one woman. The proportion of women among the management groups of the individual units was 26 percent (20). A total of 60 (55) women were members of a management group. Employee surveys were carried out at 23 (24) units. The majority of those surveyed were satisfied with their job and their workplaces. Some 1,100 employees (1,300) participated in development talks.

BOARD SIGNATURES

Uppsala, March 1, 2021

Beijer Alma AB

Board of Directors

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of shareholders in Beijer Alma AB (publ), corporate registration number 556229–7480

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for the sustainability report for 2020 on pages 14–23 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

AUDIT SCOPE

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

OPINION

A statutory sustainability report has been prepared.

Uppsala, March 1, 2021

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Board of Directors

BOARD OF DIRECTORS

Johan Wall, born 1964
Chairman
Deputy Director: 1997–2000
Director: 2000–2016
Holding: 14,000
Chairman of:
Beijer Holding AB.
Director of: Skirner AB, the Kjell & Märta Beijer Foundation, the Anders Wall Foundation and others.

Johnny Alvarsson, born 1950
Director since: 2017
Holding: 5,800
Chairman of: VBG AB,
FM Mattson Mora Group,
Director of: Instalco AB and Sdiptech AB.

Carina Andersson, born 1964
Director since: 2011
Holding: 4,000
Director of: Swedish Stirling AB, Systemair AB, Gränges AB and BE Group AB Detection Technology AB.

Oskar Hellström, born 1979
Director since: 2020
Holding: 5,000
Deputy CEO and CFO of Gränges AB.

Hans Landin, born 1972
Director since: 2019
Holding: 2,660
Group Vice President of The Timken Company.

Caroline af Ugglas, born 1958
Director since: 2015
Holding: 4,000
Director of: AMF Pension and Lifco.

Anders Ullberg, born 1946
Director since: 2007
Holding: 30,000
Chairman of:
Boliden, Eneqvist Consulting and Studsvik.
Director of: Epiroc and Valedo Partners.
Chairman of the Swedish Financial Reporting Board and Member of the Board of the European Financial Reporting Advisory Group.

Cecilia Wikström, born 1965
Director since: 2018
Holding: 1,250
Chair of the Board of Governors of the European Institute of Public Administration (EIPA) in Maastricht.
Director of Elekta AB, Integrum AB and senior advisor at Prime Weber Schandwick.

HONORARY CHAIRMAN

Anders Wall
Chairman of the Board 1993–2016

Senior executives

SENIOR EXECUTIVES

Henrik Perbeck,
born 1972
President and CEO
Beijer Alma AB
Master of Engineering
Employee since: 2018
Holding with
family: 16,600

Erika Ståhl,
born 1970
Chief Financial Officer
Beijer Alma AB
Master of Business
Administration
Employee since: 2020
Holding with
family: 1,250

Ola Tengroth,
born 1963
President and CEO
Lesjöfors AB
Master of Business
Administration/
Mechanical Engineer
Employee since: 2019
Holding with
family: 2,350

Carl Modigh,
born 1972
President and CEO
Habia Cable AB
Master of Engineering and
Executive MBA
Employee since: 2007
Holding with
family: 1,800

Staffan Johansson,
born 1976
President and CEO
Beijer Tech AB
Master of Engineering
Employee since: 2019
Holding with
family: 5,002

Corporate Governance Report

GROUP CONTROL

Beijer Alma AB is a Swedish public limited liability company listed on Nasdaq Stockholm (Stockholm Stock Exchange). Its corporate governance is based on Swedish legislation, rules and regulations, including the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's rules for issuers, the Swedish Corporate Governance Code (the "Code"), the company's Articles of Association and other relevant rules, guidelines and internal governance documents.

Beijer Alma is a holding company whose business concept is to create value by owning and managing wholly owned subsidiaries with a focus on component manufacturing and industrial trading. The organization is largely decentralized.

DEVIATIONS FROM THE CODE

Beijer Alma deviates from rule 2.4 of the Code, which stipulates that the Chairman of the Board may not be the Chairman of the Nomination Committee. In accordance with the nomination procedure for the Nomination Committee, which has been approved by the Annual General Meeting, the Nomination Committee is to comprise one representative for each of the four largest shareholders and the Chairman of the Board. Accordingly, the company's Chairman of the Board is part of the Nomination Committee in this capacity but is also closely connected with the company's principal shareholder. The nomination procedure for the Nomination Committee also states that the individual representing the principal shareholder is to be the Chairman of the Nomination Committee. Given the two possible candidates representing the principal shareholder, the Annual General Meeting resolved to appoint Chairman of the Board Johan Wall as Chairman of the Nomination Committee.

SHAREHOLDERS AND THE SHARE

Beijer Alma AB is a CSD-registered company, which means that its shareholder register is maintained by Euroclear Sweden AB. The number of shareholders at year-end 2020 amounted to 15,459. Anders Wall, along with his family and companies, has a shareholding corresponding to 34.8 percent of the total number of votes in the company and the Anders Wall Foundation has a shareholding corresponding to 18.5 percent of the votes. There are no other shareholders whose votes exceed 10 percent of the total number of votes. More information about the shareholder structure is available on page 4 of the Annual Report and on Beijer Alma's website.

The company has issued two classes of shares: Class A shares and Class B shares. Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The Class A share carries an obligation to offer shares to existing shareholders. In accordance with a share conversion clause in the Articles of Association, Class A shareholders are entitled to convert their Class A shares to Class B shares. In the event of such a conversion, the total number of votes decreases. The Class B share is listed on the Mid Cap list of Nasdaq Stockholm. All shares carry the same right to the company's assets and profit, and entitle the holder to the same dividend. The total number of shares at year-end was 60,262,200, of which 6,570,000 were Class A shares and 53,692,200 were Class B shares.

Beijer Alma's dividend policy is to distribute a minimum of one-third of its net earnings, always taking into consideration the Group's long-term financing needs and liquidity.

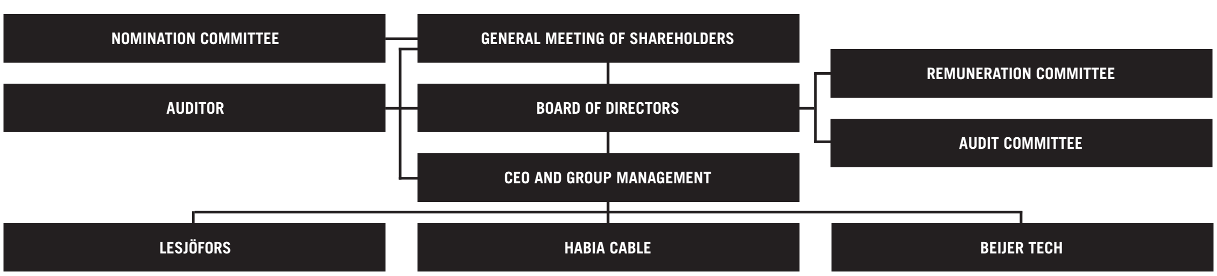
GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting is the company's highest decision-making body, in which all shareholders are invited to participate. At the Annual General Meeting, the shareholders make decisions on matters pertaining to the company, such as adoption of the balance sheet and income statement, election of directors, the Board Chairman, and the Nomination Committee, appropriation of profits and the discharge of the President and Board from personal liability as well as fees to directors and auditors, and principles for remuneration and terms of employment for the CEO and other senior executives. Shareholders have the opportunity to have matters addressed at the Annual General Meeting if a written proposal is submitted to the Chairman of the Board well ahead of the publication date of the notice of the Meeting. The Annual General Meeting is held not more than six months after the end of the financial year. All shareholders who are registered in the shareholder register and provide timely notification of their intention to attend the Meeting are entitled to participate in the Annual General Meeting and vote in accordance with their total shareholdings. The notice and agenda for the Meeting is to be published not more than six weeks and not less than four weeks prior to the Meeting. Shareholders who are unable to attend the Meeting may be represented by an authorized proxy. Each shareholder or proxy may be accompanied at the Meeting by a maximum of two advisors. The 2021 Annual General Meeting will be held on March 23. For more information about the 2021 Annual General Meeting, see Beijer Alma's website.

2020 ANNUAL GENERAL MEETING

The 2020 Annual General Meeting was held in a shortened format on March 25, without speeches or additional arrangements, due to the restrictions in place at the time in the wake of the COVID-19 pandemic. A total of 108 shareholders participated, representing 59 percent of the total number of shares and 74 percent of the total number of votes. Chairman of the Board Johan Wall was elected as Chairman of the Meeting. The Meeting was attended by one member of the Board of Directors and individuals from Group management. In addition, the Meeting was attended by Authorized Public Accountant Leonard Daun in his capacity as Chief Auditor from the appointed auditing firm Örhlings PricewaterhouseCoopers AB. The minutes from the Annual General Meeting are available on Beijer Alma's website. Details about previous Annual General Meetings are also available on the website.The following resolutions were passed at the 2020 Annual General Meeting:

- To pay a dividend of SEK 2.50 per share.
- That Johnny Alvarsson, Carina Andersson, Carina Andersson, Hans Landin, Caroline af Ugglas, Anders Ullberg, Cecilia Wikström and Johan Wall be re-elected as directors, and that Oskar Hellström be elected as a new director. To elect Johan Wall as Chairman of the Board.
- To pay each director a fee of SEK 325,000. To pay the Chairman



of the Board a fee of SEK 950,000. To pay the Chairman of the Audit Committee a fee of SEK 125,000, and to pay each member of the Audit Committee a fee of SEK 75,000.

- Principles for remuneration and employment terms for senior executives.
- To elect the auditing firm KPMG for a period of one year.
- Election of the Nomination Committee (see next page).
- To authorize the Board to make decisions concerning issues of Class B shares or convertible debentures. The number of Class B shares may be increased by a maximum of 10 percent through such an issue.

NOMINATION COMMITTEE

The Nomination Committee is responsible, at the request of the shareholders, for preparing motions regarding the Board of Directors, Chairman of the Board, Chairman of the Annual General Meeting and auditors as well as directors' and auditors' fees for resolution by the Annual General Meeting. The following individuals were appointed to the Nomination Committee ahead of the 2021 Annual General Meeting: Anders G. Carlberg, representing the principal owner; Chairman of the Board Johan Wall; and representatives of the next three largest shareholders: Elisabet Jamal Bergström (SEB Fonder), Vegard Søraunet (Verdipapirfond Odin) and Henrik Didner (Didner & Gerge Fonder). Johan Wall was appointed Chairman of the Nomination Committee. In the event of a change in ownership or if one of the aforementioned individuals resigns from his or her position, the Nomination Committee may replace the committee member.

In order to develop and improve the work of the Board, an annual assessment is performed. Each director responds to a survey containing questions regarding the work of the Board and how it can be further developed. The Nomination Committee has been informed about the results of this survey and about the company's operations and other relevant circumstances to enable the Nomination Committee to propose a well-functioning Board of Directors. The Nomination Committee's motions are to be announced far enough in advance to be presented in the notice of the 2021 Annual General Meeting. The Nomination Committee held five meetings during the year.

BOARD OF DIRECTORS

The Board of Directors is appointed by the shareholders to administer the company's affairs in the best interests of the company and the shareholders. The Board of Directors bears the ultimate responsibility for the organization and administration of the company as well as the control of the Group's financial reporting, the management of funds and the company's other financial conditions. The Board ensures that there are effective reporting, monitoring and control systems in place and that the disclosure of information is correct and transparent. The Board is responsible for the Group's long-term development and overall strategy, controls and evaluates the ongoing operations and carries out the other tasks stipulated in the Swedish Companies Act. The Board also makes decisions regarding acquisitions, disposals and major investments. The Board approves the annual report and interim reports, and proposes dividends and guidelines for remuneration to senior management for resolution by the Annual General Meeting.

According to the Articles of Association, the Board is to comprise not fewer than seven and not more than ten regular directors and not more than two deputy directors elected by the Annual General Meeting. The Board currently comprises eight regular members. Salaried employees in the Group may also participate in Board meetings to present certain matters. Attorney Niklas Berntorp of Vinge law firm serves as Board secretary.

The composition of the Board is presented in the text and table below. All directors are independent in relation to the company. Johan Wall is dependent on shareholders controlling more than 10 percent of the votes and capital in the company. All other directors are independent in relation to the company's major shareholders.

Johan Wall, born 1964. Chairman since: 2016. Deputy Director: 1997–2000. Director: 2000–2016.
Holding: 14,000. Also has an influence via participating interest in a family company that is a principal owner of Beijer Alma. Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University. Chairman of: Beijer Holding AB. Director of: Skirner AB, the Kjell & Märta Beijer Foundation, the Anders Wall Foundation and others. Earlier positions: CEO of Beijerinvest AB, Bisnode AB, Enea AB, Framfab AB and Netsolutions AB. Board committees: Chairman of the Remuneration Committee. Member of the Audit Committee. Dependent in relation to the company's major shareholders. Independent in relation to the company.

Johnny Alvarsson, born 1950. Director since: 2017.
Holding: 5,800. Education: Master of Engineering from the Institute of Technology at Linköping University, management training at CEDEP in France. Chairman of: VBG AB and FM Mattson Mora Group. Director of: Instalco AB and Sdiptech AB. Earlier positions: Management positions at LM Ericsson, CEO of Zetterbergs Industri AB/Zeteco AB, CEO of Elektronikgruppen AB and CEO of Indutrade AB. Board committees: Member of the Remuneration Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

Carina Andersson, born 1964. Director since: 2011.
Holding: 4,000. Education: Master of Mining Engineering from the Royal Institute of Technology in Stockholm. Director of: Swedish Stirling AB, Systemair AB, Gränges AB, BE Group AB and Detection Technology. Earlier positions: General Manager and Head of Powder Technology at Sandvik Materials Technology AB, CEO of Ramnäs Bruk AB and CEO of Scana Ramnäs AB. Former director of Mälardalen University and Sintercast AB. Independent in relation to the company's major shareholders. Independent in relation to the company.

Oskar Hellström, born 1979. Director since: 2020.
Holding: 5,000. Education: Master of Engineering from the Institute of Technology at Linköping University and Bachelor of Economics from Stockholm University. Deputy CEO and CFO of Gränges AB. Earlier positions: CFO of Sapa Heat Transfer, various management positions in the Sapa Group, and consultant at Booz Allen Hamilton. Independent in relation to the company's major shareholders. Member of the Audit Committee. Independent in relation to the company.

Hans Landin, born 1972. Director since: 2019.
Holding: 2,660. Education: Master of Engineering from Chalmers University of Technology. Group Vice President of The Timken Company. Earlier positions: Various management positions at The Timken Company since 2000. Independent in relation to the company's major shareholders. Independent in relation to the company.

Caroline af Ugglas, born 1958. Director since: 2015.
Holding: 4,000. Education: Economics degree from Stockholm University. Director of: AMF Pension and Lifco. Earlier positions: Head of Equities and Corporate Governance at Livförsäkringsaktiebolaget Skandia and Deputy General Director of the Confederation of Swedish Enterprise. Board committees: Member of the Remuneration Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

Anders Ullberg, born 1946. Director since: 2007.
Holding: 30,000. Education: Master of Business Administration from the Stockholm School of Economics. Chairman of: Boliden, Eneqvist Consulting and Studsvik. Director of: Epiroc and Valedo Partners. Chairman of the Swedish Financial Reporting Board and Member of the Board of the European Financial Reporting Advisory Group. Earlier positions: President and CEO of SSAB, Vice President and CFO of SSAB, CFO of Svenska Varv. Board committees: Chairman of Audit Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

Cecilia Wikström, born 1965 Director since: 2018.
Holding: 1,250. Education: Bachelor of Theology from Uppsala University. Chair of the Board of Governors of the European Institute of Public Administration (EIPA) in Maastricht. Director of Elekta AB and Integrum AB, senior advisor at Prime Weber Schandwick. Earlier positions: Member of the Swedish Riksdag 2002–2009 and the European Parliament 2009–2019, priest in the Diocese of

Board of Directors	Elected in	Independent in relation to major shareholders	Independent in relation to the company	Remuneration Committee	Audit Committee	Participation in Board meetings	Holding of Class A shares	Holding of Class B shares
Johan Wall, Chairman	1997		X	X	X	10 (10)		14,000
Johnny Alvarsson, Director	2017	X	X	X		10 (10)		5,800
Carina Andersson, Director	2011	X	X			10 (10)		4,000
Oskar Hellström, Director	2020	X	X		X	8 (8)		5,000
Hans Landin, Director	2019	X	X			10 (10)		2,660
Caroline af Ugglas, Director	2015	X	X	X		10 (10)		4,000
Anders Ullberg, Director	2007	X	X		X	10 (10)		30,000
Cecilia Wikström, Director	2018	X	X			10 (10)		1,250

Uppsala, Senior Consultant at the executive recruiting firm Michaël Berglund. Independent in relation to the company's major shareholders. Independent in relation to the company.

In 2020, the Board held ten meetings during which minutes were taken. The attendance of the members of the Board at these meetings is presented in the table on the next page. The following areas were addressed during the Board meetings: sales and profitability trend, objectives and strategies for the operations, and acquisitions and other key investments. One of the meetings was held a subsidiary's offices, where local management presented the company's operations. The restrictions implemented due to the COVID-19 pandemic limited travel, which prevented more from being held meetings at subsidiaries. The pandemic also affected the work of the Board, since meetings became digital and their agendas were somewhat altered.

Beijer Alma's auditor reported his findings from the audit of the Group's accounts and internal control procedures at one Board meeting.

The Board of Directors has adopted a work plan that governs the following:

- a minimum of six Board meetings per year in addition to the statutory meeting and when they are to be held
- the date and content of notices of Board meetings
- the items that are normally to be included in the agenda for each Board meeting
- minute-taking at Board meetings
- delegation of decisions to the President
- the President's authority to sign interim reports

The Board's work plan is reviewed annually and updated when necessary. The terms of reference issued to the President clarify the division of duties between the Board and the President as well as the responsibilities and authorities of the President.

The Board receives monthly information regarding the performance of the Group and the individual companies in the form of a monthly report containing key events and trends concerning order bookings, invoicing, margins, earnings, cash flow, financial position and the number of employees.

BOARD COMMITTEES

While the responsibilities of the Board of Directors cannot be delegated, the Board may appoint committees from within ranks to address certain issues in order to simplify and streamline the work of the Board. Accordingly, as in the previous year, the Board has established a Remuneration Committee and an Audit Committee. Members and the Chairman are appointed at the statutory meeting held directly after the Annual General Meeting. The work of each committee is governed by its work plan and instructions.

REMUNERATION COMMITTEE

The Board has appointed a Remuneration Committee comprising Johnny Alvarsson, Caroline af Ugglas and Johan Wall, with Johan Wall serving as Chairman. The Remuneration Committee prepares motions regarding the President's salary and other employment terms, such as pension, severance pay and variable salary. The Committee also prepares principles for remuneration to Group management and approves motions by the President regarding remuneration to Group management within the framework of the guidelines adopted by the Annual General Meeting. The Committee held two meetings during 2020, which were attended by all members. Note 2 includes the report on remuneration to the CEO and Group management.

AUDIT COMMITTEE

The Audit Committee supervises the Group's financial reporting and internal control. The tasks of the Committee include preparing for the Board's work to quality assure the financial reporting by reviewing the interim reports, annual report and consolidated financial statements. The Committee also reviews legal and tax-related issues that may have a material impact on the financial reports. The Audit Committee also reviews the impartiality of the appointed auditors and decides which services, in addition to the audit, are to be procured from the auditors. Where appropriate, the Committee handles the procurement of audit services on behalf of the Nomination Committee. Finally, the Audit Committee evaluates the quality of the internal control of financial reporting.

The Audit Committee comprises Anders Ullberg (Chairman), Oskar Hellström and Johan Wall. The Group's CFO reports to the Committee. The prevailing uncertainty surrounding the growing negative consequences of the COVID-19 pandemic meant that the Audit Committee met more frequently to monitor trends in the Group's liquidity and stay updated on earnings forecasts. The Group's CEO also participated in these meeting in addition to the ordinary members. After the summer, when the situation had stabilized, the Committee returned to its normal meeting schedule. The Committee held a total of 17 meetings in 2020, which were attended by all members. The Chief Auditor participated in two of these meetings.

PRESIDENT AND GROUP MANAGEMENT

Beijer Alma's Group management comprises the CEO, the presidents of the subsidiaries Lesjöfors, Habia Cable and Beijer Tech, and the Group's CFO.

The company's President and CEO in 2020 was Henrik Perbeck (born 1972), who assumed the role in 2018. He holds a Master's degree in engineering and a Bachelor of Arts in economics. Henrik Perbeck was previously the President and CEO of Viacon Group.

On January 31, 2020, Anders Karlström became acting Chief Financial Officer after Jan Blomén took medical leave. On March 3, Erika Ståhl was announced as the new CFO, succeeding Jan Blomén after his retirement. Erika Ståhl assumed the role on August 25.

For more information about members of Group management, see page 26.

CODE OF CONDUCT

The values and approach that apply within Beijer Alma have been compiled in a Code of Conduct based on internationally accepted conventions, such as the UN Global Compact and ISO 26000 Social Responsibility. The company's Code of Conduct focuses on people, the environment and ethics. For each of these areas, the Code describes the approach and values that apply at Beijer Alma. Material presenting and explaining Beijer Alma's Code of Conduct has been distributed to all employees globally and is also available electronically in several languages. This material also contains e-mail addresses for two members of Group management to whom employees may report improprieties and other breaches of the Code of Conduct under the Group's whistleblower system.

Additional information about the Group's CSR efforts is available on the website and on pages 14–23.

OPERATIONAL CONTROL

The CEO is responsible for the ongoing administration of the company in accordance with the instructions and guidelines of the Board. Along with the other members of Group management, the CEO ensures that the operational control of the Group is of high quality and efficient and that the operations are conducted in accordance with the instructions and guidelines of the Board.

Beijer Alma has a decentralized organization. This is a strategic and deliberate decision based on the fact that the Group's businesses are often local in nature and a conviction that it is best that decisions be made locally, by the people with the best understanding of the issue in question. The actual business operations are conducted in the subsidiaries Lesjöfors, Habia Cable and Beijer Tech. The legal structure corresponds with the operational structure, which means that there are no decision-making forums that are discharged from the legal responsibility incumbent upon the legal units. Within all three subsidiaries, the operations are organized into business areas. The total number of profit centers in Beijer Alma is approximately 50. The Group's business organization is based on decentralized responsibility and authority, combined with fast and efficient reporting and control systems.

The subsidiaries' boards of directors include individuals from Group management. As in the Parent Company, the work of the subsidiaries' boards of directors and the division of duties between the boards and the presidents of the subsidiaries are governed by work plans and terms of reference. The subsidiaries are also governed by a number of policies and instructions that regulate their operations, including the Code of Conduct, which is a key policy.

Beijer Alma AB is a holding company that manages three separate subsidiary groups, in which daily operational decisions are made. Financial reporting in the Group is therefore very important from a corporate governance perspective. A large part of the communication and discussions in the Group are based on internal financial reporting.

The presidents of the subsidiaries are responsible for their income statements and balance sheets. Each week, the subsidiaries report their order bookings, invoicing and order backlog for each profit center. Monthly financial statements are prepared for each profit center. These financial statements are analyzed at different levels in the Group and consolidated at the subsidiary and Group levels. Reports are presented to Group management for each profit center, business area and subsidiary. This reporting is carried out in the system used for the external consolidated financial statements. Monthly financial statements are presented and discussed at monthly meetings with Group management and the subsidiary management groups. Board decisions and other decisions are also followed up at these meetings.

In a decentralized organization, it is important that reporting and monitoring systems are transparent and reliable. In each subsidiary, considerable focus is given to improving and streamlining the company's processes. The business systems are developed to make it easier to measure the profitability of individual businesses, customers, industries and geographic markets. The Group measures the efficiency of the various components of its production, administration and sales operations, and compares these with estimates as well as earlier results and targets. The information gathered in this manner is used for internal benchmarking.

INTERNAL CONTROL

The Board of Directors' internal control responsibilities are governed by the Swedish Companies Act and the Swedish Corporate Governance Code. The Code also contains requirements for external disclosure of information, which stipulate the manner in which the Group's internal control of financial reporting is to be organized.

At Beijer Alma, internal control generally refers to a process designed to ensure, with reasonable certainty, that the company's goals are met and lead to efficient and appropriate operations, reliable reporting, and compliance with rules and legislation. Internal control is also intended to obtain reasonable assurance that the Group's external financial reporting is reliable and correct, and that it has been prepared in accordance with generally accepted accounting principles, applicable laws and regulations, and other rules for listed companies.

The Board of Directors has overall responsibility for the Group's internal control of financial reporting. The Audit Committee assists the Board with material accounting issues. The Committee is also responsible for ensuring compliance with the policies for financial reporting and internal control, and that the required contact is maintained with the company's auditor.

Responsibility for the daily operational work involved in internal control of financial reporting is delegated to the CEO, who together with the Group's CFO and the subsidiary management groups guarantees and develops the Group's internal control.

The basis of the internal control of financial reporting is the overall control environment. A well-functioning decentralized organization in which areas of responsibility and authority are clearly defined, conveyed and documented is a key component of the control environment. Other key components of the control environment are management's work methods, policies, procedures and instructions.

Beijer Alma's operations are exposed to external and internal risks. An important part of the internal control process involves identifying, quantifying and managing material risks that could impact the Group's financial reporting. This risk analysis results in activities designed to ensure that the Group's financial reporting fulfills the basic requirements.

Control activities are incorporated into in the Group's reporting procedures and follow the structures of the reporting process and accounting organization. The employees at every profit center are responsible for accurate reporting and financial statements.

The financial statements are analyzed at the profit center, business area, subsidiary and Group levels. Deviations from estimates and expected results are analyzed, as are deviations from historical data and forecasts. The operational follow-up that takes place at the Group level, for example, through the monthly meetings, is a key component of Beijer Alma's internal control.

Reviews are performed to ensure that adequate internal controls are conducted at all levels. The Board is responsible for these reviews. Taking into consideration the size, organization and financial reporting structure of the Group, the Board deems that no special internal audit function is required at present.

EXTERNAL AUDIT

At the 2020 Annual General Meeting, KPMG was elected as the company's auditing firm until the 2021 Annual General Meeting. Authorized Public Accountant Helena Arvidsson Älgne was appointed as Chief Auditor.

The external auditor's task is to independently review the accounts to ensure that they provide, in all material aspects, an accurate, fair and comprehensive view of Beijer Alma's position and earnings. The auditor is also tasked with reviewing the company's administration by the Board and the CEO.

KPMG is the auditing firm for most of the Group companies. The Group's auditor reviews the six-month interim report and reports his observations to the Audit Committee at the meeting held to discuss the six-month interim report and at the meeting to discuss the annual accounts, where the auditor also reports at the Board meeting. Auditors' fees are paid in accordance with approved invoices. Note 5 includes information about auditors' fees.

The external audit is conducted in accordance with the International Standards of Auditing (ISA).

Board of Directors' Report

The Board of Directors and the President of Beijer Alma AB (publ), Corporate Registration Number 556229–7480, hereby submit the company's Board of Directors' Report and Annual Accounts for the 2020 financial year.

OPERATING AREAS AND ORGANIZATION

Beijer Alma is an international, listed industrial group. Its business concept is to acquire, own and develop companies with strong growth potential. The companies in the Group specialize in component manufacturing and industrial trading. The Group is active in 60 markets and its customers include companies in such sectors as engineering, automotive, infrastructure, telecom, energy, defense and offshore.

The Group consists of three subsidiary groups:

- Lesjöfors is a full-range supplier of standard and customized industrial springs as well as wire and flat strip components. The company is a leading player in the Nordic region and one of the largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Europe, Asia and North America. Its operations are conducted in two business areas: Industry and Chassis Springs.
- Habia Cable is one of Europe's largest manufacturers of custom-designed cables for customers in the telecom, nuclear power, defense, offshore and other industries. The sales to nuclear power, defense and offshore are usually strongly project-related. The company conducts sales worldwide and has manufacturing operations in Sweden, Germany, China and Poland, and conducts sales worldwide.
- Beijer Tech specializes in industrial trading and manufacturing. The company sells consumables, components and machinery to Nordic industrial companies, and represents several of the world's leading brands. The company's operations are conducted in two business areas: Industrial Products and Fluid Technology.

Beijer Alma's entire organization is decentralized.

REVENUES AND EARNINGS

GROUP

The pandemic and its far-reaching consequences in many countries made 2020 a challenging and remarkable year. It began with a mixed underlying industrial economy, while two acquisitions completed early in the year made positive contributions starting at the end of the first quarter. For most of the second quarter, many operations were affected by intermittent shutdowns in customer operations due to the restrictions that were implemented. The situation improved during the summer as society re-opened and the world economy picked up. Lesjöfors's Chassis Springs business area experienced a delayed peak season and other operations also saw a gradual increase in demand and sales. Habia Cable started the year strong thanks to deliveries in offshore, but experienced reduced demand in both industry and project-related customer segments later in the year.

Order bookings declined 6 percent to MSEK 4,229 (4,494). The decrease comprised -10 percent organic growth, +6 percent growth from acquisitions, and -2 percent growth from currency effects. All subsidiaries reported an organic decrease in order bookings.

Net revenues decreased 8 percent to MSEK 4,250 (4,622) compared with the preceding year. The decrease comprised -12 percent organic growth, +6 percent growth from acquisitions, and -2 percent growth from currency effects. The effects of COVID-19 had a significant impact on both order bookings and net revenues. The share of foreign sales remained unchanged at 77 percent (77). The share of sales outside Sweden was 85 percent (85) in Lesjöfors, 94 percent (96) in Habia Cable and 40 percent (38) in Beijer Tech.

Operating profit totaled MSEK 545 (583), with an operating margin of 12.8 percent (12.6). Government grants and reductions in social security contributions for the year amounted to MSEK 65, of which MSEK 24 was in Sweden. During the year, earnings were charged with nonrecurring costs for lay-offs and impairment of assets totaling MSEK 22, and positive effects of MSEK 18.7 primarily from the revaluation of additional purchase considerations recognized as liabilities, which were reduced due to the effects of the COVID-19 pandemic.

Profit after net financial items decreased to MSEK 515 (557) and net profit to MSEK 397 (431). Earnings per share amounted to SEK 6.58 (7.15).

In the past five years, the Group performed as follows:

MSEK	2020	2019	2018	2017	2016
Net revenues	**4,250**	4,622	4,409	3,971	3,528
Profit after net financial items	**515**	557	609	517	447
Net profit	**397**	431	469	388	328
Shareholders' equity	**2,518**	2,413	2,232	1,997	1,902
Total assets	**4,684**	4,555	3,720	3,435	3,152

SUBSIDIARIES

Lesjöfors is a full-range supplier of standard and customized industrial springs, wire and flat strip components. During 2020, order bookings decreased 2 percent to MSEK 2,476 (2,535). The decrease comprised -7 percent organic growth, +7 percent growth from acquisitions, and -2 percent growth from currency effects. Net revenues declined 4 percent to MSEK 2,449 (2,564). The decrease comprised -9 percent organic growth, +7 percent growth from acquisitions, and -2 percent growth from currency effects. Operating profit totaled MSEK 441 (441), in line with the previous year. The operating margin was 18 percent (17.2). Operating profit includes a positive effect of revaluated additional purchase considerations of MSEK 13. Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. Net revenues decreased 4 percent in Industry and 5 percent in Chassis Springs.

Habia Cable is a manufacturer of custom-designed cables. Order bookings decreased 17 percent to MSEK 731 (882). The decrease comprised -16 percent organic growth and -1 percent growth from currency effects. Net revenues declined 18 percent to MSEK 804 (978). The decrease comprised -17 percent organic growth and -1 percent growth from currency effects. The change was due to reduced project demand in offshore and negative effects on other projects and operations. Cost-reduction measures were taken during the year, and operating profit in the second quarter was charged with nonrecurring costs of MSEK 16. Operating profit totaled MSEK 54 (80). The operating margin was 6.7 percent (8.2). Habia's sales to nuclear power, defense and offshore are usually strongly project-related, but sales are also conducted in the telecom and other industries.

Beijer Tech conducts industrial trading and manufacturing operations in two business areas: Industrial Products and Fluid Technology. Order bookings amounted to MSEK 1,023 (1,076), down 5 percent. The decrease comprised -14 percent organic growth, +10 percent growth from acquisitions, and -1 percent growth from currency effects. Net revenues declined 7 percent to MSEK 997 (1,080). The decrease comprised -16 percent organic growth, +10 percent growth from acquisitions, and -1 percent growth from currency effects. Operating profit totaled MSEK 70 (81). Operating profit was charged with MSEK 6 for impairment of certain technical equipment and MSEK 6 in positive effects from other income, mainly the revaluation of additional purchase considerations.

The operating margin was 7.0 percent (7.5). Both business areas reported decreased net revenues during the year.

PARENT COMPANY

Beijer Alma AB is a holding company that does not conduct external invoicing, but instead owns and manages shares and participations in subsidiaries and is responsible for certain Group-wide functions. The Parent Company reported a loss before tax of MSEK -18 (304). The loss before tax included dividends and Group contributions from subsidiaries totaling MSEK 5 (325), net.

CAPITAL EXPENDITURES

Investments in fixed assets, excluding corporate acquisitions in 2020, amounted to MSEK 124 (221), compared with depreciation/

amortization totaling MSEK 234 (231). Lesjöfors invested MSEK 91 (154), Habia Cable MSEK 12 (19) and Beijer Tech MSEK 22 (48).

CORPORATE ACQUISITIONS

In 2020, the Beijer Tech Group acquired two Swedish companies, PA Ventiler and INU-gruppen. Lesjöfors acquired the British company Metrol Springs Ltd. The acquired companies are presented in Note 33, including acquisition calculations.

PRODUCT DEVELOPMENT

Costs for product development primarily pertain to specific custoer orders and are therefore charged to the respective order and recognized as cost of goods sold. Costs for product development that could not be attributed to specific orders totaling MSEK 13.1 (15.2) are included in the Group's administrative expenses.

CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow after capital expenditures amounted to MSEK 378 (103) and included corporate acquisitions totaling MSEK 219 (283). Excluding corporate acquisitions, cash flow amounted to MSEK 596 (386).

Net debt (interest-bearing liabilities excluding lease liabilities, less cash and cash equivalents) totaled MSEK 573 (721) at year-end. The net debt/equity ratio (net debt in relation to shareholders' equity) was 22.9 percent (29.9). Available liquidity (cash and cash equivalents plus approved but unutilized committed credit facilities) totaled MSEK 1,828 (1,070). The equity ratio was 53.4 percent (53.0).

RETURN ON CAPITAL EMPLOYED

The return on capital employed was 14.9 percent (17.8), while the return on average shareholders' equity was 16.5 percent (19.2).

EMPLOYEES

The number of employees was 2,564 (2,658), corresponding to a decrease of 94. Beijer Tech and Lesjöfors's acquisitions of companies increased the number of employees by 103. Lesjöfors and Habia conduct a portion of their manufacturing in China, Thailand, Singapore, Latvia, Slovakia, Poland and Mexico, where salary costs are lower. The number of employees in these countries decreased by 85 to 838. The number of employees in Sweden was 774 (775). In Sweden, an additional 61 employees were added through acquisitions.

Note 2 presents the number of employees in various countries as well as salaries and remuneration, and the principles adopted by the Annual General Meeting regarding salaries and remuneration to senior executives. Beijer Alma's remuneration to senior executives includes the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. The company has no share or share price-based incentive programs. The Board will propose unchanged guidelines for senior executives to the 2021 Annual General Meeting.

OWNERSHIP CONDITIONS

Beijer Alma has approximately 15,400 shareholders (13,300). The largest shareholder is Anders Wall, along with his family and companies, who owns 11.7 percent of the capital and 34.8 percent of the votes. Other major shareholders in terms of capital are the Anders Wall Foundation with 13.7 percent, Verdipapirfond Odin with 9.3 percent and Lannebo Fonder with 7.1 percent.

CORPORATE SOCIAL RESPONSIBILITY

The Group's strategic and day-to-day operations are based on Beijer Alma's Code of Conduct. The Code builds on the basic principles of the UN Global Compact, which Beijer Alma joined in 2015. Accordingly, the company has agreed to adhere to ten fundamental principles in the areas of human rights, labor conditions, the environment and anti-corruption. The Group's sustainability objectives are also connected to nine of the 17 UN Sustainable Development Goals, which act as a compass for the Group.

Just over 60 percent of the Group's units hold specific environmental permits for their operations.

STATUTORY SUSTAINABILITY REPORT

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Beijer Alma has chosen to prepare its statutory Sustainability Report separately from the Annual Report. The Sustainability Report is presented on the inside cover and pages 14–23. The Annual Report and Sustainability Report were submitted to the auditor at the same time. Unless otherwise specified, the information pertains to the entire Beijer Alma Group, including subsidiaries.

RISKS AND UNCERTAINTIES

Beijer Alma's earnings, financial position and future performance are impacted by both internal factors that the company can influence and external factors which the company has a limited possibility to influence and where the Group instead focuses on managing the consequences of these factors. The Group's risks include business and financial risks. Business risks may include economic trends, structural changes in the market, or significant customer dependence on specific companies, industries or geographic markets. Financial risks primarily pertain to foreign currency risks.

Management of the Group's financial risks is described in Note 26. To manage the business risks, strategic work is carried out to broaden the customer base in terms of industry, customer and geography. Beijer Alma is deemed to have a favorable risk spread across customers, industries and geographic markets. According to the Group's assessment, no significant risks arose during the year.

The entire world was affected by the COVID-19 pandemic during 2020. For Beijer Alma, these affects varied in the three subsidiaries. For Lesjöfors and Beijer Tech, demand declined during the second quarter when many customers drastically scaled back their production. A gradual recovery then took place during the second half of the year. Habia Cable experienced a greater negative impact during the second half of the year due to reduced project sales and weaker demand from industrial customers. The second wave of the pandemic, which occurred during the fourth quarter, did not have the same impact as the first wave since few of our customers' operations were closed down entirely. Government grants were periodically used in several countries, while measures were also implemented to permanently change the cost structure. During the most critical period of the pandemic, frequent follow-ups were carried out with respect to liquidity requirements, forecasts and outcomes. Available liquidity was temporarily increased via new credit facilities. The Board of Directors, via the Audit Committee, was closely involved in these efforts together with the management team.

The consequences of Brexit and the agreement reached between the EU and the UK have been judged to be limited. Beijer Alma's sales in the UK amounted to MSEK 302 (320) in 2020. Of the products sold, approximately 85 percent are manufactured in the UK. Beijer Alma's deliveries from the UK to countries in the EU amounted to approximately MSEK 30.

PROPOSED APPROPRIATION OF PROFITS

The Board of Directors and the President propose that the following profit be made available for distribution by the Annual General Meeting:

SEK 000s	
Retained earnings	174 394
Share premium reserve	279 000
Net loss for the year	–30 542
Total	**422 852**
to be appropriated as follows:	
Ordinary dividend to shareholders of SEK 3.00 per share	180 787
To be carried forward	242 065

BOARD OF DIRECTORS' STATEMENT CONCERNING THE PROPOSED DIVIDEND

After the proposed dividend, the Parent Company's equity ratio will amount to 57.1 percent and the Group's equity ratio to 49.6 percent. These equity ratios are adequate given that the company and the Group continue to conduct profitable operations. The liquidity of the Group and the company is expected to remain adequate.

In the opinion of the Board of Directors, the proposed dividend will not prevent the Parent Company or the other subsidiaries from fulfilling their obligations or from completing the necessary capital expenditures. Accordingly, the proposed dividend can be justified in accordance with the provisions in Chapter 17, Section 3, Paragraphs 2–3 of the Swedish Companies Act (the "prudence rule").

Consolidated income statement

Amounts in SEK 000s	Note	**2020**	2019
Net revenues	3,4	**4,249,851**	4,621,731
Cost of goods sold	9	**–2,959,228**	–3,242,232
Gross profit		**1,290,623**	1,379,499
Selling expenses	9	**–383,314**	–421,715
Administrative expenses	5,9	**–381,612**	–375,408
Other operating income	6	**18,716**	–
Profit from participations in associated companies	8	**400**	217
Operating profit	8	**544,813**	582,593
Interest income		**850**	1,070
Interest expenses		**–30,442**	–26,283
Profit after net financial items		**515,221**	557,380
Income tax	12	**–118,284**	–126,590
Net profit		**396,937**	430,790
Of which, attributable to			
Parent Company shareholders		**396,663**	430,790
Non–controlling interests		**274**	–
Total net profit for the period		**396,937**	430,790

Consolidated statement of comprehensive income

Items that may be reclassified to profit or loss			
Cash–flow hedges		**8,682**	44
Translation differences		**–108,230**	57,817
Total other comprehensive income after tax		**–99,548**	57,861
Total comprehensive income		**297,389**	488,651
Of which, attributable to			
Parent Company shareholders		**297,115**	488,651
Non–controlling interests		**274**	–
Total comprehensive income		**297,389**	488,651

Other comprehensive income pertains in its entirety to items that may be reclassified to profit or loss.

Net earnings per share before and after dilution, SEK	13	**6.58**	7.15
Dividend per share, SEK		**3.00**	2.50

Consolidated balance sheet

Amounts in SEK 000s	Note	**2020**	2019
ASSETS			
Fixed assets			
Goodwill	14	**900,126**	762,966
Other intangible assets	15	**60,117**	34,560
Land and land improvements	16	**113,298**	118,664
Buildings	16	**461,949**	432,102
Plant and machinery	16	**499,140**	564,827
Equipment, tools, fixtures and fittings	16	**83,799**	80,568
Right-of-use assets	10	**203,712**	204,760
Other long-term receivables		**13,936**	7,708
Participations in associated companies	17	**26,067**	27,973
Deferred tax assets	24	**26,707**	27,449
Total fixed assets		**2,388,851**	2,261,577
Current assets			
Inventories	19	**944,949**	1,051,259
Accounts receivable	20	**629,180**	678,867
Tax assets		**6,493**	13,400
Other receivables	21	**55,116**	47,193
Prepaid expenses and accrued income	22	**43,708**	37,505
Cash and cash equivalents		**616,127**	465,082
Total current assets		**2,295,573**	2,293,306
Total assets		**4,684,424**	4,554,883

Consolidated balance sheet

Amounts in SEK 000s	Note	**2020**	2019
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	23		
Share capital		**125,546**	125,546
Other contributed capital		**444,351**	444,351
Reserves		**48,830**	148,379
Retained earnings, including net profit for the year		**1,899,190**	1,694,879
Shareholders' equity attributable to Parent Company shareholders		**2,517,917**	2,413,155
Non-controlling interests		**–13,756**	4,172
Total shareholders' equity		**2,504,161**	2,417,327
Non-current liabilities			
Other non-current liabilities		**61,241**	23,722
Deferred tax	24	**104,384**	96,799
Pension obligations	25	**2,744**	2,643
Liabilities to credit institutions	26	**614,401**	531,639
Non-current right-of-use liabilities	10	**135,681**	130,969
Total non-current liabilities		**918,451**	785,772
Current liabilities			
Committed credit facilities	26	**384,952**	513,684
Accounts payable		**203,544**	224,035
Accrued expenses and deferred income	27	**327,485**	313,464
Liabilities to credit institutions	26	**189,396**	140,670
Other current liabilities	28	**90,619**	91,464
Current right-of-use liabilities	10	**65,816**	68,467
Total current liabilities		**1,261,812**	1,351,784
Total shareholders' equity and liabilities		**4,684,424**	4,554,883

Consolidated change in shareholders' equity

Amounts in SEK 000s Group	Share capital	Other contributed capital	Reserves	Retained earnings, incl. net profit for the year	Total	Non-controlling interest	**Total shareholder's capital**
Dec 31, 2018	**125,546**	**444,351**	**90,518**	**1,571,427**	**2,231,842**	**4,096**	**2,235,938**
Net profit for the year				430,790	430,790		**430,790**
Other comprehensive income			57,860		57,860		**57,860**
Dividend paid				–307,337	–307,337		**–307,337**
Non-controlling interests (translation difference)					0	76	**76**
Dec 31, 2019	**125,546**	**444,351**	**148,378**	**1,694,880**	**2,413,155**	**4,172**	**2,417,327**
Net profit for the year				396,663	396,663	274	**396,937**
Other comprehensive income			–99,548		–99,548		**–99,548**
Dividend paid				–150,656	–150,656		**–150,656**
Liabilities for the acquisition of minority shares				–41,697	–41,697		**–41,697**
Non-controlling interests					0	–18,202	**–18,202**
Dec 31, 2020	**125,546**	**444,351**	**48,830**	**1,899,190**	**2,517,917**	**–13,756**	**2,504,161**

Consolidated cash-flow statement

Amounts in SEK 000s	Note	2020	2019
Operating activities			
Operating profit		**544,813**	582,593
Net interest paid and other financial items		**–29,592**	–16,343
Income tax paid		**–102,838**	–125,564
Items not affecting cash flow	32	**221,676**	229,233
Cash flow from operating activities before change in working capital and capital expenditures		**634,059**	669,919
Change in inventories		**92,408**	–28,659
Change in receivables		**54,192**	71,801
Change in current liabilities		**–59,754**	–124,594
Cash flow from operating activities		**720,905**	588,467
Investing activities			
Investments in tangible assets		**–115,231**	–193,978
Investments in intangible assets		**–6,948**	–6,841
Change in other financial assets		**–2,565**	–2,194
Acquisitions of companies less cash and cash equivalents	33	**–218,946**	–282,707
Cash flow from investing activities		**–343,690**	–485,720
Cash flow after capital expenditures		**377,215**	102,747
Financing activities	26		
Change in provisions and non-current liabilities		**–13,019**	35,956
Change in utilized committed credit facilities		**–128,730**	101,529
Increase in liabilities/new loans		**481,608**	513,790
Repayment		**–391,873**	–277,658
Dividend paid		**–150,656**	–307,337
Cash flow from financing activities		**–202,670**	66,280
Change in cash and cash equivalents		**174,545**	169,027
Exchange-rate fluctuations in cash and cash equivalents		**–23,500**	4,752
Cash and cash equivalents* at beginning of year		**465,082**	291,303
Cash and cash equivalents* at end of year		**616,127**	465,082
Unutilized committed credit facilities		**1,212,400**	604,396
Available liquidity		**1,828,527**	1,069,478

*Cash and cash equivalents include cash and bank balances

Parent Company income statement

Amounts in SEK 000s	Note	**2020**	2019
Administrative expenses	5	**–37,995**	–38,394
Other operating income	6	**18,200**	18,200
Operating profit		**–19,795**	–20,194
Appropriations			
Profit from participations in Group companies	11	**–85,000**	227,900
Interest income		**604**	604
Interest expenses		**–3,550**	–1,759
Profit/loss after net financial items		**–107,741**	206,551
Group contributions received		**90,002**	100,013
Group contributions paid		**–**	–2,902
Income tax	12	**–12,803**	–15,804
Net profit attributable to Parent Company shareholders		**–30,542**	287,858

Parent Company balance sheet

Amounts in SEK 000s	Note	**2020**	2019
ASSETS			
Fixed assets			
Equipment, tools, fixtures and fittings	16	**173**	203
Participations in Group companies	18	**610,611**	532,012
Deferred tax assets		**7,880**	6,832
Total fixed assets		**618,664**	539,047
Current assets			
Receivables from Group companies		**313,994**	452,404
Other receivables		**18**	217
Prepaid expenses and accrued income		**721**	588
Cash and cash equivalents		**54**	62,738
Total current assets		**314,787**	515,947
Total assets		**933,451**	1,054,994

SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**125,546**	125,546
Statutory reserve		**165,351**	165,351
Total restricted equity		**290,897**	290,897
Share premium reserve		**279,000**	279,000
Retained earnings		**174,394**	37,192
Net profit for the year		**–30,542**	287,858
Total non-restricted equity		**422,852**	604,050
Total shareholders' equity		**713,749**	894,947
Current liabilities			
Committed credit facilities	26	**184,623**	132,340
Liabilities to Group companies		**5,314**	3,918
Accounts payable		**2,132**	2,871
Tax liabilities		**13,244**	8,903
Accrued expenses and deferred income	27	**14,081**	11,698
Other current liabilities	28	**308**	317
Total current liabilities		**219,701**	160,047
Total shareholders' equity and liabilities		**933,451**	1,054,994

Parent Company change in shareholders' equity

Amounts in SEK 000s

Parent Company	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Net profit	**Total shareholder's equity**
Dec 31, 2018	**125,546**	**165,351**	**279,000**	**48,106**	**296,423**	**914,426**
Reclassification of net profit for the preceding year				296,423	–296,423	**0**
Dividend paid				–307,337		**–307,337**
Net profit for the year					287,858	**287,858**
Dec 31, 2019	**125,546**	**165,351**	**279,000**	**37,192**	**287,858**	**894,947**
Reclassification of net profit/loss for the preceding year				287,858	–287,858	**0**
Dividend paid				–150,656		**–150,656**
Net loss for the year					–30,542	**–30,542**
Dec 31, 2020	**125,546**	**165,351**	**279,000**	**174,394**	**–30,542**	**713,749**

The proposed dividend amounts to SEK 3.00 per share, equivalent to SEK 180,787,000. See Note 31.

Parent Company cash-flow statement

Amounts in SEK 000s	Note	2020	2019
Operating activities			
Operating loss		**–19,795**	–20,194
Net interest paid and other financial items		**–2,941**	308,845
Income tax paid		**–10,379**	–7,151
Items not affecting cash flow		**30**	943
Cash flow from operating activities before change in working capital and capital expenditures		**–33,085**	282,443
Change in receivables		**64,874**	1,689
Change in current liabilities		**3,900**	–4,313
Cash flow from operating activities		**35,689**	279,819
Financing activities	26		
Change in utilized committed credit facilities		**52,283**	32,047
Increase in liabilities/new loans		**–**	–
Repayment		**–**	–
Dividend paid		**–150,656**	–307,337
Cash flow from financing activities		**–98,373**	–275,290
Change in cash and cash equivalents		**–62,684**	4,529
Exchange-rate fluctuations in cash and cash equivalents		**–**	–
Cash and cash equivalents* at beginning of year		**62,738**	58,209
Cash and cash equivalents* at end of year		**54**	62,738
Unutilized committed credit facilities		**715,376**	192,660
Available liquidity		**715,430**	255,398

*Cash and cash equivalents include cash and bank balances

Note 1 Summary of key accounting policies

General information

Beijer Alma AB (publ), Corporate Registration Number 556229–7480, is a listed limited liability company registered in Sweden. The company's registered office is located in Uppsala, Sweden, at the address Dragarbrunnsgatan 45, Box 1747, SE-751 47 Uppsala, Sweden. The company's share is listed on the Nasdaq Stockholm Mid Cap list. Beijer Alma AB (publ) is an international industrial group focused on component production and industrial trading. The Group includes Lesjöfors, which is one of Europe's largest spring manufactures, Habia Cable, one of Europe's largest manufacturers of custom-designed cables, and Beijer Tech, which holds strong positions in industrial trading in the Nordic region.

The consolidated financial statements encompass the period from January 1 to December 31, 2020 (comparative period January 1 to December 31, 2019) and the Annual Report was approved by the Board of Directors on March 1, 2021. The balance sheet and income statement will be presented to Annual General Meeting for adoption on March 23, 2021.

The key accounting policies applied in the preparation of these consolidated financial statements are stated below. Unless otherwise specified, these policies were applied for all of the years presented.

All amounts in SEK 000s unless otherwise stated.

Basis for the preparation of the report

Beijer Alma's consolidated financial statements were prepared in accordance with the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups as well as the International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The consolidated financial statements were prepared according to the cost method, except in the case of certain financial assets and liabilities (including derivative instruments) measured at fair value.

The Parent Company follows the Group's accounting policies, with the exception of the mandatory rules stipulated in the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Parent Company's accounting policies are presented under "Parent Company accounting policies".

Changes in accounting policies

No new IFRS or IFRIC interpretations have had a material impact on the Group's earnings or financial position during the 2020 financial year. No new IFRS or interpretations have been applied been applied in advance.

Nor have there been any changes to the accounting policies that will have a material impact on the Group's earnings or financial position during the financial year commencing January 1, 2021.

Key estimates and assumptions for accounting purposes

Preparation of the accounts in accordance with IFRS requires the use of a number of key estimates for accounting purposes. Management is also required to make certain assumptions when applying the Group's accounting policies. The following are areas involving a high rate of assessment, complex areas or areas in which assumptions and estimates are of material importance:

Assumptions regarding impairment testing of goodwill

The Group tests goodwill for impairment annually, or when there is an indication of a decline in value, in accordance with the accounting policies described in the section concerning intangible assets. Assumptions and estimates relating to expected cash flows and discount rates in the form of weighted average capital costs are described in Note 14. Forecasts concerning future cash flows are based on the best possible estimates of future income and operating expenses. The impairment tests performed did not indicate a need for impairment of goodwill. According to management's assessment, the outcome of this sensitivity analysis, which is presented in Note 14, did not warrant the recognition of an impairment loss. Goodwill amounted to MSEK 900 (763).

Accounts receivable

Accounts receivable are amounts attributable to customers pertaining to goods sold or services performed as part of the Group's operating activities. Accounts receivable generally fall due for payment within 30 days. For certain customers, accounts receivable may fall due for payment after 30 days, but never after more than one year, and all accounts receivable have therefore been classified as current assets. Accounts receivable are initially recognized at their transaction price. However, accounts receivable with a material financing component are measured at fair value. The Group holds accounts receivable for the purpose of collecting contractual cash flows and thus measures them on subsequent recognition dates at amortized cost applying the effective interest method. The fair value of current receivables corresponds to their carrying amount since the discount effect is not considered material. Information concerning the impairment of accounts receivable and the Group's credit exposure, foreign currency risk and interest-rate risk is presented in Notes 20 and 26. The general prevailing market trend has resulted in an increased focus on customer credit ratings and monitoring of accounts receivable. The share of doubtful receivables and risk of credit losses did not increase in 2020, but rather remained at the same level. Accounts receivable totaled MSEK 629 (679). The maturity structure for past due receivables and provisions for doubtful receivables are presented in Note 20. Accounts receivable are recognized in the amount in which they are expected to be received, after a deduction for loss allowances for expected credit losses.

Inventories

Inventories are measured at the lower of cost and net selling price on the balance-sheet date. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective measurement is applied for homogeneous groups of goods.

Cash flow

The cash-flow statement was prepared in accordance with the indirect method. Recognized cash flow only includes transactions involving payments and disbursements. Cash and cash equivalents include cash and bank balances and short-term financial investments with a term of less than three months.

Consolidated financial statements

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. Intra-Group transactions, balance sheet items and unrealized gains or losses on transactions between Group companies are eliminated. Intra-Group losses may be an indication of impairment that needs to be recognized in the consolidated financial statements. Where applicable, the accounting policies for subsidiaries have been amended to ensure that the Group's policies are applied in a consistent manner. The acquisition method is applied to the recognition of the Group's business combinations. Non-controlling interests in the profit and shareholders' equity of subsidiaries are recognized separately in the consolidated income statement, statement of changes in shareholders' equity and balance sheet.

Changes in participating interests in a subsidiary without changes in control

Sales to owners without a controlling influence that do not result in a loss of control are recognized as transactions in shareholders' equity, meaning transactions with owners in their capacity as owners. A change in participating interest is recognized as an adjustment of the carrying amounts of the controlling and non-controlling interests so that they reflect the changes in their relative holdings in the subsidiary. For acquisitions from owners without a controlling influence, the difference between the fair value of the purchase consideration paid and the share of the carrying amount of the subsidiary's net assets actually acquired is recognized in shareholders' equity.

Business combinations

The Group's business combinations are recognized in accordance with the acquisition method. The purchase consideration for an acquired subsidiary comprises the acquisition-date fair value of the transferred assets, assumed liabilities that the Group incurs to former owners, shares that were issued by the Group, and assets or liabilities as a result of an agreement on contingent consideration. Each contingent consideration to be transferred by the Group is measured at fair value on the acquisition date. Subsequent changes in the fair value of a contingent consideration classified as an asset or liability are recognized in profit or loss. Contingent considerations classified as shareholders' equity are not remeasured and subsequent settlements are recognized in shareholders' equity. For each acquisition – that is, on an acquisition-by-acquisition basis – the Group determines whether non-controlling interest in the acquiree is to be measured at fair value or at the shareholding's proportionate share of the carrying amount of the acquired company's identifiable net assets.

Acquisition-related costs are expensed as incurred.

In the case of business combinations for which the transferred consideration, any non-controlling interests and the fair value of previously owned shares (in the case of step acquisitions) exceeds the fair value of the acquired assets and assumed liabilities recognized separately, the difference is recognized as goodwill. When the difference is negative, referred to as a low-cost acquisition, this is recognized directly in net profit for the year.

If the business combination is completed in several steps without giving rise to a controlling influence, the previously held equity interests in the acquiree are remeasured at fair value on the acquisition date. Any gain or loss arising as a result of the revaluation is recognized in profit or loss.

Translation of foreign currencies

Functional currency and reporting currency

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each company conducts its primary operations (functional currency). In the consolidated financial statements, SEK is used, which is the Parent Company's functional currency and reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates applicable on the transaction date or the date on which the items are remeasured. Exchange gains and losses that arise in conjunction with the payment of such transactions and in the translation of monetary assets and liabilities in foreign currency at the closing day rate are recognized in profit or loss. An exception is made for transactions that comprise hedges and that meet the conditions for hedge accounting of cash flows, for which gains/losses are recognized in other comprehensive income.

Balance sheets and income statements for the subsidiaries in the Group that have a different functional currency than the reporting currency are translated at the closing day rate and the average rate for the year, respectively. Translation differences are recognized in other comprehensive income. Goodwill and fair-value adjustments that arise during the acquisition of a foreign operation are treated as assets and liabilities in the operation in question and are translated at the closing day rate.

Significant foreign exchange rates	Year-end rate		Average rate	
	Dec 31, 2020	Dec 31, 2019	**2020**	2019
USD	**8.19**	9.32	**9.16**	8.47
EUR	**10.04**	10.43	**10.48**	10.59
GBP	**11.09**	12.21	**11.78**	12.10

Reporting of associated companies

Associated companies are defined as companies that are not subsidiaries, but over which the Parent Company has a significant but not controlling influence, which generally involves shareholdings of 20 to 50 percent. Participations in associated companies are recognized in the consolidated financial statements in accordance with the equity method and are initially measured at cost.

The Group's share in the post-acquisition earnings of an associated company is recognized in profit or loss and its share of changes in other comprehensive income after the acquisition is recognized in other comprehensive income. Accumulated post-acquisition changes are recognized as changes in the carrying amount of the holding. When the Group's share of the losses of an associated company amounts to, or exceeds, the Group's holding in the associated company, the Group does not recognize further losses unless the Group has undertaken commitments or has made payments on behalf of the associate.

Unrealized internal gains are eliminated against the share of gains accruing to the Group. Unrealized losses are also eliminated unless the transaction comprises an indication of impairment for the asset transferred. Profit shares in associated companies are recognized on separate lines in the consolidated income statement and the consolidated balance sheet. Profit shares in associated companies are recognized after tax. The accounting policies for associated companies have been adjusted if necessary to ensure that they correspond to the Group's accounting policies.

At the end of each reporting period, the Group assesses whether or not there is objective evidence that indicates an impairment requirement for its investments in associated companies. If such evidence exists, the Group calculates the impairment amount as the difference between the recoverable amount and carrying amount of the associated company, and recognizes this amount in profit or loss under "Profit from participations in associated companies".

Segment reporting

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the earnings of the operating segments. In the Group, the President and CEO is responsible for making strategic decisions. The President and CEO monitors the operations based on product, meaning the business areas in each subgroup, which comprise the Group's operating segments. Beijer Alma meets the requirements of IFRS 8 Operating Segments for aggregation of operating segments and has decided in accordance with IFRS 8 to merge the two operating segments in each subgroup, meaning that the subgroups comprise reporting segments. Beijer Alma's reporting segments are: Lesjöfors (industrial springs), Habia Cable (custom-designed cables) and Beijer Tech (industrial trading). In 2020, it was decided that the two segments in Habia Cable would be merged and comprise one segment instead of two. The main reason for this is that the operations have changed and the previous structure was no longer relevant.

Revenue recognition

The Group manufactures and sells products for industrial trading in the form of springs, wire and flat strip components, customized cables and cable harnesses as well as components, machinery and technical solutions. Sales are recognized as revenue when control of the goods is transferred to the customer. This normally takes place when the goods leave the Group's warehouse, but may occur at a later date due, for example, to freight terms in the individual cases. From that date, the customer has full right to dispose of the goods and there are no unfulfilled obligations on the part of Beijer Alma.

Major projects in Habia's offshore segment are recognized as profit as the performance obligations are satisfied. The settlement method for determining the degree of completion is based on the number of kilometers of manufactured and tested cable according to a predetermined test method agreed with each customer. The costs for obtaining and completing such projects are capitalized and recognized as intangible assets, and are reclassified as operating expenses in line with the corresponding revenue being recognized. There are also other operations in the subsidiaries, primarily Beijer Tech, that have a more project-oriented business model in which invoicing is carried out in accordance with a contract and not always in conjunction with delivery of the good or service. These operations also use settlement methods for their accounting, governed by the customer contract.

Insofar as the Group's performance differs from the invoiced amount, a contract asset is recognized (if the invoiced amount is less than the performance executed) or a contract liability is recognized (if the invoiced amount is higher than the performance executed). Contract assets are presented in Note 22 and contract liabilities in Note 27. Note 28 also presents additional contract liabilities comprising advance payments from customers.

The costs for obtaining and completing a customer contract are recognized as intangible assets and amortized over the contract period.

Certain areas of the operations apply volume discounts based on accumulated sales during the year. Revenue from sales is recognized based on the price in the contract with a deduction for calculated volume discounts and a liability (included in accrued expenses) is recognized in a corresponding amount. Past data is used to estimate the expected value of the discount and revenue is recognized only to the extent that it is highly probable that it will not result in a significant revenue reversal.

No financing component is deemed to exist since the credit period is normally 30 days and in no case exceeds one year. A receivable is recognized when the goods have been delivered since it is at that point that payment becomes unconditional. The Group's obligation to repair or replace defective products in accordance with normal guarantee rules is recognized in accrued expenses

Interest income

Interest income is recognized distributed over the maturity period using the effective interest method.

Tax

Deferred tax is calculated according to the balance-sheet method for all temporary differences arising between the carrying amount and tax value of assets and liabilities. However, deferred tax liabilities are not recognized if they arise as a result of the initial recognition of goodwill. Nor is deferred tax recognized if it arises as a result of a transaction that is the initial recognition of an asset or liability that is not a business combination and that, on the transaction date, impacts neither recognized nor tax earnings. Deferred income tax is calculated by applying the tax rates (and laws) that have been decided or announced on the balance-sheet date and that are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.

Loss carryforwards that can be utilized against probable future gains are capitalized as deferred tax assets. This applies to accumulated tax loss carryforwards on the acquisition date and to losses that arise thereafter.

Deferred tax assets and liabilities are offset when there is a legal right of offset for the current tax assets and liabilities and when the deferred tax assets and liabilities are attributable to taxes levied by one and the same tax authority and refer either to the same taxable entity or different taxable entities where the intention is to regulate balances through net payments.

Tax expenses for the year comprise current tax and deferred tax. The current tax expense is calculated on the basis of the tax rules that have been decided or essentially decided on the balance-sheet date in the countries in which the Parent Company and its subsidiaries operate and generate taxable revenue. Management regularly evaluates the claims made in tax declarations for situations where the applicable tax rules are open to interpretation.

Current and deferred tax are recognized in profit or loss, except when the tax pertains to items recognized in other comprehensive income or directly in shareholders' equity. In such cases, the tax is also recognized in other comprehensive income or shareholders' equity.

If the actual outcome differs from the amount initially recognized, such differences will impact the provisions for current tax and deferred tax, as well as net profit for the year. Deferred tax is calculated on temporary differences arising from participations in subsidiaries and associated companies, except when the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Goodwill

Goodwill is defined as the amount by which the consolidated cost of the shares in acquired subsidiaries and the fair value of any non-controlling interests exceed the fair value of the company's net assets as indicated in the acquisition analysis on the acquisition date. Goodwill is not amortized and instead impairment testing is undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill from the acquisition of associated companies is included in the value of the holdings in the associated companies and is tested for impairment as a part of the value of the total holding. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level with each business area in Lesjöfors and Beijer Tech deemed to comprise cash-generating units, while Habia Cable is tested in its entirety. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of the cash-generating unit to which the goodwill is attributable is compared to the recoverable amount, which is the higher of value in use and the fair value less selling expenses. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Goodwill is allocated on the acquisition date to cash-flow generating units that are expected to profit from the business combination that generated the goodwill item. For a description of the methods and assumptions used for impairment testing, refer to Note 14.

Other intangible assets

Other intangible assets primarily comprise customer relationships and licenses that have been acquired through business combinations and are measured at fair value on the acquisition date. The customer relationships and licenses have a definable useful life and are recognized at cost less accumulated amortization. Costs for obtaining or completing a contract with customers are also included in other intangible assets.

Beijer Alma applies the following estimated useful lives:
Other intangible assets 1–10 years

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount. Amortization is applied straight-line to distribute the cost over the estimated useful life of the asset.

Research and product development

When costs are incurred for product development, such costs are immediately expensed. According to a strict definition, essentially no research is conducted within the Group. New technology is rarely developed. What makes the Group unique is its knowledge about existing technologies and materials, and how these can be applied in different contexts and be adapted to customer needs. Since development work in the Beijer Alma Group is conducted on a continuous basis and is an integrated part of the daily operations, such expenses are difficult to define. Since clear boundaries cannot be determined and since the Group's development costs do not constitute a significant amount, no development costs are capitalized.

Tangible assets

Tangible assets, including office and industrial buildings, are recognized at cost after deductions for accumulated depreciation. Land is recognized at cost without depreciation. The cost includes expenses directly related to the acquisition of the asset. Additional expenditures are added to the carrying amount of the asset or are recognized as a separate asset, depending on which approach is deemed most appropriate, provided that it is probable that the future financial benefits associated with the asset will accrue to the Group and the cost of the asset can be measured in a reliable manner. The carrying amount of the reimbursed portion is derecognized from the balance sheet. Expenses for repair and maintenance are recognized as expenses. In profit or loss, operating profit is charged with straight-line depreciation based on the difference between the costs of the assets and any residual value they may have over their estimated useful lives. Beijer Alma applies the following estimated useful lives:

Office buildings used in operations	25–40 years
Industrial buildings used in operations	20–40 years
Plant and machinery	2–10 years
Equipment, tools, fixtures and fittings	2–10 years

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount. Capital gains and losses are determined by comparing the selling price and the carrying amount. Capital gains and losses are recognized in profit or loss.

Accounting policies for leases

The Group's leases primarily refer to premises and cars. The terms and conditions are negotiated separately for each lease and vary significantly. The leases do not contain any specific terms and conditions or restrictions that mean the leases would be terminated if the conditions were not met. However, the leased assets may not be used as collateral for loans.

These leases are recognized as right-of-use assets and a corresponding liability on the day on which the leased asset is available for use by the Group.Each lease payment is divided between depreciation of the liability and financial expense. The financial expense is distributed over the lease term so that each accounting period is charged with an amount that corresponds to a fixed interest rate for the liability recognized during each period.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the assets and the term of the lease. Leases are normally depreciated for fixed periods of three to ten years but an extension or termination option may also exist, as described below.

Assets and liabilities arising from leases are initially recognized at present value. Lease liabilities are included in the present value of the following lease payments:

- fixed payments, and
- variable lease payments that depend on an index.

The lease liability for the Group's premises with indexed rent is calculated based on the rent in effect at the end of each reporting period. On that date, the liability is adjusted, with a corresponding adjustment to the carrying amount of the right-of-use asset. In a corresponding manner, the value of the liability and the asset is adjusted in conjunction with a reassessment of the lease term. This takes place when the final date of termination during the previously assessed lease term for the lease for the premises has passed or when significant events take place or significant changes in circumstances take place that are within the Group's control and that impact the current assessment of the lease term.

Lease payments are discounted by the incremental borrowing rate.

Right-of-use assets are measured at cost and include the following:

- the initial amount of the lease liability, and
- payments made on or before the date on which the leased asset is made available to the lessee.

Payments for short-term leases and low-value leases are expensed straight-line in profit or loss. Short-term leases have a term of 12 months or less. Low-value leases include IT equipment and office machinery.

Options to extend or terminate leases are included in the majority of the Group's property leases. The terms and conditions are used to maximize the flexibility of managing leases. Options to extend or terminate leases are included in the asset and liability when it is reasonably certain that these will be exercised.

Impairment of non-financial assets

Goodwill with an indefinite useful life is not amortized and is instead tested annually for impairment or when there is an indication of a decline in value.

For depreciated or amortized assets, an assessment of the carrying amount of the assets is conducted whenever there is an indication that the carrying amount exceeds the recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. To assess impairment requirements, assets are grouped by cash-generating units, which comprises the two business areas found in each subgroup. Refer also to the sections on intangible assets and segment reporting. For assets other than goodwill, for which an impairment loss was previously recognized, impairment testing is carried out on each balance-sheet date to determine whether they should be reversed.

Inventories

Inventories comprise finished goods, semi-manufactured goods and raw materials. Inventories are valued, using the first-in, first-out method, at the lower of cost and net selling price on the balance-sheet date. Proprietary finished goods and semi-manufactured goods are valued at manufacturing cost, including raw materials, direct labor, other direct overheads and production-related overheads based on production volumes. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective measurement is applied for homogeneous groups of goods. Borrowing costs are not included in the valuation of inventories. A deduction is made for intra-Group gains arising when deliveries are made between the Group's companies. A requisite deduction for obsolescence has been made.

Financial instruments

The Group classifies its assets in the following categories:

- financial assets measured at fair value in profit or loss (derivative instruments not included in hedge accounting), and
- financial assets recognized at amortized cost.

Classification depends on the Group's business model for managing financial assets and the contractual terms for the assets' cash flows.

Financial liabilities are classified as either measured at amortized cost or measured at fair value through profit or loss. The Group's liabilities for purchase considerations attributable to business combinations and derivatives are measured at fair value through profit or loss. Other financial liabilities are recognized at amortized cost.

The Group reclassifies debt instruments only if the Group's business model for the instruments changes.

Recognition and derecognition from the balance sheet

Purchases and sales of financial assets are recognized on the trade date, meaning the date on which the Group undertakes to purchase or sell the asset. Financial assets are derecognized from the balance sheet when the right to collect cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and rewards connected with the right of ownership.

Measurement

On the acquisition date, the Group measures a financial asset at fair value plus, in cases where the asset is not measured at fair value through profit or loss, transaction costs directly attributable to the purchase. Transaction costs attributable to financial assets measured at fair value through profit or loss are expensed in profit or loss.

Investments and other financial assets

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the type of cash flow to which the asset gives rise. The Group classifies its debt instruments in the following measurement categories:

- Amortized cost: Assets held for the purpose of collecting contractual cash flows, where the cash flows exclusively comprise capital amounts and interest, are recognized at amortized cost. Gains or losses on debt instruments that are recognized at amortized cost and are not included in a hedging relationship are recognized in profit or loss when the asset is derecognized from the balance sheet or impaired. Interest income from such financial assets is recognized as financial income through application of the effective interest method.
- Fair value through profit or loss: Derivative instruments that have a positive fair value and not included in hedge accounting are measured at fair value through profit or loss. Gains or losses are recognized net in profit or loss in the period in which the gain or loss arises.

Impairment

The Group assesses the expected credit losses for financial assets recognized at amortized cost based on forward-look information. A loss allowance is recognized in one of the following ways:

- recognized for loss events expected to occur within 12 months
- recognized for loss events expected to occur during the full lifetime of the asset.

A loss allowance for the full lifetime of the asset is recognized if the credit risk for the financial asset on the reporting date has increased significantly since the initial recognition. Otherwise, a loss allowance within 12 months is recognized. For accounts receivable and contract assets, a loss allowance is always recognized for the asset's full lifetime. Refer to Note 20 for details about credit reserves for credit losses.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets, or a portion of a financial asset, are derecognized from the balance sheet when the contractual rights to the asset's cash flows have expired.

Derecognition of financial liabilities

Financial liabilities are derecognized from the balance sheet when the obligations have been discharged, canceled or in another manner extinguished. The difference between the carrying amount of a financial liability (or a portion of a financial liability) that has been extinguished or transferred to another party and the consideration has been paid, including transferred assets that do not comprise cash or assumed liabilities, are recognized in the statement of comprehensive income.

Should the terms of a financial liability be renegotiated, and not be derecognized from the balance sheet, a gain or loss is recognized in the statement of comprehensive income. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted to the original effective interest rate.

Derivatives and hedging measures

Derivative instruments are held only for the purpose of hedging risks and not for speculative purposes. In cases where the derivative instrument does not meet the criteria for hedge accounting, the derivative instrument is measured at fair value through profit or loss. These derivative instruments are classified as current assets or current liabilities if they are expected to be settled within 12 months after the end of the reporting period.

When a hedging transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's objectives with regard to risk management and the risk strategy for the hedge. The Group also documents its assessments, both initially and on an ongoing basis, of whether the derivative instruments used in hedging transactions are effective in mitigating changes in fair value or cash flows attributable to the hedged items.

Amounts that have accumulated in reserves in shareholders' equity are reclassified to profit or loss in the period in which the hedged item impacts earnings. If the hedged object leads to the recognition of a non-financial asset (such as inventories), the gains and losses previously recognized in shareholders' equity are transferred from shareholders' equity and included in the cost of the asset. In the case of inventories, these amounts recognized as assets will later be recognized in profit or loss under "Cost of goods sold".

When a hedging instrument matures, is sold or the hedge no longer fulfills the criteria for hedge accounting, hedge accounting is discontinued. The amount accumulated with respect to the hedge under shareholders' equity remains until such time as the forecast transaction occurs and is transferred, in the case of a non-financial asset, to the cost of the non-financial asset. When a forecast transaction is no longer expected to occur, the amount accumulated in reserves in shareholders' equity that relates to the hedge is immediately transferred to profit or loss.

Cash-flow hedging

The effective portion of changes in the fair value of a derivative instrument that is identified as cash-flow hedging and meets the conditions for hedge accounting is recognized in other comprehensive income. Accumulated amounts in reserves of shareholders' equity are reclassified to profit or loss in the period in which the hedged item impacts earnings (for example, when the hedged forecast sale occurs). Beijer Alma utilizes derivative instruments to cover risks associated with exchange-rate fluctuations. Beijer Alma applies hedging for commercial exposure in the form of highly probable forecast transactions (cash-flow exposure) within the framework of the financial policy adopted by the Board of Directors. The gain or loss attributable to the ineffective portion is recognized immediately in profit or loss as other income or other expenses.

Accounts receivable

Accounts receivable are initially measured at fair value and thereafter at amortized cost using the effective interest method, less the loss allowance.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances. Cash and cash equivalents are initially measured at fair value and thereafter at amortized cost.

Share capital

Ordinary shares are classified as shareholders' equity. Transaction costs that are directly attributable to issues of new shares are recognized in shareholders' equity, in a net amount after tax, as a deduction from the proceeds of the issue.

Accounts payable

Accounts payable are obligations to pay for goods and services acquired in the course of the operating activities. Accounts payable are classified as current liabilities if they fall due within one year or earlier. Otherwise they are recognized as non-current liabilities. Accounts payable are initially measured at fair value and thereafter at amortized cost using the effective interest method.

Borrowing

Borrowing is initially measured at fair value in a net amount after transaction costs. Borrowing is thereafter recognized at amortized cost and any difference between the amount received and the amount repaid is recognized in profit or loss distributed over the borrowing period using the effective interest method.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period.

Bank overdrafts are recognized as borrowings among current liabilities in the balance sheet.

Provisions

Provisions are recognized in the balance sheet under current and non-current liabilities when the Group has a legal or informal obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are valued at the present value of the amount expected to be required to settle the obligation. The Group uses a pre-tax discount rate that reflects a current market estimate of the time-dependent value of the funds and the risks associated with the provision. Any increase in the provision attributable to the passage of time is recognized as an interest expense.

Employee benefits

The Group utilizes defined-contribution and defined-benefit pension plans. The pension plans are financed through payments made by each Group company and the employees. The defined-benefit pension plans are ITP plans that are insured with Alecta. These plans are recognized as defined-contribution plans since Alecta is unable to provide the necessary information. Refer also to Note 2.

A defined-contribution plan is a pension plan according to which the Group pays fixed fees to a separate legal entity. The Group has no legal or information obligations to pay additional contributions in the event that this legal entity lacks the necessary assets to pay all employee benefits associated with the employee's service during the current period or earlier periods. A defined-benefit plan is a pension plan that is not a defined-contribution plan. Defined-benefit plans are unique in that they state an amount for the pension benefit to be received by an employee after retirement, normally based on one or several factors, such as age, period of service and salary. In the event that a pension commitment is covered through the holding of endowment insurances, this asset is considered a plan asset, meaning that the asset and liability offset one another.

The Group's payments relating to pension plans are recognized as an expense during the period in which the employees performed the services to which the payment pertains.

Dividend

Dividends are recognized as liabilities after they are approved by the Annual General Meeting.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all EU-approved IFRS and statements, insofar as this is possible within the framework of the Swedish Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and amendments to IFRS. The differences between the Group and Parent Company accounting policies are described below.

Participations in Group companies and associated companies

Shares and participations in subsidiaries and associated companies are recognized at cost after deducting any impairment losses. Cost includes acquisition-related costs and any additional purchase considerations. Dividends received are recognized as financial income. Dividends that exceed the subsidiary's comprehensive income for the period or that cause the carrying amount of the holding's net assets in the consolidated financial statements to fall below the carrying amount of the participations are an indication of the need for impairment.

In the event of an indication that shares and participations in subsidiaries or associated companies have declined in value, a calculation is made of the recoverable amount.

If this amount is lower than the carrying amount, an impairment is performed. Impairment losses are recognized in the items "Profit from participations in Group companies" or "Profit from participations in associated companies."

Dividends

Dividend income is recognized when the right to receive payment is deemed secure. Anticipated dividends from subsidiaries are recognized in cases where the Parent Company has the exclusive right to decide on the size of the dividend and the Parent Company has decided on the size of the dividend prior to the Parent Company publishing its financial statements. In the event that anticipated dividends are not paid, the anticipated dividend is reversed in the same account in which it was originally recognized.

Financial instruments

IFRS 9 is not applied in the Parent Company and financial instruments are measured at cost. In subsequent period, financial assets acquired for the purpose of being held for a short period of time will be recognized at the lower of cost or market value. However, the Parent Company must apply the impairment rules in IFRS 9 and on each balance-sheet date, the Parent Company assesses whether there is any indication of an impairment requirement in any of the financial assets. An impairment loss is recognized when the decline in value is deemed to be permanent. Impairment losses on interest-bearing financial assets are recognized at amortized cost calculated as the difference between the carrying amount and present value of the asset, based on management's best estimate of the future cash flows discounted by the asset's original effective interest rate. The impairment amount for other financial assets is set as the difference between the carrying amount and the higher of fair value less selling expenses and the present value of future cash flows (which is based on management's best estimate). The loss allowance for financial assets is based on assumptions concerning default and expected loss levels. The Parent Company conducts its own assessments when establishing assumptions and selecting the inputs for the calculation of impairment. These are based on forward-looking calculations of known, historical market conditions at the end of each reporting period. The allowance for expected losses on other financial assets recognized at amortized cost amounts to SEK 0 at both the beginning and the end of the year.

Accounting policies for leased assets from January 1, 2019

The Parent Company has decided not to apply IFRS 16 Leases and instead has applied RFR 2 IFRS 16 Leases items 2–12. As a lessee, lease payments are recognized as an expense on a straight-line bases over the lease term, and right-of-use assets and lease liabilities are therefore not recognized in the balance sheet.

Group contributions and shareholders' contributions for legal entities

Group contributions are recognized in the Parent Company as an appropriation.

Note 2 Employees

Average number of employees	Total 2020	of whom, women	of whom, men	Total 2019	of whom, women	of whom, men
PARENT COMPANY						
Sweden	4	2	2	4	1	3
Total	**4**	**2**	**2**	4	1	3
SUBSIDIARIES						
Sweden	**770**	**186**	**584**	775	185	590
Outside Sweden						
Germany	**397**	**118**	**279**	444	123	321
China	**312**	**147**	**165**	373	161	212
UK	**216**	**38**	**178**	202	45	157
Latvia	**153**	**85**	**68**	146	82	64
Slovakia	**153**	**69**	**84**	175	79	96
Netherlands	**116**	**13**	**103**	79	13	66
Poland	**115**	**79**	**36**	114	74	40
Finland	**85**	**7**	**78**	85	7	78
Denmark	**63**	**15**	**48**	64	16	48
Thailand	**43**	**17**	**26**	41	16	25
Singapore	**39**	**10**	**29**	43	9	34
US	**34**	**4**	**30**	37	5	32
Norway	**27**	**3**	**24**	29	5	24
Mexico	**23**	**5**	**18**	31	8	23
Russia	**14**	**5**	**9**	15	5	10
Hong Kong	**0**	**0**	**0**	5	3	2
Total outside Sweden	**1,790**	**615**	**1,175**	1,883	651	1,232
Total	**2,564**	**803**	**1,761**	2,658	836	1,822

Gender distribution senior executives	2020 Women	2020 Men	2019 Women	2019 Men
PARENT COMPANY				
Board of Directors	**3**	**5**	3	4
Senior management	**1**	**4**	0	5
SUBSIDIARIES				
Senior executives	**21**	**78**	19	69

Employee benefits (MSEK)	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Salaries and remuneration	**926,950**	984,484	**11,634**	12,160
Social security contributions	**252,223**	278,727	**3,168**	3,466
of which, pension costs	**–**	–	**3,657**	3,912
Total	**1,179,173**	1,263,211	**14,802**	15,625

Defined-benefit pension plans

For salaried employees in Sweden, defined-benefit pension commitments for retirement and family pension under the ITP 2 plan are secured through an insurance policy with Alecta. According to statement UFR 10 Classification of ITP plans financed by insurance in Alecta, issued by the Swedish Financial Reporting Board, this is a multi-employer defined-benefit pension plan. The Group's share of the total fees for the plan is approximately 0.03 percent. For the 2020 financial year, the company did not have access to sufficient information to enable it to recognize its proportional share of the plan commitments, plan assets and expenses, which meant that the plan could not be recognized as a defined-benefit plan. Accordingly, the ITP 2 pension plan, which is secured through insurance with Alecta, was recognized as a defined-contribution pension plan. The premium for the defined-benefit retirement and family pension plan is calculated on an individual basis, taking into consideration such factors as salary, previously accrued pension and expected remaining period of service. The fees for ITP 2 insurance for 2020 amount to about MSEK 11.

The collective consolidation level is defined as the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which do not correspond with IAS 19. The collective consolidation level is normally permitted to vary between 125 and 155 percent. Should Alecta's collective consolidation level be below 125 percent or above 155 percent, measures are to be taken to create the necessary conditions to ensure the consolidation level returns to the normal interval. In the event of a low consolidation level, one such measure may be to raise the contracted price for taking out new insurance or extending existing benefits. In the event of a high consolidation level, it may be necessary to implement premium reductions. At year-end 2020, the preliminary collective consolidation level was 148 percent (December 31, 2019: 148 percent).

Terms of employment and remuneration to senior executives

Principles

Fees are paid to the Chairman of the Board and the directors in accordance with the resolution adopted by the Annual General Meeting. These fees are paid retroactively on an annual basis. These fees are paid retroactively on an annual basis. Fees to the Audit Committee are determined by the Annual General Meeting and paid annually in arrears. The Annual General Meeting also passes resolutions regarding remuneration and terms of employment for members of senior management. No fees are paid to Group employees for work as directors of subsidiaries.

Remuneration to the Board 2020

Directors (fees paid in accordance with the resolution passed by 2020 Annual General Meeting)	Directors' fees/fixed salary	Audit Committee	Total
Johan Wall	950	75	**1,025**
Carina Andersson	325		**325**
Johnny Alvarsson	325		**325**
Hans Landin	325		**325**
Caroline af Ugglas	325	75	**400**
Anders Ullberg	325	125	**450**
Cecilia Wikström	325		**325**
Total	**2,900**	**275**	**3,175**

Remuneration to the Board 2019

Directors (fees paid in accordance with the resolution passed by 2019 Annual General Meeting)	Directors' fees/fixed salary	Audit Committee	Total
Johan Wall	950	75	**1,025**
Carina Andersson	325		**325**
Johnny Alvarsson	325		**325**
Anders G. Carlberg	325		**325**
Caroline af Ugglas	325	75	**400**
Anders Ullberg	325	125	**450**
Cecilia Wikström	325		**325**
Total	**2,900**	**275**	**3,175**

Remuneration of senior management comprises fixed salary, variable salary, pension costs and other benefits (mainly company car benefits). Members of senior management include the President, the presidents of the three subsidiaries and the Group's CFO. Basic salary is to be proportional to the individual's responsibilities and authority. Variable salary is maximized at 80 percent of basic salary. Variable salary is based on actual performance in relation to individually established goals. The Board will propose to the Annual General Meeting that the guidelines for senior executives remain unchanged.

Salaries and remuneration to senior executives 2020	Salary and other remuneration	Variable remuneration	Social security contributions	Of which, pension costs	Other remuneration/ benefits	Total
President	4,115	608	1,766	1,022	108	**7,619**
Other senior management*	10,153	2,073	4,325	2,243	379	**19,173**
Total	**14,268**	**2,681**	**6,091**	**3,265**	**487**	**26,791**

* This also includes Anders Karlström, who served as acting CFO in the period from February 1, 2020 until August 31, 2020 and invoiced the company a consultant's fee.

Salaries and remuneration to senior executives 2019	Salary and other remuneration	Variable remuneration	Social security contributions	Of which, pension costs	Other remuneration/ benefits	Total
President	3,941	740	1,527	1,200	106	**7,514**
Other senior management	9,220	1,382	3,425	885	298	**15,210**
Total	**13,161**	**2,122**	**4,952**	**2,085**	**404**	**22,724**

Comments on the table

Members of the Group's senior management have only defined-contribution pension plans. Pension costs refer to the costs charged against net profit for the year.

Remuneration to senior executives in the Group	**2020**	2019
Salaries and renumeration	**75,351**	78,631
Social security contributions	**24,191**	22,692
Of which, pension costs	**10,474**	8,535
Total	**99,542**	101,323

TERMS OF EMPLOYMENT

President

Henrik Perbeck, President from March 2018. The period of notice is six months if employment is terminated by the company. 12 months' severance pay is to be paid, but is to be offset against remuneration from other employers. In the event that employment is terminated by the employee, the period of notice is six months. The retirement age is 65. Pension premiums are paid by the company in an amount of 25 percent of fixed salary.

Other members of senior management

If employment is terminated by the company, the period of notice varies between six and 12 months. In the event that employment is terminated by the employee, the period of notice is six months. Severance pay is paid for up to six months, but is offset against remuneration from other employers. In no cases is the retirement age under 65. Pension premiums, which are paid by the company, are equivalent to 25 to 30 percent of basic salary, excluding company car benefits.

Note 3 Net revenues

Within Lesjöfors and Habia, products are manufactured and sold, while Beijer Tech primarily purchases and sells products. Within Beijer Tech's operations, certain sales of service also occur. Revenues are recognized when control of the goods is passed to the customer. This normally occurs upon delivery from the warehouse, but may occur later in certain cases depending on delivery terms. At this point in time, the customer has the right to dispose of the products and Beijer Alma has satisfied its obligations. Habia Cable sells major projects to customers in the offshore sector, which are recognized as profit over time as the performance obligations are satisfied. The delivery time of the projects from the start of production to final delivery did not exceed 12 months during the year. The settlement method for determining the degree of completion is based on the number of kilometers of manufactured and tested cable according to a predetermined test method agreed with each customer. The costs for obtaining and completing such projects are capitalized and recognized as intangible assets, so that they can be reclassified as operating expenses in line with the corresponding revenue being recognized (refer to Note 15). At year-end 2020, the companies had remaining performance obligations amounting to MSEK 5.8 (12.8). These are expected to be recognized in the first quarter of the coming year. Of net revenues, which amounted to MSEK 4,250 (4,622), the majority comprised sales at a point in time, while MSEK 168 (193) comprise sales where delivery of the goods or service took place over time. Sales over time are mainly attributable to Beijer Tech and Habia Cable. The customer credit period for the Group's sales is normally 30 days and in no case exceeds one year. Accordingly, no financing component is deemed to exist. Accounts receivable are recognized on the delivery date since the receivable becomes unconditional on this date.

In certain parts of the operations, customers have discounts based on annual volumes. These discounts are calculated at the end of the period and reduce the Group's revenues. At year-end, the Group had MSEK 57 (62) in customer discounts recognized as liabilities. These are recognized under "Accrued expenses and deferred income".

The Group's recognized contract assets and contract liabilities are presented in Notes 22, 27 and 28. Contract assets are presented in Note 22 and comprise MSEK 5.6 (12.4) pertaining to percentage of completion and MSEK 0.2 (0.4) in accrued commission. Contract liabilities comprise advance payments from customers, which are presented in Note 28 and amount to MSEK 6.8 (7.4), and other contract liabilities, which are presented in Note 27 and amount to MSEK 1.6.

Revenues per business area (MSEK)	2020	2019
LESJÖFORS		
Industry	**1,840**	1,923
Chassis Springs	**609**	641
Total Lesjöfors	**2,449**	2,564
HABIA CABLE		
Total Habia	**804**	978
BEIJER TECH		
Fluid Technology	**434**	481
Industrial Products	**563**	599
Total Beijer Tech	**997**	1,080
Group	**4,250**	4,622

Note 4 Segment reporting

The Group is divided into three separate subgroups. Each subgroup is headed by a president, who is a member of Beijer Alma's Group management. In two of the subgroups, there are two business areas that make up operating segments: Chassis Springs and Industry within Lesjöfors; and Fluid Technology and Industrial Products within Beijer Tech. The two operating segments within each subgroup meet the criteria of IFRS 8 with respect to aggregation and have therefore been combined into a single operating segment within each subgroup, which thus comprise the reported segments. Habia Cable is not divided into business areas, which means that all of Habia Cable consitutes a single segment. The financial information addressed by the President and used to make strategic decisions is based on the following division of segments.

"Other" refers to the Parent Company, which is a holding company that does not conduct external invoicing, as well as a number of small subsidiaries with minor operations. Operating profit is the income measure monitored by Group management.

Any inter-segment sales take place on commercial terms. No individual customer accounts for more than 5 percent of the Group's revenue.

2020	Lesjöfors	Habia	Beijer Tech	Other (Parent Company, etc.)	Eliminations	Total
Segment revenue	2,448.7	804.0	997.1	22.2	–22.2	4,249.8
Inter-segment sales	–	–	–	–	–	0.0
Revenue from external customers	**2,448.7**	**804.0**	**997.1**	**–**	**–**	**4,249.8**
Operating profit/loss	441.2	53.7	69.7	–19.8	–	544.8
Financial income	0.6	0.1	0.2	–84.4	84.4	0.9
Financial expenses	–12.8	–6.2	–8.4	–3.6	0.6	–30.4
Profit/loss after net financial items	**429.0**	**47.6**	**61.5**	**–107.8**	**85.0**	**515.3**
Appropriations	–90.0	–	–	90.0	–	0.0
Tax	–77.7	–14.9	–13.0	–12.8	–	–118.4
Minority interest	–	–	–0.3	–	–	–0.3
Net profit/loss	**261.3**	**32.7**	**48.2**	**–30.6**	**85.0**	**396.6**
Operating profit includes:						
Depreciation/amortization	148.2	41.8	48.9	–	0.8	239.7
of which, impairment	–	–	6.0	–	–	6.0
Share of profit/loss in associated companies	0.4	–	–	–	–	0.4
Assets	2,934.4	688.3	929.7	961.2	–829.2	4,684.4
Liabilities	1,170.3	329.0	680.4	230.7	–226.0	2,184.4
Of which, interest-bearing	565.5	141.6	299.4	184.6	–2.6	1,188.5
Cash funds (included in assets)	456.7	112.3	47.0	0.5	–	616.5
Net debt*	108.8	29.4	252.4	184.1	–2.6	572.1
Investments in intangible assets	91.0	11.5	21.9	–	–	124.4
Sales outside Sweden, %	85.4	94.2	40.3	–	–	76.5

2019	Lesjöfors	Habia	Beijer Tech	Other (Parent Company, etc.)	Eliminations	Total
Segment revenue	2,563.5	978.6	1,080.3	18.2	–18.2	4,622.4
Inter-segment sales	–	–	–	–	–	0.0
Revenue from external customers	**2,563.5**	**978.6**	**1,080.3**	**–**	**–**	**4,622.4**
Operating profit/loss	441.3	80.1	81.4	–20.2		582.6
Financial income	0.6	0.3	0.2	228.5	–228.5	1.1
Financial expenses	–13.0	–7.1	–5.0	–1.8	0.6	–26.3
Profit after net financial items	**428.9**	**73.3**	**76.6**	**206.5**	**–227.9**	**557.4**
Appropriations	–100.0	–	–	97.1	2.9	0.0
Tax	–72.8	–19.3	–18.7	–15.8	–	–126.6
Net profit	**256.1**	**54.0**	**57.9**	**287.8**	**–225.0**	**430.8**
Operating profit includes Depreciation/amortization	142.8	47.0	40.1	–	0.8	230.7
Share of profit/loss in associated companies	–	–	–	–	–	0.0
Assets	2,883.7	750.0	730.7	1,055.0	–864.6	4,554.8
Liabilities	1,366.0	409.9	464.7	170.9	–273.9	2,137.6
Of which, interest-bearing	738.0	170.8	147.5	129.7	–	1,186.0
Cash funds (included in assets)	368.8	25.9	7.7	62.7	–	465.1
Net debt*	369.2	145.0	139.8	66.9	–	720.9
Investments in intangible assets	153.9	18.9	48.2	0.3	0.1	221.4
Sales outside Sweden, %	85.4	93.9	38.0	–	–	76.1

*Net debt is presented excluding IFRS 16

Sales from Beijer Alma's subsidiaries to customers worldwide are distributed by the country in which the customer is located as follows.

Sales per country (MSEK)	2020	2019
Sweden	**1,001**	1,121
Germany	**499**	522
UK	**306**	320
China	**262**	302
Norway	**247**	292
Finland	**239**	224
Denmark	**167**	174
Poland	**140**	166
Netherlands	**131**	148
France	**102**	132
Russia	**92**	96
Belgium	**85**	95
Czech Republic	**77**	100
Hungary	**61**	68
Romania	**39**	40
Slovakia	**38**	47
US & Canada	**177**	200
Other Asia	**167**	204
Other Europe	**112**	119
Other EU	**227**	212
Rest of the world	**81**	40
Total	**4,250**	4,622

Fixed assets per country (MSEK)	2020	2019
Sweden	**880**	761
Denmark	**81**	90
Finland	**119**	127
China	**65**	80
Latvia	**93**	92
Netherlands	**194**	199
Slovakia	**74**	84
UK	**294**	210
Germany	**325**	351
US	**122**	113
Other Asia	**66**	76
Other Europe	**27**	30
Other EU	**8**	13
Total	**2,348**	2,226

Note 5 Auditors' fees

Auditors' fees are included in administrative expenses as follows.

	Group 2020	2019	Parent Company 2020	2019
	KPMG	**PWC**	**KPMG**	**PWC**
Audit assignment	**4,362**	4,107	**549**	731
Auditing activities in addition to audit assignment	**420**	639	**290**	237
Tax consultancy	**43**	520	–	–
Other services	**140**	249	**71**	137
Other auditors				
Audit assignment	**4,092**	3,163	**452**	–
Auditing activities in addition to audit assignment	**654**	206	**81**	–
Tax consultancy	**795**	1,121	–	–
Other services	**1,122**	786	**111**	–
Total	**11,628**	10,791	**1,554**	1,105

In the 2020 financial year, remuneration paid to the auditing firm and its network by the Beijer Alma Group amounted to MSEK 5.0 (of which MSEK 3.0 to the auditing firm), distributed between the following categories:

- Audit assignment, MSEK 4.4 to the auditing firm and network, of which MSEK 2.7 to the auditing firm
- Other statutory assignments, MSEK 0.4 to the auditing firm and network, of which MSEK 0.1 to the auditing firm
- Tax consultancy, MSEK 0.04 to the auditing firm and network, of which MSEK 0 to the auditing firm
- Other services, MSEK 0.2 to the auditing firm and network, of which MSEK 0.2 to the auditing firm

Note 6 Other operating income and operating expenses

	Group 2020	2019	Parent Company 2020	2019
Revaluation of additional purchase considerations	**17,200**	–	–	–
Other	**1,500**	–	–	–
Management fee	–	–	**18,200**	18,200
Total	**18,700**	0	**18,200**	18,200

Note 7 Government grants

Government grants and reductions in social security contributions have been recognized as a reduction in expenses in the income statement. A government grant is not recognized in profit until it is reasonably certain that the entity will fulfill the terms that apply for the grant and that the grant will be received. A total of MSEK 65.3 in grants and reductions in social security contributions have been received, of which MSEK 32.6 for short-time work allowance. Of the total grants and reductions in social security contributions, MSEK 24.7 was attributable to operations in Sweden.

Note 8 Profit from participations in associated companies

	Group 2020	2019
Share of profit from:		
Hanil Precision Co Ltd	**400**	217
Total	**400**	217

Note 9 Operating profit

Operating profit has been charged with depreciation and amortization as follows:

	2020	Group 2019
Plant and machinery	**106,643**	114,558
Equipment, tools, fixtures and fittings	**31,119**	20,762
Buildings	**23,857**	21,613
Land improvements	**1,067**	847
Right-of-use assets	**68,315**	66,616
Other intangible assets	**8,675**	6,770
Total	**239,676**	231,166

Depreciation is distributed per line in profit or loss as follows: cost of goods sold MSEK 221.3, selling expenses MSEK 9.4 and administrative expenses MSEK 9.

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by SEK 30,000 (41,000).

Costs distributed by type of cost	2020	Group 2019
Material costs	**1,810,485**	2,051,521
Costs for employee benefits (Note 2)	**1,179,173**	1,239,922
Development costs not charged to respective orders	**13,159**	15,137
Depreciation/amortization (Note 9)	**239,676**	230,742
Other costs	**462,545**	501,816
Total	**3,705,038**	4,039,138

Note 10 Leases

Information regarding the Group's right-of-use assets and lease liabilities is presented in the table below.

	2020	Group 2019
Right-of-use assets		
Properties	**167,132**	169,130
Motor vehicles	**26,893**	20,941
Other leased assets	**9,687**	14,690
Total	**203,712**	204,761
Lease liabilities		
Non-current lease liabilities	**135,681**	130,969
Current lease liabilities	**65,816**	68,467
Total	**201,497**	199,436
Depreciation for the year per type of right-of-use asset		
Properties	**52,406**	54,004
Motor vehicles	**13,397**	8,888
Other leased assets	**2,512**	3,726
Total	**68,315**	66,616
Due date of future payments included in lease liability on Dec 31		
To be paid within 1 year	**67,580**	71,741
To be paid within 1 to 3 years	**95,526**	71,659
To be paid within 3 to 5 years	**38,421**	42,880
To be paid after more than 5 years	**20,430**	31,686
Total future lease payments	**221,958**	217,966

Net financial items include interest for lease obligations amounting to MSEK 8.9 (8.9). Payment of leases are charged to cash flow in an amount of MSEK 75 (64) and are included as part of the depreciation and interest expenses. Lease payments for low-value and short-term leases totaled MSEK 2.7.

During the year, no leases were impacted by rental discounts provided as a support measure owing to the COVID-19 pandemic.

Note 11 Income from participations in Group companies

	2020	Parent Company 2019
Reversed anticipated dividend 2019	**–225,000**	–
Anticipated dividend from:		
Beijer Tech AB	**30,000**	55,000
Habia Cable AB	**–**	50,000
Lesjöfors AB	**110,000**	120,000
AIHUK AB	**–**	2,900
Total	**–85,000**	227,900

Note 12 Income tax

	2020	Group 2019	2020	Parent Company 2019
Current tax for the period	**–114,825**	–128,691	**–12,803**	–15,804
Deferred tax pertaining to:				
untaxed reserves	**–1,389**	–913	**–**	–
provisions	**–2,069**	2,859	**–**	–
Current tax attributable to earlier years	**–**	155	**–**	–
Total	**–118,283**	–126,590	**–12,803**	–15,804

Difference between tax expense and 21.4 percent tax	**2020**	**2019**	**2020**	2019
Profit before tax	**515,221**	557,380	**–17,739**	306,564
21.4 percent of this amount	**–110,257**	–119,279	**3,796**	–65,605
Tax for the period	**–118,284**	–126,590	**–12,803**	–15,804
Difference	**–8,027**	–7,311	**–16,599**	49,801

Specification of difference	**2020**	2019	**2020**	2019
Effect of:				
foreign tax rates	**–1,255**	–1,215	**–**	–
non-deductible costs	**–1,782**	–2,758	**–287**	–558
non-taxable income	**946**	59	**–16,312***	49,393
deficit in foreign subsidiaries	**–2,962**	–100	**–**	–
deferred tax not previously recognized	**–2,974**	–3,327	**–**	966
Total	**–8,027**	–7,311	**–16,599**	49,801

*Includes the effect of reversed anticipated dividends.
The Group's weighted average tax rate was 23.0 percent (22.7).
Cash-flow hedges after tax are recognized in other comprehensive income. A tax expense of SEK 2,364,000 was recognized in 2020 and a tax expense of SEK 12,000 pertaining to cash-flow hedges was recognized in 2019 in other comprehensive income.
There are no other tax effects in other comprehensive income.

Note 13 Earnings per share

	2020	Group 2019
Profit used for calculating earnings per share		
Net profit attributable to Parent Company shareholders	**396,663**	430,790
Number of shares	**60,262,200**	60,262,200
Earnings per share, SEK	**6.58**	7.15

Since there are no outstanding programs regarding convertibles or options, the number of shares before and after dilution is the same.

Note 14 Goodwill

	2020	Group 2019
Opening cost	**875,209**	706,354
Acquisitions [1]	**153,609**	163,385
Reclassification	**–**	–
Translation differences	**–16,629**	5,470
Closing accumulated cost	**1,012,189**	875,209
Opening impairment	**112,059**	112,244
Impairment for the year	**–**	–
Translation differences	**4**	–1
Closing accumulated impairment	**112,063**	112,243
Carrying amount	**900,126**	762,966

	2020	1) Group 2019
Spibelt BV	–	80,847
Lundgrens Norge AS	–	1,770
KTT Tekniikka Oy	–	37,621
Uudenmaan Murskaus (acquisition of assets and liabilities)	–	9,512
Encitech Connectors AB	–	33,635
INU Gruppen	**84,692**	–
Metrol	**57,691**	–
PA Ventiler AB	**11,226**	–
Total	**153,609**	163,385

The Group's total recognized goodwill is allocated to the operating sectors, which as of 2018 comprise the following cash-generating units (MSEK)	**2020**	2019
Lesjöfors Chassis Springs	**29.0**	29.0
Lesjöfors Industry	**330.4**	282.5
Habia Telecom	–	–
Habia Other Industry	–	58.8
Habia Cable	**56.7**	–
Beijer Tech Fluid Technology	**265.0**	258.8
Beijer Tech Industrial Products	**219.0**	133.9
Total	**900.1**	763.0

Impairment tests for goodwill

The value of goodwill is tested annually using impairment tests or when there are indications of a decline in value. Testing is carried out for each individual cash-generating unit, which comprise the Group's business areas: Chassis Springs and Industry within Lesjöfors and Habia Cable, and Fluid Technology and Industrial Products within Beijer Tech. In 2020, Beijer Alma changed its impairment testing of Habia Cable. Since the Telecom segment has become less important, it is no longer relevant to divide the company into Telecom and Other Industry. Impairment testing has instead been carried out for Habia Cable as a whole.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on cash flow projections. Established forecasts were used for the first forecast year of 2021, and available strategy plans were used as far as possible for the coming four years. Where such strategy plans were not available, estimated values based on a growth rate of 1–2 percent were used (unchanged compared with the preceding year). Key assumptions on which the calculations are based:

- Forecast gross margins and operating margins
- Growth rate for the periods after the budget period
- Selected discount rate after tax

Forecast gross margins and operating margins have been established by management based on historical outcomes, and measures and plans in the approved forecasts. For the period after the forecast period, a growth rate of 1–2 percent has been used. In the test for the 2019 annual accounts, corresponding growth rates were used for all periods after the forecast period. The effects of IFRS 16 are not included in the impairment tests and are therefore not included in the calculation of the discount rate.

The discount rate comprises the following components: a risk-free interest rate, the market risk premium and a company-specific risk premium. The discount rates used in the 2020 impairment testing were 7.1 percent (7.1) for Fluid Technology and Industrial Products in Beijer Tech, 8.0 percent (7.5) for Habia Cable and 7.8 percent (7.7) for Chassis Springs and Industry in Lesjöfors. The differences between the subsidiaries are due to individual risk profiles.

The 2020 impairment tests did not indicate an impairment requirement. Several sensitivity analyses were performed in which the growth rate was halved and the discount rate was increased by 1 and 2 percent, respectively. These conditions also did not entail an impairment requirement for any of the cash-generating units.

Note 15 Other intangible assets

	2020	Group 2019
Opening cost	**84,198**	76,953
Purchases	**6,587**	6,841
Acquisitions of subsidiaries	**28,253**	8,258
Reclassification	–	–7,912
Translation differences	–	58
Closing accumulated cost	**119,038**	84,198
Opening amortization	**48,620**	41,800
Sales and disposals	–	–
Reclassification	–	–
Amortization for the year	**8,676**	6,770
Translation differences	**607**	50
Closing accumulated amortization	**57,903**	48,620
Opening impairment	**1,018**	1,019
Translation differences	–	–1
Closing impairment	**1,018**	1,018
Carrying amount	**60,117**	34,560

The assets comprise acquired customer relations and software licenses as well as capitalized costs for securing and fulfilling agreements.

NOTE 16

Note 16 Tangible assets

2020	Land	Buildings	Machinery	Equipment	**Group** Total
Opening cost	124,727	711,602	1,886,540	286,804	**3,009,673**
Purchases	63	26,128	61,332	27,095	**114,618**
Sales and disposals	–	–	–29,138	–6,743	**–35,881**
Through acquisitions of subsidiaries	–	31,244	20,528	5,257	**57,029**
Reclassification	821	2,455	534	5,746	**9,556**
Translation differences	–4,981	–17,741	–72,713	–11,104	**–106,539**
Closing accumulated cost	**120,630**	**753,688**	**1,867,083**	**307,055**	**3,048,456**
Opening depreciation	6,005	279,500	1,316,671	204,358	**1,806,534**
Sales and disposals	–	–	–25,808	1,508	**–24,300**
Through acquisitions of subsidiaries	–	–	5,157	–5,845	**–688**
Reclassification	281	–5,066	7,200	2,767	**5,182**
Depreciation for the year	1,067	23,857	106,643	31,119	**162,686**
Translation differences	–79	–6,552	–48,621	–12,529	**–67,781**
Closing accumulated depreciation	**7,274**	**291,739**	**1,361,242**	**221,378**	**1,881,633**
Opening impairment	58	–	5,042	1,878	**6,978**
Reclassification	–	–	271	–	**271**
Impairment for the year	–	–	1,499	–	**1,499**
Translation differences	–	–	–111	–	**–111**
Closing impairment	**58**	**0**	**6,701**	**1,878**	**8,637**
Carrying amount	**113,298**	**461,949**	**499,140**	**83,799**	**1,158,186**

2019	Land	Buildings	Machinery	Equipment	**Group** Total
Opening cost	81,745	581,161	1,652,512	232,184	**2,547,602**
Purchases	2,003	62,740	113,673	42,972	**221,388**
Sales and disposals	–	–	–6,902	–5,628	**–12,530**
Through acquisitions of subsidiaries	39,404	42,706	100,620	5,337	**188,067**
Reclassification	1,810	15,682	–3,813	6,014	**19,693**
Translation differences	–235	9,313	30,450	5,925	**45,453**
Closing accumulated cost	**124,727**	**711,602**	**1,886,540**	**286,804**	**3,009,673**
Opening depreciation	5,139	252,245	1,125,864	169,696	**1,552,944**
Sales and disposals	–	–	3,314	6,697	**10,011**
Through acquisitions of subsidiaries	–	3,601	56,970	1,166	**61,737**
Reclassification	–	96	–3,056	3,056	**96**
Depreciation for the year	910	21,399	111,851	22,581	**156,741**
Translation differences	–44	2,159	21,728	1,162	**25,005**
Closing accumulated depreciation	**6,005**	**279,500**	**1,316,671**	**204,358**	**1,806,534**
Opening impairment	58	–	5,212	1,526	**6,796**
Reclassification	–	–	–	–	**0**
Impairment for the year	–	–	–	381	**381**
Translation differences	–	–	–170	,29	**–199**
Closing impairment	58	0	5,042	1,878	6,978
Carrying amount	**118,664**	**432,102**	**564,827**	**80,568**	**1,196,161**

Equipment	2020	**Parent Company** 2019
Opening cost	**1,842**	2,813
Sales and disposals	**–**	–971
Translation differences	**–**	–
Closing accumulated cost	**1,842**	**1,842**
Opening depreciation	**1,639**	1,667
Sales and disposals	**–**	–69
Depreciation for the year	**30**	41
Closing accumulated depreciation	**1,669**	1,639
Carrying amount	**173**	203

Note 17 Participations in associated companies

	Share of equity, %	Registered office	Group **Carrying amount 2020**	 Carrying amount 2019
Hanil Precision Co Ltd	20	Busan, South Korea	**26,067**	27,973
Total			**26,067**	27,973

Hanil Precision Co Ltd is a South Korean gas-spring manufacturer with revenues of approximately MSEK 175 (195) and an operating margin of 4 percent (5). During the year, Lesjöfors purchased gas springs from Hanil for MSEK 7 (21). These purchases were conducted on market terms.

Group share as of Dec 31, 2020 (MSEK)	Assets	Liabilities	Income	Net profit
Hanil Precision Co Ltd	31	12	35	0.4

	2020	Group 2019
Opening value	**27,973**	27,971
Share in profit after tax	**400**	217
Purchases	**–**	–
Translation difference	**–1,086**	1,616
Impairment	**–1,220**	–1,831
Carrying amount	**26,067**	27,973

Note 18 Participations in Group companies

2020	Corp. Reg. No.	Number	Registered office		Parent Company Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad, Sweden	178,600	1,764,118 1)
Habia Cable AB	556050-3426	500,000	Upplands Väsby, Sweden	95,576	359,335
Beijer Tech AB	556650-8320	50,000	Tyresö, Sweden	333,324	249,277 2)
AIHUK AB	556218-4126	9,000	Uppsala, Sweden	289	1,197
Beijer Alma Leasing AB	556500-0535	10,000	Uppsala, Sweden	977	1,223
Beijer Alma Ventures AB	556230-9608	145,000	Uppsala, Sweden	1,846	2,082
Total				**610,612**	

1) Before anticipated dividend to the Parent Company in the amount of 110,000.
2) Before anticipated dividend to the Parent Company in the amount of 30,000.

2019	Corp. Reg. No	Number	Registered office	Carrying amount	Parent Company Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad	100,000	1,513,673 1)
Habia Cable AB	556050-3426	500,000	Upplands Väsby	95,576	339,913 2)
Beijer Tech AB	556650-8320	50,000	Tyresö	333,324	266,018 3)
AIHUK AB	556218-4126	9,000	Uppsala	289	1,196 4)
Beijer Alma Leasing AB	556500-0535	10,000	Uppsala	977	,1,240
Beijer Alma Ventures AB	556230-9608	145,000	Uppsala	1,846	2,082,
Total				**532,012**	

1) Before anticipated dividend to the Parent Company in the amount of 120,000.
2) Before anticipated dividend to the Parent Company in the amount of 50,000.
3) Before anticipated dividend to the Parent Company in the amount of 55,000.
4) Before anticipated dividend to the Parent Company in the amount of 2,900.

All companies are wholly owned.
Lesjöfors is a spring producer, Habia Cable manufactures custom-designed cables, Beijer Tech conducts industrial trading.
These companies comprise independent segments. Other companies are dormant.

	2020	Parent Company 2019
Opening cost	**526,366**	526,366
Closing cost	**526,366**	526,366
Opening write-ups	**8,034**	8,034
Sales	**–**	–
Write-ups for the year	**78,600**	–
Closing write-ups	**86,634**	8,034
Opening impairment	**2,388**	2,388
Impairment for the year	**–**	–
Closing impairment	**2,388**	2,388
Carrying amount	**610,612**	532,012

All companies except two are wholly owned:
Lesjöfors Gas Springs LV, for which the agreement states that the minority shareholding is not added to profit, and Beijer Inu, which is 75 percent owned and whose minority shareholding is added to profit.

Subsidiary holdings of participations in Group companies	Corp. Reg. No.	Percentage stake	Registered office
Lesjöfors Fjädrar AB	556063-5244	100	Filipstad, Sweden
Lesjöfors Automotive AB	556335-0882	100	Växjö, Sweden
Lesjöfors Stockholms Fjäder AB	556062-9890	100	Stockholm, Sweden
Lesjöfors Springs and Pressings AB	556997-0675	100	Stockholm, Sweden
Lesjöfors Industrifjädrar AB	556593-7967	100	Herrljunga, Sweden
Lesjöfors Banddetaljer AB	556204-0773	100	Värnamo, Sweden
Stece Fjädrar AB	556753-6114	100	Mönsterås, Sweden
Lesjöfors A/S	26376521	100	Copenhagen, Denmark
Lesjöfors A/S	968703439	100	Oslo, Norway
Oy Lesjöfors AB	356.422	100	Åminnefors, Finland
Lesjöfors Springs Oy	229.771	100	Turku, Finland
Lesjöfors Springs Ltd	3141628	100	Elland, UK
Lesjöfors Springs (UK) Ltd	2483860	100	Elland, UK
Lesjöfors Springs GmbH	DE812397971	100	Hagen, Germany
Lesjöfors Industrial Springs & Pressings GmbH	DE815378385	100	Hagen, Germany
Lesjöfors China Ltd	91320411770525524U	100	Changzhou, China
Harris Springs Ltd	1299095	100	Reading, UK
European Springs & Pressings Ltd	GB 853997954	100	Beckenham, UK
Lesjöfors Springs LV	42103030622	100	Liepaja, Latvia
Lesjöfors Gas Springs LV	42103045346	63	Liepaja, Latvia
Lesjöfors Springs Russia	1105009002010	100	Moscow, Russia
Stumpp+Schüle	220825	100	Beuren, Germany
Lesjöfors Deutschland GmbH	DE289871861	100	Velbert, Germany
Lesjöfors Springs Slovakia	17772672	100	Myjava, Slovakia
Lesjöfors Springs America Inc	47-2245852	100	Scranton, US
John While Group	19900585N	100	Singapore
AB Spiralspecialisten	556058-9151	100	Tyresö, Sweden
Spiralspecialisten Fastighets AB	556483-6244	100	Tyresö, Sweden
Spibelt Beheer B.V	62783467	100	Haaksbergen, Netherlands
Metrol Springs Ltd	01877760	100	Northampton, UK
Nitro Springs Manufacturing Ltd	04336753	100	Northampton, UK
Habia Benelux BV	20027506	100	Breda, Netherlands
Habia Cable Asia Ltd	30476936	100	Hong Kong, China
Habia Cable China Ltd	720671195	100	Changzhou, China
Habia Cable GmbH	HRB 21341 KI	100	Norderstedt, Germany
Habia Cable Ltd.	1285451	100	Mansfield, UK
Habia Cable SA	1105009002010	100	Orléans, France
Habia Cable Sp Zoo	KRS0000243459	100	Doluje, Poland
HC AB Korea Ltd.	635-88-01045	100	Seoul, South Korea
Beijer Industri AB	556031-1549	100	Malmö, Sweden
Lundgrens Sverige AB	556063-3504	100	Gothenburg, Sweden
Beijer OY	10900757	100	Helsinki, Finland
Preben Z Jenssen A/S	44551128	100	Hedehusene, Denmark
Norspray AS	976698118	100	Stavanger, Norway
Svenska Brandslangsfabriken AB	556199-1745	100	Skene, Sweden
Encitech AB	556187-1004	100	Halmstad, Sweden
Lundgrens Norge AS	926502204	100	Norway
KTT Tekniikka OY	2468058-1	100	Finland
BeijerInu	559260-5892	75	Tyresö, Sweden
Alma Uppsala	556480-0133	100	Uppsala, Sweden
Daxpen Holding AB	556536-1757	100	Uppsala, Sweden

Not 19 Inventories

		Group
	2020	2019
Raw materials	**324,890**	379,134
Products in progress	**80,469**	109,034
Finished goods	**539,590**	563,091
Total	**944,949**	1,051,259

The expenditure for inventories was expensed under the item “Cost of goods sold” and amounted to MSEK 1,810 (2,051).

Note 20 Accounts receivable

	Group 2020	2019
Total outstanding accounts receivable	**642,627**	692,011
Provisions for doubtful receivables	**–13,447**	–13,144
Carrying amount	**629,180**	678,867

	Group 2020	2019
Past due amounts	**89,603**	142,973
Of which, past due by more than 30 days	**34,017**	66,449
Of which, past due by more than 90 days	**9,677**	16,759
Provisions for doubtful receivables	**13,447**	13,144

On December 31, 2020, a total of MSEK 34 (66) in accounts receivable was more than 30 days past due, for which a loss allowance for expected credit losses was recognized. The Group uses credit insurance selectively, primarily in Asia. Of the accounts receivable more than 30 past due, MSEK 4 is covered by credit insurance. There has been deemed to be no need for a loss allowance for insured receivables.

Provisions for doubtful receivables	**2020**	2019
Opening balance	**13,144**	10,535
Provisions for the year	**1,340**	5,288
Reversal of earlier provisions	**–1,001**	–2,679
Write-offs of receivables	**–36**	–
Closing balance	**13,447**	13,144

Specification of provisions for the year		
Reserve for receivables not past due	**5,733**	1,763
Reserve for receivables less than 30 days past due	**78**	1,036
Reserve for receivables 31–90 days past due	**3,529**	1,619
Reserve for receivables more than 90 days past due	**4,107**	8,726
Total	**13,447**	13,144

The Group applies the modified retrospective approach for the calculation of expected credit losses on accounts receivable and contract assets. This approach entails that expected losses throughout the term of the receivable are used as the basis when a loss allowance is recognized. To calculate expected credit losses, receivables are grouped based on their credit characteristics and number of days past due. The impairment requirement for accounts receivable is then determined based on historical experience of bad debt losses on similar receivables. Credit losses are valued at the present value of the deficit in cash flows (meaning the difference between the cash flows in accordance with the contract and the cash flow the Group expects to receive). Historically, the Group has had a low level of bad debt losses. The risk spread across companies, industries and geographic markets is favorable. No individual customer has a significant impairment requirement.

The maximum exposure to credit risk for accounts receivable comprises the carrying amount of MSEK 629 (679). The fair value corresponds with the carrying amount.

Note 21 Other receivables

	Group		Parent Company	
	2020	2019	**2020**	2019
Value-added tax	**8,237**	8,948	**18**	216
Deposit to landlord	**6,773**	19,297	**–**	–
Credit received*	**17,054**	2,089	**–**	–
Derivative instruments	**13,718**	3,938	**–**	–
Advance payments to suppliers	**6,232**	12,921	**–**	–
Other	**3,102**	–	**–**	–
Total	**55,116**	47,193	**18**	216

*Refers to credit facilities not due for payment related to receivables from contracts with customers.

Not 22 Prepaid expenses and accrued income

	Group		Parent Company	
	2020	2019	**2020**	2019
Lease payments and rent	**7,831**	8,167	**358**	385
Accrued interest income	**1,556**	–	**–**	–
Prepaid expenses	**23,576**	16,504	**363**	202
Contract assets	**5,887**	12,834	**–**	–
Other accrued income	**4,858**	–	**–**	–
Total	**43,708**	37,505	**721**	587

Contract assets comprise MSEK 5.6 (12.4) pertaining to percentage of completion and accrued commission of MSEK 0.2 (0.4).

Note 23 Shareholders' equity

	Translation reserve	Hedging reserve	Group Total
Dec 31, 2018	**89,194**	**1,324**	**90,518**
Change in value of hedging reserve	–	56	**56**
Tax thereon	–	–12	**–12**
2019 translation difference	57,817	–	**57,817**
Dec 31, 2019	**147,011**	**1,368**	**148,379**
Change in value of hedging reserve	–	11,046	**11,046**
Tax thereon	–	–2,364	**–2,364**
2020 translation difference	–108,230	–	**–108,230**
Dec 31, 2020	**38,781**	**10,050**	**48,831**

The company's shares are Class A and Class B shares and are issued as follows:

	Shares		Votes
Class A shares	6,570,000	at 10 votes	65,700,000
Class B shares	53,692,200	at 1 vote	53,692,200
Total	**60,262,200**		**119,392,200**

The quotient value is SEK 2.08 per share. All shares are paid in full.

Share capital trend

Year		Increase in share capital, SEK 000s	Total share capital, SEK 000s	Increase in no. of shares	Total no. of shares
1993	Opening balance	–	53,660	–	2,146,400
1993	Non-cash issue in connection with acquisition of G & L Beijer Import & Export AB i Stockholm	6,923	60,583	276,900	2,423,300
1993	New issue	30,291	90,874	1,211,650	3,634,950
1994	Non-cash issue in connection with acquisition of AB Stafsjö Bruk	5,000	95,874	200,000	3,834,950
1996	Conversion of subordinated debenture loan	47	95,921	1,875	3,836,825
1997	Conversion of subordinated debenture loan	2,815	98,736	112,625	3,949,450
1998	Conversion of subordinated debenture loan	1,825	100,561	73,000	4,022,450
2000	Conversion of subordinated debenture loan	30	100,591	1,200	4,023,650
2001	Non-cash issue in connection with acquisition of Elimag AB	11,750	112,341	470,000	4,493,650
2001	2:1 split	–	112,341	4,493,650	8,987,300
2001	Conversion of subordinated debenture loan	388	112,729	31,000	9,018,300
2002	Conversion of subordinated debenture loan	62	112,791	5,000	9,023,300
2004	Conversion of subordinated debenture loan	1,505	114,296	120,400	9,143,700
2006	3:1 split	–	114,296	18,287,400	27,431,100
2010	Non-cash issue in connection with acquisition of Beijer Tech AB	11,250	125,546	2,700,000	30,131,100
2018	2:1 split	–	125,546	30,131,100	60,262,200

The 2020 Annual General Meeting authorized the Board of Directors to make decisions concerning issues of Class B shares or convertible debentures. The number of Class B shares may be increased by a maximum of 10 percent through such an issue. This authorization is valid until the next Annual General Meeting.

Note 24 Deferred tax

Deferred tax assets	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Temporary differences pertaining to:				
endowment insurance	**7,880**	6,832	**7,880**	6,832
loss carryforwards	**–**	12,257	**–**	–
forward agreements	**2,936**	470	**–**	–
Other	**15,891**	7,890	**–**	–
Total	**26,707**	27,449	**7,880**	6,832

Deferred tax liabilities	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Temporary differences pertaining to:				
forward agreements	**200**	421	**–**	–
untaxed reserves	**40,760**	38,506	**–**	–
amortization of consolidated surplus values	**32,320**	57,872	**–**	–
other	**31,104**	–	**–**	–
Total	**104,384**	96,799	**0**	0

Note 25 Pension obligations

	Group 2020	Group 2019
Opening value	**2,643**	3,919
Decreased provision	**–156**	–1,706
Increased provision	**257**	430
Closing value	**2,744**	**2,643**

Note 26 Financial instruments

FINANCIAL RISK MANAGEMENT

The Beijer Alma Group's operations are exposed to various financial risks. The Board of Directors establishes instructions, guidelines and policies for the management of these risks at various levels in the Group. The goal is to obtain an overall view of the risk situation, to minimize negative earnings effects and to clarify and define responsibilities and authority within the Group. Regular monitoring is carried out at the local and central level and findings are reported to the Audit Committee and Board of Directors.

The financial risks for the Parent Company mainly relate to changes in interest rates and liquidity since the exposure to various currencies is very limited as the majority of costs are in SEK.

MARKET RISK

Currency risk

Transaction exposure

Lesjöfors and Habia Cable conduct 15 percent (15) and 6 percent (6), respectively, of their sales in Sweden, while approximately 35 percent (35) of their manufacturing takes place in Sweden. This means that a large portion of the Group's income is in foreign currencies, while a relatively high proportion of its expenses, particularly personnel costs, are in SEK. To a certain extent, part of this currency risk is managed by purchasing input materials and machinery in currencies other than SEK. However, the manufacturing companies' income in certain foreign currencies still exceeds its expenses, and due to this lack of balance, the Group is exposed to currency risks.

For Beijer Tech, the situation is the opposite. Sweden accounts for 60 percent (62) of sales and the remaining 40 percent (38) is mainly sold in the other Nordic countries. Its suppliers are often foreign. As a trading company, Beijer Tech has a smaller proportion of personnel costs than the Group's manufacturing companies. Combined, this means that Beijer Tech's expenses exceed its income in foreign currencies, primarily EUR. The company has currency clauses in many of its major customer agreements, which eliminate portions of Beijer Tech's currency exposure.

Despite various areas of the Group having reverse currency exposures, the Group as a whole is exposed to currency risks. Changes in exchange rates impact the Group's earnings, other comprehensive income, balance sheet, cash flow and, over time, its competitiveness.

Net exposure in currencies translated to MSEK (net exposure is defined as income less expenses)

2020	USD	EUR	DKK	NOK	GBP	CNY	JPY	HKD	KRW	PLN	CHF	**Total**
Lesjöfors	15.0	291.0	6.0	9.0	–32.0	–	4.0	–	–	–	–	**293.0**
Habia Cable	38.6	136.5	–	8.1	55.5	–60.9	–	–0.3	1.2	–28.0	–	**150.7**
Beijer Tech	–38.4	–104.3	24.4	53.0	–9.9	–	–1.9	–	–	–	–8.5	**–85.6**
Total	**15.2**	**323.2**	**30.4**	**70.1**	**13.6**	**–60.9**	**2.1**	**–0.3**	**1.2**	**–28.0**	**–8.5**	**358.1**

2019	USD	EUR	DKK	NOK	GBP	CNY	JPY	HKD	KRW	PLN	CHF	**Total**
Lesjöfors	–	219.0	10.0	22.0	–9.0	–	–	–	–	–	–	**242.0**
Habia Cable	26.9	131.9	–	15.1	45.1	–39.1	0.6	–2.7	0.3	21.1	–	**199.2**
Beijer Tech	–35.1	–151.4	31.4	60.3	–11.7	–	–	–	–	–	–2.8	**–109.3**
Total	**–8.2**	**199.5**	**41.4**	**97.4**	**24.3**	**–39.1**	**0.6**	**–2.7**	**0.3**	**21.1**	**–2.8**	**331.9**

The objective of currency risk management is to minimize the short-term negative effects on the Group's earnings and financial position that arise due to exchange-rate fluctuations against the Group's reporting currency (SEK). Between 50 and 100 percent of the forecast net flow for the next six months, meaning the difference between income and expenses in a single currency, is hedged. For months seven to 12, between 35 and 100 percent is hedged. In addition, the companies may, in consultation with Group management, hedge parts of the flow up to 18 months. In most cases, the level of hedging lies in the middle of the range. The most frequently used hedging instrument is forward agreements. Forward agreements are signed centrally in Lesjöfors and Habia Cable, each of which is responsible for their own net exposure. Forecast flows are not hedged in Beijer Tech. However, individual transactions may be hedged in certain cases.

The following table shows the Group's forward agreements on the balance-sheet date, translated to MSEK. Of these agreements, which have a total nominal value of MSEK 374, MSEK 366 falls due in 2021 and MSEK 9 in 2022. Most of the agreements pertain to EUR. The average rate for these agreements is 10.53.

		Group
	Dec 31, 2020	Dec 31, 2019
USD	**21.9**	23.8
EUR	**325.8**	251.5
GBP	**26.6**	31.7
Total	**374.3**	307.0

Recognition of derivatives, etc.	**2020**	2019
Nominal amount of derivatives (MSEK)	**374.3**	307.0
Carrying amount of forward agreements (SEK 000s)	**12,786**	1,740
Balance sheet item where value is recognized		
Other liabilities	**933**	2,198
Other receivables	**13,718**	3,938
Ineffective hedging instruments	**–**	–
Hedging result recognized in other comprehensive income	**8,682**	44
Hedging ineffectiveness recognized in other comprehensive income	**–**	–

The hedged ratio is 1:1. The hedging reserve is recognized in Note 23.

According to Beijer Alma's assessment, all derivative instruments meet the requirements for hedge accounting. The Group has no other derivatives not used for hedging purposes. There are no derivatives for which a hedging relationship has existed but since ceased and for which hedge accounting is thus no longer applied. No hedges were ineffective, mainly due to the fact that only part of forecast net flows are hedged. Accordingly, changes in the fair value of the derivative instruments are recognized in other comprehensive income. At year-end, the market value of the forward agreements was MSEK 12.8 (1.7), which, after deduction for deferred tax, increased the Group's shareholders' equity. Consolidated comprehensive income was impacted in an amount of MSEK 8.6 (SEK 44,000) due to foreign exchange contracts.

The Group has no other financial assets and liabilities measured at fair value. Fair value is based on observable market information from Nordea on the balance-sheet date and these instruments are thus included in Level 2 of the "fair value hierarchy" in accordance with IFRS 7. The arbitrage premium is not separated. Beijer Alma has no hedging of net investments in foreign operations.

Sensitivity analysis

Earnings

The Group's net exposure is primarily in EUR. A 1-percent change in the EUR in relation to the SEK would have had an impact of approximately MSEK 3.2 (2.0) on profit before tax. If the EUR had changed 5 percent in relation to the SEK, the impact on profit would have been MSEK 16.2 (10.0). Entering into forward agreements partly delays the earnings effect since a proportion of the forecast flows for the following 12-month period are covered by signed agreements. The same applies for project orders where forward agreements have been signed on the basis of the payment terms of the order. During this time, measures may be taken to mitigate the effects.

Shareholders' equity

Beijer Alma's income statement and balance sheet are presented in SEK, while several subsidiaries report in other currencies. This means that the Group's earnings and shareholders' equity are exposed when the financial statements are consolidated and foreign currencies are translated to SEK. This exposure primarily affects the Group's shareholders' equity and is designated as a translation exposure. This type of exposure is not hedged. Balance sheets maintained in EUR have the largest translation exposure. A 1-percent change in the EUR in relation to the SEK would have had an impact of MSEK 7 (3) on shareholders' equity in the Group. A 5-percent change in the EUR in relation to the SEK would have had an impact of MSEK 34 (15) on shareholders' equity in the Group.

Beijer Alma recognizes changes in the value of forward agreements in other comprehensive income. The nominal amount of the forward agreements at year-end totaled MSEK 374 (307). 87 percent (82) of the agreement values are in EUR.

Interest-rate risk

Changes in interest levels do not impact Beijer Alma's expenses and are reflected in net financial items and earnings. Cash flow from operating activities is also impacted by changes in interest levels. The Group is also indirectly affected by the impact of interest-rate levels on the economy as a whole. In terms of risk, Beijer Alma's assessment is that fixed interest on a short-term basis is consistent with the industrial operations conducted by the Group. Accordingly, the period of fixed interest on loans is usually up to 12 months.

Outstanding loans and committed credit facilities are listed below.

	Group		Parent Company	
	2020	2019	**2020**	2019
Non-current liabilities				
Liabilities to credit institutions	**614,401**	531,639	**–**	–
Current liabilities				
Liabilities to credit institutions	**189,396**	140,670	**–**	–
Committed credit facilities	**384,952**	513,684	**184,623**	132,340
Total interest-bearing liabilities	**1,188,749**	1,185,993	**184,623**	132,340

All amounts are deemed to correspond to fair value. Interest-bearing liabilities in the table do not include lease liabilities.

Liabilities to credit institutions comprise approximately 42 credits in various currencies and with different terms and conditions. The majority of interest-bearing liabilities are in SEK. The Group's interest-bearing liabilities correspond to MSEK 325 in EUR, MSEK 31 in CNY, MSEK 135 in GBP and MSEK 6 in DKK. Other than this, the Group has no interest-bearing liabilities in any single currency corresponding to more than MSEK 10.

The interest levels vary between 0.7 percent and 5.0 percent. The average interest rate is approximately 1.6 percent. The average interest rate on the committed credit facilities is about 1.5 percent. A limit fee on the granted amount averaging 0.2 percent is also payable. No derivative instruments are used. All loans are subject to an interest rate with a fixed-interest term, in most cases, of up to one year. For loan hedging, refer to Note 26. Fair value is deemed to correspond to the carrying amount since the interest rates are not fixed for long periods and are in line with market rates for all loans.

Sensitivity analysis

Net debt at year-end totaled MSEK 572 (721). Net debt varies over the year. The level of indebtedness is at its highest after the dividend is paid and then normally declines until such time as the dividend is paid in the following year. A 1-percentage-point change in the interest rate would have had an impact of about MSEK 6.5 (7) on profit before tax based on average net debt.

CREDIT RISK

Credit risk refers to cases in which companies do not receive payment for their receivables, for example, from customers or banks. The size of each customer's credit is assessed on an individual basis. A credit rating is performed for all new customers and a credit limit is set. This is intended to ensure that the credit limits reflect the customer's capacity to pay. Habia Cable has taken out credit insurance for some of its Chinese customers. In terms of sales, the Group's risk spread across geographic regions, industries and companies is favorable. Historically, the level of bad debt losses has been low. For an assessment of the risk of loss in accounts receivable, refer to Note 20.

Other assets recognized at amortized cost include other receivables. The loss allowance for financial assets is based on assumptions concerning the risk of default and expected loss levels. The Group conducts its own assessments when establishing assumptions and selecting the inputs for forward-looking calculations at the end of each reporting period. The allowance for expected losses on other financial assets recognized at amortized cost amounts to SEK 0 at both the beginning and the end of the year. The reserve for credit risks in accounts receivable is presented in Note 20.

LIQUIDITY RISK

Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 616.1 (465.1), the majority is invested with Nordea and Handelsbanken.

Beijer Alma has loans that fall due at different points in time. A large portion of its liabilities are in the form of committed credit facilities that are formally approved for a period of one year. Refinancing risk refers to the risk of Beijer Alma being unable to fulfill its obligations due to canceled loans and difficulties in raising new loans.

For information concerning lease liabilities, refer to Note 10.

Beijer Alma manages this risk by maintaining a strong liquidity position. The Group's policy is that available liquidity, defined as cash funds plus approved but unutilized committed credit facilities, is to amount to not less than two months of invoicing, meaning approximately MSEK 750. The Group's liquidity position at recent year-ends is shown in the table below. Another method of managing this risk is to maintain a strong financial position and favorable profitability, thereby making the company an attractive customer for financing institutions. In the first half of 2020, in light of the uncertainty caused by the start of the COVID-19 pandemic, Beijer Alma chose to increase its liquidity by increasing its credit facilities of MSEK 300 in the form of an expanded committed credit facility for the remainder of 2020 and an additional MSEK 300 in a revolving credit facility. The expanded committed credit facilities were not extended, while the revolving credit facility falls due at the end of 2022.

	Group		Parent Company	
Available liquidity	**2020**	2019	**2020**	2019
Cash funds	**616,127**	465,082	**54**	62,738
Approved committed credit facilities	**1,597,352**	1,118,035	**900,000**	325,000
Utilized portion of committed credit facilities	**–384 952**	–513,639	**–184,624**	–132,340
Available liquidity	**1,828 527**	1,069,478	**715,430**	255,398

Maturity analysis of liabilities, including interest to be paid for each period. The revolving credit facility is not included in the table below.

Group	Less than 1 year	Between 1 and 5 years	More than 5 years	**Total**
Dec 31, 2020				
Borrowing	571,348	538,936	63,571	**1,173,855**
Liabilities for leases	67,580	133,947	20,430	**221,957**
Accounts payable, other liabilities	232,554	41,697	–	**274,251**
Total	**871,482**	**714,580**	**84,001**	**1,670,063**

Group	Less than 1 year	Between 1 and 5 years	More than 5 years	**Total**
Dec 31, 2019				
Borrowing	654,354	612,048	68,639	**1,335,041**
Liabilities for leases	71,741	114,539	31,696	**217,976**
Accounts payable, other liabilities	224,035	38,161	–	**262,196**
Total	**950,130**	**764,748**	**100,335**	**1,815,213**

Accounts payable, other liabilities includes additional contingent considerations amounting to MSEK 29 (38) and an expensed purchase consideration of MSEK 41.7 (0) for planned acquisitions of minority shares in 2025. Both of these items are measured partly based on unobservable market data. Contingent considerations are recognized at 74 percent (79) of the maximum outcome. Of the foreign exchange contracts at year-end totaling MSEK 374 (307), MSEK 366 (282) had a maturity period of less than one year and MSEK 9 (25) had a maturity period of one to two years.

CAPITAL RISK

The Group's goal in terms of its capital structure is to guarantee its ability to continue expanding its operations to ensure that a return is generated for the shareholders, while keeping the costs of capital at a reasonable level.

The capital structure can be changed by increasing or decreasing dividends, issuing new shares and selling assets.

Capital risk is measured as the net debt/equity ratio, meaning interest-bearing liabilities, excluding lease liabilities, less cash and cash equivalents in relation to shareholders' equity. The aim is to enable freedom of action by maintaining a low debt/equity ratio. The net debt/equity ratio at recent year-ends is presented below:

Group	**2020**	2019
Interest-bearing liabilities	**1,188,749**	1,185,993
Cash and cash equivalents	**–616,127**	–465,082
Net debt	**572,622**	720,911
Shareholders' equity	**2,504,161**	2,417,327
Net debt/equity ratio, %	**22.9**	29.8

Reconciliation of net debt	Cash and cash equivalents	Current interest-bearing liabilities, incl. credit facilities	Non-current interest-bearing liabilities	**Total net debt**
Dec 31, 2018	**291,303**	**541,106**	**189,804**	**–439,607**
Via acquisitions	–	39,347	–	**–39,347**
Translation differences	4,752	62,612	–	**–57,860**
Cash flow during the year	169,027	11,289	341,835	**–184,097**
Not affecting cash flow	–	–	–	**0**
Dec 31, 2019	**465,082**	**654,354**	**531,639**	**–720,911**
Via acquisitions	–	98,085	97,777	**–195,862**
Translation differences	–23,500	–5,495	–21,511	**3,506**
Cash flow during the year	174,545	–172,596	6,496	**304,645**
Not affecting cash flow	–	–	–	**–**
Dec 31, 2020	**616,127**	**574,348**	**614,401**	**–572,622**

Lease liabilities are not included in the Group's definition of net debt. Lease liabilities totaled MSEK 201 (199). Payments of leases are charged to cash flow for 2020 in an amount of MSEK 75 (64).

Financial instruments by category in the Group

The accounting policies for financial instruments were applied as follows:

Dec 31, 2020	Financial assets measured at amortized cost	Derivatives used for hedging purposes	Total
Assets in the balance sheet			
Other long-term receivables	13,836	–	**13,836**
Accounts receivable and other receivables	629,180	–	**629,180**
Derivative instruments (included in the item other receivables)	–	13,718	**13,718**
Cash and cash equivalents	616,127	–	**616,127**
Total	**1,259,143**	**13,718**	**1,272,861**

Dec 31, 2020	Derivatives used for hedging purposes	Liabilities measured at amortized cost	Liabilities measured at fair value	Total
Liabilities in the balance sheet				
Liabilities to credit institutions	–	803,797	–	**803,797**
Committed credit facilities	–	384,952	–	**384,952**
Derivative instruments (included in the item other current liabilities)	933	–	–	**933**
Accounts payable	–	203,544	–	**203,544**
Future purchase consideration*			44,697	**44,697**
Contingent consideration			26,064	**26,064**
Total	**933**	**1,392,293**	**70,761**	**1,463,987**

* MSEK 41.7 is measured at fair value through comprehensive income and MSEK 3 through profit or loss.

Dec 31, 2019	Financial assets measured at amortized cost	Derivatives used for hedging purposes	Total
Assets in the balance sheet			
Other long-term receivables	7,604	–	**7,604**
Accounts receivable and other receivables	678,867	–	**678,867**
Derivative instruments (included in the item other receivables)	–	3,938	**3,938**
Cash and cash equivalents	465,082	–	**465,082**
Total	**1,151,553**	**3,938**	**1,155,491**

Dec 31, 2019	Derivatives used for hedging purposes	Liabilities measured at amortized cost	Liabilities measured at fair value	Total
Liabilities in the balance sheet				
Liabilities to credit institutions	–	672,309	–	**672,309**
Committed credit facilities	–	513,684	–	**513,684**
Derivative instruments (included in the item other current liabilities)	2,198	–	–	**2,198**
Accounts payable	–	224,035	–	**224,035**
Contingent consideration			38 161	**38,161**
Total	**2,198**	**1,410,028**	**38 161**	**1,450,387**

Note 27 Accrued expenses and deferred income

	Group		Parent Company	
	2020	2019	**2020**	2019
Accrued personnel costs	**174,495**	176,820	**14,029**	11,698
Accrued interest	**1,434**	651	**–**	–
Restructuring reserve	**15,960**	7,749	**–**	–
Accrued bonuses to customers	**57,131**	62,123	**–**	–
Deferred income	**11,366**	10,527	**–**	–
Contract liabilities	**1,623**	–	**–**	–
Other	**65,476**	55,594	**–**	–
Total	**327,485**	313,464	**14,029**	11,698

The restructuring reserve includes MSEK 16 (7.7) costs for restructuring activities in Germany, China and Sweden.

Note 28 Other current liabilities

	Group		Parent Company	
	2020	2019	**2020**	2019
Personnel tax	**29,431**	22,143	**308**	317
Value-added tax	**31,539**	22,719	**–**	–
Advance payments from customers	**6,815**	7,371	**–**	–
Derivative instruments	**933**	2,198	**–**	–
Contingent consideration	**7,028**	14,602	**–**	–
Other	**14,873**	22,431	**–**	–
Total	**90,619**	91,464	**308**	317

Advance payments from customers amounted to MSEK 6.8 (7.4) and comprise contract liabilities.

Note 29 Pledged assets

	Group		Parent Company	
	2020	2019	**2020**	2019
Floating charges	**419,038**	269,957	**146,000**	–
Real estate mortgages	**150,024**	170,116	**–**	–
Shares	**602,602**	454,157	**13,381**	13,381
Assets with retention of title	**8,051**	–	**–**	–
Total	**1,179,715**	894,230	**159,381**	13,381

Note 30 Contingent liabilities and commitments

The Group has contingent liabilities pertaining to guarantees and undertakings that arise during the normal course of business. No significant liabilities are expected to arise due to these contingent liabilities. During the normal course of business, the Group and the Parent Company entered into the following commitments/contingent liabilities:
The Group has not identified any material commitments that are not recognized in the financial statements.

		Group		Parent Company
	2020	2019	**2020**	2019
Guarantees	**29,162**	36,571	**0**	0
Pension commitments	**400**	386	**0**	0
Relocation subsidy received	**1,500**	1,500	**0**	0
Total	**31,062**	38,457	**0**	0

Note 31 Proposed appropriation of profits

The Board of Directors and the President propose that the following profit be made available for distribution by the Annual General Meeting:

Retained earnings	174,394
Share premium reserve	279,000
Net loss for the year	–30,542
Total	**422,852**
To be appropriated as follows:	
Ordinary dividend to shareholders of SEK 3.00 per share	180,787
To be carried forward	**242,065**

Note 32 Items not affecting cash flow

		Group		Parent Company
	2020	2019	**2020**	2019
Depreciation/amortization	**239,676**	230,742	**30**	41
Sale of fixed assets	**–400**	–1,292	**–**	902
Remeasurement of additional purchase considerations	**–17,200**	–	**–**	–
Loss from associated companies	**–400**	–217	**–**	–
Total	**221,676**	229,233	**30**	943

Not 33 Business combinations

2020

Metrol Springs Ltd

On January 2, 2020, Lesjöfors acquired 100 percent of the shares in the UK company Metrol Springs Ltd, a leading manufacturer of tooling gas springs and special purpose gas springs with a proprietary range of gas struts. Metrol has further enhanced their product offering with linear actuators and other products. The company generates revenues of approximately MGBP 7 with favorable profitability, and has a diversified customer base in general industry and the automotive industry in the UK, Europe, the US, and Asia.

PA Ventiler AB

On February 6, 2020, Beijer Tech acquired 100 percent of the shares in PA Ventiler AB, located in Lindome, Gothenburg, via Lundgrens Sverige AB. PA Ventiler conducts sales of valves, primarily to the pulp and paper industry as well as the chemical and petrochemical industry. The company generates revenues of approximately MSEK 27 with favorable profitability.

INU-gruppen

On August 31, Beijer Tech's acquisition of INUInvest AB, including the operations of INUstyr AB and its sister companies, was completed through a newly formed company, BeijerInu AB, in which Beijer Tech acquired 75 percent of the shares. INUstyr is active in building automation systems and offers energy efficient solutions for public and private customers in Sweden. The company focuses on complete solutions for indoor environments through system integration and coordination, particularly in commercial and specialized buildings. INU-gruppen generates approximately MSEK 110 in revenues.

Acquisition calculation (MSEK)

Purchase consideration	176.3
Net assets measured at fair value	3.8
Of which, non-controlling interests, 25%	–17.8
Goodwill	154.5
Cash portion of purchase consideration	157.9
Purchase consideration to be paid within five years	44.7

Buildings and land	34.1
Machinery and equipment	21.6
Other intangible assets	28.0
Inventories	21.1
Receivables	38.0
Cash and cash equivalents	33.3
Interest-bearing liabilities	–128.1
Non-interest-bearing liabilities	–44.2
Total	**3.8**

Purchase consideration – cash outflow (MSEK)

Cash flow to acquire the subsidiary, less acquired cash and cash equivalents	
Cash purchase consideration	157.9
Loan to the owner company Beijer Inu	94.3
Less: Acquired cash and cash equivalents	–33.3
Net outflow of cash and cash equivalents – investing activities	218.9

The acquisition calculation was mainly updated during the year due to the measurement of contingent considerations. Goodwill consists of technical expertise, inseparable customer relationships and synergy effects. Transaction costs for the acquisitions were charged to earnings in an amount of MSEK 3.7.

The expensed purchase consideration of MSEK 41.4 pertains to the present value of the estimated purchase consideration at the time of the planned acquisition of the minority shareholders' shares in 2025. The amount is recognized directly in shareholders' equity, reducing shareholders' equity in the Group by a corresponding amount. There is also MSEK 3 in remaining purchase considerations from acquisitions in 2020 which are to be paid within five years. There are no remaining contingent considerations pertaining to the year's acquisitions. The total liability for acquisitions carried out in 2020 and previous years amounts to MSEK 29 (38), of which MSEK 7 comprises a current liability (Note 28). During the January–December 2020 period, the company contributed MSEK 138 in net revenues and MSEK 21 in operating profit. If all acquisitions had been carried out on January 1, 2020, they would have had an effect of MSEK 208 on net revenues and MSEK 36 on operating profit.

2019

Encitech Connectors AB
On March 5, 2019, Beijer Tech acquired 100 percent of the share capital of Encitech Connectors AB in Halmstad, Sweden. The company manufactures and distributes electronic components. The company's net annual revenues amount to approximately MSEK 50, with about 70 percent of its products exported to some 20 countries.

Codan AS
On May 3, 2019, Beijer Tech acquired 100 percent of the share capital of the Norwegian company Codan AS. The company is a supplier of hoses, couplings and injection systems, with revenues of over MNOK 30 in the Norwegian market.

Spibelt Beheer B.V.
On May 13, 2019, Lesjöfors acquired 100 percent of the share capital of the Dutch company Spibelt Beheer B.V., which includes the operating companies Tribelt and De Spiraal. De Spiraal manufactures technical springs and industrial wire products, while Tribelt produces industrial conveyor belts for the food, processing and pharmaceutical industries. The companies are well established in the market and have stable customer relationships and a broad customer base. The companies have total revenues of approximately MEUR 14 in the European market.

KTT Tekniikka Oy
On June 5, 2019, Beijer Tech acquired 100 percent of the share capital of the Finnish company KTT Tekniikka Oy. The company offers a broad range of mechanical power transmission products and service for the Finnish market. The company's customers operate in the paper and pulp, engineering and processing industries. The company has total revenues of approximately MEUR 7.5 in Finland.

Acquisition calculation

Purchase consideration	321.7
Net assets measured at fair value	145.9
Goodwill	175.8
Cash portion of purchase consideration	273.8
Purchase consideration to be paid within three years	47.9

Net assets measured at fair value comprising (MSEK)

Buildings and land	80.7
Machinery and equipment	48.3
Other intangible assets	8.1
Inventories	56.5
Receivables	47.3
Cash and cash equivalents	9.3
Interest-bearing liabilities	–43.2
Non-interest-bearing liabilities	–61.1
Total	**145.9**

Purchase consideration – cash outflow (MSEK)

Cash flow to acquire the subsidiary, less acquired cash and cash equivalents	
Cash purchase consideration	273.8
Acquisition of receivables in acquired companies from the seller	18.2
Less: Acquired cash and cash equivalents	–9.3
Net outflow of cash and cash equivalents – investing activities	**282.7**

Goodwill consists of technical expertise, inseparable customer relationships and synergy effects. The acquisition calculations for acquisitions carried out in 2019 are final.

Note 34 Transactions with related parties

The Parent Company invoiced its subsidiaries a management fee of MSEK 18.2 (18.2).
Related parties generally includes the Board of Directors and Group management as well as their families and other companies that they control, including companies controlled by the Wall family. Other than salaries and directors' fees, there were no material transactions with related parties during the year. Refer to Note 17 for information about transactions with associated companies and Note 2 for information concerning employees

Note 35 Events after the end of the financial year

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

Note 36 Definitions

Beijer Alma presents certain financial performance measures that are not defined in accordance with IFRS. The company is of the opinion that these performance measures and indicators provide valuable supplementary information for stakeholders and management since they enable an assessment of the company's financial performance, financial position and trends in the operations.

In the calculation of performance measures where average capital values are calculated in relation to profit or loss measures, the average of the capital values is calculated on the opening balance of the respective period and all quarterly balances in the period, and the profit or loss measures are annualized.

Capital employed Total assets less non-interest-bearing liabilities.
Debt/equity ratio Total interest-bearing liabilities, excluding lease liabilities, in relation to shareholders' equity.
Dividend ratio Dividend in relation to net profit attributable to Parent Company shareholders.
Dividend yield Dividend per share in relation to the share price.
Earnings per share Net profit less tax, in relation to the number of shares outstanding.
Earnings per share after standard tax Profit after net financial items less 21.4 percent tax, in relation to the number of shares outstanding.
Earnings per share after tax, after dilution Net profit less tax, in relation to the number of shares outstanding adjusted for potential shares giving rise to a dilution effect.
Earnings, profit The terms earnings and profit refer to profit after net financial items unless otherwise stated.
Equity ratio Shareholders' equity in relation to total assets.
Interest-coverage ratio Profit after net financial items plus financial expenses, divided by financial expenses.
Invoicing, revenues, sales Unless otherwise stated, the terms invoicing, revenues and sales refer to net revenues.
Net debt Interest-bearing liabilities excluding lease liabilities, less cash and cash equivalents.
Net debt/equity ratio Net debt in relation to shareholders' equity.
Order bookings Orders from customers for goods or services at fixed terms.
Operating margin Operating profit in relation to net revenues.
P/E tal Earnings per share divided by the share price.
Proportion of risk-bearing capital Total of shareholders' equity, deferred tax and non-controlling interests divided by total assets.
Return on capital employed Profit after net financial items plus interest expenses, in relation to average capital employed.
Return on shareholders' equity Profit after net financial items less 21.4 percent tax, in relation to average shareholders' equity.
Shareholders' equity Shareholders' equity attributable to Parent Company shareholders.

Additional information about alternative performance measures is available on the website.

Board signatures

These consolidated financial statements were approved by the company's Board of Directors on February 15, 2021.

The balance sheet and income statement will be presented to the Annual General Meeting on March 23, 2021.

It is our opinion that the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and earnings. The annual report was prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and earnings.

The Board of Directors' Report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Uppsala, March 1, 2021

Beijer Alma AB (publ)

Johan Wall *Chairman of the Board*	Johnny Alvarsson *Director*	Carina Andersson *Director*
Oskar Hellström *Director*	Hans Landin *Director*	Caroline af Ugglas *Director*
Anders Ullberg *Director*	Cecilia Wikström *Director*	Henrik Perbeck *President and CEO*

Our Auditor's Report was submitted on March 1, 2021

KPMG AB

Helena Arvidsson Älgne

Audit report

To the general meeting of the shareholders of Beijer Alma AB, corp. id 556229-7480

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Beijer Alma AB for the year 2020, except for the corporate governance statement on pages 27–30. The annual accounts and consolidated accounts of the company are included on pages 27–64 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 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 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 27 - 30. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

BASIS FOR OPINIONS

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

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

OTHER MATTER

The audit of the annual accounts for year 2019 was performed by another auditor who submitted an auditor´s report dated 3 March 2020, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

KEY AUDIT MATTERS

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

Valuation and existence of inventory

See disclosure 19 and accounting principles on page 44 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

- The carrying amount of the Beijer Alma's inventories amounted to SEK 945 million as of December 31, 2020 which represents 20% of total assets.
- The inventory consists of raw materials, products in progress and finished goods. The inventories are measured at the lower of cost and net selling price on the balance-sheet date. Valuation of inventory requires an estimation of the net realizable value, sales price and judgement of saleability in order to determine inventory obsolescence. The obsolescence models are adapted to the business in the three subsidiaries within the group.
- Changes in assumptions and judgements can have a significant effect on the financial statements which is why we have identified valuation of inventory as a key audit matter.

Response in the audit

- We obtaied an understanding of and have evaluated managements process of inventory accounting including the process of identifying and estimating obsolescence. We have inspected the entities obsolescence models to evaluate whether they are in accordance with group accounting policy, consistently applied and whether they fairly represent the actual obsolescence.
- We have participated in inventory counts and evaluated the stock taking routines at multiple inventory locations.
- We have on a sample basis evaluated the reasonability of product calculations for work in progress and finished goods and tested the purchasing price applied in the inventory.

- We also verified the completeness of the disclosures provided in the annual report and assessed weather they are consistent with the principles applied and in all material aspects compliant with IFRS.

Valuation of trade receivables

See disclosure 20 and accounting principles on page 45 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

- Beijer Alma's trade receivables amounts to SEK 629 million as of December 31, 2020, equivalent to 13% of total assets.
- Covid-19 has increased the risk of credit losses.
- Valuation of trade receivables is based on managements assumptions and principles for bad debt provisions.
- Changes in the assumptions and assessments may have a significant effect on the financial statements, we have therefore deemed valuation of trade receivables as a key audit matter.

Response in the audit

- We have gained an understanding of and evaluated the group process for review of trade receivables including the routines in place to identify doubtul trade receivables as well as the additional procedures performed as a result of Covid -19. We have evaluated management's assessment and provision of bad debt.
- We have reviewed the ageing structure of accounts receivables and historical losses and compared these with management's assessment.
- We also verified the completeness of the disclosures provided in the annual report and assessed weather they are consistent with the principles applied and in all material aspects compliant with IFRS.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–26. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

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

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used

and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Beijer Alma AB for the year 2020 and the proposed appropriations of the company's profit or loss.

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

BASIS FOR OPINIONS

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 27 - 30 has been prepared in accordance with the Annual Accounts Act.

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

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

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Beijer Alma AB by the general meeting of the shareholders on the 25 March 2020. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2020.

Stockholm 1 March 2021

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Information on the Annual General Meeting

Beijer Alma's Annual General Meeting will be held of Tuesday, March 23, 2021 and will be carried out by way of advance voting (postal voting) due to the ongoing pandemic. No physical AGM will be held this year.

The speeches by the Chairman and the CEO will be available on the company's website, www.beijeralma.se, as of March 23, 2021. Information regarding the resolutions passed at the Annual General Meeting will be published on March 23, 2021 as soon as the results of the voting have been finalized.

PARTICIPATION

Shareholders who wish to participate in the Meeting through advance voting must:

- be listed in Euroclear AB's shareholder register by March 17, 2021.
- notify the company of their intent to participate in the Meeting not later than March 22, 2021 by casting their advance votes (using a special form). Advance votes must be received by Euroclear by this date at the latest.

Shareholders whose holdings are registered in the name of a nominee must register the shares in their own name with Euroclear. Such registration must be completed not later than March 17, 2021, and should be requested well ahead of this date.

More information about the Annual General Meeting and instructions for advance voting are is available in the notice of the Annual General Meeting and on the company's website, www.beijeralma.se.

DIVIDENDS

The Board proposes that the Annual General Meeting approve a dividend of SEK 3.00 per share (2.50). The proposed record date for dividends is March 25, 2021. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid through Euroclear commencing March 30, 2021.

INFORMATION

The complete notice of the Annual General Meeting, including an agenda and proposals, is available on the company's website, www.beijeralma.se, and can also be ordered by e-mail at info@beijeralma.se or telephone at +46 18 15 71 60.

CALENDAR

2021	March 23	Annual General Meeting
	April 26	Interim report January 1–March 31
	August 19	Interim report April 1–June 30
	October 26	Interim report July 1–September 30
2022	February	Year-end report
	March 30	Annual General Meeting

REPORTS

Reports can be ordered from
Beijer Alma AB, Box 1747
SE-751 47 Uppsala, Sweden
Telephone +46 18 15 71 60
or via beijeralma.se

The year-end report and interim reports are published on beijeralma.se.
Printed copies of the Annual Report will only be sent to shareholders who asked to receive a copy.

Current and up-to-date information is always available on www.beijeralma.se.

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