BEIJER REF

Beijer Ref's annual report and sustainability report 2023

Contents

General information

Beijer Ref AB is a public limited company with corporate identity number 556040-8113. The company has its registered office in Malmö, Sweden. All amounts are expressed in Swedish kronor with the abbreviation 'SEK K' for thousand kronor and 'SEK M' for million kronor. Figures in brackets refer to 2022 unless otherwise stated.

The total amount in tables and statements might not always summarise as there are rounding differences. The aim is to have each line item corresponding to the source and it might therefore be rounding differences in the total. Data about markets and the competitive situation are Beijer Ref's own assessments if no other source is specified. This report contains future-oriented information based on Beijer Ref's analysis and assessments made at the beginning of 2024. Although the company's management is of the opinion that the anticipations evident from such future-oriented information are reasonable, no guarantee can be given that these anticipations will be proved to be correct. The formal annual report covers pages 53-103. The sustainability report includes pages 33-44 and information on pages 12-16, 18, 23-24, 54, 60-61 and 107-111.

This Annual Report and Sustainability Report is published on the company's website (beijerref.com). Printed copies will be sent on request to shareholders and other interested parties by Beijer Ref. A complete list of addresses over the Group's companies is available on www.beijerref.com.

This document is a translation of the Swedish language version. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

The art of achieving the perfect temperature

Beijer Ref has emerged as a leading player in refrigeration technology and HVAC solutions, meeting the needs of its customers by providing global expertise in temperature control. Through an extensive network consisting of over 150 subsidiaries in 45 countries, Beijer Ref offers a wide range of products in commercial and industrial refrigeration, heating, and air conditioning. The group has always operated under a decentralised organisational model, and the company's strong focus on long-term relationships with partners, suppliers, and customers has been crucial to its success in creating value for all stakeholders.

Vision

Sustainable Temperature Control for All

Mission

Striving to always be the preferred provider of sustainable refrigeration and HVAC solutions. Making customers' life easier by offering a broad assortment of the right products at the right time, together with excellent customer service through our skilled and engaged employees.

Our values

Committed • United • Engaged • Straightforward

6,000+ employees in Europe, North America, Africa and Asia and Oceania.

SEK 32 billion in revenue with an EBITA* margin of **10.6**%.

500+ branches spread across 45 countries and five continents.

200,000+ customers with a broad and diverse product portfolio.

*Excluding items affecting comparability

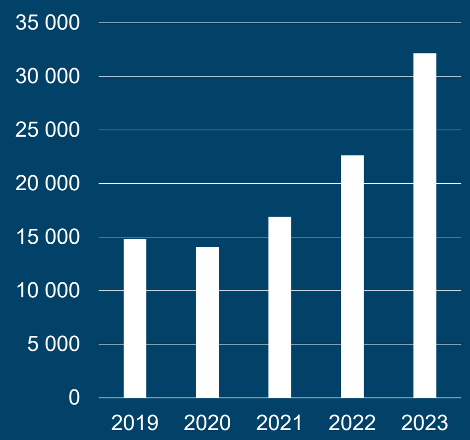
42%
Sales increase

1%
Organic growth

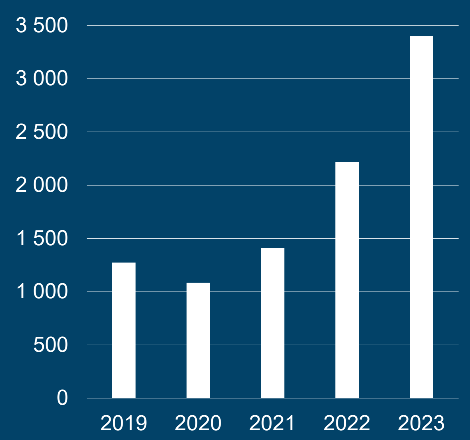
53%*
EBITA improvement

23%*
Profit increase per share

Net sales, SEK M



EBITA*, SEK M



Key figures

	2023	2022
Net sales, SEK M	32 150	22 638
Organic growth, %	1.4	16.4
EBITA, excluding items affecting comparability, SEK M	3 398	2 217
EBITA margin, excluding items affecting comparability, %	10.6	9.8
Net profit, excluding items affecting comparability, SEK M	2 136	1 486
Earnings per share, excluding items affecting comparability, SEK[1]	4.33	3.54
Dividend per share, SEK	1.30	0.94
Purchase price per share, SEK	135	147

[1]After dilution (no dilution effects have occurred in 2022 and 2023). Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

*Excluding items affecting comparability

Significant events during 2023

- 15 completed acquisitions that aligns with Beijer Refs overall acquisitions strategy
- The rights issue associated with the acquisition of Heritage Distribution was oversubscribed by 44 per cent
- Establishment on the North American market with the acquisition of Heritage Distribution
- Entry into the South Korean and Bulgarian markets
- Approved by Science Based Targets initiative (SBTi)
- Beijer Ref organises its first Capital Markets Day
- New financial targets
- Continued strong growth

This is Beijer Ref

A world-leading manufacturer and distributor of sustainable cooling technology and HVAC

Beijer Ref supplies customers on a global level with products in commercial and industrial refrigeration, as well as heating and air conditioning. The group is also an industry leader in in-house development and manufacturing of environmentally friendly refrigeration technology. There is great potential for sustainable growth, since Beijer Ref helps customers reduce their greenhouse gas emissions. Beijer Ref has 6,000+ employees in 45 countries. The head office is based in Malmö, Sweden, and the company is listed on Nasdaq Stockholm in the Large Cap segment.

Decentralised growth on a global scale
Beijer Ref is a global group with 150+ subsidiaries in Europe, North America, Africa, Asia and Oceania. The group's strategy is to grow through acquisitions and organic growth, while also expanding its product range. By consolidating the market, Beijer Ref can negotiate competitive group-wide purchasing agreements with leading suppliers and brands. At the same time, the group unlocks synergies in areas such as digitalisation, logistics and the development of green technology.

Beijer Ref has a decentralised and entrepreneurial business model. Senior executives at the subsidiaries conduct business development with freedom and responsibility for financial and non-financial targets. The head office serves as an important support to subsidiaries that work close to the market.

Products and market
Beijer Ref’s products primarily consist of refrigeration and air conditioning units, heat pumps, components and spare parts, which can be found in many types of buildings. The end customer might be, for example, a restaurant or supermarket with refrigeration and freezer equipment or the owner of homes and offices that need an air conditioning system. Orders range from complete system solutions to spare parts. The aftermarket accounts for a significant part of Beijer Ref’s sales.

Most of the product range comes from leading suppliers such as Toshiba, Mitsubishi Heavy Industries and Gree. For the past couple of years, Beijer Ref has been investing in its own product development and manufacturing of environmentally friendly refrigeration units and heat pumps based on natural refrigerants. Sales are made either under Beijer Ref’s name or under local brands. Distribution is primarily carried out through its own branch network or logistics centres located in each market.

Driving force for global climate transition
The world urgently needs to reduce emissions of greenhouse gases such as fluorinated gases and carbon dioxide. The market is in the midst of a technology shift in which end customers are converting to more environmentally friendly alternatives for regulatory reasons, among others. One of the areas where Beijer Ref can make the most difference is in the production of environmentally friendly products that replace older systems that are less environmentally friendly. The group’s goal is for 50 per cent of sales of own manufacture products to be green by the end of 2025. In 2023, the proportion was 45 per cent.

To achieve this goal, Beijer Ref has a strategy to influence the sustainability agenda with a focus on areas where the group can make the most difference. The company’s own manufacture of environmentally friendly products takes place mainly in Denmark, Italy and Australia. From there, technical know-how is transferred to other subsidiaries in the group.

Beijer Ref has also developed main centres for green technology based on propane in Sweden and ammonia in the Netherlands. The group’s training concept Beijer Ref Academy has been developed to spread knowledge about green technology to customers and suppliers.

> **The group's strategy is to grow through acquisitions and organic growth, while also expanding its product range.**

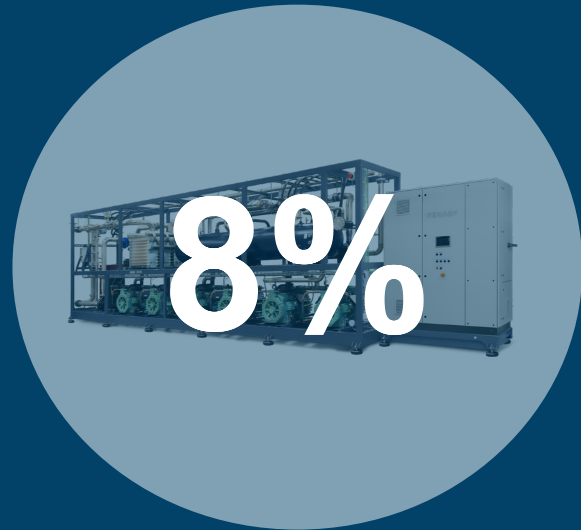
Beijer Ref's products primarily cater to the following product segments, with each representing a percentage of the company's net sales:

Comfort cooling and heating (HVAC)

Air conditioning and heat pumps for residences, offices, and shops.

Commercial and industrial refrigeration

Refrigeration systems for, among other things, grocery stores, deliveries for e-commerce, restaurants, hotels, ice rinks, and the offshore industry.



Own manufacturing (OEM)

In-house manufacturing of environmentally friendly refrigeration units and industrial heat pumps based on natural refrigerants.

End customers
The end customer might be, for example, a restaurant or food shop with refrigeration and freezer equipment or homes and offices that need an air conditioning unit. Distribution and installation of refrigeration and air conditioning solutions is done via an installation engineer who buys technology, refrigeration units and components from Beijer Ref. Orders can be for entire system solutions or spare parts. The aftermarket accounts for a significant share of Beijer Ref's net sales.

Distribution and sales
Beijer Ref primarily distributes its products through its own branch network and through its own logistics centres located in each market. Beijer Ref also owns six refrigerant filling stations. Sales and distribution occur either under Beijer Ref's name or under local names.

As can be seen in the illustrations to the right, Beijer Ref supplies its customers with products in commercial and industrial refrigeration and air conditioning.

The illustrations show examples of some different environments where the products can be found: housing, offices, cafés, restaurants, restaurant kitchens with cold rooms, supermarkets, refrigeration of food transport and district heating of buildings.

In addition to these examples, the products are found in ice rinks, in the food, manufacturing and offshore industries, in flower shops and hairdressers, in hotels and hospitals, in the fishing industry, in slaughterhouses and in many other environments – wherever day-to-day temperature control is wanted.

Overall, our operating segments EMEA, APAC and North America performed well and the group's results are a confirmation of our strong business model and the mutual trust we receive from both customers and partners.

Christopher Norbye, CEO Beijer Ref

A year marked by sustainable growth, good profitability and 15 new acquisitions

Dear Shareholders,

It is with pride that I look back on Beijer Ref's achievements in 2023. We continued to strengthen our position as a world-leading player in refrigeration technology and HVAC, with total growth of 42 per cent and continued good profitability. Overall, our operating segments EMEA, APAC and North America performed well and the group's results are a confirmation of our strong business model and the mutual trust we receive from both customers and partners.

During the year, Beijer Ref has continued its journey of expansion and strengthened its commitment in several key regions. A total of 15 acquisitions were added to the group: eight in EMEA, four in APAC and three in North America. Each of the acquisitions is in line with Beijer Ref's overall acquisition strategy and adds important synergies, strengthened market positions and operational efficiency.

20 January marked the completion of the acquisition of the North American HVAC company Heritage Distribution, which marked a significant milestone in Beijer Ref's history and a strategically important step into the fragmented North American market. With this acquisition, Beijer Ref has established a strong platform that forms the basis for continued consolidation and expansion of the company's presence in the region. The announced rights issue, which was linked to the acquisition of Heritage, was completed in the first quarter of 2023 and was oversubscribed by an impressive 44 per cent.

On 30 November, Beijer Ref held its first Capital Markets Day, where we reviewed the group's strategic goals, geographical areas, market potential and prospects for sustainable growth. New and updated financial goals for the next five years were also introduced at the Capital Markets Day. The financial goals are the result of the positive development we see in the market and demonstrate the company's commitment to creating value for all stakeholders. More information about our financial goals can be found on page 17.

We have successfully navigated the issues that have existed in the supply chain and reduced our warehouse stocks according to plan, while at the same time maintaining a high level of service to our customers. Our work of normalising warehouse management resulted in Beijer Ref generating the strongest cash flow in the company's history during the second half of the year.

Sustainability encompasses all parts of Beijer Ref's organisation and is a central part of the company's strategy. We have a clear focus on refrigeration and heating and offer customers all over the world complete climate control solutions. In 2023, green OEM sales showed strong growth and now account for 45 per cent of Beijer Ref's total OEM sales. This represents a significant increase of 35 per cent over previous years. This development is a direct result of the group's focus on sustainability and the use of products based on natural refrigerants. The green OEM sales also have a positive impact on the environment and Beijer Ref's products contributed to an emission reduction of as much as 4.7 million tonnes of CO_2e in 2023. To put this into perspective, this figure is equivalent to removing around one million cars from the road, which is a significant reduction in overall environmental impact.

I would also like to highlight that in November our climate goals were approved by the Science Based Target initiative (SBTi), which placed us among the companies that are proactively working to combat climate change.

Our training centre, Beijer Ref Academy, which trains customers and other stakeholders in the handling of environmentally friendly CO_2 technology, has been a major attraction during the year. We have more than doubled the number of training hours and look forward to continuing to support our customers' growing interest in sustainable solutions.

Beijer Ref works actively on diversity and inclusion to ensure an inclusive workplace. In line with our core values – Committed, United, Engaged and Straightforward – we launched the company's second exchange programme in the first quarter. The programme contributes to promoting talent development and strengthening the Beijer Ref spirit around the world. I am pleased to be able to confirm that the programme has been a great success and has contributed to both increased cohesion between our subsidiaries and the exchange of knowledge from different parts of the organisation. During the year, we have also seen a clear increase in the number of female managers, which is partly an effect of our efforts to create a stronger network for women in the industry.

Beijer Ref uses a centralised approach to digitalisation and can thus benefit from economies of scale and easily streamline processes in each subsidiary. In 2023, we grew our digital customer base by 30 per cent, while increasing online sales by 18 per cent. The work of gathering all our subsidiaries on a common platform for business systems has yielded good results, and by coordinating purchasing, logistics and sales we will become a more flexible and adaptable group. Going forward, we will continue to drive our digitalisation work with the customer in focus as we develop our e-commerce platform, for example by evaluating and implementing AI-based tools in order to optimise and streamline customer relationships and processes.

In conclusion, I would like to express my gratitude to Beijer Ref's Board of Directors and all the fantastic employees who contributed to the group's success during the year. With the integration of 15 fantastic new companies, the introduction of new financial goals, a well-thought-out strategy and an ambitious sustainability agenda, I am positive about the future. Beijer Ref has a solid business model and we are ready to take on new and exciting opportunities. Together, we continue to deliver sustainable growth and value for all shareholders, customers and employees.

Christopher Norbye

CEO Beijer Ref

Trends and driving forces

Regulatory requirements and digitalisation are driving transformation

Beijer Ref has identified five external factors that have a particular impact on the group. Below is a description of how Beijer Ref manages these risks and opportunities in order to ensure continued profitable growth.

1 Need to switch to green refrigeration technology

Greenhouse gas emissions need to be reduced rapidly to slow down climate change in line with the goals of the Paris Agreement. Emissions of fluorinated gases from refrigerants affect the climate, which means that the industry bears a great deal of responsibility. The market is changing, as more end customers upgrade or replace existing technology. Large parts of Europe are at the forefront of the transition, especially the Nordic region. Demand for natural refrigerants from other non-European markets is increasing and is driven by regulatory developments; an important milestone was reached in 2022 when the USA adopted the Kigali Amendment to the Montreal Protocol.

Beijer Ref is a world leader in the development of own manufacture green products that help accelerate the market's transition to sustainable refrigeration technology based on natural refrigerants.The group has several manufacturing units, primarily focused on green technology production. Among these units are two leading entities: Fenagy and SCM Frigo. Fenagy, headquartered in Denmark, is a rapidly growing developer and manufacturer of refrigeration and heat pump systems based on the natural refrigerants CO_2. On the other hand, SCM Frigo, based in Italy, is a forerunner in the design and manufacturing of condensing units, boosters, and chillers, with global exports of its CO_2 product range. Beijer Ref continues to invest continuously to both develop the technology further and increase production capacity. To increase the pressure for transition, the group has established the Beijer Ref Academy training centre in several markets where employees, customers and suppliers are trained in the handling of natural refrigerants. As a leading global distributor, Beijer Ref also influences other suppliers' ranges of green products.

2 Electrification and shift to energy-efficient heating

Pressure to reduce the use of fossil energy sources and rising energy prices are driving a shift towards energy-efficient HVAC solutions, such as heat pumps. The transition is underway in both residential and commercial premises, which require smart, environmentally friendly and design-oriented HVAC systems. This is driven in part by increased electricity production through solar cells and wind turbines, combined with regulatory requirements for renewable energy. Within Europe, the need for change is particularly great in the United Kingdom, Benelux and France. Furthermore, the USA is also moving in the same direction.

With the help of the market's widest distribution network, Beijer Ref offers sustainable and energy-efficient HVAC solutions for all types of properties. Since the group anticipated the technology shift towards increased electrification at an early stage, it has worked proactively to influence the supply chain's product range, so as to be able to offer energy-efficient HVAC units based on electricity. Beijer Ref's growth has increased opportunities for setting requirements in the supply chain, which strengthens the group's role in phasing out climate-impacting technology for heating and refrigeration.

3 Air conditioning more in demand in warmer climates

A warmer climate with recurring heatwaves is driving increased demand in the air conditioning segment. The installation of heat pumps and air conditioning in the home is becoming more common, especially in Europe where only 19 per cent of homes have air conditioning compared to 90 per cent in the USA, according to estimates by the International Energy Agency (IEA). The growing middle class in warmer continents such as Asia and Africa is increasingly demanding comfort cooling, which according to several studies is directly linked to increased quality of life.

Through close, long-term collaboration with leading suppliers, Beijer Ref creates accessibility to comfort cooling with its broad market presence and distribution. Beijer Ref is proactive in anticipating market demand and is in continuous dialogue with suppliers about future delivery needs in order to fend off any supply disruptions.

4 Ecommerce places new demands on refrigeration for food

The need for refrigeration systems for supermarkets, restaurants and hotels, among others, is relatively insensitive to fluctuations in the economy, because good refrigeration is essential for extending the life of food. However, the need for end-users to reduce emissions of fluorinated gases is driving investment in new, environmentally friendly technologies. At the same time, increasing e-commerce is driving new needs for refrigeration systems. When food are bought online, refrigeration technology is needed for transport and new distribution centres.

Beijer Ref is responding to the increased demand for refrigeration technology by offering one of the market's widest ranges of products and solutions that address the changing needs. An increased level of responsiveness and digitalised purchasing processes contribute to an efficient supply chain. In 2023, Beijer Ref entered the transport refrigeration market segment through the acquisition of Transport Cooling SA, which distributes refrigeration technology for trucks and trailers.

5 Digitalisation of a traditional industry

Installers of HVAC and refrigeration systems operate in a traditional industry that has largely been characterised by close contact with local distributors. However, digitalised processes create opportunities for streamlining purchasing and logistics, as well as a simplified purchasing process for the customer, who can order goods online.

With the centralised development of platforms for digital sales, the group's subsidiaries can add digital sales as a complement to physical sales. The focus is on developing digital tools that deepen the customer relationship and create new business opportunities, for example through loyalty programmes and automated proposals. In parallel with this, Beijer Ref is working on consolidating its business systems to increase synergies in purchasing and logistics.

Our business

Central support creates added value for subsidiaries and customers

The market

Beijer Ref's market is global and growing as a result of increased welfare, demand for sustainable products and ongoing electrification.

In commercial refrigeration, the market is relatively insensitive to economic fluctuations as it is largely linked to the food sector. The group is acting to consolidate a market that consists of a number of players that usually operate locally or regionally. Competitors are therefore usually local and regional companies.

In HVAC, sales are largely driven by regulatory requirements for end customers to switch to energy-efficient solutions with low climate impact. The market is fragmented with many prominent manufacturers, including Toshiba, Fujitsu, LG, Samsung, Daikin, Mitsubishi Heavy Industries, Mitsubishi Electric, Panasonic, Carrier, Rheem and Gree.

Business model
Beijer Ref's business model is based on negotiating group-wide purchasing agreements for refrigeration, heating and air conditioning solutions from leading suppliers and brands. The added value that Beijer Ref brings to the value chain from manufacturer to customer consists of purchasing, warehousing, distribution, technical support and customisation through design and manufacturing. The group also manufactures its own environmentally friendly refrigeration systems and also offers everything from components and spare parts to entire systems.

Acquisitions
An important part of the group's strategy is to grow through acquisitions and Beijer Ref is working actively to consolidate the market.

Supply chain
Procurement and price negotiation take place in a structured manner at both central and local level in order to achieve synergies and an advantageous price level.

Sustainability
Based on the UN's Sustainable Development Goals, the group has created a framework for sustainability issues that is implemented at local level by the subsidiaries.

Own manufacturing
Beijer Ref invests in products of its own manufacture – OEM – with a pronounced environmental focus. The goal is for 50 per cent of OEM sales to be green by 2025.

Digitalisation
A number of different digitalisation projects are underway with the aim of creating new business opportunities, higher delivery quality and cost savings.

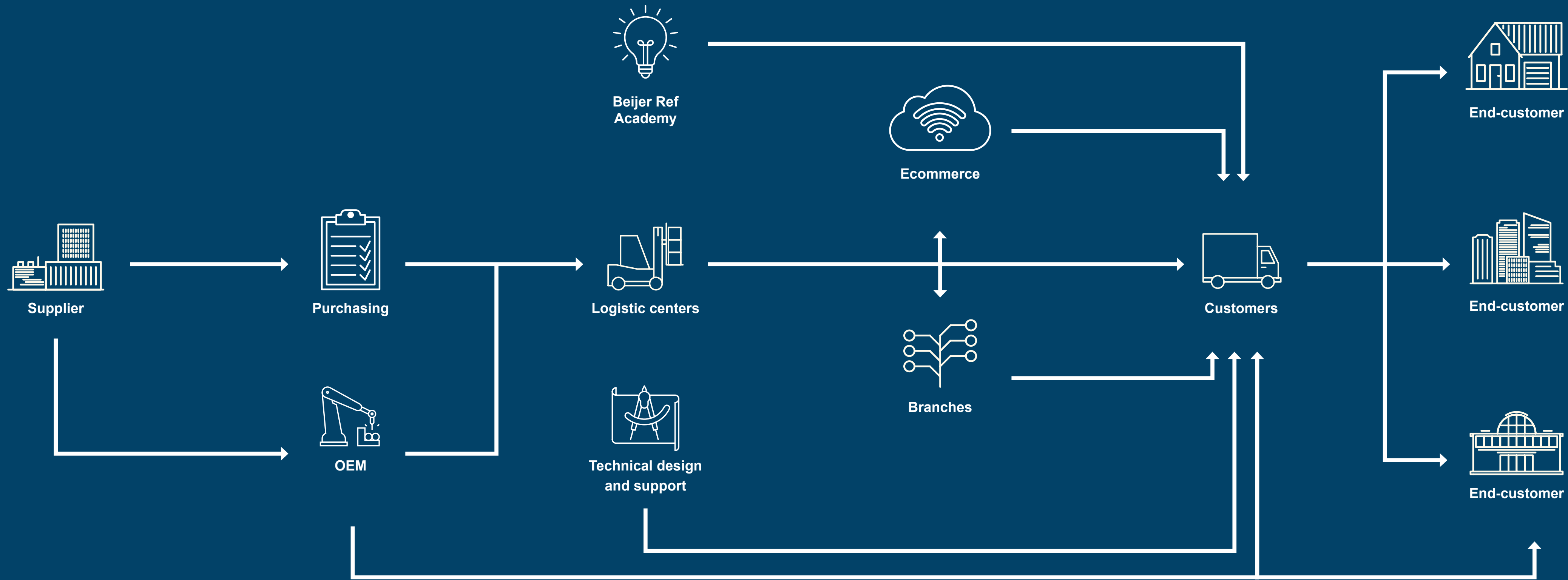
Customers
Beijer Ref's main business is to sell to other companies that sell refrigeration and heating solutions to the end customer with installation and maintenance. Most of the group's sales are made to the aftermarket, with the remainder consisting of new installations.

The customer structure is fragmented. Many small operators build up a larger customer base consisting of installers, service companies and construction companies. Added value is created by Beijer Ref maintaining a close dialogue with customers in order to gain good insight into the needs that govern the development of the market.

Beijer Ref does not sell directly to end customers, since installations require professional knowledge. However, as trading is gradually launched in digital channels, including to the consumer target group, some sales patterns may in future assume new forms.

Design and technical support
Beijer Ref does the groundwork before the installer takes over. Product specifications are always available, and the company offers regular training on new products. In addition to the wholesale business, the group also manufactures and sells refrigeration units. This includes designing entire systems, as well as calculating capacity and what customisations are required by the end customer, since the installations are often unique.

Delivery
Beijer Ref's products are mainly sold through the group's 500+ branches spread across 45 countries. Some of the sales go directly from the group's logistics centres and production facilities.



The value that Beijer Ref brings to the value chain from manufacturer to customer consists of purchasing, warehousing, distribution, technical support and customisation through design and manufacturing. The fact that the group also manufactures its own environmentally friendly refrigeration systems is of great importance for developing the customer offering.

Beijer Ref's main business is to sell to other companies. As trading is gradually launched in digital channels, including to the consumer target group, some sales patterns may in future assume new forms.

The group's added value to drive strategic focus areas

By having annual sales growth, as one of its financial goals, of 10-15 per cent, Beijer Ref will strengthen its position as a global player. The group works with six strategic focus areas to create added value for the subsidiaries and their customers. This lays the foundation for continued profitable growth.

Consolidation through acquisitions
Beijer Ref's strategy is to consolidate the market in order to increase synergies in areas such as purchasing, logistics, sales, digitalisation and sustainability. An important part of the group's strategy is therefore to grow through acquisitions. In total, the company has completed around 40 acquisitions over the past 10 years, with an increased pace since 2021. Acquisition growth aims to increase the reach to new markets, strengthen the position in existing markets and broaden the product range.

Through its position as a leading global player, the group is able to deepen partnerships with leading suppliers in each product area and price segment. A worldwide network of branches combined with a wide range of products provides good reach and proximity to customers. Beijer Ref has a decentralised business model in which the subsidiaries operate with freedom and have responsibility for financial and non-financial targets.

Streamlining the supply chain
Procurement and price negotiation take place in a structured manner at central and local level. Having grown into a leading global group, Beijer Ref is now well placed to deepen relationships with strategic suppliers, which provides better opportunities in price negotiations. For warehousing and distribution, Beijer Ref has both a local and a regional strategy. The group has around 40 logistics centres and 500+ branches that specialise in efficient product delivery, providing quick access to service, maintenance and repair.

Sustainability with a focus on in-house manufacturing
Beijer Ref works strategically on sustainability and takes as its basis the UN's Sustainable Development Goals. The group has created a sustainability framework that the subsidiaries implement at local level. Beijer Ref has also identified that one of the areas where the group can make the biggest difference is through increased sales of environmentally friendly products, manufactured in-house, that replace older systems in commercial and industrial refrigeration. Beijer Ref will continue to invest in own manufacture products that use natural refrigerants with low GWP (Global Warming Potential) and increase sales of these by utilising the Group's global distribution network and driving increased demand.

Training for the transition to green technology
Through the Beijer Ref Academy, the group offers customers and other stakeholders training, primarily in refrigeration and heating technology based on natural refrigerants. The training courses focus on installation, operation and maintenance to optimise performance and avoid losses in the systems. Training can also focus on other products and technical solutions, such as heat pumps and general refrigeration technology.

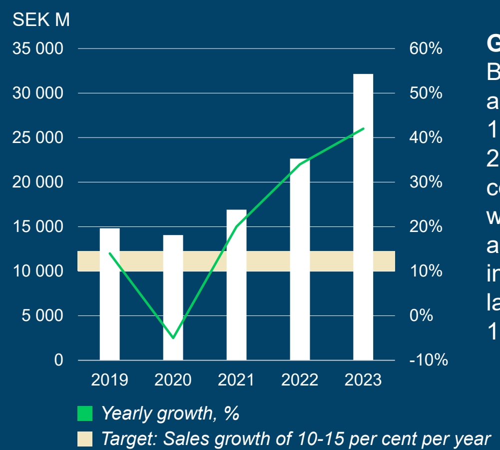
By means of training in the latest technical solutions, loyalty to customers is created, while driving sales and the transition to sustainable products. Demand for refrigeration and heating technology based on natural refrigerants is high. In 2023, Beijer Ref Academy expanded into several new markets, with plans for continued expansion. Today, the academy is located in Italy, UK, France, Sweden and Australia. The academy in Australia attracts refrigeration engineers from all over Asia.

Digitalisation for new business opportunities
Beijer Ref is working on a number of different digitalisation projects. In 2023, the group opened up its own digital hub to build more internal expertise in digitalisation. Through central coordination of business support systems, the group supports subsidiaries in making delivery quality more efficient and reducing costs. There is also a major focus on the development of an e-commerce platform that the subsidiaries can use under their own brands to create new business opportunities and deepen customer relationships through innovative tools.

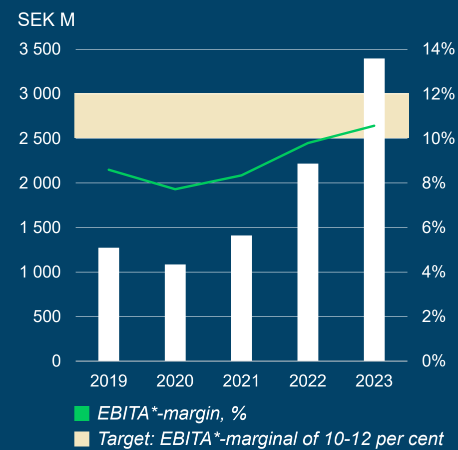
HR support that drives corporate social responsibility
Beijer Ref's organisation is decentralised, with many subsidiaries working with freedom and having responsibility. At the same time, the group is characterised by a strong corporate culture based on entrepreneurship and a passion for responsible business and local social responsibility. The group's HR support plays an important role in running networks, training and internal communication, so as to create a work environment that promotes development, inclusion and business ethics. Beijer Ref's four core values – Committed, United, Engaged, Straightforward – show the way for how employees should act when representing the group.

Financial targets and target fulfilment

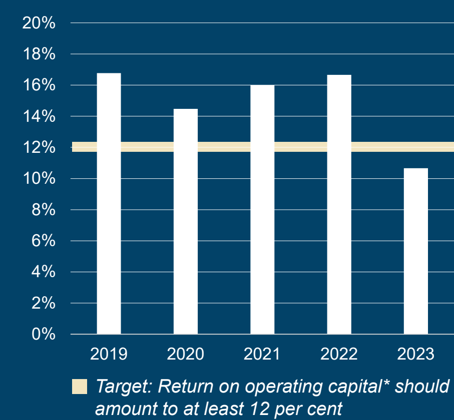
As part of the company's strategy, Beijer Ref has set the following long-term targets.



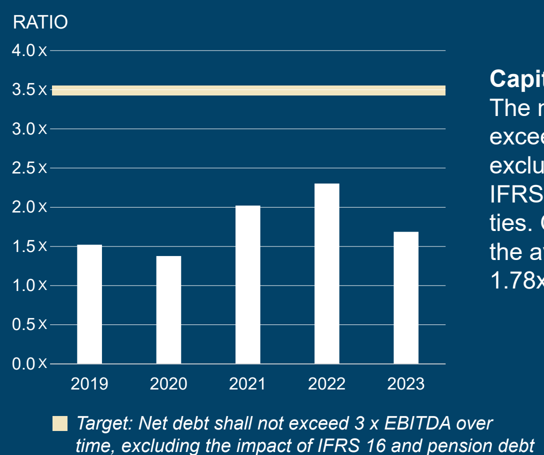
Growth
Beijer Ref's target is to achieve sales growth of 10-15 per cent per year. In 2023, the growth was 42 per cent (34), of which 1 per cent was organic growth (16). The annual growth rate, excluding currency effects, for the last five years amounted to 18 per cent.



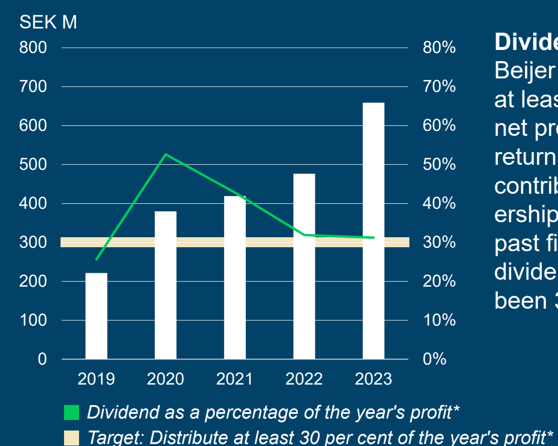
Profitability
The EBITA* margin should be between 10-12 per cent per year. Beijer Ref has had a steadily increasing margin in recent years. In 2023, the EBITA* margin was 10.6 per cent (9.8).



Capital efficiency
Return on operating capital* should amount to at least 12 per cent. It provides stability to the business and prepares it for any changes in the external environment. Over the past five years, Beijer Ref's average return has amounted to 14.9 per cent.



Capital structure
The net debt should not exceed 3x EBITDA* over time, excluding the impact from IFRS 16 and pension liabilities. Over the past five years, the average net debt has been 1.78x.



Dividend
Beijer Ref aims to distribute at least 30 per cent of the net profit after tax*. A good return on invested capital contributes to a stable ownership structure. Over the past five years, the average dividend payout ratio has been 37 per cent.

*Excluding items affecting comparability

Non-financial targets and target fulfilment

As part of the company's strategy, Beijer Ref has set the following long-term targets.

The market

Green Products
Beijer Ref's overall target is to increase sales of own manufactured products adapted for refrigerants with low GWP ratings below 150. Today, the proportion is 45 per cent (39) and the target for 2025 is for it to be 50 per cent.

Sharing green knowledge
The group's training concept Beijer Ref Academy was developed to spread knowledge about green technology to customers and suppliers. The target is to increase the total number of training hours completed by participants in the academy from 15,000 in 2023 to 20,000 by the end of 2024.

Business ethics and anti-corruption
All employees must undergo training in business ethics and anti-corruption. New training courses are held annually, so as to continuously achieve the target.

Responsible supply chain
The target is to have a signed code of conduct for the 100 largest suppliers and to have an ongoing process and dialogue on following the code. The target has been achieved and the process of following up is ongoing.

A safe and healthy workplace
The target is to have a healthy and safe workplace with sick leave below 4 per cent. In 2023, sick leave amounted to 3.3 per cent (3.2). The number of incidents resulting in absence was 6.1 (7.6). The target is to have zero serious incidents. The company will also offer all salaried staff development interviews.

Equal workplace
The target is a more equal group with a higher proportion of women in all positions. Today, about 25 per cent (23) are women, which shows the importance of constantly working on activities that can affect this proportion. In the company's board of directors, the distribution is even between women and men.

Green products	2023	2022	2021	2020	2019
Environmentally friendly sales	45%	39%	33%	32%	26%

Safe and healthy workplace	2023	2022	2021	2020	2019
Long-term sick leave	1.6%	1.5%	1.1%	1.3%	1.1%
Short-term sick leave	1.7%	1.7%	1.3%	1.8%	1.1%
Sick leave (total)	3.3%	3.2%	2.4%	3.1%	2.2%
Target	<4%	<4%	<4%	<4%	<4%

Strategic development

Acquisition strategy

Consolidation unlocks synergies for continued profitable growth

Acquisitions are a strategic focus area for Beijer Ref and an important cornerstone of the Group's growth strategy and DNA. Acquisitions create synergies and strengthen the Group's global reach.

For several years, Beijer Ref has worked actively to consolidate the market and thereby unlock synergies for continued profitable growth. Through acquisitions, the group adds geographical breadth and builds a global presence faster than through organic growth. Since the beginning of the 2000s, Beijer Ref has completed some sixty acquisitions in Europe, North America, Africa, Asia and Oceania.

Since 2021, the group has been more proactive and increased the pace of its acquisition efforts. As a result, Beijer Ref is now the leading distributor with a global presence in commercial refrigeration and heating. At the same time, the acquisitions have helped to establish the group as one of the largest customers of leading global suppliers in the field.

Focus on acquisitions with the greatest synergy

The acquisition strategy is primarily focused on the following product segments; Commercial and industrial refrigeration and comfort heating and cooling (HVAC) segments. The strategy for identifying target companies differs between continents, but aims at an overall level to add geographical breadth to Beijer Ref's distribution network, expand the product range, acquire exclusive distribution rights and develop the group's role in the value chain.

Within in the product segment original equipment manufacturing (OEM) of environmentally friendly products, Beijer Ref leads in technology but is continuously evaluating opportunities to acquire companies with innovative technologies that can strenghten its product range.

Acquisitions in 2023

Beijer Ref's acquisition-intensive journey continued in 2023. A further 15 companies were added to the group and since the respective consolidation date, the acquired companies have contributed to the group's net sales with approximately SEK 7 billion. Most of the acquired companies operate in HVAC:

- In January, the acquisition of Heritage Distributions Holdings, a leading distributor of heating, ventilation, air conditioning and refrigeration (HVACR) tools, components and equipment in North America, was completed. The acquisition was a milestone in Beijer Ref's history in entering the North American market.
- In February, the acquisition of Transport Cooling SA in South Africa, a distributor of transport refrigeration for trucks and trailers, was completed.
- In April, the Indian company Shravan Engineering, a distributor of refrigeration and related spare parts, was acquired. Through this acquisition, Beijer Ref expanded its geographical spread and product portfolio in India.
- In June, the French HVAC company CFD, a distributor of heat pumps, geothermal energy products and HVAC components, was acquired.
- In July, Beijer Ref entered the Bulgarian market through the acquisition of 70 per cent of the shares of the HVAC company Condex, with an option to buy up the remaining shares. Condex is a leading distributor of air conditioning and heat pumps in Bulgaria.
- In September, Beijer Ref entered the South Korean market through the acquisition of DS Maref, a distributor of refrigeration compressors and components, as well as a manufacturer of refrigeration systems and evaporators. Through this acquisition, Beijer Ref has identified a number of development opportunities in the South Korean market.

- In September, Beijer Ref continued its entry into the North American market through the acquisition of AMSCO Supply, a distributor in the HVAC segment.
- In November, the Australian HCAV distributor Turner Engineering, which is one of the region's oldest independent HVAC distributors, was acquired. The company has a highly experienced team consisting of HVAC specialists, technicians and engineers.
- In December, Beijer Ref acquired Gröntklima in Norway, which supplies heat pump assembly parts via its e-commerce.
- In December, Beijer acquired Ref Webb Supply in North America, an HVAC distributor that supplies HVAC solutions for various market segments, such as add-on and replacement products for residential and commercial projects.
- In December, Beijer Ref signed an agreement to acquire 70 per cent of the shares in Chillaire Solutions (India), with a put/call option to acquire the remaining shares.

Through active acquisition efforts, Beijer Ref has rapidly grown to become a global distributor of refrigeration and heating and one of the largest customers of leading global suppliers.

David Ericsson, Head of M&A & EVP

Important acquisition criteria

In order to effectively realise success within the framework of Beijer Ref's decentralised model and to ensure the successful integration of acquired companies, the following points are emphasised:

- The company must have a strong management team because entrepreneurship is highly valued and acquired companies in many cases constitute independent legal entities with freedom and exercising responsibility.
- The company must have a leading market position with stable, documented profitability.
- The company must conduct sustainable operations that complement Beijer Ref's product range and distribution.

Characteristics of target companies

Beijer Ref prioritises target companies that offer strong strategic coherence and synergy opportunities to promote overall business strategy and growth. The following points are central:

- >5 per cent EBIT margin
- Synergies on the sales and/or purchasing side
- Locally located management

Original equipment manufacturing (OEM)

Green technology simplifies the sustainability transition for customers

Beijer Ref is an industry leader in the development and manufacture of environmentally friendly refrigeration technology. Being at the forefront of technological development drives the company's expansion and contributes to the necessary transition to refrigerants with a low climate impact.

World-leading technology that meets regulatory requirements
Green technology developed in-house is one of the business areas that is growing the most for Beijer Ref, with continued strong development in 2023. The group was one of the first to create the conditions for producing green refrigeration technology developed in-house, based on natural refrigerants with low GWP (Global Warming Potential). Today, Beijer Ref is a world leader in the field and is working methodically to increase its green in-house manufacturing, while at the same time using its global distribution network to disseminate the technology.

By being at the forefront of development, Beijer Ref is helping the market to adapt in line with regulatory requirements. In 2015, the EU's F-gas Regulation and a phase-out staircase were introduced with an end date of 2030 for the sale of ozone-depleting fluorinated hydrocarbons (HFCs). Then, 2016 saw the arrival of the Kigali Amendment to the Montreal Protocol, which is driving the phase-out on other continents, including in the USA, which adopted the amendment in 2022.

Supermarkets were the first to replace their technology. Today, it is estimated that around 30 per cent of Europe's more than 250,000 supermarkets and food retailers use environmentally friendly refrigeration systems, while the transition is gaining momentum in logistics centres, process industries, petrol stations and the HORECA segment. In addition, more and more district heating plants and industries are switching to environmentally friendly heat pumps, for which demand is expected to increase significantly in the coming years.

The need to switch to green technology is thus growing and accelerating. Through the Beijer Ref Academy training initiative, customers and end customers are trained in solutions based on natural refrigerants, which helps to increase the pace of the transition. The courses focus, among other things, on installation of the new, green technology, which is more technically complicated than traditional solutions.

Global manufacturing based in Italy
Italy is currently the main centre for Beijer Ref's research and development of refrigeration technology based on carbon dioxide (CO_2). The subsidiary SCM Frigo specialises in the development of refrigeration units. In addition to production at the factory in Italy, SCM Frigo serves as a knowledge centre for Beijer Ref's factories in Sweden, the Netherlands, Thailand, Australia, China and South Africa. As a result, Beijer Ref is the only refrigeration wholesaler in the world that has global manufacturing of products with green refrigeration technology.

In 2022, a new factory was established in Italy that brings together production, warehousing and the Beijer Ref Academy training centre. The factory, which currently occupies 13,000 m2, is being expanded by a further 3,000 m2 in order to increase production in line with demand. The goal is to more than double Beijer Ref's production of environmentally friendly technology in Europe.

Danish technology for environmentally friendly heat pumps
In 2021, Beijer Ref acquired the Danish refrigeration technology company Fenagy, which has developed a completely new product range of industrial heat pumps and refrigeration systems based on CO_2. The technology is used, among other things, by district heating plants that convert electricity with the aid of heat pumps. Beijer Ref is at the forefront of the development of large industrial heat pumps and works closely with suppliers to develop and secure the supply of compressors of the right size for the pumps.

Cost-effectiveness and environmental benefits have created a significant demand for Fenagy's technology. The fact that the company has been part of Beijer Ref's structure of group-wide product development, purchasing function and customer support will result in additional benefits. In 2023, sales of Fenagy's technology have increased by more than 100 per cent and demand is expected to increase by over 30 per cent per year. A product development programme to develop heat pumps based on similar technology, but for smaller units, is the next project that has high potential.

Cutting-edge expertise in identifying new solutions

Beijer Ref has built an organisation to continuously develop new environmentally friendly products in new areas. By recruiting cutting-edge expertise and training staff in what is a complex area, the group ensures continued industry-leading development. By working closely with customers, a good understanding of their problems and issues is created, along with the opportunity to help them in everything from start-up to operational management of new solutions.

Beijer Ref focuses in particular on the development of new solutions based on CO_2, with a focus on broadening the product range and increasing energy efficiency. The group has also developed solutions based on ammonia and propane.

Filling stations for natural refrigerants

Beijer Ref has invested in refrigerant filling stations as a further step in its focus on natural refrigerants. The group has a production line in Gothenburg, which mainly supplies the group's Nordic companies with the natural refrigerants R290/propane and R744/CO_2. Demand for environmentally friendly refrigerants has been high, partly because residential heat pumps based on propane are becoming more common. Through its investment in the filling station, Beijer Ref can ensure the availability of natural refrigerants as part of its investment in environmentally friendly technology manufactured in-house.

In addition to the facility in Gothenburg, the group also has filling stations in the UK, the Netherlands and Hungary with a similar function, which supply other regions in Europe. Ambitious work is also underway to take care of and regenerate refrigerants, so to contribute to a well-developed circular and environmentally friendly economy in a safe and efficient way. Since 2023, Beijer Ref has employed a person whose main responsibility is to manage and develop the group's trade in refrigerants, which generates stable income.

By being at the forefront of the development of green technology in-house, we help our customers switch to environmentally friendly technology in line with regulatory requirements for reduced climate impact.

Simon Karlin, COO EMEA

30% **is the expected annual growth in sales of Fenagy's technology for industrial heat pumps and cooling systems based on carbon dioxide.**

20% **Beijer Ref has set a target to increase its sales of own manufacture green technology by 20 per cent per year.**

Own brands

Increased margins with proprietary product brands

Beijer Ref is known for having distribution agreements with the world's leading suppliers and brands in refrigeration and HVAC. In parallel with this, the group also develops its own brands that complement the market's best-known product names.

SCM, CUBO, Patton and Kirby are some examples of own brands that Beijer Ref has developed over the years. The purpose of building brands is that they complement the market's most well-known product names in terms of range and content. Owning and developing our own brands also increases control and the ability to govern production and price levels. Beijer Ref has made a clear investment of four product brands with continued expansion in 2023: Freddox, Sinclair, Inventor and Azuri.

For a couple of years now, Beijer Ref has invested in the group-wide Freddox brand. This brand markets various products for refrigeration and HVAC, such as tools, valves, and copper pipes. The idea is to be able to give customers a competitive offering while at the same time improving the group's margins. Freddox has developed well in 2023 and is sold through Beijer Ref's subsidiaries in Europe, Africa and Asia.

In 2021, Beijer Ref acquired the Czech HVAC company Sinclair and thereby also took over the product brand of the same name. Sinclair offers HVAC products, air conditioning and heat pumps that are widely launched to be sold through many of the group's companies. The brand is currently sold to a number of countries in EMEA. Access to the group's distribution channels has led to strong growth for Sinclair, while Beijer Ref has increased margins compared to the brands that have been phased out.

In 2021, Beijer Ref also acquired the Greek company Inventor, which also had its own product brand. Inventor offers HVAC products and is a well-known brand among end consumers in its home market of Greece. The brand has since been widely launched in several European countries, in many cases as an alternative where Sinclair has not been launched. The plan is to continue to spread Inventor to more markets and at the same time increase the focus on heat pumps where there is great potential for future growth.

In 2022, the Croatian HVAC company Deltron was acquired, which means that the Azuri brand is now part of Beijer Ref's brand portfolio. Azuri offers solutions for residential air conditioning and is a good complement to the group's other offerings.

freddox AZURI Inventor sinclair

Supply chain

Consolidation strengthens bargaining power with suppliers

Purchasing and logistics are central to creating synergies for a global group. Long-term, close partnerships with high-quality suppliers are an important part of Beijer Ref's business strategy.

Strong relationships with our suppliers

Growth and active acquisition work have taken Beijer Ref to a position as a leading global distributor of heating and refrigeration. Today, Beijer Ref is one of the largest customers of leading global manufacturers. The consolidation of the market is helping Beijer Ref to strengthen its position with suppliers with a huge upside for purchasing and logistics. Long-term, close partnerships with high-quality suppliers are an important part of the business strategy as they contribute to Beijer Ref's delivery reliability. The goal is to reduce the number of suppliers and work closely with major strategic partners.

The group offers a mix of brands with carefully selected suppliers in order to provide the market with a unique range of products, from lower price segments to premium level. Each market must be able to provide customers with at least two strong and well-known brands in each product category. The suppliers, in turn, gain access to Beijer Ref's global distribution network and customer base, with a flexible supply chain that meets the needs of most suppliers.

Centrally developed product range strategies

Beijer Ref has Category Managers who work on the central coordination of a number of product categories, with the aim of taking advantage of the Group's global presence. Each Category Manager is responsible for developing a range strategy for each product category. At present, the largest product groups within the company are HVAC, compressors, heat exchangers, refrigerants, tools and copper.

The strategies developed by Category Managers determine everything from what a range should contain to the assessment of demand, profitability and the right sales channels. In this way, the value chain is optimised for Beijer Ref, suppliers and customers. As well as competitive prices, the centralised range management gives Beijer Ref an opportunity to steer the product range towards more environmentally sustainable alternatives.

Regional warehousing optimises levels and availability

The group's warehousing strategy has in recent years gone from having a local focus with several distribution centres in each country to having a more national and regional focus. Beijer Ref has therefore merged together warehouses in a number of markets and created distribution centres covering several companies. One example is the Beijer Ref Support Centre in the Netherlands, which is one of the group's largest distribution centres. There are also central warehouses in most of the countries in which the group operates.

The plan is to further regionalise warehousing, since this enables increased availability of products, optimisation of stock levels and streamlining of transports to reduce carbon dioxide emissions. For suppliers, the conditions for planning and optimising their production and distribution increase. Regionalisation also means that excess products can be used by several companies in the group, while any future acquisitions can be quickly incorporated into Beijer Ref's existing logistics structure.

Increased efficiency through digitalisation

In recent years, Beijer Ref has been working on the implementation of a group-wide business support system to make purchasing and warehousing more efficient. The system captures, analyses and processes data along the entire supply chain using advanced algorithms and applicable software. The subsidiaries are gathered in regional clusters to make purchasing, logistics and sales more efficient, while leaving room for flexibility and cultural adaptation between regions. The purpose of bringing together the subsidiaries in a common business support system is to reduce costs and capital tie up, as well as to deliver a higher level of service and increased flexibility.

Digitalisation

Customer relations are enhanced with the aid of digital tools and ecommerce

Digitalisation is a major focus area for Beijer Ref. By digitalising various processes in areas such as sales and purchasing, the group's efficiency increases while online sales create new business opportunities.

Economies of scale from centralised development

Beijer Ref has a central digitalisation strategy with the aim of promoting economies of scale and making digitalisation in its subsidiaries more effective. The goal is to develop solutions that benefit the group's business model by streamlining the group's own processes and developing sales in digital channels. When solutions are developed centrally, the subsidiaries can focus on their core business while the group provides support with the development, implementation and maintenance of digital systems, as well as the management of cybersecurity.

After working with external partners in various areas for a couple of years, more and more internal expertise has now being built up. In 2023, Beijer Ref opened a digital hub with an office in Bucharest where an internal team is working on various digitalisation projects, including the development of the global e-commerce platform and the platform for product data.

Focus on the customer in the development of e-commerce

Beijer Ref operates in traditional industries that are characterised by a close relationship with customers through physical commerce and telephone support. The group has identified opportunities to simplify customers' commercial lives by developing digitalised sales processes as a complement to physical commerce. By developing solutions where customers can efficiently move between physical and digital commerce, Beijer Ref sees opportunities to offer added value in digital channels. The aim is to ensure that the group meets the customers' requirements and needs in their digital journey.

The global e-commerce platform, which is being developed centrally, makes it possible for the subsidiaries to develop and administer their own online shops. Beijer Ref currently has around 30 localised shops that operate under local brands, but with a common underlying structure and similar functions such as configuration tools for finding the right products and spare parts. The focus of development going forward is on developing functions that further strengthen the relationship with the customer, including various types of AI-based tools that support our customers in various issues.

In 2023, we saw another significant increase in our digital sales channels and our customer base grew by 30 per cent. At the same time we increased our online sales by 18 per cent compared to the previous year. We are determined to continue investing in improving the digital customer journey and our digital sales channels. In 2023, we have introduced e-commerce platforms in new markets and rolled out digital tools and mobile applications that aim to streamline the digital shopping experience for our customers.

Increasing efficiency with coordinated platforms

As a global group, Beijer Ref has great opportunities to create synergies by coordinating and optimising different platforms that are used globally. For a couple of years now, the group has been working to bring all subsidiaries together on the same business system platform, grouped by region. The purpose of this coordination is to streamline the purchasing, logistics and sales of the subsidiaries while maintaining some flexibility and cultural alignment between regions.

By working with unified platforms, Beijer Ref will be better placed to drive efficiency and development. An example of this is a global master data platform in which the group connects its product master data to suppliers, which ensures that Beijer Ref has accurate and up-to-date information about the products with high data quality.

We also have several ongoing AI initiatives that have already created efficiencies in processes. AI is an area that we continue to integrate into our business, and we see it generating value in many areas.

> **Ecommerce drives growth and can at the same time strengthen the customer relationship by developing solutions to efficiently move between digital and physical commerce.**

Kristian Lexander, CIO/CDO

The development of the share

At year end, Nasdaq OMX Stockholm PI (all shares) had risen by 15 per cent (-25) since the beginning of the year. The price paid for Beijer Ref's Class B share fell by 8 per cent (-26) in 2023.

Shareholders
Beijer Ref's class B share has been publicly listed since 1983 and is currently on Nasdaq OMX Stockholm's Large Cap list. The share capital of Beijer Ref amounts to SEK 494,944,650 divided into 506,810,926 shares, each with a nominal value of SEK 0.98.

Beijer Ref had 17,571 (14,390) shareholders on 31 December 2023. There are two share classes: 27,956,160 class A shares and 481,129,766 class B shares. Each class A share represents ten votes and each class B share one vote. The proportion of foreign shareholders amounts to 42.8 per cent (43.8), corresponding to a capital holding of 50.2 per cent (53.9).

The company's ten largest shareholders hold 70.8 per cent (77.3) of the votes and 56.4 per cent (62.4) of the capital. The distribution of ownership is shown in the table on pages 29-30.

Good, long-term returns
The profit per share after tax, excluding items affecting comparability, amounted to SEK 4.33 (3.54). Over the past five years, the class B share has had a total return of 21 per cent per year on average. The corresponding figure for the OMX Stockholm All shares index is 12.8 per cent per year.

Share price and trading
In 2023, a total of 251,000,983 Beijer Ref shares (106,674,512) were traded. The total value of trading in the share was SEK 35,097,872,147 (16,747,665,615). The average daily trading volume was 1,000,004 (421,638) shares or SEK 139.8 (66.2) million. The average purchase price amounted to SEK 140 (157). The highest price paid during the year was recorded on 4 April 2023 at SEK 188 and the lowest on 24 October 2023 at SEK 98 . The closing price on 31 December 2023 was SEK 135 (147).

At 31 December 2023, the company had a market capitalisation of SEK 58.2 billion (52.1). More information about the Beijer Ref share may be found at www.beijerref.com.

Dividend
In the 2023 year-end report, which was published on 31 January 2024, the Board of Directors proposed a dividend of SEK 1.30 per share (0.94) based on the number of outstanding shares at the end of the financial year. Which corresponds to SEK 659 million (477) in total for the 2023 financial year. The proposed dividend corresponds to 31 per cent (32) of the group's profit after tax, excluding items affecting comparability, in 2023. Including items affecting comparability, the proposed dividend corresponds to 27 per cent (38) of the group's profit after tax and 3.1 per cent (7.2) of equity at the end of the year. The dividend yield, i.e. the proposed dividend as a percentage of the year's final price paid, amounts to 0.96 per cent (0.64). The Board of Directors' proposal is that the dividend is paid in two instalments, so as to meet the group's seasonal variations. The record dates for the dividend are 25 April and 25 October 2024.

Share of capital, %

Foreign owners, 50% (52%)

Swedish institutions, legal entities, 43% (40)

Swedish individuals, 7% (8)

Share of votes, %

Foreign owners, 43% (44%)

Swedish institutions, legal entities, 42% (39)

Swedish individuals, 15% (17)

The Beijer Ref share

Ownership, the largest shareholders and others

Per 2023-12-31	A-shares	B-shares	Capital, %	Votes, %
EQT Group	6 856 780	90 962 434	19.21	20.97
Joen Magnusson with family and company	9 360 000	475 476	1.93	12.37
Per Bertland with family and company	7 874 000	84 900	1.56	10.36
Peter Jessen Jürgensen with company	3 845 580	260 501	0.81	5.09
CBNY-NORGES BANK		38 028 925	7.47	5.00
AMF - Försäkring och Fonder		33 626 115	6.61	4.42
SEB Investment Management		29 798 071	5.85	3.92
STATE STREET BANK AND TRUST CO, W9		23 065 320	4.53	3.03
Handelsbanken fonder		21 847 553	4.29	2.87
FJARDE AP-FONDEN		20 783 817	4.08	2.73
Total 10 biggest owners	27 936 360	258 656 656	56.35	70.76
Other owners	19 800	220 198 110	43.20	28.94
Own shares		2 275 000		
Total 2023-12-31	27 956 160	481 129 766	100.00	100.00

Source: Euroclear and shareholdings announced by shareholders.

Share distribution by size

Owners of	Number of shareholders	Number of A-shares	Number of B-shares	Holding (%)	Votes (%)	Market value (SEK M)
1-500	12 744	0	1 471 062	0.29%	0.19%	199 182
501-2 000	2 640	0	2 846 679	0.56%	0.37%	385 440
2 001-5 000	946	2 520	3 090 559	0.61%	0.41%	418 462
5 001-10 000	483	8 280	3 507 038	0.69%	0.47%	474 853
10 001-20 000	274	0	3 939 988	0.77%	0.52%	533 474
20 001-50 000	194	0	6 158 138	1.21%	0.81%	833 812
50 001-100 000	92	9 000	6 586 491	1.30%	0.88%	891 811
100 001-	198	27 936 360	453 529 811	94.57%	96.35%	61 407 936
Total 2023-12-31	**17 571**	**27 956 160**	**481 129 766**	**100.00%**	**100%**	**65 144 970**

Share data (SEK)

	2023	2022	2021	2020	2019
Earnings per share before diluation, excl. items affecting comparability[1]	4.88	3.00	2.58	1.90	2.27
Earnings per share after dilution, excl. items affecting comparability[2]	4.88	3.00	2.56	1.89	2.26
Equity per share before dilution[3]	42	18	14	12	12
Equity per share after dilution[4]	42	18	15	12	12
Dividend	1.30	0.94	1.10	1.00	0.58
Dividend as % of earnings per share	27	31	43	53	26
Total dividend, SEK M	659	477	419	380	221
Share price[5]	135	147	198	125	92
Yield, %[6]	0.96	0.64	0.6	0.8	0.6
Cash flow per share[7]	4.97	5.39	4.08	2.93	3.37
Number of outstanding shares	506 810 926	380 345 570	380 468 980	379 610 130	379 610 130
Average number of outstanding shares[8]	486 922 447	415 478 482	380 254 268	379 610 130	379 610 130

Definitions
[1]Net profit for the year divided by the average number of outstanding shares
[2]Net profit for the year adjusted after exercise of option programme divided by the average number of outstanding shares
[3]Total equity at the end of the year divided by total number outstanding shares
[4]Adjusted total equity at year end after exercise of option programme divided by the total number of shares
[5]At 31/12
[6]Dividend in relation to share price at 31 December
[7]Cash flow from the current operation before changes in working capital divided by average number of outstanding shares
[8]Average number of outstanding shares are calculated quarterly

Taking into account the completed rights issue, decided in 2022 and completed in 2023, the comparative figures for 2022 have been recalculated with regard to the final dividend and new number of outstanding shares.

Three good reasons to own shares in Beijer Ref

Over the years, Beijer Ref's stock has shown impressive growth, largely thanks to its increasing global presence. The company has been highlighted in the Swedish business press as one of the companies that has generated the best total return over the past 20 years. For the investors who have been involved since the company's IPO in 1983, this has meant an extremely profitable investment.

Growing market and clear sustainability profile

The market is growing and favorable external factors have a positive effect on the company. The business proves to be relatively insensitive to economic fluctuations, as a significant part of its products are aimed at the food industry and a large proportion of them are sold on the aftermarket. Population growth and an increasing middle class with improved economic conditions also drive demand for Beijer Ref's products, especially in comfort cooling. Beijer Ref has an ambitious growth plan that extends to both new and existing markets. The group's markets are characterized by their fragmentation, which means that there is still room for further consolidation. There are several geographic markets where the group is not yet present, but which may be possible to establish in the future.

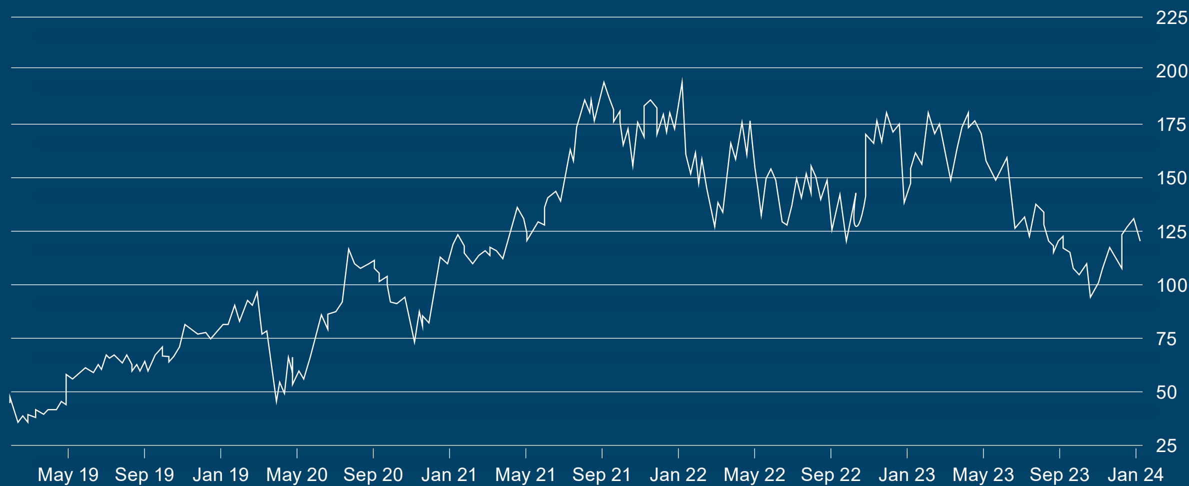
At the end of 2022, an agreement to acquire the American company Heritage was signed, and the acquisition was completed on January 20, 2023. Beijer Ref's growth target is based on the group's assessment that there is still great potential for both organic and acquisition-driven growth at a global level. The market is also undergoing a technology shift, where end customers are converting to more environmentally friendly alternatives for regulatory reasons. Beijer Ref is well positioned and has alternatives based on future green products, compared to the present system that is driven by refrigerants that have a negative environmental impact.

Clear focus

Beijer Ref focuses on doing what the company is good at - delivering refrigeration and HVAC products. The company has a strong corporate culture with clear values. Entrepreneurship has always been one of Beijer Refs ' strengths and throughout the company's history the group has expanded its business through acquisitions. This has resulted in employees always focusing on developing the business by combining the best practices from each company to create something even stronger. Beijer Ref's business concept is that the group companies worldwide have a common strategy and mission and also conduct their business with continuity. Internal synergies in purchasing and logistics can always be developed further. The group’s global distribution network, with 500+ branches in 45 countries, creates the conditions for an effective distribution chain.

Stable development

Beijer Ref is the world’s largest global refrigeration wholesaler. Over time, the share has generated returns above the index on NASDAQ and the company has distributed more than 30 per cent of the annual profit. This has been made possible by a strong balance sheet, a stable group of owners and continuity in management. Over the past five years, Beijer Ref has had an yearly average increase in sales, excluding currency effects, of approximately 18 per cent, combined with an EBITA margin, excluding items affecting comparability, of 9 per cent and an average return on operating capital, excluding items affecting comparability, of approximately 15 per cent. Beijer Ref is well positioned as many driving forces combine to create continued demand for energy-efficient products.



The development of Beijer Ref's share from 2019-2023.

Sustainability report 2023

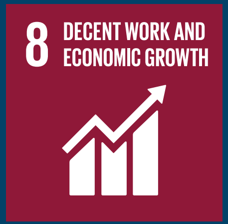
Agenda

Global driver for heating and refrigeration with low climate impact

Sustainability is an integral part of Beijer Ref's global business. It affects everything from our business model and strategy to the organisation and product range. Beijer Ref wants to contribute to reducing climate impact, maintaining a high standard of business ethics and promoting a safe and inclusive workplace. The group is actively pursuing its agenda in these areas and the Board of Directors has set clear sustainability targets as part of the management's incentive programmes.

Focus areas related to Agenda 2030
Beijer Ref's sustainability strategy is based on the group's history, vision, business concept and values. The group is actively working to contribute to a number of the 17 Sustainable Development Goals in Agenda 2030. The following goals are particularly important to the group's business and are linked to the five focus areas in which Beijer Ref's sustainability work is carried out:

People and talent management
We are working on information and activities to increase the proportion of women in senior positions and influence diversity in a positive direction at all stages.



Responsible supply chain
The work environment and good working conditions are priority areas. We impose requirements on suppliers through our code of conduct. We take responsibility for our customers' work environment through good products and clear installation instructions.

Green products
We spread our expertise in environmentally friendly refrigerants within the group and to our customers. We allocate resources for training our customers, suppliers and employees in environmentally friendly refrigeration technology to drive the transition forward.

Reduce greenhouse gas footprint
Beijer Ref works actively to minimise its own and the industry's climate impact. Through the development and manufacture of refrigeration technology based on natural refrigerants, we contribute to reducing emissions of HFC gases that impact on the environment.

Ethical business
We apply high ethics and morals in our work and have zero tolerance for bribery and unethical behaviour. Ethical guidelines have been developed that all employees must live up to. All employees are required to complete our training in business ethics.

Materiality analysis

Sustainability-related risks and opportunities

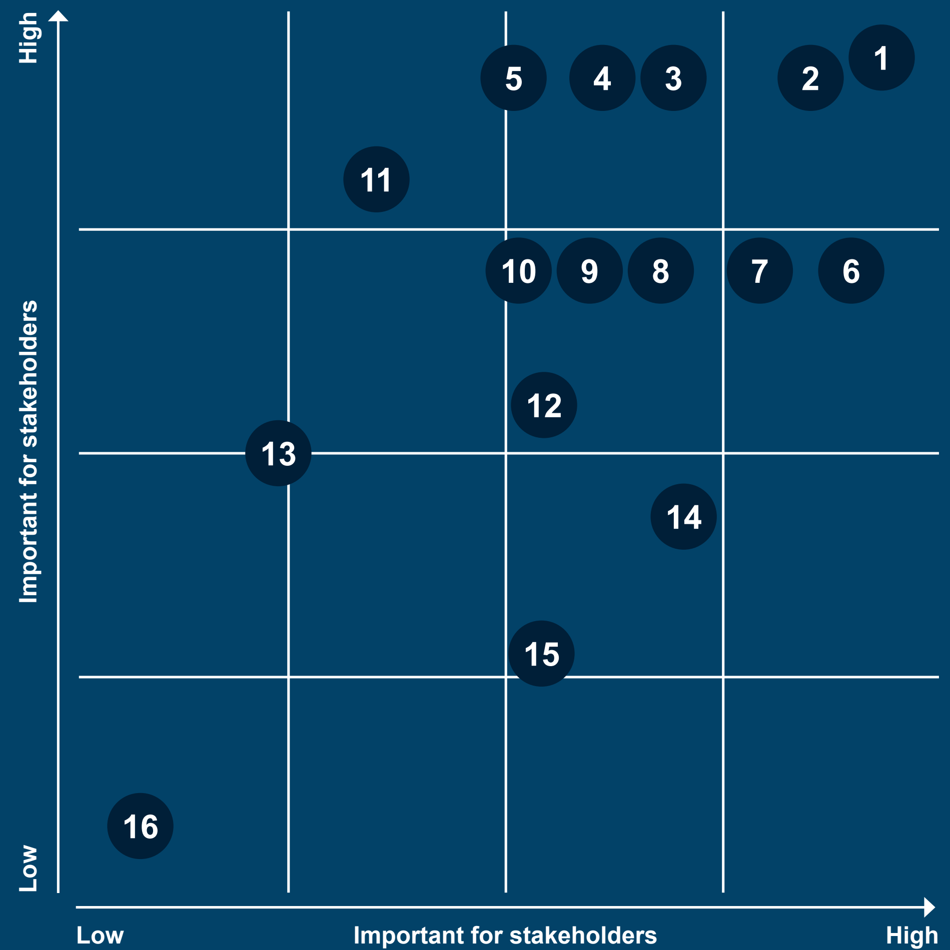
In 2021, Beijer Ref conducted a materiality analysis to analyse which sustainability risks are considered to be the most material according to the group's stakeholders. The analysis was carried out with the aid of an external consultancy firm and follows the standard developed by the Sustainability Accounting Standards Board (SASB). A number of parameters and activities were developed and then Beijer Ref invited different stakeholder groups to comment on and rank the various parameters. Beijer Ref's major shareholders, the Board of Directors, employees, customers and suppliers participated in the process through a survey that had a high response rate.

The materiality analysis showed that Beijer Ref prioritises the right areas and is well positioned in relation to comparable companies, and that the group meets the expectations of both internal and external stakeholders. It also clarified which areas Beijer Ref is considered to have a low impact in, such as water and waste. Based on the analysis, five focus areas have been identified:

- Business strategy for sustainable products and services
- Management of ESG responsibilities
- Accidents and incidents
- Sharing knowledge about environmentally friendly products
- Implementation of policies and procedures aimed at countering the taking and giving of bribes and corruption, as well as promoting ethical conduct from a competition point of view

The materiality analysis will be updated in 2024 according to the double materiality principle, so as to meet the requirements of the new EU Corporate Sustainability Reporting Directive (CSRD).

Materiality analysis



1. Business strategy for sustainable products
2. Management of ESG responsibilities
3. Implementation of policy against giving and taking bribes and around corruption and conduct regarding competition
4. Share knowledge about green products
5. Measure greenhouse gas emissions within Scope 1
6. Fatal incidents and accidents
7. Internal management of external procedures from the perspective of human rights and management of personnel
8. Sales volume of sustainable products
9. Internal management of environmental issues
10. Greenhouse gas emissions for products
11. Products are purchased according to sustainability-related standards
12. Interlinking of main suppliers
13. Products are sold according to environmental standards
14. Talent management
15. Gender representation and ethical representation at management level and among technical staff
16. CSR and philanthropy

The environment

Green solutions help end customers to reduce their climate impact

The company's own development of environmentally friendly solutions for heating and refrigeration helps end customers to make the transition in line with regulatory requirements for reduced greenhouse gas emissions. By offering training in this area, Beijer Ref is working proactively to increase the pace of the climate transition.

Beijer Ref's ambition is to reduce its environmental impact and create climate-responsible operations. The goal is to help customers and suppliers make more sustainable choices by providing green products and training to intensify the climate transition in the heating, ventilation, air conditioning and refrigeration market.

The group compiles greenhouse gas emissions in line with the Greenhouse Gas Protocol (GHG) and reports these to the Carbon Disclosure Project (CDP). Beijer Ref also follows guidelines for sustainability reporting in line with the Global Reporting Initiative (GRI) and the EU Taxonomy. The Corporate Sustainability Reporting Directive (CSRD) will be implemented in the Group's reporting in 2024.

Greenhouse gas emission reduction goals

Beijer Ref accepts its responsibility for contributing to climate change mitigation in line with the Paris Agreement's goal of 1.5 degrees. In 2023, goals for reduced greenhouse gas emissions in the group's value chain were submitted to the Science Based Target initiative (SBTi). The goals of 42 per cent reduction in Scope 1 & 2 and 25 per cent reduction in Scope 3 were validated by the SBTi in November 2023.

The goals are based on emission calculations in line with the Greenhouse Gas Protocol guidelines that began in 2021, when the Group began mapping energy consumption and company cars at all branches (Scope 1 & 2). In 2022, the mapping was expanded to also include the remaining parts of the upstream and downstream value chain (Scope 3).
By means of this mapping, Beijer Ref has identified measures to achieve the climate goals.

During 2023, the company's total annual carbon footprint was reduced by 5 per cent. The reduction is broad across most emission categories. In addition, the HVAC products replace fossil heating as well as old products with higher energy consumption and are based on refrigerants with higher GWP values (Global Warming Potential).

Greenhouse gas emissions linked to leakage from sold refrigerants and final handling of products continue to decrease in line with Beijer Ref's focus on the transition to natural refrigerants. The very positive development of emissions in the supply chain is to some extent due to the reduced inventory that took place during the year.

Reduction of the group's total absolute emissions is not expected to occur through a linear decline, but a gradual shift as activities and measures have an impact.

The calculation of the carbon footprint includes the same subsidiaries throughout the measurement period, which means that companies acquired since 2022 are not included in the group's total greenhouse gas emissions. In 2024, the calculations will be updated with the companies that have been added since 2022. At the same time, data for 2021 will also be updated in line with the Greenhouse Gas Protocol's guidelines for recalculation of emissions for base years in acquisitions.

Scope 1 & 2 emission reduction measures

Beijer Ref's Scope 1 & 2 emissions have decreased by 4 per cent, excluding the leakagen indcident in 2022, which is a result of increased focus on reducing the business's direct and indirect emissions. Beijer Ref's direct emissions come primarily from the vehicles used by the company and from heating the buildings that are heated with fossil fuels. Indirect emissions derive from electricity consumption for lighting, heating and cooling of buildings and district heating.

Beijer Ref has identified the following focus areas to achieve an absolute reduction of 42 per cent in direct emissions:

- Phasing out fossil fuel heating in favour of own manufacture heat pumps based on natural refrigerants.
- The transition from combustion vehicles to fully or partially electrified vehicles (the transition takes place in connection with renewing the vehicle fleet at the same time as the charging infrastructure is expanded in each country).
- Energy optimisation at all addresses, installation of solar panels on owned buildings and transition to renewable electricity.

In 2022, there was a significant increase in Scope 1 emissions as a result of approximately 20 tonnes of refrigerants leaking from Beijer Ref's filling station in Gothenburg. This is the only leak incident that Beijer Ref has experienced. The incident was followed by a thorough investigation and an upgrade programme to increase leakage security during installation and operational processes at all of Beijer Ref's filling stations. The goal is to have the best leakage security in the industry and create a uniform standard that goes beyond legislation.

Scope 3 emission reduction measures
The absolute majority, more than 99 per cent, of Beijer Ref's greenhouse gas emissions are in Scope 3. Installation and use of products sold represent by far the largest sources of emissions. As a result, there is a need for installers and end-users to make the right choices in order for Beijer Ref to achieve its target of a 25 per cent reduction in emissions by 2030.

In particular, refrigerants that leak into the atmosphere to some extent when used by end users account for a large part of the footprint. Beijer Ref works actively to educate the market and guide customers to solutions with lower Global Warming Potential (GWP). The preferred solution is the group's own manufacture refrigeration units and heat pumps that use the natural refrigerant carbon dioxide (CO_2), which has a significantly lower GWP value than traditional refrigerants.

Another part of the impact of the products that are sold is the bulk refrigerants sold in gas cylinders at Beijer Ref's filling stations. Based on public data reported in the EU, we know that a proportion of the refrigerants sold leak into the atmosphere, either as a leak from an installation during use or when the installation is replaced or taken down. Beijer Ref will ensure that as large a proportion as possible of the gases sold receive proper treatment at the end of their life cycle to prevent emissions. The group is also working to guide the development of the F-gas market towards solutions with a lower GWP, thus reducing the footprint of this category.

Another significant source of emissions within Scope 3 relates to electricity consumption of products sold during their lifetime, in particular air conditioning and heat pumps. However, these units usually replace older units with a higher electricity consumption and with a refrigerant with a higher GWP than today's products. The heat pumps also often replace gas and oil boilers, where the global emission reduction becomes even greater. Beijer Ref's emissions under this category therefore usually contribute to lowering the global carbon footprint. As the global electricity supply becomes more and more fossil-free, this category will therefore also decrease.

99,9% of Beijer Ref's total greenhouse gas emissions, Scope 3 emissions account for the majority. Emissions from the use of sold products are the category with by far the greatest impact.

Scope	Category	Ton CO_2e 2021[1]	Ton CO_2e 2022[1]	Ton CO_2e 2023
Scope 1	Natural gas, company cars and leaked refrigerants	6 979	37 840	9 593
Scope 2	Electricity and district heating	6 789	7 058	6 631
Scope 3	Use of sold products - electricity	2 688 798	2 633 572	2 551 930
Scope 3	Use of sold products - leakage from loaded units	324 947	255 268	247 354
Scope 3	Use of sold products - leakage from refrigerants sold	5 425 022	5 313 444	5 245 644
Scope 3	Purchased goods and services	286 224	581 911	204 331
Scope 3	Up and down stream transportation	163 095	120 855	82 725
Scope 3	End of life treatment of sold products	2 474 432	2 408 001	2 377 367
Scope 3	Fuel and energy-related activities[2]	3 103	10 627	4 590
Scope 3	Employee commuting	6 630	7 990	1 412
Scope 3	Waste generated in operations	5 452	5 254	5 780
Scope 3	Business travels	135	233	1 309
Total		**11 391 606**	**11 382 053**	**10 738 666**

[1]Beijer Ref is continuously working to refine the measurement of the group's greenhouse gas emissions. In this way, historical values are also updated, so as to ensure that the development is as accurate as possible. In 2023, the measurement of electricity from sold products in particular has been developed and thus the values for 2021 and 2022 have also been updated with the new calculation method.

[2]The Scope 3 category "Fuel and energy related activities" has also been added following a review by the SBTi.

Refbuster®

Sustainable and efficient recycling of refrigerants

Refbuster is a service that offers responsible management, efficiency, recycling, refilling and handling of refrigerants. The service encompasses a wide range of products and is aimed at most industries.

In 2023, the Refbuster service was launched, which streamlines refrigerant recycling, refilling and handling, leading to reduced leakage and increased recycling. The service was launched in May last year by Beijer Ref's subsidiary in the Netherlands, Celsis. Refbuster offers a wide range of services, from collection, analysis and recycling of used refrigerants to refilling with new ones.

Through Refbuster, customers in a number of industries are helped to change refrigerants directly on site by specialist engineers who ensure that legislation and the best standards are complied with. Refbuster also guarantees responsible handling, which prevents unnecessary emissions while recycling used refrigerants for use in new components.

The service also helps to reduce costs for the customer by 30-60 per cent. Refbuster is also up to 10 times faster than traditional methods, which contributes to reduced downtime for the customer and makes Refbuster a very attractive option.

Although the service has not been around for very long yet, it has been shown to have positive effects in reducing leakage of refrigerants and increasing the recycling rate. Since May 2023, manpower corresponding to 1.5 engineers has completed 140 jobs in which 39,986 kilograms of refrigerants have been collected, 57 per cent of which have been returned to the market for use in new components.

Green products

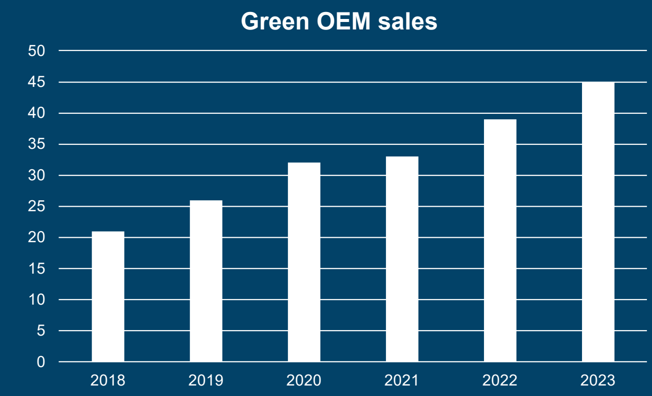
Continued high growth of green products

Green products are helping more customers to make the transition
Beijer Ref has a target to increase sales of environmentally friendly products to more than 50 per cent of the total OEM sales by 2025. Environmentally friendly products are defined as products for a refrigerant with a GWP value below 150. This is an important step in intensifying the climate transition of the heating, ventilation, air conditioning and refrigeration market to solutions based on natural refrigerants. Green OEM sales have increased significantly in recent years. In 2023, green OEM sales surged by 35 per cent, now comprising 45 per cent of the group's total OEM sales. Beijer Ref is thus very well placed to achieve its goal of 50 per cent green sales by 2025. This development is driven by strong growth for Beijer Ref's subsidiary SCM Frigo, which supplies refrigeration solutions based on natural refrigerants, and Fenagy's sales growth in the category of units that use natural refrigerants.

Beijer Ref is actively working to utilise its global distribution network to increase sales of environmentally friendly solutions. As a further step in driving market transformation, the group has launched the Beijer Ref Academy training concept, where customers and other stakeholders learn about refrigeration and heating technology based on natural refrigerants. The training can also focus on other products and technical solutions, such as heat pumps and general refrigeration technology. In 2023, Beijer Ref Academy expanded into several new markets, with plans for continued expansion. The academy is presently located in UK, France, Italy, Sweden and Australia, and the number of training hours has doubled compared to the previous year.

Waste and water
In the environmental field, Beijer Ref also works to manage its waste and water consumption through various local initiatives. For example, the subsidiary SCM Frigo has eliminated single-use packaging material in part of its product range. By designing a specially developed transport trolley, the largest components can be transported safely without having to be packed in cardboard or wood. This reduces the need for recycling while making the supply chain more efficient.

Since the group does not consume much water, either in its production or in its distribution, this is an area with a less significant impact on the group's sustainability.



45 per cent of Beijer Ref's sales of proprietary technology in 2023 are categorised as environmentally friendly products. The group is thus very close to achieving its goal of 50 per cent green sales by 2025.

In 2023, green OEM sales surged by 35 per cent, now comprising 45 per cent of the group's total OEM sales.

Henrik Thorén, Chief Supply Chain Officer and Head of Sustainability

Beijer Ref’s technology prevents emissions of 4.7 million tonnes of CO_2e

Beijer Ref’s greatest contribution to slowing climate change is through the sale of products manufactured in-house that are based on natural refrigerants. The subsidiary SCM Frigo specialises in the development of refrigeration units based on carbon dioxide (CO_2), while Fenagy has developed a completely new product range of industrial heat pumps and refrigeration systems based on CO_2. By increasing production and distribution of its solutions, Beijer Ref helps end customers to reduce their climate impact. Beijer Ref has enlisted the help of ATMOsphere to calculate the climate impact of SCM Frigo’s and Fenagy’s operations. ATMOsphere is an independent global market accelerator focused on reducing greenhouse gas emissions from refrigeration and heating, with over 50 years of combined industry experience. ATMOsphere’s calculations show that sales of SCM Frigo and Fenagy products in 2023 jointly contributed to preventing emissions of 4.7 million tonnes of carbon dioxide equivalents (CO_2e) over the products’ lifetime. By helping end customers to switch to technology with a low climate impact, Beijer Ref’s subsidiaries have thus contributed to an emission reduction equivalent to 1,000,000 cars disappearing from the streets.

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Climate-neutral cooling and heating system for IKEA Aalborg

IKEA Aalborg used to have an outdated system for comfort cooling based on HFCs. A major investment was necessary to reduce the installation’s climate impact. Aalborg Forsyning, which brings together a number of utilities owned by the City of Aalborg, heard about this and proposed a partnership with sector integration for combined heating and cooling. The goal of the collaboration was to establish a carbon-neutral cooling system for the store. IKEA Aalborg invested in a modern heat pump from Fenagy that is based on CO_2 and has an integrated cooling application for air conditioning. The solution was implemented in collaboration with Aalborg Forsyning, which directed the waste heat from the heat pump to the district heating network. The combined heat pump is designed to be able to deliver chilled water, heated water or a combination of both. The heat pump, which is located outdoors, provides air conditioning during the summer months and heat to both the IKEA store and the district heating network during the rest of the year.

Through the partnership, IKEA Aalborg has established an efficient and carbon-neutral system for cooling and heating.

EU's taxonomy

EU Taxonomy

Since 2022, Beijer Ref has reported performance according to the EU Taxonomy, the purpose of which is to improve transparency in how companies can classify their operations' contribution to preventing climate change. The Taxonomy Regulation requires companies to identify the proportion of economic activities that are defined as green-aligned by legislation and that contribute to either climate change or mitigation.

Beijer Ref's core business is the sale and distribution of equipment to HVAC and refrigeration installers. Sales and distribution are not presently described as coordinated activities in the EU Taxonomy legislation. This is despite the fact that Beijer Ref sees the group as an important part of the solution for reducing greenhouse gas emissions, as shown in other parts of the report.

Scope	Total denominator, SEK M	Proportion of Taxonomy "aligned", %	Proportion of Taxonomy "non-aligned", %
Turnover	32 150	3.55	96.45
CapEx	6 923	0.82	99.18
OpEx	80	27.0	72.98

The economic activities that are considered aligned are our part of the OEM business, which we measure as an environmentally friendly significance when using natural refrigerants with a GWP below 150 (see "3.5 Manufacture of energy-efficient equipment for buildings" in the Taxonomy Regulation). Investment activities related to this production (CapEx) also qualify as aligned. This is driven by investments to expand the company's OEM production of environmentally friendly refrigeration units in Italy and Denmark. Our aligned OpEx share is also driven by operating costs for the production of green OEM products, primarily for SCM Frigo in Italy.

The aligned part of the OEM business is the production of refrigeration equipment and accounts for 3.55 per cent of our total business in terms of sales, as shown in the table below. This share declined slightly in 2023, which is explained by the large acquisition of Heritage Distribution, whose activities do not fall under the current Taxonomy Regulation. This particularly affects the share of taxonomy-aligned capital expenditures as the acquisition falls into this category.

Through the acquisition of Heritage Distribution, Beijer Ref entered the North American market, which has not come as far in the transition to low-GWP green technology. The plan going forward is to introduce to North America Beijer Ref's proprietary green heat pumps and refrigeration technology based on the natural refrigerant carbon dioxide.

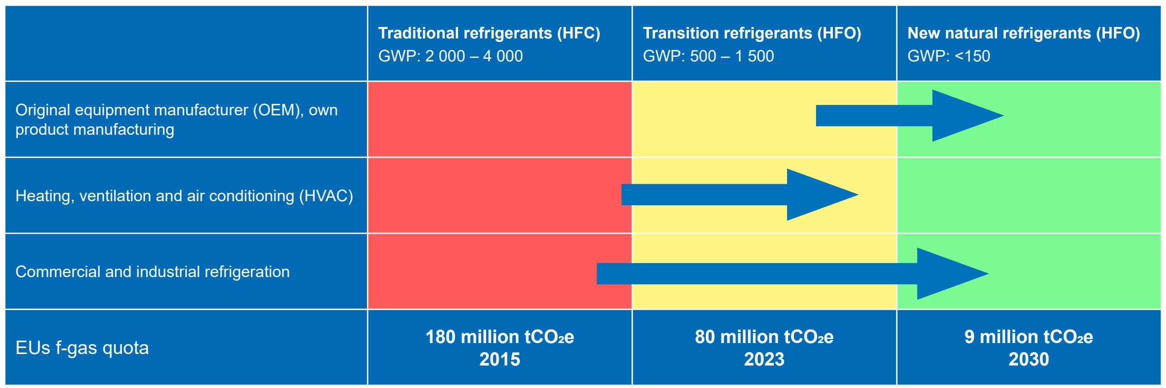
More information on taxonomy and related reporting principles may be found in the appendix on page 107.

Transition to the new generation of refrigerants

The EU has decided on a gradual phase-out of hydrofluorocarbons (HFCs) as part of its climate goals. A revision of the f-gas Regulation is currently underway with stricter requirements for producers and distributors.

Beijer Ref has been working actively for a considerable time to drive the transition to the new generation of refrigerants with low GWP. This applies partly to the company's own manufacture of refrigeration units and heat pumps based on natural refrigerants and partly to other parts of the business. Through dialogue and requirements for producers, Beijer Ref is also driving the transition to the new generation of refrigerants in the distribution business for HVAC and commercial and industrial refrigeration.

The figure to the right illustrates the ongoing shift within the group's business areas: from sales of products based on traditional refrigerants to the new generation of refrigerants with a lower climate impact.



Employees

A corporate culture that promotes global social responsibility

Employees are the key to Beijer Ref's success. A strong local organization and shared values drive business benefits and motivate towards achieving the group's vision.

Beijer Ref has a decentralised working model with the aim of creating well-functioning local companies that work close to their markets with the help of the necessary support from head office. Joint and central staff functions combined with a strong local presence create efficiency and increase understanding of each market's specific needs. This creates an energy and drive that promotes business and helps employees to grow.

HR and Communications is an important staff function that promotes a strong corporate culture with shared values throughout the group. In this way, social sustainability is promoted in the group through active work for increased gender equality, local social responsibility and a secure working environment.

Shared core values

For Beijer Ref, actively working with employees means ensuring a committed and motivated organisation. We know that an attractive workplace with skilled and committed employees who enjoy their work helps to drive the company towards its vision. For this to be realised, everyone needs to be aware of and understand their importance in building and developing the organisation.

Beijer Ref's value base rests on four core values: Committed, United, Engaged, Straightforward. The core values show the importance of working for a organisation with leadership that promotes diversity, inclusion and commitment, among other things. Guidelines for how the organisation works with the core values are developed at central level in collaboration with a group-wide HR network, and then implemented in the subsidiaries through various activities such as networking, training and succession planning. All new employees receive an early review of Beijer Ref's core values by means of a digital introduction to the group's history, values and ethical approach.

Internal communication plays an important role in motivating employees and strengthening the common value base. Through a group-wide intranet, all employees have access to news, common documents, policies and Beijer Ref's own video channel, which contains regular interviews with the management team and other parts of the organisation.

Diversity and inclusion

To ensure an inclusive workplace, Beijer Ref actively works on openness and diversity. A prioritised goal in this effort is to increase the proportion of women at all levels of the organization. In 2023, the percentage of female managers was 22 per cent (18), and we continue to invest in education and development opportunities to enhance the representation of women in leadership positions.

In addition to regular follow-up on gender equality in the subsidiaries, a number of different training courses and other targeted initiatives are carried out. The group-wide HR network has jointly developed a toolbox that includes training in unconscious bias and psychological security and is used to educate managers about diversity.

Beijer Ref has a recommendation for recruitment processes that female candidates should always be presented whenever possible. In addition, Beijer Ref actively works to improve the image of the industry among female applicants by hiring female summer trainees through a collaboration between the company's branches and local technical universities.

In 2023, an internal network was launched that brings together female employees, especially in various management positions, across the organisation. Within the network, webinars are conducted in which the selected female talents share experiences and lessons learned about working in a male-dominated industry. The goal of the network is, in addition to sharing experiences and creating relationships, to build on the internal talent pool for further development within the company.

Developing expertise and employees

Employees are Beijer Ref's most important resource, for which reason the group works actively on skills development and succession planning, with the aim of retaining employees and helping them grow within the company. In order to monitor employee development, Beijer Ref's goal is for all employees to be offered at least one annual performance appraisal, and preferably also follow-up appraisals during the year.

One step in building a comprehensive education and training package is to offer a digital platform to implement skills enhancement initiatives through digital learning. Beijer Ref has also developed a number of targeted training courses, including a Sales Academy that was launched in

2023 and is aimed at employees who work in sales and customer relations. Through the Sales Academy, expertise in customer service, sales and product knowledge is increased, which contributes to increasing knowledge and sales of sustainable products, among other things. In 2023, the HR organisation also began work on developing a leadership training course that is planned to be carried out in 2024, with the goal of ensuring sustainable leadership throughout the organisation.

Another example of a skills enhancement initiative is the Beijer Ref Exchange Programme. This programme enables talented employees to work at another Beijer Ref subsidiary for a period of time, with the aim of developing both the participants and the business. Employees bring experience of different countries and cultures to another subsidiary. They engage in a targeted project, gaining exposure to the group's diverse businesses and business models. The programme was launched in 2019 and has received good, regular feedback from the participants, other employees and recipient companies.

A safe and secure working environment

Beijer Ref conducts systematic work environment management that is evaluated based on two key figures: sick leave, which is measured as a percentage, and the number of workplace accidents, which is measured through an accident index (number of accidents per one million hours worked).

Beijer Ref has a long-term vision of zero workplace accidents. In the industry, an accident index of 7 is typical, and Beijer Ref ended up with 1 in 2023. After a period of decreasing workplace-related accidents, we have noted an increase in recent years. This is related to the fact that the level of activity has increased again after Covid. Beijer Ref works actively to reduce the frequency of accidents. A fundamental analysis of underlying factors is carried out for every workplace-related accident. The results and the measures decided on are then followed up with the respective subsidiaries.

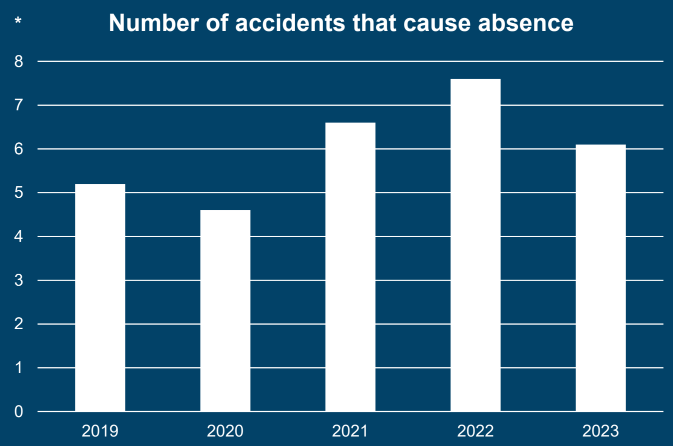
Significant events during 2023

- Launch of an internal network for female talents aimed at developing and empowering female leaders in technical and operational roles, as well as sharing experiences and challenges in their daily work.

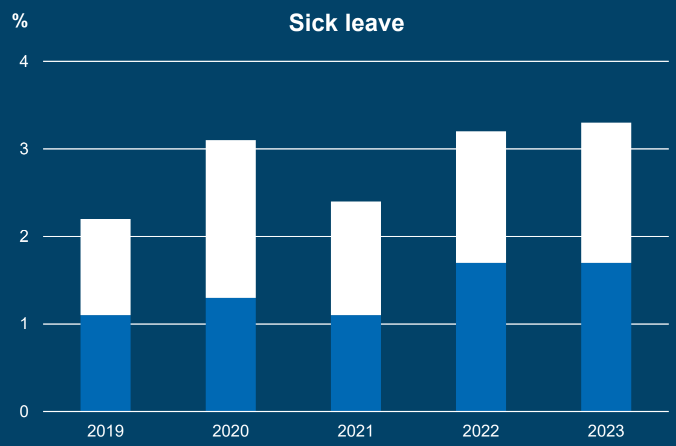
- Launch of the Sales Academy, a training program aimed at sales and customer relations personnel, with the purpose of enhancing engagement and confidence in customer interaction, as well as upselling sustainable products, among others.

”Through our education and training initiatives, we work to promote local social responsibility and responsible business on a global scale.

Hanna Grasso, HR & Communications and EVP



*Number of accidents per one million hours worked



Sustainability management

Governance and ownership guarantee sustainability throughout the group

Beijer Ref complies with the Swedish Code of Corporate Governance and has delegated responsibility for driving the sustainability agenda within each focus area to relevant parts of the organisation. Sustainability is integrated into day-to-day operations through governance, ownership and commitment from the entire organisation.

Sustainability is a central and integral part of Beijer Ref's corporate governance. The Board of Directors and executive management have adopted a strategy, corporate policy and sustainability-related goals. The Board of Directors actively monitors the work to achieve the goals in each area to ensure that the group delivers in accordance with its defined ambitions. This is done by having corporate social responsibility (CSR) on the agenda for at least two board meetings per year. In between, an audit committee is tasked with following up and ensuring compliance.

Responsibility for implementing initiatives lies at both central and local level. Each general initiative is owned by a function in the management group; thereafter, the local subsidiaries work to carry out and implement the respective measures. To highlight governance and ensure the right level of commitment, Beijer Ref introduced sustainability measures as part of senior management's bonus targets in 2022.

With relevant policy documents, such as the Sustainability Policy and the Code of Conduct for Employees and Suppliers, the subsidiaries can work towards achieving specified goals in their respective areas. As a decentralised organisation, the group expects all subsidiaries to assume active responsibility for their local operations and the management of each company to have a committed approach to sustainability issues and to drive these forward. All subsidiaries also have a designated contact person with responsibility for sustainability issues who drives forward the implementation of measures and local communication.

Policies

Beijer Ref has a code of conduct that covers all employees in the group. Beijer Ref also has two additional ethics policies. The first concerns competition and this policy complements the code of conduct. The second policy contains anti-corruption provisions. For a global group such as Beijer Ref, which operates in markets in countries with a higher risk of corruption and human rights violations, clarity in processes and in the event of incidents and sanctions is particularly important, and this is stated in the policies.

Responsible supply chain

As a leading global player, Beijer Ref is responsible for continuously developing its efforts to ensure that suppliers meet high standards for responsible and ethical behaviour. Beijer Ref shall ensure that quality, social responsibility and a climate focus are always guiding principles in operations and in business relationships.

The group has a central code of conduct for suppliers that applies to all major business partners. This lists the group's requirements for human rights, social and labour law conditions, business ethics and anti-corruption. Beijer Ref has worked actively to implement its code of conduct among its suppliers since 2018. Beijer Ref has achieved its goal that the 100 largest suppliers have signed the code of conduct. The group works continuously on follow-up and dialogue on the code with suppliers.

Beijer Ref works proactively to create deeper collaborations with strategic partners with the aim of being able to run specific projects that can lead to increased sustainability. An example of this is the renewed partnership agreement with Danfoss, which includes a project to explore options that can improve the circular economy.

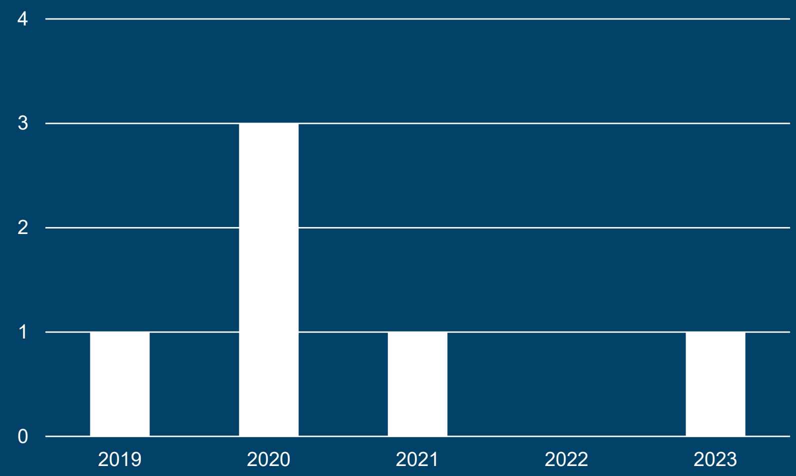
Business ethics and anti-corruption

Beijer Ref has a clear stance on ethics: the group has zero tolerance of corruption and other unethical acts. The primary way to combat corruption is to continuously create a corporate culture in which each individual acts with integrity in line with Beijer Ref's values and policies. Integrity and business ethics must therefore permeate all parts of the business and it is of the utmost importance that all employees know how to handle situations related to unethical conduct.

Anti-corruption is dealt with in the group's code of conduct and underlying policies and in the code of conduct for suppliers. The message must not be misunderstood: all employees and others acting on behalf of the company must act in accordance with the code of conduct. Furthermore, irregularities or fraud must be identified and investigated as early as possible. To ensure that the organisation understands the group's ethical approach, over 90 per cent of the group's employees have undergone training in the code of conduct and business ethics during the past three years. This training is to be repeated every two years using an e-learning tool.

Whistleblower channel for the group
All employees must be able to report if dishonest practices occur and can do so through a whistleblower function. The company's policy was updated in 2023 and a new whistleblower function was launched with the aim of making it easier for employees to report irregularities. The function is digital and reports are made completely anonymously either in writing or by voice message. Information about the whistleblower function has been translated into local languages in each country. It is important that all employees feel confident that whistleblower reports are received and handled correctly. Each subsidiary is responsible for ensuring that the rules on ethical guidelines and whistleblowing are communicated to employees. All employees also receive information about the whistleblower function through mandatory ethics training. When a whistleblower case is raised, it is received by Beijer Ref's compliance office for an initial assessment. After this, any action plan will be activated. In 2023, 1 case was registered through the whistleblower function. In total, during the period 2018–2023, 2 whistleblower reports have been received.

Whistleblower



90% of the Group's employees have undergone training in the code of conduct and business ethics during the past three years.

The Sustainability Report
In addition to this section, the Sustainability Report also consists of the information on pages 12-16, 18, 23-24, 54, 60-61 and 107-111.

Auditor's statement on the statutory sustainability report
To the Annual General Meeting of Beijer Ref AB (publ), corp. reg. no. 556040–8113

Assignment and distribution of responsibility
The Board of Directors is responsible for the sustainability report for 2023 on pages 33-44 and information on pages 12-16, 18, 23-24, 54, 60-61 and 107-111.

The direction and scope of the investigation
Our investigation has been performed according to FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our investigation of the sustainability report has a different approach from and a much smaller scope than an audit in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that this investigation provides us with a sufficient basis for our statement.

Statement
A sustainability report has been prepared.

Malmö 28 March 2024

Deloitte AB

Richard Peters
Authorised Public Accountant

The development of the operating segments

EMEA

Strategic focus on OEM and green solutions

Beijer Ref has a robust market position within EMEA. 2023 has been another strong year with revenue growth of 11 percent compared to the previous year.

Beijer Ref has a long history in Europe, which is the Group's largest market. Historically, the market position has been particularly strong in commercial and industrial refrigeration technology, which continued to grow steadily in 2023. At the same time, the group is experiencing solid growth in the distribution of HVAC, in particular solutions from Toshiba and Mitsubishi Heavy Industries (MHI), as well as its own brands Inventor and Sinclair, which deliver good margins.

However, the major development is within the product segment of in-house manufactured refrigeration systems and industrial heat pumps based on the natural refrigerant carbon dioxide (CO_2). The company's own production is run through the subsidiaries SCM Frigo in Italy and Fenagy in Denmark. Beijer Ref has taken a leading position in the industry's transition to green technology, where there is underlying pressure for end customers to phase out environmentally-harmful HFC gases in line with the EU's F-gas regulation.

During the year, the group completed several acquisitions within EMEA, including the French HVAC company CFD, which strengthens Beijer Ref's distribution of heat pumps, geothermal energy products and HVAC components. In August, Beijer Ref entered the Bulgarian market through the acquisition of Condex, which, through Mitsubishi Heavy Industries (MHI), is a leading distributor of air conditioning and heat pumps in Bulgaria.

In South Africa, own manufacture of carbon dioxide-based refrigeration technology, based on SCM Frigo's product development, has gained momentum. Many of the end customers are increasingly demanding green products, despite the fact that there is not yet any strict legislation in place to drive the transition. Furthermore, the investment in transport refrigeration, which began in 2023 through the acquisition of Transport Cooling SA, has exceeded expectations.

In 2023, an initiative was also introduced to start selling solar panels in South Africa, which is a new product segment for Beijer Ref. The sale of solar panels is expected to provide good synergies in Africa, since installers are happy to buy solar panels and batteries in connection with purchasing HVAC solutions.

Simon Karlin
COO EMEA

3 796	**35**	**20 254**	**2 294**	**11.3%**
Employees	Countries	External turnover, SEK M	EBITA, SEK M	EBITA margin

APAC

The group is increasing its geographical breadth through strategic acquisitions

Since entering New Zealand in 2015, Beijer Ref has grown rapidly within its operating segment APAC. During 2023, the group has continued to expand its footprint through investments and strategic acquisitions.

The group has established a very strong market position in Australia and New Zealand since its entry into the region in 2015. The two countries account for a significant share of the operating segment's turnover. In 2024, the focus shifted to also improving Beijer Ref's presence and exposure in the many interesting markets in Asia.

Through the acquisition of the Indian company Shravan Engineering, which is a refrigeration distributor, Beijer Ref expanded its geographical breadth and product portfolio. India is a fast-growing market with a great need to improve the refrigeration chain from end to end. During the last month of the year, Beijer Ref also signed an agreement to acquire Chillaire, which primarily has customers in the equally interesting HVAC market, which has low market penetration and great potential.

During the year, Beijer Ref also established itself in South Korea through the acquisition of DS Maref, a manufactor and distributor of commercial refrigeration and spare parts. Through this acquisition, Beijer Ref has identified a number of development opportunities in the South Korean market. Although South Korea is lagging behind in terms of regulation for phasing out HFC gases, it has ratified the Kigali Agreement, where Beijer Ref's environmentally friendly products are part of the solution. In the long term, there is thus great potential for Beijer Ref's proprietary carbon dioxide-based technology in South Korea.

Green technology reported continued good development and had a growth of 4 per cent in 2023, compared to the previous year. It is primarily proprietary products in commercial refrigeration that have met strong demand, especially in Australia, where large volumes of completely green solutions have been sold to the retail trade. Demand for green technology is driven in part by the Beijer Ref Academy training concept. The academy in Sydney attracts not only a large number of visitors from Australia and New Zealand, but also customers from Malaysia, India and Japan, among others, who want to learn about carbon-based solutions.

In HVAC, Beijer Ref is investing heavily in increasing its position in ducted air conditioning and heat pumps in APAC. These investments are expected to deliver profitable growth with good margins as sales are primarily made through own brands.

Jonas Steen
COO APAC

1 288	9	5 633	489	8.7%
Employees	Countries	External turnover, SEK M	EBITA, SEK M	EBITA margin

North America

Synergies from the start with Beijer Ref's entry into North America

Through the acquisition of Heritage Distribution, which was completed on January 20, 2023, Beijer Ref entered the North American market. The subsidiary constitutes a strong platform for continued growth in North America.

Heritage Distribution Holdings has been a leading distributor of parts, supplies, and equipment in heating, ventilation, air conditioning, and refrigeration (HVACR) in North America. By integrating into Beijer Ref's global group, the company has further strengthened its position through synergies in business development. Beijer Ref's own brands have been introduced into the product range, and the group's e-commerce platform is being implemented. At the same time, the process of collaborating on global procurement agreements has begun, strengthening the group's position with significant potential in both procurement and logistics.

The North American market shift towards electrification and energy efficiency, due to regulatory changes, is increasing demand for eco-friendly HVAC technologies. Through Heritage Distribution Holdings, Beijer Ref has gained access to a robust platform for continued development in the North American market, which is highly fragmented. During the year, two additional acquisitions were completed: AMSCO Supply and Webb Supply. Both companies are HVAC-distributors.

Sales in the USA have been affected by high interest rates, putting pressure on margins. While sales volume decreased during the year, rising prices have mitigated the impact on revenues. As the macroeconomic situation improves, Beijer Ref sees a positive trend with increased demand combined with higher prices.

Early in the year, the implementation of new regulations heightened energy efficiency requirements for air conditioning and heat pumps sold in the USA. Beijer Ref has successfully managed the transition with a market-leading offering in energy-efficient and cost-effective products.

Simultaneously, the Inflation Reduction Act, with increased demands for energy-efficient products, is driving higher demand in HVACR through tax deductions and other incentives for products with lower environmental impact. Beijer Ref is well-positioned to benefit from the Inflation Reduction Act, including facilitating the transition to heat pumps as an alternative to traditional air conditioning. The plan moving forward is to introduce Beijer Ref's industry-leading, in-house manufactured green heat pumps and refrigeration equipment based on the natural refrigerant carbon dioxide.

Alex Averitt
COO North America

909	**13**	**6 336**	**799**	**12.6%**
Employees	States	External turnover, SEK M	EBITA, SEK M	EBITA margin

Board of directors

Kate Swann
Chair

Born: 1964
Elected: 2021
Education: University of Bradford with a degree in Business Management.
Other assignments: Advisor to EQT. Chair of Parques Reunidos, Moonpig PLC and IVC Evidensia. Board director of England Hockey. Independent in relation to Beijer Ref and its management.
Previous experience: CEO of SSP Group plc. CEO of WH Smith.

Depending on the company's largest shareholders.

Own and related shareholding 2023:
6,460 B shares in Beijer Ref AB.

80,827,501 ordinarie shares and 30,658,707 preference shares in EQT:s MPP (Management Participation Program).

Albert Gustafsson
Board member

Born: 1977
Elected: 2021
Education: B.Sc. in Business Administration.
Other assignments: Partner and Head of Private Equity Sweden at EQT. Board member of ETON, Bluestep.
Previous experience: Board Member of Dometic, Granngården, Scandic and Iver.

Independent in relation to Beijer Ref and its management. Depending on the company's largest shareholders.

Own and related shareholding 2023:
0 shares in Beijer Ref AB.

Per Bertland
Board member

Born: 1957
Elected: 2021
Education: MBA, University of Lund.
Other assignments: Chairman of Dendera Holding AB. Chairman of Inwido AB. Board member of IV Produkt AB. Board Member of Lindab AB. Board member Fortnox AB. Partner of Small Cap Partners.
Previous experience: CEO of Beijer Ref. COO of Beijer Ref. CFO of Indra AB and Ötab Sport AB within the Aritmos Group.

Dependence based on own shareholding. Independent in relation to Beijer Ref and its management.

Own and related shareholding 2023:
7,874,000 A shares and 84,900 B shares in Beijer Ref AB.

Joen Magnusson
Board member

Born: 1951
Elected: 1985
Education: Master of Business Administration.
Other assignments: The Royal Physiographic Society's Economic Council and others.
Previous experience: CEO of G & L Beijer AB until 30 June 2013. Employed by Teglund Marketing AB, Statskonsult AB, Skrinet AB.

Dependence based on own shareholding. Independent in relation to Beijer Ref and its management.

Own and related shareholding 2023:
9,360,000 A shares and 475,476 B shares in Beijer Ref AB.

Nathalie Delbreuve
Board member

Born: 1972
Elected: 2022
Education: Master's Degree in Business Administration– Finance at the Ecole Supérieure de Commerce de Paris
Other assignments: CFO Verrallia Group SA.
Previous experience: Operational finance roles in B2B services, technology and manufacturing sectors. Nathalie's experience spans international environments with a strong focus on cost management, M&A and divestments. Previous workplaces include PricewaterhouseCooper, XPO Logistics (formerly Norbert Dentressangle) and Plastic Omnium Group.

Independent in relation to Beijer Ref and its management.

Own and related shareholding 2023:
0 shares in Beijer Ref AB.

William Striebe
Board member

Born: 1950
Elected: 2021
Education: Doctor of Laws degree from University of Connecticut Law School and a BA in history from Fairfield University.
Other assignments: Independent consultant at WFS Consulting advising on business and M&A related issues.
Previous experience: Vice President, Joint Ventures, Vice President, Global Business Development, UTC Climate, Controls & Security and has over 30 years of experience from the UTC/Carrier business.

Independent in relation to Beijer Ref and its management.

Own and related shareholding 2023:
720 B shares in Beijer Ref AB.

Frida Norrbom Sams
Board member

Born: 1971
Elected: 2015
Education: M. Sc. in Business Administration, Uppsala University.
Other assignments: President and CEO Hydroscand Group. Board member of Ballingslöv International AB.
Previous experience: EVP, Head of EMEA at Husqvarna Group, VP Sales and Service region 2 at Husqvarna Group, SVP & Managing Director North Europe Sanitec Oy, EVP & CIO Sanitec Oy, Senior Manager BearingPoint/Andersen Business Consulting, EVP, Head of Application division NKT A/S.

Independent in relation to Beijer Ref and its management.

Own and related shareholding 2023:
32,180 B shares in Beijer Ref AB.

Kerstin Lindvall
Board member

Born: 1971
Elected: 2021
Education: Master's degree from the Swedish University of Agricultural Sciences, Uppsala.
Other assignments: Chief Corporate Responsibility Officer at ICA Gruppen. Board member of ICA Gruppen's board management. Member of the Swedish Chemicals Agency's Transparency Council and UN Global Compact Sweden.
Previous experience: 25 years of experience within the ICA Group as, among other things, head of environmental & social responsibility, quality manager and internal communications manager. Board member of KRAV and several positions of trust within industry organizations.

Independent in relation to Beijer Ref and its management.

Own and related shareholding 2023:
0 shares in Beijer Ref AB.

Christopher Norbye
CEO & President

Born: 1973
Employed since: 2021
Education: MBA University of Miami.
Previous experience: Executive Vice President & Head of Entrance Systems Division Assa Abloy.
Shareholding 2023: 10,926 B shares and 100,000 options in Beijer Ref AB.

100,000,000 ordinarie shares and 50,000,000 preference shares in EQT:s MPP (Management Participation Program).

Joel Davidsson
CFO & EVP

Born: 1982
Employed since: 2023
Education: MSc in Finance, Stockholm School of Economics.
Previous experience: CFO Rosti Group, Vice President & Head of FP&A and Investor Relations Alfa Laval, CFO roles within Assa Abloy Entrance Systems and Investment Banking roles in London and Stockholm.
Shareholding 2023: 0 shares in Beijer Ref. 10,000 options in Beijer Ref AB.

16,709,981 ordinarie shares and 4,177,495 preference shares in EQT:s MPP (Management Participation Program).

Simon Karlin
COO & EVP EMEA

Born: 1968
Employed since: 2001.
Education: Master of Business Administration, Lund University.
Previous experience: Business & Finance Director Beijer Ref, Business control Svedala Industri Group.
Shareholding 2023: 141,000 B shares and 60,000 options in Beijer Ref AB.

26,116,505 ordinarie shares and 15,600,000 preference shares in EQT:s MPP (Management Participation Program).

Jonas Steen
COO & EVP APAC

Born: 1976
Employed since: 2010.
Education: Master of Science in Chemical Engineering and Economics, Lund University.
Previous experience: VP Beijer Ref Nordic and Eastern Europe, Business Control in Trelleborg Group.
Shareholding 2023: 24,000 B shares and 70,000 options in Beijer Ref AB.

17,411,003 ordinarie shares and 10,400,000 preference shares in EQT:s MPP (Management Participation Program).

David Ericsson
Head of M&A & EVP

Born: 1986
Employed since: 2016
Education: Masters degree in Business Administration, University of Lund.
Previous experience: VP Beijer Ref East Europe, Business controller Beijer Ref, Business controller Tunstall Healthcare UK Ltd.
Shareholding 2023: 0 shares in Beijer Ref. 3,000 options in Beijer Ref AB.

17,411,003 ordinarie shares and 10,400,000 preference shares in EQT:s MPP (Management Participation Program).

Kristian Lexander
CDO/CIO & EVP

Born: 1975
Employed since: 2021.
Education: Master of Science with major in Informatics, Jönköping International Business School, Napier University Edinburgh.
Previous experience: CIO & SVP Nederman, Senior Director William Demant, Senior Manager Accenture.
Shareholding 2023: 0 shares in Beijer Ref. 50,000 options in Beijer Ref AB.

8,705,501 ordinarie shares and 5,200,000 preference shares in EQT:s MPP (Management Participation Program).

Hanna Grasso
HR & Communications & EVP

Born: 1978
Employed since: 2022
Education: Masteres Degree in International Business Administration, Jönköping International Business School.
Previous experience: HR Director Trelleborg Engineered Coated Fabrics, HR Manager Operations Skånemejerier (Lactalis), HR Manager Sweden Saint Gobain Sekurit AB & Emmaboda Glass AB
Shareholding 2023: 0 shares in Beijer Ref. 0 options in Beijer Ref AB.

6,964,401 ordinarie shares and 4,160,000 preference shares in EQT:s MPP (Management Participation Program).

Yann Talhouet
COO Toshiba HVAC Western Europe & EVP

Born: 1974
Employed since: 2011.
Education: MA, Paris Dauphine University, MBA, Insead, Fontainebleau.
Previous experience: CEO of Toshiba HVAC Western Europe, Carrier Corporation. Management Consultant at Kearney.
Shareholding 2023: 60,000 B shares and 20,000 options in Beijer Ref.

17,411,003 ordinarie shares and 10,400,000 preference shares in EQT:s MPP (Management Participation Program).

Henrik Thorén
CSCO & Head of Sustainability & EVP

Born: 1970
Employed since: 2022.
Education: B.Sc. Mechanical Engineering, Chalmers University of Technology and M.B.A International Business Management, Uppsala Universitet.
Previous experience: Vice President Supply Chain & Procurement, Business Unit Service, Vestas, and other senior international management positions within Supply Chain & Sourcing, Ericsson.
Shareholding 2023: 0 shares in Beijer Ref. 10,000 options in Beijer Ref AB.

11,400,000 ordinarie shares and 10,400,000 preference shares in EQT:s MPP (Management Participation Program).

The group in brief

The Board of Directors and the CEO of Beijer Ref AB (publ), corporate identity number 556040-8113, hereby submit the annual report and consolidated financial statements for 2023.

The Beijer Ref group is one of the world's largest refrigeration wholesalers focused on trading and distribution in commercial and industrial refrigeration, as well as air conditioning. The product range consists mainly of products from leading international manufacturers and also manufacturing of the group's own products, combined with service and support for the products. The group creates added value by adding technical expertise to the products, providing knowledge and experience about the market and delivering efficient logistics and warehousing.

The business is divided into three geographical segments: EMEA, APAC and North America. Growth occurs both organically and through acquisitions of companies that complement our current operations and that can also widen the product range, as well as the introduction of new geographical markets.

The parent company's activities
Beijer Ref AB (publ) is the parent company of the Beijer Ref Group. The parent company exercises central functions such as group management, group finance, group-wide purchasing, logistics and corporate law. The company's registered office is in Malmö. The parent company reports a profit after tax of SEK 475 million (593) for the 2023 financial year.

Significant events during the financial year
2023 was a successful year characterised by growth for Beijer Ref, despite the somewhat uncertain macroeconomic situation. On January 20, the acquisition of the North American HVAC company Heritage Distribution was completed, which meant Beijer Ref's entry into the strategically important and attractive North American market. This acquisition is an important step for Beijer Ref and reflects the company's commitment to expanding its global reach and meeting the needs of the group's customers in all corners of the world. In the first quarter of 2023, the announced rights issue, related to the acquisition of Heritage, was also completed, which was oversubscribed by 44 per cent.

2023 has been another active acquisition year and 15 acquisitions have been consolidated during the year. Of the completed acquisitions, eight are in EMEA, four in APAC and three in North America. Since the respective consolidation date, the acquired companies have contributed to the group's net sales with SEK 7,007 million and EBITA with SEK 880 million for the financial year. For more information on the acquisitions, see note 29.

Sales and profit
The group's sales amounted to SEK 32,150 million (22,637), which is an increase of 42 (34) per cent. Organic growth amounted to 1 (16) per cent. Commercial and industrial refrigeration had sales of SEK 11,201 million (8,742) and accounted for 35 (38) per cent of total sales. HVAC had sales of SEK 18,423 million (11,724) and accounted for 57 (52) per cent of sales. Sales for Original Equipment Manufacturing (OEM) amounted to SEK 2,526 million (2,172) and represented 8 (10) per cent of total sales.

The group's EBITA before items affecting comparability amounted to SEK 3,398 million (2,217) for the full year 2023, corresponding to a margin of 10.6 per cent (9.8). Items affecting comparability included in the operating costs for 2023 refer to costs of SEK 60 million attributable to consulting costs for the tax restructuring in the USA as well as costs related to structural changes in the operational organization.

The group's financial net, excluding items affecting comparability, amounted to SEK -438 million (-179) during the full year. Items affecting comparability included in the financial net refer to costs of SEK 138 million which relate to the temporary financing regarding the acquisition of the North American business Heritage. Furthermore, the financial net has been negatively affected by increased net debt and higher interest rates.

During the year, a tax restructuring in the USA was carried out, which meant that a previously reported deferred tax liability of USD 40.6 million (equivalent to approximately SEK 440 million) was eliminated with a corresponding positive impact on earnings. The positive profit impact is a one-off effect, of which the profit impact has been reported as a tax item affecting comparability and does not correspond to a liquidity event. Together with the effect of other items affecting comparability, the total tax affecting comparability amounted to SEK 463 million. Effective tax rate cleared for items affecting comparability amounted to 23 per cent.

Excluding items affecting comparability, the profit before tax amounted to SEK 2,781 million (1,966) and the profit after tax to SEK 2,136 million (1,486) for the full year. Earnings per share, excluding items affecting comparability, amounted to SEK 4.33 (3.54*).

*Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

Financial overview[1]	2023	2022
Net sales, SEK M	32 150	22 638
EBITA, excl. items affection comparability, SEK M	3 398	2 217
EBITA margin, excl. items affection comparability, %	10.6	9.8
Return on operating capital, excl. items affecting comparability, %	10.7	16.7
Earnings per share, excl. items affection comparability, before dilution, SEK[2]	4.33	3.54
Earnings per share, excl. items affection comparability, after dilution, SEK[2]	4.33	3.54

[1]Financial information regarding 2019-2023, see page 106.

[2]Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

Impact of items affecting comparability, SEK M	2023	2022
EBITA, excluding items affecting comparabilty	**3 398**	**2 217**
Items affecting comparability included in operating costs	-60	-245
EBITA	3 338	1 972
Net financial income/expense, excluding items affecting comparability	**-438**	**-179**
Items affecting comparability included in net financial income/expense	-138	-
Net financial income/expense	-576	-179
Tax, excluding items affecting comparabilty	**-645**	**-480**
Items affecting comparability included in tax	463	25
Tax	-183	-456
Net profit, excluding items affecting comparabilty	**2 136**	**1 486**
Items affecting comparability for the period	265	-220
Net profit	2 400	1 266

Profitability
Return on operating capital, excluding items affecting comparability, amounted to 10.7 per cent (16.7).

Investments, liquidity and number of employees
Cash flow from investment activities amounted to SEK -9,235 million (1,331), which relates primarily to completed acquisitions. Cash and cash equivalents including unutilised lines of credit amounted to SEK 2,357 million (2,000) at year end. The company's total unused credit capacity was SEK 4,668 million (16,930) when the accounts were closed. The average number of employees was 6,024 (4,720).

Cash flow, financing and equity/assets ratio
The operating cash flow amounted to SEK 2,490 million (176). Net liabilities were SEK 8,400 million (7,204). Equity amounted to SEK 21,443 million (6,714). The change in equity amounted to SEK 14,729 million (1,448). The change is mainly attributable to completed rights issue with an impact on equity of SEK 13,756 million, the total profit for the year of SEK 1,645 million (1,919) affected by exchange rate changes when converting the subsidiaries to SEK of SEK -476 million (652) and hedging of net investment of SEK -280 million (-43) and a dividend to the parent company's shareholders of SEK 477 million (419). Other difference is mainly due to fair value change of liabilities linked to acquisitions of SEK -148 million (-29). Net debt/EBITDA, excluding leasing debt and pension debt and items affecting comparability, amounted to 1.69 (2.30). The equity ratio amounted to 55 per cent (31) at the turn of the year.

Research and development
Beijer Ref's presence in the market is important for developing more environmentally friendly products in the future.

Sustainability
Beijer Ref endeavours to contribute to sustainable development. Environmental aspects affect the market to a significant extent, and Beijer Ref is well-advanced in product development – so as to be able to meet the heightened environmental requirements and comply with the EU phasing-out programme. The group performs notifiable activities involving the handling of refrigerants. With a view to reducing the greenhouse effect, the EU and UN have announced decisions that mean that F-gases are to be replaced with other types of refrigerants by 2030. In accordance with Chapter 6, Section 11 of the Annual Reports Act, Beijer Ref has chosen to prepare the statutory sustainability report as a separate report from the Board of Directors' report. For more information about Beijer Ref's sustainability report, see pages 33-44 and information on pages 12-16, 18, 23-24, 54, 60-61 and 107-111.

Largest shareholders
Information regarding the 10 largest shareholders holding can be found on page 29.

Significant events after the end of the financial year
No significant events have occurred after the end of the financial year.

Operating cash flow and net debt, SEK M	**2023**	**2022**
EBITDA excluding leasing (IFRS 16) and items affecting comparability	**3 511**	**2 293**
EBITDA impact of leasing (IFRS 16)	579	423
EBITDA excluding items affecting comparability	**4 090**	**2 717**
Changes in working capital	-765	-1 970
Investments in tangible fixed assets	-346	-195
Payments related to amortisation of lease liabilities	-490	-386
Non-cash generated items	0	10
Operating cash flow	**2 490**	**176**
Net debt	**8 400**	**7 204**
Of which:		
Pension debt	107	110
Leasing liabilities, according to IFRS 16	2 371	1 814
Net debt excluding pension and leasing liabilities	**5 922**	**5 280**
Net debt/EBITDA excluding items affecting comparability	2.05	2.65
Net debt/EBITDA excl leasing liabilities, pension liability and items affecting comparability	1.69	2.30

Proposal for distribution of profit, SEK M	
Profit at the disposal of the Annual Meeting of shareholders:	
Share premium reserve	14 535
Profit brought forward	333
Net profit for the year	475
Total	**15 343**
The Board of Directors and the CEO propose that the profit be distributed as follows:	
Dividend, SEK 1.30 per share	659
To be carried forward	14 684
Total	**15 343**

Corporate governance and corporate responsiblity

2023 was characterised by exciting progress and significant achievements for Beijer Ref. Sales amounted to SEK 32 billion, reflecting a notable 42 per cent increase compared to 2022. The EBITA margin, excluding items affecting comparability, amounted to 10.6 per cent, compared with 9.8 per cent in 2022. The company's ambitious sustainability goals remained an important focus during the year and in November Beijer Ref's climate goals were approved by the Science Based Targets initiative (SBTi), which marked an important commitment for the company to continue to participate in the climate transition and contribute to a greener future.

A balanced focus on the company's long-term and short-term goals, is a key part of the board's work. During the year, we made good progress in many of the goals. The group's geographical presence was expanded by means of 15 acquisitions, each of which contributed valuable synergies and further strengthened Beijer Ref's decentralised business model.

The notable acquisition of the North American HVAC company, Heritage Distribution, was closed on 20 January. The North American market is marked by significant fragmentation, while regulatory initiatives are driving the transition towards electrification and energy efficiency. This combination creates great opportunities for Beijer Ref. Heritage comes with a highly skilled management team that has integrated well.

Collaboration between the board and management has continued to be very positive during the year. Together, we have evaluated various strategic choices and business projects and identified both opportunities and risks. One of the strengths of Beijer Ref's decentralised business model is its ability to effectively adapt to local changes, with speed and flexibility. In a rapidly changing world, this is extremely valuable.

Sustainability is a key element of Beijer Ref's business strategy, and it is very gratifying that the company's OEM sales have shown such strong growth. The goal for 2025 is for 50 per cent of Beijer Ref's total OEM sales to consist of products with low GWP values (lower than 150). This goal shows our commitment to the environment and our ambition to contribute to a sustainable future.

The company's new financial goals were introduced at Beijer Ref's Capital Markets Day on 30 November. The Board of Directors believes that these new goals better reflect the positive outlook we see for the growth of the business. The financial goals also contribute to increased transparency towards the market and helps our wider shareholder base better understand our business model.

I would like to extend a big thank you to my colleagues, both on the board, in the management team and throughout the rest of the group, for their commitment and valuable contributions. Their dialogues and ideas have enriched our collaboration and helped us to continue to build Beijer Ref and its unique culture.

Kate Swann
Chair of the board

Corporate Governance and Corporate Responsibility
Beijer Ref applies the Swedish Corporate Governance Code and here presents the annual corporate governance report for 2023. Investigation of the corporate governance report has been performed in accordance with RevR 16 by the company's auditor.

The composition of the Nominating Committee deviates from the rules of the Swedish Corporate Governance Code in that the number of board members on the Nominating Committee forms a majority of the members of the Nominating Committee and that more than one of these is not independent of the company's major shareholders. This composition has been made to safeguard the interests of the largest shareholders in accordance with the instructions of the Nominating Committee, adopted by the Annual General Meeting.

Extraordinary General Meeting 2023
An Extraordinary General Meeting was held on 17 February 2023. The Annual General Meeting resolved, in accordance with the Board of Directors' proposal, to amend the Articles of Association regarding the limits for the minimum and maximum share capital and the number of shares. The purpose of the amendments was to adjust the limits to enable the planned preferential rights issue. The General Meeting further resolved, in accordance with the Board of Directors' proposal, to authorise the Board of Directors, during the period until the Annual General Meeting 2023, to decide on a new issue of class B shares with preferential rights for the company's shareholders, corresponding to issue proceeds of approximately SEK 14,000,000,000 within the limits of the share capital. The purpose of the authorisation was to repay the bridge facility that financed the company's acquisition of Heritage Distribution in the USA and to finance issue-related costs.

Shareholder influence through the Annual General Meeting
The shareholders' influence is exercised through participation at the annual general meeting, which is Beijer Ref's highest decision-making body. The annual general meeting decides on the articles of association and elects board members, the chair and the auditor and decides on their fees. The annual general meeting also decides on the adoption of the income statement and balance sheet, on the allocation of the company's profit and on discharge from liability to the company for the board members and CEO. The annual general meeting also decides on the composition and work of the nominating committee and decides on principles

for remuneration and terms of employment for the CEO and other senior executives.

The annual general meeting 2023 was held on 25 April 2023 in Malmö. Shareholders were able to exercise their voting rights both by attending the meeting in person and by postal voting in accordance with the provisions of Beijer Ref's Articles of Association. A total of 517 shareholders were represented at the meeting through personal presence, proxies, associates or registered postal votes, all registered as present at the meeting. These represented approximately 79.6 (79.1) per cent of the total votes. Three shareholders, EQT, Joen Magnusson and Per Bertland, together represented 62.2 per cent of the votes represented at the meeting. Madeleine Rydberger, a member of the Swedish Bar Association, was elected to chair the meeting. All board members elected by the meeting were available.

The full minutes of the meeting may be found on Beijer Ref's website. Among other things, the AGM decided on:

- Dividend in accordance with the proposal of the board and the CEO of SEK 0.94 per share for the financial year 2022, corresponding to SEK 476,699,780.44.
- Re-election of board members: Albert Gustafsson, Frida Norrbom Sams, Joen Magnusson, Kate Swann, Kerstin Lindvall, Natahlie Delbreuve, Per Bertland and William Striebe. Kate Swann was re-elected as chair of the board.
- Determination of remuneration to the board and auditor.
- Principles for remuneration and other terms of employment for the CEO and other senior executives.
- Adoption of income statements and balance sheets.
- The board's proposal for a resolution to authorise the Board of Directors to decide on a new share issue within the specified frameworks, in order to be able to pursue the company's acquisition strategy.
- Implementation of a long-term share-based incentive programme.
- Election of Deloitte AB as the company's auditor in 2023 with Richard Peters as chief auditor.
- Discharge from liability for the Board of Directors and the CEO.
- Beijer Ref's Annual General Meeting 2024 will be held on 23 April in Malmö. For further information about the next Annual General Meeting, see page 113 in this annual report.
- EQT Group, Joen Magnusson (family and company) and Per Bertland (family and company) each hold more than 10 per cent of the votes in the company. For further information about the share and shareholding, see pages 28-31 and the company's website.

Nominating Committee
The Nominating Committee represents the company's shareholders and nominates board members and auditors and proposes their fees.

Nominating Committee before the 2024 Annual General Meeting
The Nominating Committee was appointed in October 2023 and, in accordance with instructions adopted by the Annual General Meeting, shall consist of five members, including the Chair of Beijer Ref's Board of Directors. The members were appointed from among the company's four largest shareholders in terms of voting rights in accordance with the applicable instructions and consist of: Juho Frilander (EQT Partners), Joen Magnusson (own and related parties' holdings, member of Beijer Ref's Board of Directors), Per Bertland (own and related parties' holdings, member of Beijer Ref's Board of Directors), Patricia Hedelius (AMF Occupational Pensions and Funds) and Chair of Beijer Ref's Board of Directors, Kate Swann. Juho Frilander was appointed Chair of the Nominating Committee. The 2024 Nominating Committee has held 3 (6) meetings. The Nominating Committee has conducted its work by evaluating the work, composition and competence of the Board of Directors, and the diversity policy applied by the Nominating Committee is point 4.1 of the Swedish Corporate Governance Code.

A report on the work of the Nominating Committee was submitted in the Nominating Committee's explanatory statement, which was published before the Annual General Meeting 2023. Further information about the Nominating Committee and its work can be found on the group's website: www.beijerref.com.

Proposals to the Annual General Meeting 2024

The Nominating Committee has prepared the following proposals to be presented to the Annual General Meeting 2024 for decision: The Nominating Committee has decided to propose to the Annual General Meeting:

- Re-election of the members of the Board of Directors: Kate Swann, Albert Gustafsson, Joen Magnusson, Per Bertland, Frida Norrbom Sams, Nathalie Delbreuve, William Striebe and Kerstin Lindvall.
- Re-election of Kate Swann as Chair of the Board of Directors.
- Re-election of Deloitte AB as the company's auditor in 2024.

Board of Directors
The Board of Directors has overall responsibility for the organisation and management of Beijer Ref. According to the Articles of Association, the Board of Directors shall consist of a minimum of 4 and a maximum of 8 members, with or without deputies. The board members are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting.

Responsibilities of the Chair
The Chair is responsible for ensuring that the work of the Board of Directors is well organised and effective and that the Board of Directors fulfils its duties. The Chair monitors the business in dialogue with the CEO. She is responsible for ensuring that the other board members receive the information and documentation necessary for a high quality of discussion and decisions, as well as verifying that the board's decisions are implemented.

Composition of the Board of Directors 2023
Beijer Ref's Board of Directors consisted of eight members, elected by the Annual General Meeting. The CEO, CFO and General Counsel participate in all board meetings and other executives in the group participate as rapporteur on specific issues as necessary. For further information about the

board members, see pages 49-50 and note 6.

Independence of the Board of Directors
The Board of Directors' assessment, which is shared by the Nominating Committee, regarding the board members' position of dependence in relation to Beijer Ref and the shareholders, appears on pages 49-50. As is shown, Beijer Ref complies with the Swedish Corporate Governance Code requirement that the majority of the AGM-elected members are independent of Beijer Ref and the executive management, and that at least two of these are also independent of Beijer Ref's major shareholders.

The work of the Board of Directors in 2023
In 2023, Beijer Ref's board held 13 ordinary meetings. The company's financial position and investment activities were discussed at each ordinary board meeting. Work in 2023 has been largely focused on issues involving strategy and continued expansion through acquisition, as well as increased profitability. The company's auditor has met the Board of Directors without the management being present during the year. Between the board meetings, a large number of contacts have taken place between the company, its chair and other board members. Members are regularly sent written information concerning the company's activities, financial status and other relevant information. The measures taken by the board to monitor the functioning of internal control in relation to financial reporting and reporting to the board include requesting in-depth information in certain areas, in-depth discussions with parts of group management and requesting descriptions of the components of internal control, which are determined at the inaugural board meeting after the Annual General Meeting.

The board establishes instructions for the CEO at the same time. All members have attended all board meetings, which have been held both digitally and physically during the year.

Evaluation of the members of the Board of Directors and the CEO 2023
The chair of the board is responsible for evaluating the board's work, including the input of individual members. This is done through an annual, structured evaluation with subsequent discussions by the board, at which the results of the survey, including comments submitted, are presented by giving individual responses to each question, as well as average and standard deviation. During 2023 the evaluation has been done through a web-based evaluation of the board where the board members individually, and anonymously, decide on statements regarding the board as a whole, the chair of the board, the CEO's work on the board and their own input. The evaluation focuses on improving the board's efficiency and focus areas, as well as the need for specific skills and working methods.

The results of the evaluation of the Board of Directors have been presented to the Nominating Committee. The Nominating Committee has also interviewed individual board members. In addition to the above annual board and CEO evaluation, the board evaluates the work of the CEO continuously by monitoring the development of the business towards the established goals.

Committees of the Board of Directors
In 2023, the Board of Directors had an Audit Committee consisting of Nathalie Delbreuve (Chair), Frida Norrbom Sams and Albert Gustafsson. The Audit Committee met 6 (4) times in 2023. Albert was absent from one of the meetings; otherwise, all members have been present at every meeting held throughout the year, both digitally and physically.

The work has mainly focused on:

- Current and new accounting issues.
- Review of interim reports, year-end report and annual report.
- Review of reports by Beijer Ref's auditor including the auditor's audit plan and follow up on
- audit fees.
- Assistance in drawing up proposals for the Annual General Meeting's decision on the election of the auditor.
- Review of procedures and work plan for the work of the committee.
- Ensuring that policies exist and rules are complied with.
- Follow-up and reporting back concerning the company's tax situation and tax audits.
- IT-related security issues.
- Review of Beijer Ref's risk analysis.

In 2023, the Board of Directors had a Remuneration Committee consisting of Kate Swann and Albert Gustafsson. The CEO and EVP HR and Communications present reports at these meetings. The Remuneration Committee met 3 (4) times during 2023. All members were present at all meetings, which were held digitally throughout the year. Questions are prepared during the first board meeting of the year and decided at the board meeting held in connection with the Annual General Meeting.

The Remuneration Committee has, among other things, the task of monitoring and evaluating:

- The application of the company's guidelines for remuneration to senior executives and the current remuneration structures and levels of remuneration in the company. All programmes for variable remuneration for company management.
- Recommending long-term incentive programmes.

External auditors
The Annual General Meeting appoints the external auditor. Beijer Ref's auditor is the accounting firm Deloitte AB, with authorised public accountant Richard Peters as chief auditor. Deloitte AB has been elected by the Annual General Meeting 2023 as Beijer Ref's auditor for the period until the Annual General Meeting 2024.

Deloitte AB has conducted a general review of the company's interim financial report for the period from January 1, 2023, to September 30, 2023, in accordance with International Standard on Review Engagements ISRE 2410.

Internal audit
There is a limited internal control function. The function has performed a mapping of risks, developed focus areas and carried out a self-assessment procedure with the group's companies. There is no fully developed internal auditor function in the Beijer Ref group. In accordance with the rules of the Swedish Corporate Governance Code, the board of Beijer Ref AB has decided on any need for a special internal audit function.
The board has found that there is currently no need for such an organisation in the Beijer Ref group. The background to this position is the compa-

ny's risk profile and the control functions and control activities that are built into the company's structure, such as active boards in all companies, a high degree of presence from local management and board representation by management at the level above etc. Beijer Ref has defined internal control as a process that is influenced by the board, the audit committee, the CEO, group management and other employees and designed to provide a reasonable assurance that Beijer Ref's goals are achieved in terms of: efficient and appropriate operations, reliable reporting and compliance with applicable laws and regulations. The internal control process is based on a control environment that creates discipline and provides a structure for the components of the process – risk assessment, control structures and follow-up. For information on internal control relating to financial reporting, see the section on internal control. For information on risk management, see pages 60-61.

CEO and Group Management
Christopher Norbye took up the position of President and CEO of the Beijer Ref Group on 30 August 2021. The President and CEO of Beijer Ref heads Beijer Ref's operations on an ongoing basis and is assisted by a group management team consisting of the heads of business operations, purchasing, IT, mergers and acquisitions, HR, communication, sustainability and finance staff/legal. At the end of 2023, group management, including the CEO, consisted of 9 people. CFO Ulf Berghult was succeeded by Joel Davidsson in October 2023. For further information about group management, see pages 51-52.

Remuneration to senior executives
The aim of Beijer Ref's remuneration policy for senior executives is to offer competitive and market-based remuneration, so that competent and skilled employees can be attracted, motivated and retained. These guidelines allow senior executives to be offered a competitive total remuneration. The guidelines are applied to remuneration that has been agreed upon, as well as changes made to already agreed remuneration, after the guidelines were adopted by the 2023 Annual General Meeting. The Board of Directors, in its capacity as the company's Remuneration Committee, shall prepare, monitor and evaluate matters relating to variable cash remuneration. The remuneration shall consist of fixed salary, variable cash remuneration, pension benefits and other remuneration. The variable cash remuneration shall be based on predetermined, well-defined and measurable financial and non-financial goals for the group, as well as on a group and individual level, such as sales growth, profit growth and working capital development and, with regard to the non-financial goals, linked to clear functional goals and/or sustainability goals. The weighting between the respective goals set shall be so that the heaviest weighting is placed on profit growth. The non-financial goals may amount to a maximum of 20 per cent of the total variable cash remuneration. Fulfilment of criteria for the payment of variable cash remuneration shall be measurable over a period of one year. The CEO receives a maximum amount corresponding to 100 per cent of an annual salary and other senior executives in group management receive a maximum amount corresponding to 75 per cent of an annual salary. The board shall have the possibility, according to law or contract, to recover in whole or in part any variable remuneration paid in error.

Senior executives' pension benefits, including health insurance benefits, are defined contribution. An amount equal to a maximum of 30 per cent of fixed annual salary is allocated to the CEO, and an amount equal to a maximum of 25 per cent of fixed annual salary is allocated to other senior executives.

Other benefits may include health insurance and car benefit, which shall not constitute a substantial part of the total remuneration. Extraordinary remuneration may be paid as one-off arrangements in exceptional circumstances for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount equal to one year's fixed salary. For senior executives outside Sweden, whose employment relationships are subject to rules other than Swedish, other conditions may apply as a result of legislation or market practice and adaptation may thus occur.

Severance pay and fixed salary during notice are paid to the CEO up to a maximum of 24 months' fixed salary and to other senior executives up to a maximum of 12 months' fixed salary. Senior executives may resign with a notice period of six months. In the event of resignation by a senior executive, there is no severance pay. In addition, compensation for any undertaking on restriction of competition may be paid. Such remuneration shall compensate for any loss of income and shall be paid only to the extent that the former executive is not entitled to severance pay for the corresponding period of time.

The board's discussion of and decisions on remuneration-related matters do not include the CEO or other members of group management, to the extent that they are affected by the issues. The board shall draw up proposals for new guidelines at least every four years and submit the proposal for decision by the annual general meeting. The board may decide to suspend these guidelines in whole or in part if, in an individual case, there are special reasons for doing so and a deviation is necessary to satisfy the long-term interests of the company, including its sustainability, or to ensure the company's financial viability.

For more detailed information on remuneration guidelines, see note 6 in this annual report.

Further information on corporate governance may be found on Beijer Ref's website www.beijerref.com. This includes the following information:

- Previous annual corporate governance reports
- Notice of the Annual General Meeting
- Minutes
- Quarterly reports

Internal control
The Board of Directors' responsibility for internal control is regulated by the Swedish Companies Act and the Swedish Corporate Governance Code. Internal control of financial reporting is intended to provide reasonable assurance of the reliability of the external financial reporting in the form of quarterly reports, annual accounts and year-end releases, and that the external financial reporting is prepared in accordance with law, applicable accounting standards and other requirements for listed companies.

External control instruments

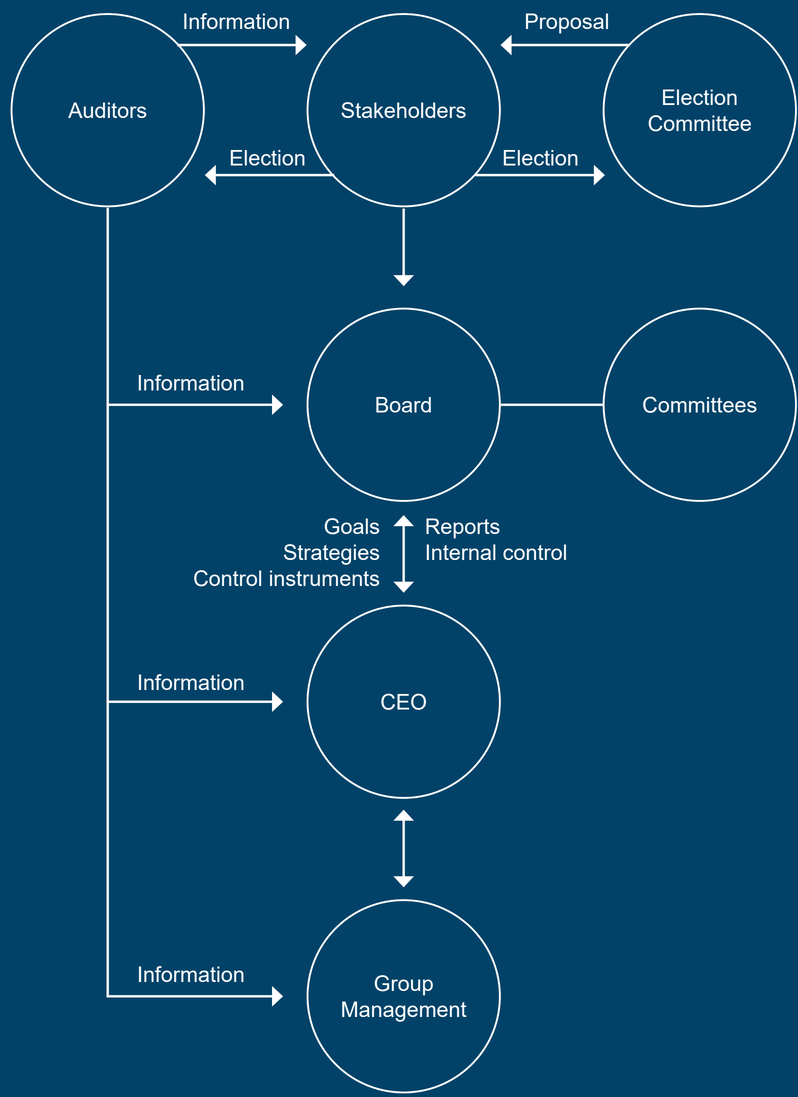
The external instruments that form the framework for corporate governance within Beijer Ref include:

- The Swedish Companies Act
- Swedish and international financial reporting legislation
- Nasdaq OMX Stockholm's rules
- The Swedish Corporate Governance Code

Internal control instruments

The binding internal control instruments include:

- The Articles of Association
- Rules of procedure for the Board of Directors
- The Board of Directors' instructions to the CEO
- Authorisation rules
- Ethical guidelines
- Financial policy
- Finance Manual
- The internal control process
- Process for handling whistleblower cases



Risks and risk management

The Beijer Ref group's operations are affected by a number of external factors whose effects on the group's operating profit can be monitored to varying degrees.

Group-wide rules, which are established by the board, form the basis for managing these risks at different levels within the group. The aim of these rules is to get an overall picture of the risk situation, to minimise negative effects on profit and to clarify responsibilities and authority within the group. Monitoring compliance with the rules is controlled by the designated persons and reported to the board.

Control environment and structure
Beijer Ref has a strong ownership influence and the major shareholders are represented on the board.

Beijer Ref is by its nature decentralised and the individual companies' own organisations fulfil important functions in terms of company culture and the control environment, through the short decision-making paths that exist and the strong presence of local management. The legal organisation very much coincides with the operational one and there are therefore few decision-making fora that are not linked to the responsibilities of the various legal entities that are regulated by law.

The management work is based on the work of the board, which is the backbone of company management, and the organisation's various company boards. The regulatory framework that covers company management, such as the Swedish Companies Act, forms the basis for how the work of the board is performed and, through this way of working, powers and responsibilities are regulated by these laws. The decisions taken by the boards are minuted and followed up carefully. It is through this board work that control activities and follow-up of these is decided and carried out with local endorsement. It is the consistent practice within the group that, with critical issues such as important personnel issues, organisational issues etc., the immediate manager refers to their respective manager so as to endorse decisions before they are made.

The principle of far-reaching decentralisation is of great importance for the different companies' sense of their own significance and for motivation to work. The dissemination of responsibilities and powers leads to a strong will to live up to this responsibility and the expectations that come with it.

Risk Management
The work of identifying, evaluating, managing and following up risks is an important part of the management and control of Beijer Ref's operations. Beijer Ref has an established process for enterprise risk management, which provides a framework for the group's work on risks. The process aims to provide a group-wide overview of the group's risks, thus enabling follow-up and management. The highest governing body for risk management is Beijer Ref's Board of Directors and its Audit Committee, which continuously reviews the risks. Risks are also managed on an ongoing basis at group level by a Risk Board led by the CFO, with representatives from Legal, IT, HR and Finance.

Senior executives in group and business area management are represented on boards at an underlying organisational level and in individual companies of significance. It is through this board work that control activities and follow-up of risks, among other things, are decided and implemented locally. The principle of far-reaching decentralisation is of great importance for the subsidiaries' own commitment and drive in each company. The dissemination of responsibilities and powers leads to a strong will to live up to this responsibility and the expectations that come with it. The large geographical spread of products and services offered within the group and the number of customers and suppliers provide a good underlying risk diversification.

Risk assessment regarding financial reporting at Beijer Ref aims to identify and evaluate the most significant risks that affect internal control of financial reporting in the group's companies, business areas and processes. The present situation is assessed and improvement points are established. Control activities are also evaluated and assessed on an ongoing basis.

Concerning sustainability risks, the group has developed a framework that deals with procedures and guidelines in areas such as the environment, employees, business ethics and efforts to avoid corruption, responsible supply chain and partnerships. The framework is disseminated to all subsidiaries, which then report back on action plans and results. With regard to the risks of compliance with new environmental laws and resolutions for HFC gases, Beijer Ref has conducted a review of its own handling and upgraded leakage safety in all filling stations to minimise the risk of leakage. With regard to risks in social working conditions, diversity and inclusion, ethics and anti-corruption, the group has evaluated its own and its subsidiaries' management. Risks in social working conditions, ethics and anti-corruption are minimised by complying with the company's codes of conduct for employees and suppliers and other policies. The company also works on continuous e-learning in these areas.

Beijer Ref's crisis management is decentralised. As far as possible, incidents are handled and resolved locally, close to the occurrence of the incidents. The crisis organisation at group level, consisting of the CFO and members of the group Legal, Communications and Human Resources staff, shall ensure that relevant employees have the skills and abilities needed to handle incidents. In the event of a major incident that may have an impact on the group as a whole, the group's crisis organisation, including group management and the board, must be informed and assess how the incident is to be handled.

Insurance is handled centrally at the group's head office by the Treasury department together with insurance brokers.

Follow up to ensure the effectiveness of internal control of financial reporting is performed by the board, CEO, CFO and group management. The follow up includes monthly financial statements compared with budget, previous year and goals and quarterly reports with results supplemented by written comments. The follow up also includes following up on observations reported by Beijer Ref's auditor. Beijer Ref works according to an annual plan, which takes its starting point in the risk analysis and includes priority companies, acquired companies, main processes and specific risk areas.

Risks at Beijer Ref

Within Beijer Ref, a risk is defined as a future event that may adversely affect the Beijer Ref group's ability to fulfil its goals. The risk definition focuses on risks with significant potential to threaten one or more defined strategic goals. The risks are evaluated based on their impact on the overall strategic goals and the likelihood of the risk occurring within the next five years. Measures and action plans are also developed for each risk. The risks are then mapped based on probability and effect. Beijer Ref groups the risks in the areas Strategic, Business, Regulatory Compliance and Financial.

Identified risks	Management and exposure
Access to capital and interest rate risks	New banking requirements and higher interest rates, as well as the general economic situation, may affect the availability of capital. This is offset by Beijer Ref having financing with different banks and sources of financing, as well as different maturity dates for the credits.
Beijer Ref's corporate culture	There is a risk that Beijer Ref's corporate culture will be depleted unless the culture is preserved and maintained on a regular basis. Beijer Ref has a Code of Conduct to enhance and maintain the culture, as well as policies for business ethics and morality. The company also has an introductory course, an e-learning system for all new employees and new companies and global internal sales training.
Changed legal requirements and regulations	Changed legal and regulatory requirements, not least changes in environmental requirements, affect Beijer Ref's business. The company regularly monitors these requirements as part of its global surveillance. The company is positively affected by the European phase-out programme for CO_2 equivalents, at the same time as demand for the company's environmentally friendly range is increasing. The phasing-out will run until 2030 and the new technologies will gradually be established in other markets outside Europe, for example in Australia and New Zealand.
Competition with existing customers	As Beijer Ref delivers more and more systems, installation is usually included, which can compete with existing customers. The risk is mitigated by educating and offering services that customers take responsibility for.
Currency risks	The company is exposed to currency fluctuations, and continually hedges the foreign exchange exposure in certain subsidiaries so as to counterbalance this risk.
Dependence on larger suppliers	The company has a number of important agreements with HVAC suppliers. Beijer Ref has however, the strategy of having at least one supplier within each price segment and at least two suppliers in each market. Carrier, Toshiba, Mitsubishi Heavy Industries, Rheem and Gree are all important partners of the company in HVAC.
Digitalisation and e-commerce	Digitalisation and e-commerce create new trade patterns and behaviours that are continuously being evaluated. The risk is minimised by working under various different brands and via a differentiated product range. There is always a risk that the company will be affected by new players challenging the industry in this area.
Increased competition and concentration in Europe	Beijer Ref has a strong position in Europe and has historically had a head start, which could lead to downward price pressure on the market prices when new actors enter. Better products and entering new markets can reduce this risk.
Macroeconomics	Negative economic trends or a weakening of the purchasing power of Beijer Ref's end customers in the markets where Beijer Ref operates could trigger an industry-wide sales decline. Beijer Ref's business model is decentralised and flexible. Decision-making is close to the local market and the cost structure is flexible.

Identified risks	Management and exposure
Political risks	Political risks can affect liquidity and the general business climate. Beijer Ref continuously monitors and follows the political situation as part of the business analysis and avoids particularly vulnerable markets.
Risk of data failure and data intrusion	Data failure and intrusion affect Beijer Ref's sales and customer relationships to a limited extent, since the group has a decentralised IT environment. The company works to strengthen perimeter protection and is also working on other security solutions, such as password policy and double logins. The company continuously conducts cyber awareness training for all employees.
Risk of fire, destruction, natural disasters and pandemic	In emerging markets, the risk of natural disasters is greater and the company weaves this risk into its insurance solution and business interruption insurance so as to minimise the risk of harm and losses. One consequence of globalisation is that it is difficult to protect the company from pandemics; in these situations the company follows the WHO's recommendations. Like any other company, the company is affected by a pandemic, although the impact is minor since the business is classified as societally important.
Risk of irregularities	Beijer Ref has a decentralised organisation and its subsidiaries are governed by regular board meetings. A self-evaluation of internal control is performed annually. The company also has a whistleblower function and a code of conduct.
Risks in new markets	Before Beijer Ref enters new markets, a market analysis of the market is conducted, in order to become aware of the risks and to be able to manage them. The company ensures that there are skilled personnel to handle the new markets.
Risks in the product range	The risk that Beijer Ref does not get new environmentally friendly products on the market. This risk is militated against by a central category manager for each product segment who takes responsibility for the product throughout its entire life cycle and who is also responsible for bringing in new products.
Risk related to dealers – customers buying directly from suppliers	Customers tend to contract directly with suppliers, in order to obtain lower prices. Beijer Ref has many small customers, which can counteract this risk, while the company has a high level of availability in its product range.
Risks related to product liability	Poor quality products always negatively affect the Beijer Ref brand. The company always works with at least two brands in all markets and within different price segments. A central category manager, contracts with clear guarantee and liability clauses together with testing of products counteract this risk.
Suppliers sell directly to larger customers and by-pass the wholesaler	Beijer Ref's distribution network through branches and presence in 45 countries counteracts this risk and constitutes a fully-fledged alternative to suppliers and own brands, which further strengthens Beijer Ref's position.

Financial information

Consolidated profit and loss account

SEK M	Note	2023	2022
Net sales	5	32 150	22 638
Other operating income	7	117	145
Total income		**32 267**	**22 784**
Raw materials and necessities		-1 969	-1 248
Goods for resale		-19 852	-14 563
Other external costs	8	-2 291	-1 586
Personnel costs	6	-4 047	-2 783
Depreciation and write-down of intangible and tangible fixed assets	13. 14. 16	-872	-571
Other operating expenses		-78	-132
Operating profit		**3 159**	**1 900**
Financial income	9	197	74
Financial expenses	10	-773	-252
Profit before tax		**2 583**	**1 721**
Tax on the year’s profit	11	-183	-456
Net profit for the year	**12**	**2 400**	**1 266**
Attributable to:			
The parent company’s shareholders		2 375	1 248
Non-controlling interests		25	17
Profit per share, attributable to the parent company's shareholders, SEK:			
Before dilution		4.88	3.00
After dilution		4.88	3.00

The group’s report on other comprehensive income

SEK M	Note	2023	2022
Net profit for the year		2 400	1 266
Other comprehensive income			
Items which will not be reversed in the profit and loss account:			
Revaluation of the net pension commitment	24	3	62
Changes in the fair value of equity investments at fair value through other comprehensive income	17	-2	-14
Income tax relating to components of other comprehensive income		-1	-13
Items which can later be reversed in the profit and loss account:			
Exchange rate differences		-475	662
Hedging of net investments		-353	-54
Income tax relating to components of other comprehensive income		73	11
Other comprehensive income for the year		**-755**	**654**
Total comprehensive income for the year		**1 645**	**1 919**
Attributable to:			
The parent company’s shareholders		1 624	1 892
Non-controlling interests		21	27

Consolidated balance sheet

SEK M	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
Intangible assets	13	17 439	5 484
Tangible fixed assets	14	1 687	872
Financial assets at fair value through other comprehensive income	17	29	32
Right-of-use assets	16	2 308	1 771
Deferred tax assets	23	419	299
Other receivables	18	179	136
Total fixed assets		**22 060**	**8 592**
Current assets			
Inventories	19	9 961	7 389
Trade debtors and other receivables	18	5 086	4 337
Income taxes recoverable		106	29
Liquid funds	20	1 957	1 518
Total current assets		**17 109**	**13 272**
TOTAL ASSETS		**39 170**	**21 864**

SEK M	Note	2023-12-31	2022-12-31
SHAREHOLDERS' EQUITY			
Share capital	21	495	372
Other contributed capital		14 534	901
Reserves		-148	607
Profit brought forward		6 442	4 723
Total		**21 323**	**6 603**
Non-controlling interests	28	120	111
Total equity		**21 443**	**6 714**
LIABILITIES			
Long-term liabilities			
Borrowing	22, 27	6 167	4 191
Other long-term liabilities	3	1 073	1 186
Lease liabilities	16	1 837	1 377
Deferred tax liabilities	23	439	245
Pension commitments	24	107	110
Other provisions	25	130	112
Total long-term liabilities		**9 754**	**7 220**
Current liabilities			
Trade creditors and other liabilities	26	5 470	4 621
Borrowing	22, 27	1 712	2 607
Lease liabilities	16	534	437
Current tax liabilities		185	188
Other provisions	25	72	77
Total current liabilities		**7 973**	**7 930**
Total liabilities		**17 727**	**15 150**
TOTAL EQUITY AND LIABILITIES		**39 170**	**21 864**

Consolidated changes in equity

SEK M	2023 Share capital*	2023 Other contributed capital*	2023 Reserves*	2023 Profit brought forward*	2023 Non-controlling interests	2023 Total equity	2022 Share capital*	2022 Other contributed capital*	2022 Reserves*	2022 Profit brought forward*	2022 Non-controlling interests	2022 Total equity	Note
Equity opening balance	**372**	**901**	**607**	**4 723**	**111**	**6 714**	**372**	**901**	**-2**	**3 902**	**93**	**5 266**	
Net profit for the year				2 375	25	2 400				1 248	17	1 266	
Revaluation of the net pension commitment				2	-	2				49	0	49	2
Changes in the fair value of equity investments through other comprehensive income				-2	-	-2				-14	-	-14	17
Exchange rate differences			-476		1	-475			652		10	662	
Hedging of net investments			-280			-280			-43			-43	
Other comprehensive income for the year			**-756**	**0**	**1**	**-755**			**609**	**35**	**10**	**654**	
Total comprehensive income for the year			**-756**	**2 375**	**26**	**1 645**			**609**	**1 283**	**27**	**1 919**	
Rights Issue	123	13 633				13 756							
Dividend for 2021										-419	-	-419	
Dividend for 2022				-477	-	-477							
Repurchase options, LTIP 2022-2025										7	-	7	
Repurchase options, LTIP 2023-2026				7	-	7							
Purchase of own shares				-39	-	-39				-21	-	-21	
Change in fair value of liabilities linked to acquisitions				-148	-	-148				-29	-	-29	
Dividends to shareholders' with non-controlling interest					-17	-17					-9	-9	28
Total	**123**	**13 633**	**-**	**-656**	**-17**	**13 083**				**-461**	**-9**	**-470**	
Equity closing balance	**495**	**14 534**	**-148**	**6 442**	**120**	**21 443**	**372**	**901**	**607**	**4 723**	**111**	**6 714**	

*Attributable to parent company's shareholders

Consolidated cash flow statement

SEK M	Note	2023	2022
Current operations			
Operating profit		3 159	1 900
Adjustments for items not included in the cash flow:			
Depreciation and write-downs of intangible and tangible fixed assets	13, 14, 16	872	571
Change in pension, guarantee and other provisions		11	45
Profit on sale of tangible fixed assets		-5	-20
Other items not affecting cash flow[1]		-243	230
Total		**3 794**	**2 726**
Paid interest		-618	-184
Paid income tax		-658	-491
Cash flow from current operations before changes in working capital		**2 518**	**2 052**
Changes in working capital			
Changes in inventories		-382	-1 597
Changes in operating receivables		-157	-537
Changes in operating liabilities		-226	164
Cash flow from current operations		**1 753**	**81**
Investment operations			
Received interest		30	7
Acquisition of tangible and intangible fixed assets	13, 14, 16	-360	-220
Acquisition of operations	29	-8 919	-1 144
Sale of tangible and intangible fixed assets		14	25
Cash flow from investment operations		**-9 235**	**-1 331**

[1]Reserve and dissolution of reserve regarding the acquisition of Heritage Distribution.

SEK M	Note	2023	2022
Financial operations			
New lending		24 143	6 553
Amortisation of loans		-28 869	-4 027
Payments related to amortisation of lease liabilities	16	-490	-386
Rights issue		13 707	0
Dividends paid to shareholders		-477	-419
Repurchase options, LTIP		7	7
Acquisition of own shares		-39	-21
Dividends to shareholders with non-controlling interest		-17	-9
Dividends to shareholders with a put/call option		-	-6
Cash flow from financial operations		**7 967**	**1 692**
Change in liquid funds		485	442
Exchange rate difference, liquid funds		-46	72
Liquid funds on 1 January		1 518	1 004
Liquid funds on 31 December		**1 957**	**1 518**

Notes

1 General information

Beijer Ref AB (publ), the parent company, and its subsidiaries (collectively, the group) is a technology-oriented trading group that, through value-added products, offers its customers competitive solutions in refrigeration and air conditioning. The product range consists mainly of products from leading international manufacturers and also some manufacturing of the group's own products combined with service and support for the products. The group creates added value by adding technical expertise to the products, providing knowledge and experience about the market and delivering efficient logistics and warehousing. The group has subsidiaries in large parts of Europe as well as in USA, Africa and Asia Pacific.

The parent company is a public limited company registered and with its head office in Malmö, Sweden. The address of the head office is Stortorget 8, 211 34 Malmö. This consolidated financial statement was approved by the Board of Directors for publication on 28 March 2024.

2 Accounting and valuation principles applied

General financial reporting principles
The consolidated financial statements have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups and the International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The standards that have been published but not yet entered into force are not followed.

The annual report of the parent company has been drawn up in accordance with the Annual Reports Act. The parent company applies the same accounting principles as the group, with the exceptions and supplements stipulated by the Council for Financial Reporting, Recommendation RFR 2 “Financial Reporting for Legal Persons”. In the parent company, Financial Instruments are recognised according to the exemption in RFR 2. Financial instruments are instead presented with a basis in acquisition value according to the Annual Reports Act. The accounting principles of the parent company are presented in the section “Parent Company's Accounting Principles”. The principles have been applied consistently in all the years presented, unless otherwise stated.

Introduction of new accounting principles
New and amended standards applied by the group
None of the IFRS or IFRIC interpretations that are mandatory for the first time for the financial year that began on 1 January 2022 has any significant effect on the group.

New standards and interpretations that have not yet been applied by the group
When drawing up consolidated financial statements as of 31 December 2023, it was judged that no IFRS or IFRIC interpretations that have not yet entered into force are expected to have any significant effect on the group.

Assumptions for the establishment of the group's financial reports
The functional currency of the parent company is Swedish krona, which is also the reporting currency of both the parent company and the group. All amounts listed are rounded to the nearest million unless otherwise stated.

The accounting principles applied in the preparation of these consolidated financial statements are stated below. These principles have been consistently applied for all reported years, unless otherwise stated.

Consolidated financial statements
Subsidiaries
Subsidiaries are all companies in which the group has a controlling interest. The group has a controlling interest in a company when it is exposed to or entitled to variable returns from its holding in the company, and has the ability to affect this return through its influence in the company. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence is transferred to the group. They are excluded from the consolidated accounts from the date on which the controlling interest ceases.

The acquisition method is used to present the group's acquisitions of subsidiaries. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets, liabilities and the shares that are issued by the group. The purchase price also includes the fair value of all assets or liabilities that are the result of an agreement on conditional purchase price. Conditional purchase price is classified as either equity or financial liability depending on whether it is settled with equity instruments or cash and is initially recognised at fair value.

If an acquisition does not refer to 100 per cent of a subsidiary, a holding without a controlling influence arises. In cases where the owner of the remaining holdings has an option to sell its holding to Beijer Ref or Beijer Ref has an obligation to buy the remaining holdings, Beijer Ref has chosen to apply the so-called "Anticipated Acquisition Method" (AAM). This means that 100 per cent of the subsidiary is considered to be acquired at the time of acquisition and a liability corresponding to the present value of the estimated future purchase price is recognised. The value of the liability is dependent on the future earnings development of acquired entities and is continuously reassessed. The liability is not included in the company's net liabilities as it is estimated and not definitive.

Acquisition-related costs are expensed as they arise. Identifiable acquired assets and liabilities taken over in a business combination are initially valued at fair value on the date of acquisition. In those acquisitions where AAM is not applied, the group assesses whether non-controlling interest in the acquired company should be reported at fair value or at the holding's proportional share of the acquired company's net assets. The amount by which the purchase price, any shareholding without controlling interest and fair value on the date of acquisition of earlier shareholdings exceed the fair value of the group's share of identifiable acquired net assets is reported as goodwill. If the amount is less than fair value of the acquired subsidiary's net assets, in the case of a so-called bargain purchase, the difference is reported directly in the income statement.

The group's internal transactions and balance sheet items, as well as unrealised gains on transactions between group companies, are eliminated. Unrealised losses are also eliminated, unless the transaction represents evidence of an impairment need for the transferred asset. The financial reporting principles for subsidiaries have in some cases been amended so as to guarantee a consistent application of the group's principles.

Transactions with shareholders without controlling interest
Transactions with shareholders without controlling interest are treated as transactions with the group's shareholders. With acquisitions from shareholders without controlling interest, the difference between purchase price paid and the actual acquired share of the reported value of the subsidiary's net assets is reported under equity. Gains and losses on disposals to shareholders without controlling interest are also reported under equity.

Where the group no longer has a controlling or significant interest, each remaining holding is reassessed at fair value and the change in reported value is recognised in the income statement. The fair value is used as the first reported value and provides the basis for the continued reporting of the remaining holding as an associate, joint venture or financial asset. All amounts relating to the divested entity that were previously recognised in other comprehensive income are reported as if the group had directly disposed of the attributable assets or liabilities. This may cause amounts previously recognised in other comprehensive income to be reclassified to the income statement.

Segment reporting
An operating segment is part of the group that operates activities from which it can generate income and incur expenses and for which independent financial information is available. Operating segments are reported in a way that corresponds to the internal reporting that is sent to the highest responsible decision maker. In the group this function has been identified as the CEO. The group had the following operating segments in 2023: EMEA, APAC and North America.

Classification etc.
Non-current tangible assets and liabilities consist almost entirely of amounts that are expected to be regained or paid after more than twelve months from the date of balance. Current assets and liabilities consist almost entirely of amounts that are expected to be regained or paid within twelve months from the date of balance.

Valuation principles etc.
Assets and liabilities have been valued at acquisition value unless otherwise stated below.

Intangible assets
Intangible assets acquired by the company are reported at acquisition value less accumulated depreciation and impairment, except for goodwill and intangible assets with an indefinite useful life, which are reported at acquisition value less accumulated impairment. Additional expenditure on an intangible asset is only added to the acquisition value if it increases future financial benefits. All other costs are expensed as they arise. Depreciation is based on acquisition value reduced by any residual values. Depreciation occurs on a straight line basis over the useful period of the asset and is reported as cost in the income statement. An asset's residual value and useful lifetime is tested on each balance sheet date and adjusted as needed.

Research and development
Research and development expenditures are reported as costs when they arise. Costs incurred in development projects (relating to the design and testing of new or improved products) are reported as intangible assets when the following criteria are met:
(a) it is technically possible to complete the intangible asset so that it can be used,
(b) management intends to complete the intangible asset and use or sell it,
(c) the conditions exist to use or sell the intangible asset,
(d) it can be demonstrated how the intangible asset will generate probable future financial benefits,
(e) adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset, and
(f) the expenditure attributable to the intangible asset during its development can be reliably calculated.

Research and development costs that have been previously reported as an expense are not reported as an asset in a subsequent period. Research and development expenditure that has been capitalised is written off on a straight line basis from the time the asset is ready to be used. Depreciation is made during the expected useful period, but no more than five years.

Agencies
The part constituting “Agencies” refers to an exclusive and non-time-limited distribution right of a world-leading manufacturer (Toshiba). There is great value in the right to sell Toshiba air-

conditioning products and its European organisation has become an integral part of Beijer Ref. Toshiba is an organisation with a long history and strong market position in numerous areas not limited to refrigeration and air conditioning. Management's best assessment is that a 40-year utilisation period best corresponds to an approximation of the time period during which the asset generates future financial benefits.

Amortisation periods intangible assets.

	Group	Parent company
Acquired intangible assets:		
Software	3-10 years	3 years
R&D	5 years	-
Agencies	40 years	-
Customer lists	10-20 years	-

Goodwill
Goodwill consists of the amount by which the purchase price exceeds the fair value of the group's share of the acquired subsidiary's identifiable net assets at the time of acquisition. Goodwill on the acquisition of subsidiaries is recognised as intangible assets. Goodwill is tested annually so as to identify any need for impairment and reported at acquisition value less accumulated impairment. The impairment of goodwill is not reversed. Gains or losses on the divestment of an entity include the remaining reported value of the goodwill relating to the divested entity.

Goodwill is distributed to cash generating units with a test of any need for impairment. Cash generating units are the regions, EMEA, APAC and North America, which are the same as have been identified as operating segments.

Tangible assets
Tangible fixed assets are recognised as asset on the balance sheet when, on the basis of available information, the future financial benefit associated with the holding is likely to accrue to the group/company and the acquisition value of the asset can be calculated in a reliable way. Tangible non-current assets are reported at acquisition value after deduction of depreciation and any accumulated impairment. Depreciation is based on acquisition value reduced by calculated residual values. Depreciation occurs on a straight line basis over the estimated useful life of the asset. An asset's residual value and useful lifetime is tested on each balance sheet date and adjusted as needed.

The following depreciation periods are applied:

	Group	Parent company
Buildings	25-50 years	40 years
Land installations	20 years	-
Machinery and other technical plant	5–10 years	-
Equipment, tools and installations	3-10 years	3-10 years
Customer lists	10-20 years	-

Additional expenses are added to the asset's reported value or reported as a separate asset, depending on which is applicable, only if it is probable that the future financial benefits associated with the asset will accrue to the group and the asset's acquisition value can be measured reliably. All other forms of repair and maintenance are recognised as costs in the income statement during the period they are incurred.

Gains and losses on disposal are determined through a comparison between sales income and the reported value and reported in Other operating income/Other operating costs on the income statement.

Impairment of non-financial assets
Assets that have an indeterminate useful life are not impaired, but are assessed annually for any impairment requirement. Assets written off are assessed for value reduction whenever events or changes in conditions indicate that the reported value may not be recoverable. An impairment is made by the amount the asset's reported value exceeds its recoverable value. The recoverable amount is the asset's fair value less sales costs or its utility value, whichever is higher. When assessing the impairment requirement, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units).

When calculating the utility value, future cash flows are discounted at a pre-tax rate intended to consider the market's assessment of risk-free interest and risk associated with the particular asset. An asset that is dependent on other assets is not considered to generate any independent cash flows. Such an asset is instead attributed to the smallest cash generating unit where the independent cash flows can be determined.

An impairment of assets other than goodwill is reversed if there has been a change in the calculations used to determine the recoverable value. A reversal is only made to the extent that the reported value of the asset would have been, had no impairment been made. At each balance date, an examination is made as to whether reversal should be made.

Financial instruments
A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the instrument's contractual terms. A financial asset is removed from the balance sheet once all the benefits and risks associated with ownership have been transferred. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise concluded.

Financial instruments are initially valued at fair value and then at fair value or accrued acquisition value depending on classification. Financial instruments reported at acquisition value are initially reported at an amount corresponding to the fair value of the instrument with an addition for transaction costs. Financial instruments reported at fair value are initially reported at an amount corresponding to the fair value of the instrument; transaction costs are expensed directly.
A financial instrument is classified when first reported, based on the purpose for which it has been acquired. The classification determines how the financial instrument is measured after initial recognition.

All financial derivative instruments are reported on an ongoing basis at fair value. Purchases and sales of financial assets are recognised on the transaction date, which is the date when the group commits to purchase or sell the asset.

Put option
The parent company's issued put options are valued in accordance with IAS 32 as a financial liability. Any changes in the value of the financial liability based on issued put options are added to/reduces the acquisition value of shares in subsidiaries.

Liquid funds
Liquid funds may consist of the group's disposable balances with banks and equivalent institutions.

Classification of financial instruments
The classification of financial assets that are debt instruments is based on the group's business model for management of the asset and the nature of the asset's contractual cash flows and is classified as follows: accrued acquisition value, fair value via other comprehensive income or fair value via income statement.

Financial assets in the form of debt instruments classified at accrued acquisition value are initially valued at fair value with the addition of transaction costs. Accounts receivable are initially reported at fair value. After the initial reporting, the assets are valued according to the effective interest rate method. Assets classified at accrued acquisition value are held according to the business model of collecting contractual cash flows that are only payments of the capital sum and interest on the outstanding capital sum. The assets are covered by a loss reserve for expected credit losses.

The group does not have any financial assets in the form of debt instruments classified at fair value via other comprehensive income or fair value via income statement.

Equity instruments: The group has chosen to classify the holdings as equity instruments at fair value via other comprehensive income when they are not held for trading purposes. Any dividends are reported in the income statement.

Financial liabilities are valued at accrued acquisition value or fair value via the profit for the year. A financial liability is measured at fair value through profit for the year if it is classified as held for trading, a derivative instrument that is not hedged, a contingent consideration in business combinations classified as financial liability or another liability classified as a financial liability. Financial liabilities valued at fair value via profit for the year are valued at fair value on an ongoing basis with value changes reported in profit for the year. In cases where the owner of the remaining holdings has an option to sell its holding to Beijer Ref and Beijer Ref has an obligation to buy the remaining holdings, the option is valued at fair value on first accounting. Subsequent changes in value are reported directly against equity in accordance with the company's assessment that such changes in value should be equated with other transactions with owners. Other financial liabilities are valued on an ongoing basis at accumulated acquisition value using the effective interest method.

Purchases and sales of financial assets are recognised on the transaction date – the date when the group commits to purchase or sell the asset. Financial assets valued at fair value via the income statement are initially recognised at fair value, while attributable transaction costs are recognised in the income statement. Financial assets are removed from the balance sheet when the entitlement to receive cash flows from the instrument has expired or been transferred and the group has transferred more or less all the risks and benefits associated with ownership.

Financial assets valued at accrued acquisition value are recognised after the date of acquisition at accrued acquisition value by applying the effective interest rate method.

Impairment of financial assets
The group's financial assets and receivables, other than those that are classified at fair value through profit or loss, are subject to impairment for expected credit losses. The group considers that the following constitute default for internal credit risk management purposes because historical experience indicates that financial assets that meet any of the following criteria are generally not recoverable:
• when there is a violation of financial terms by the debtor; or
• information obtained internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account collateral held by the group).

Regardless of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and verifiable information to demonstrate that a more delayed default criterion is more appropriate.

Inventories
Inventories are entered at the lower of acquisition value and net sales value. The acquisition value is calculated according to the first-in-first-out principle or by weighted average prices. Weighted average prices are used in those units within the group where variation in the price of goods is considered large. With in-house manufactured finished and semi-finished products, the acquisition value consists of direct manufacturing costs such as direct material and wage costs as well as a reasonable share of indirect manufacturing costs. In valuation, normal capacity utilisation has been taken into account. Borrowing costs are not included. The net realisable value is the estimated selling price in current operations, less any applicable variable sales costs.

Trade debtors
Trade debtores are initially entered at fair value and thereafter at accrued acquisition value using the effective interest rate method. Impairment for credit losses according to IFRS9 is forward-looking and a loss provision is made when there is an exposure to credit risk, usually at the first time of recognition. Impairment requirements are taken into account for different maturities depending on the asset class and on any credit deterioration since the first time of recognition. Expected credit losses reflect an objective, probability-weighted outcome that considers multiple scenarios on reasonable and verifiable forecasts. The simplified model is applied to trade receivables. A loss reserve is recognised, in the simplified model, for the expected remaining maturity of the claim or asset. Financial assets are reported in the balance sheet at accumulated acquisition value, i.e. net of gross value and loss reserve.
Changes in the loss reserve are recorded in the item Other external costs in the income statement.

Share capital
Ordinary shares are classified as equity. When any group company buys the Parent Company's shares (repurchase of own shares), the paid purchase price, including any directly attributable transaction costs (net of tax), reduces the retained earnings, until the shares are cancelled or disposed of. If these shares are subsequently disposed of, the amounts obtained (net of any directly attributable transaction costs and tax effects) are accounted for in retained earnings.

Trade creditors
Trade creditors are initially entered at fair value and thereafter at accrued acquisition value using the effective interest rate method.

Borrowing
Borrowing is initially recognised at fair value, net of any transaction costs. Borrowing is subsequently recognised at accrued acquisition value, and any difference between the amount received (net of transaction costs) and the repayment amount is recognised in the income statement spread over the loan period, applying the effective interest method.

Borrowing is classified as a current liability if the group does not have an unconditional right to postpone payment of the liability for at least 12 months after the balance date.

Tax
Total tax is made up of current tax and deferred tax. Taxes are recognised in the income statement except where the underlying transaction is recognised as a component of other comprehensive income or directly against equity. In such cases the tax is also reported in other comprehensive income or equity respectively. Current tax is tax calculated on taxable earnings for the period. Adjustment of current tax relating to previous periods also belongs here.

Deferred tax is calculated using the balance sheet method on all temporary differences between reported and taxable vales of assets and liabilities. However, the deferred tax is not recognised if it occurs as a result of a transaction that constitutes the initial recognition of an asset or liability in a transaction other than a business combination, and that, at the time of the transaction, affects neither the recognised nor the taxable profits. Deferred income tax is calculated using tax rates (and laws) that have been adopted or announced as per the balance sheet date and that are expected to apply when the deferred tax asset in question is realised or the deferred tax liability is settled. In the consolidated reporting on the other hand, untaxed reserves are divided into deferred tax liability and equity.

Deferred tax assets are recognised to the extent it is probable that future taxable surpluses will be available, against which the temporary differences can be utilised. Deferred tax is calculated on temporary differences that arise on shares in subsidiaries except where the date of reversal of the temporary difference can be controlled by the group and it is probable that the temporary difference will not be reversed in the foreseeable future.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by one and the same taxation authority and refer to either the same taxable entity or different taxable entities, where there is an intention to settle the balances through net payments.

International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12
Amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception, the use of which is required to be disclosed, applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Provisions (excluding deferred tax)
A provision is recorded on the balance sheet when the company has a formal or informal commitment as a result of an event that has occurred and it is likely that an outflow of resources is required to settle the commitment and a reliable estimate of the amount can be made.

The provisions are valued at the present value of the amount that is expected to be required to settle the obligation. In this case, a pre-tax discount rate is used, which reflects an up-to-date market assessment of the time-dependent value of money and the risks associated with the provision. The increase in the provision due to time elapsing is reported as interest expense

Guarantee reserve
A provision is recognised when the underlying product or service has been sold. The guarantee provision is calculated on the basis of previous years' guarantee costs and by future forecast guarantee commitments.

Restructuring reserve
A provision is recognised once a detailed restructuring plan has been established and restructuring has either commenced or been publicly announced.

Remuneration to employees
Pension committment
Group pension costs are recognised in full under the heading Personnel costs in the income statement.

For defined contribution plans, the company pays the defined contributions to a separate legal entity and has no obligation to make any further payments. Costs are expensed to group profit as benefits are earned.

Defined benefit pension plans specify the amount of pension benefit an employee receives after retirement, usually based on one or more factors such as age, length of service and salary. The group carries the risk that the promised payments are made. The defined benefit pension plans are both funded and unfunded. Where the plans are funded, the assets belonging to the plans are kept separate from the group's assets, in externally managed funds. These plan assets can only be used to pay remuneration according to the pension agreements.

The net of estimated present value of the obligations and fair value of the assets under management is presented in the balance sheet as either a provision or a long-term financial claim. In cases where a surplus in a plan is not fully exploited, only the portion of the surplus that the company can recover by reduced future fees or repayments is reported. Offsetting a surplus in a plan against a deficit in another plan occurs only if the company has a right to use a surplus in a plan to regulate a deficit in another plan and if the obligations are intended to be regulated on a net basis.

The pension cost and pension obligations for defined benefit pension plans are calculated according to what is known as the projected unit credit method. The method distributes the cost of pensions as employees perform services for the company that increase their entitlement to future compensation. The company's material undertaking is calculated by independent actuaries. The undertaking is the present value of the expected future payments. The actuarial calculations are based on assumptions about discount rates, expected returns on assets under management, future wage increases, inflation and demographic conditions.

In determining the present value of the obligation and fair value of the assets under management, actuarial gains and losses may arise. These arise either by the real outcome deviating from the previously made assumption, or changing assumptions. The actuarial gains and losses are reported directly in other comprehensive income when incurred. Service costs for previous service are reported immediately. Interest costs and expected return on assets are reported net as an income/cost by applying the discount rate, which is used to discount the pension commitment included in the group's pension liability. Costs for the year's earnings and net income/costs are reported in operating profit.

Commitments for retirement pension and family pension for salaried employees in Sweden are secured through an insurance policy with Alecta. This is a defined benefit plan that includes multiple employers. Therefore, where the group has not had access to information that allows this plan to be reported as a defined benefit plan, this is reported as a defined contribution plan.

Compensation on termination of employment
Provisions in connection with terminations of employment are recognised only if the company is

demonstrably obligated to terminate employment before the normal date, or when compensation is offered as an incentive for voluntary departure. Where the company terminates the employment of staff, a detailed plan is drawn up that contains at least the workplace, job titles and approximate number of persons concerned, as well as the remuneration for each staff category or position and the time of implementation of the plan.

Variable remuneration
Variable remuneration to senior executives is reported in note 6. The variable remuneration is decided annually by Beijer Ref AB's board. The variable remuneration is based on qualitative and quantitative goal fulfilment. Variable remuneration for employees other than senior management is available only on a limited scale. Remuneration is reported in the period when the legal obligation arises.

Long-term incentive programme
From time to time, the company issues purchase options to its personnel. The purchase options entitle the holder to acquire shares in the Company. The premium for the purchase options corresponds to the market value of the purchase options and an external independent valuation is made in accordance with the Black & Scholes model. The purchase options are freely transferable. The option premium received in payment of the purchase options affects retained earnings. To ensure delivery of shares to participants in the option programme, the company repurchases its own shares if necessary. The purchase value of the repurchase of own shares affects retained earnings during the year in which the purchase is carried out.

Income
IFRS 15 is applied for reporting income. This means that income from the group's sales is recognised when the control of the products is transferred to the customer, which occurs when the products are delivered to the customer and there are no unfulfilled obligations that may affect the customer's acceptance and approval of the products. The products are often sold with volume discounts based on cumulative sales over a 12-month period. Revenues from sales are recognised based on the agreed price less any volume discounts and discounts for cash payment. Volume discounts are calculated on the basis of the expected sales volume and revenues are recognised only to the extent that it is highly likely that a significant reversal is unlikely to occur. A liability is recognised for the anticipated volume discounts in relation to sales until the close of the reporting period. The liabilities relating to volume discounts are reported as accrued expenses in the balance sheet. Return rights and guarantees are in accordance with industry standards; any guarantee reserve is entered as other provisions.

Remuneration in the form of interest, commissions and dividends is recognised as income when the financial benefits associated with the transaction are likely to accrue to the company and can be reliably calculated. Interest income is entered as income distributed over the period to maturity using the effective interest rate method. Dividend income is entered when the right to receive payment has been fixed.

Government support received is reported in the month when the corresponding cost arose. This support has been taken into account when there is reasonable certainty that the company will comply with the conditions associated with the grants and will receive them. In the income statement, the support received has been entered as a reduction in cost.

Leasing agreements
The company applies IFRS16 regarding leasing. Assets and liabilities attributable to all leases, with a few exceptions, are reported in the balance sheet. The lessee has a right to use an asset during a specified period of time and also a liability to pay for this right.

A discount rate has been fixed per country based on the base rate with the addition of a margin. Right of use agreements of less than 12 months are reported as short-term agreements and are therefore not included in the reported liabilities or rights of use. Right of use agreements with an acquisition value below USD 5,000 are classified as low-value agreements and are not included in the reported liabilities or rights of use.

Beijer Ref has identified many agreements primarily concerning properties with the right to extend, so-called extension options. As a result of these considerations, many leases have been deemed to be longer than according to the contract period. All leases relating to properties that fall due with an extension option have been extended by three years or longer if the original contract is for more years.

Hedge accounting
The group applies hedging for financial instruments aimed at securing net investment in foreign operations. When the transaction is concluded, the relationship between the hedging instrument and the secured item, or transaction, is documented, as well as the risk management target and the strategy for taking different hedging measures. The group also documents its assessment, both at the start of the hedging and on an ongoing basis, of whether the derivative instruments used in the hedging transaction are effective in countering changes in fair value or cash flow of hedged items.

Hedges are designed so they can be expected to be effective. Changes in fair value for such derivative instruments as do not meet the conditions for hedge accounting are immediately reported in the income statement. Changes in fair value of the hedging instruments are reported in comprehensive income up to maturity. Any ineffective part is immediately recognised in the income statement.

Foreign currency translation
Functional currency and reporting currency
Items included in the financial statements for the various entities of the group are valued in the currency that is used in the economic environment in which the relevant company primarily operates (the functional currency). In consolidated reporting, SEK is used, this being the Parent Company's functional value and reporting value.

Transactions and balance sheet items
Transactions in foreign currencies are translated to the functional currency at the exchange rates in force on the date of the transaction. Currency gains and losses that arise when paying such transactions and when translating monetary assets and liabilities in foreign currencies at the rate on the balance sheet date are reported on the income statement.

Group companies
The results and financial positions of all the group companies (none of which have a high-inflation currency) that have a functional currency other than the presentation currency are translated into the group's presentation currency as follows:

- assets and liabilities for each of the balance sheets are translated at the balance date rate
- income and expenses for each of the income statements are translated using the average exchange rate
- all exchange rate differences that arise are recognised as a separate component in Other comprehensive income.

In consolidation, the exchange rate differences for the year, arising from the conversion of net investments in foreign operations and of borrowings and other currency instruments identified as hedges of such investments, are reported as a component in Other comprehensive income and accumulated among reserves in equity. When disposing of a foreign activity, such rate differences are reported in the income statement as part of capital gain/loss.

Goodwill and adjustments of fair value that arise with acquisitions of foreign activities are treated as assets and liabilities at this activity and translated at the exchange rate on the balance sheet date. Exchange rate differences that arise are reported in other comprehensive income.

Profit per share
Calculation of profit per share before dilution is based on profit for the year in the group that is attributable to the parent company's shareholders and on the weighted average number of shares in circulation during the year. In calculating profit per share after dilution, the average number of shares is adjusted to take into account the effects of potential dilutive ordinary shares, which in reported periods relate to share-based compensation programmes issued to employees. All long-term incentive programmes at Beijer Ref are performance-based and are considered to have a potential dilutive effect. Dilution occurs only when the redemption price is lower than the listed price and increases the greater the difference is.

Dividends
Dividends to the parent company's shareholders are entered as liabilities in the company's financial reports in the period when the dividend is approved by the parent company's shareholders.

Closely-related transactions
For the board's, CEO's and other senior executives' salaries and other remuneration, costs and obligations relating to pensions and similar benefits and severance pay agreements, see note 6. Other closely-related transactions are shown in note 30.

3 Financial risk handling

Financial instruments by category in the group

Assets in the balance sheet	**2023-12-31**	**2022-12-31**
Financial assets valued at fair value through other comprehensive income[1]	29	32
Financial assets valued at discounted acquisition cost:		
Trade debtors and other receivables[2]	5 265	4 473
Liquid funds	1 957	1 518
Total	**7 251**	**6 023**

Liabilities in the balance sheet		
Financial liabilities valued at discounted acquisition cost:		
Borrowing	7 879	6 798
Lease liability	2 371	1 814
Trade creditors and other non-current liabilities[2]	4 460	4 392
Financial liabilities measured at fair value:		
Other long-term liabilities[2]	1 073	1 186
Other current liabilities	1 011	229
Total	**16 794**	**14 419**

[1]Valuation of Financial assets measured at fair value, see note 17.
[2]In order to enable reconciliation with items in the balance sheet, other assets and liabilities included in the balance sheet items have been included in this item.

Financial assets valued at fair value consist of two (two) holdings, where one holding of SEK 4 million (7) refers to listed shares and is valued at market value on the balance sheet date according to valuation level 1. The second holding of SEK 25 million (25) is an unlisted holding and is valued at estimated fair value according to valuation level 3.

Other non-current liabilities and other current liabilities include valuations of sale/purchase options arising from acquisitions and derivative instruments. The valuation technique used for sale/purchase options and earn-outs, SEK 2,003 million (1,373), discounts the present value of expected cash flows with a risk-adjusted discount rate. Expected cash flows are determined based on likely scenarios for future performance measurements, amounts that will be paid at each outcome and the probability of each outcome. Sale/purchase options and earn-outs are reported according to valuation level 3. Currency futures and interest rate swaps, SEK 0 million (2), are valued at market value on the balance sheet date according to valuation level 2.

Financial assets and financial liabilities where there is a legal right to offset the reported amounts are reported with a net amount in the balance sheet.

Financial risks
Through its operations, the group is exposed to a variety of financial risks, including the effects of changes to loan and capital market prices, foreign exchange rates and interest rates. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's profits. Risk management is handled by a central financial function, Treasury, according to principles approved by the board. Treasury identifies, evaluates and hedges financial risks in close cooperation with the group's operational entities. The board formulates principles both for overall risk management as well as for specific areas, such as currency risks, interest rate risks and investment of surplus liquidity.

Market risk
Currency risks
The group is exposed to transaction risks with purchases and sales and financial transactions in foreign currencies. Most sales are in the local currency of the respective subsidiaries: only about 2 per cent (7) are made in other currencies, while about 18 per cent (26) of purchases are in a currency other than the respective local currency. The foreign exchange exposure of purchases is primarily in EUR and USD. To manage these risks, quotations and price lists usually include currency clauses and continuous price adjustments occur in parity with changing purchase prices caused by currency changes, among other things. Net investment hedging takes place after ongoing individual assessment per currency. Hedging instruments used are mainly external interest-bearing loans in the corresponding currency. The effectiveness of hedging instruments is measured quarterly via retrospective testing of the hedging. A weakened krona against EUR by 10 per cent in respect of goods transactions causes a change in profit margin of about -0.5 (-0.9) percentage points. A corresponding weakening against USD produces a change in profit margin of -0.6 (-1.2) percentage points.

The group is subject to translation risk when converting into the group currency, SEK. This currency risk is generally not hedged, but hedging of net investments is established. During 2023, this has had a negative effect of SEK -54 million (-54) on comprehensive income. Exchange rate differences compared with the previous year are shown in note 12. On the balance sheet date, the group had no outstanding currency forward contracts or other financial instruments that were material. The effect of a stronger krona by 10 per cent against the euro would affect operating profit by SEK -139 million (-93). The same effect against the USD would affect operating profit by SEK -70 million (-).

Interest rate risks
Group income and cash flow from operations are essentially independent of changes in market interest rates. The group does not hold any material interest-bearing assets. The board of Beijer Ref continuously evaluates the question of possibly committing to fixed interest rates. The group's present interest-bearing borrowing mainly has 1 to 3 months of fixed interest rates. Based on total borrowing according to note 22 on the balance sheet date, an increase in interest rate of 1 percentage point would result in an increased interest cost of SEK 78 million (68) for the group.

Credit risk
The group has no material concentration of credit risks. The group adapts to local conditions in the respective markets and works with local knowledge to ensure that sales of products are made to customers with appropriate credit backgrounds. Because of the large number of customers and transactions that the group has, credit risk is kept at a low level.

Liquidity risk
Management of liquidity risk is based on caution as a starting point, which means maintaining sufficient cash, available financing and adequate agreed credit opportunities. On the balance sheet date, there were cash and cash equivalents including unused overdraft facilities totalling SEK 2,357 million (2,000). In addition, limits have been granted by the group's banks to cover any acquisitions and working capital needs that may arise. Further information is presented in note 22.

Below is the group's maturity analysis of the liabilities that are classified as financial liabilities. The amounts stated are contractual undiscounted cash flows.

Capital risk
The group's capital structure goal is to ensure the group's ability to continue operating so that it can generate returns to shareholders while keeping the capital structure optimal for keeping capital costs down. For example, to change the capital structure, dividends may change, new shares may be issued or assets sold to reduce liabilities. Capital risk is measured as a net debt/equity ratio of interest-bearing liabilities less cash and cash equivalents in relation to equity.

Group	**2023**	**2022**
Interest-bearing liabilities	10 357	8 722
Liquid funds	-1 957	-1 518
Net debt	8 400	7 204
Shareholders' equity	21 443	6 714
Debt ratio	0,39	1,07

Duration analysis 2023-12-31 **Financial liabilities**	**Less than** **1 year**	**Between** **1-2 years**	**Between** **2-5 years**	**More than** **5 years**
Borrowing including interest payments	2 088	642	6 025	6
Trade creditors and other current and long-term liabilities	3 784	285	918	64
Lease liabilities	534	487	777	573
Total	**6 361**	**1 393**	**7 488**	**622**

Duration analysis 2022-12-31 **Financial liabilities**	**Less than** **1 year**	**Between** **1-2 years**	**Between** **2-5 years**	**More than** **5 years**
Borrowing including interest payments	2 838	1 635	2 728	2
Trade creditors and other current and long-term liabilities	2 814	903	243	-
Lease liabilities	443	407	651	313
Total	**6 095**	**2 945**	**3 622**	**315**

4 Important assessments and assumptions for financial reporting purposes

The management and board make assessments and assumptions about the future. These assessments and assumptions affect reported assets and liabilities, as well as income and expenses and other information provided. These assessments are based on historical experience and the different assumptions deemed reasonable under the circumstances. The conclusions drawn form the basis for decisions concerning the reported values of assets and liabilities where these cannot be determined by other information. Areas that include such assessments and assumptions that may have significant impact on the profits and financial position of the group include:

- Testing the need for impairment of goodwill and other assets. Impairment requirements are tested annually in conjunction with the annual report or as soon as changes indicate that an impairment need could exist, such as changing business climate or divestment decisions or business closure decisions. Impairment occurs if the reported value exceeds the estimated utility value. See also note 2 and note 13.

- Other tangible and intangible non-current assets are reported at acquisition value after deduction of cumulative depreciation and any impairment. Intangible assets with an indefinite useful life are included in the annual impairment testing; see above. Depreciation occurs over the estimated utility period. The reported value of the group’s non-current assets is tested as soon as changed conditions show the existence of an impairment requirement. Utility value is measured as expected future discounted cash flow primarily from the cash generating entity to which the asset belongs, but in certain cases also for individual assets. Testing of the reported value of an asset is also updated in the context of a decision on disposal. The asset is reported at the lower of the reported value and fair value after deduction of sales expenses.

- Calculation of deferred tax assets and tax liabilities: Assessments are made to determine both current and deferred tax assets or liabilities, particularly as regards deferred tax assets. An assessment is made of the probability of the deferred tax assets being used in settlement of future taxable profits. The fair value of these future taxable profits may change due to future business climates and earning capacity or changing tax rules. See also note 23.

- As regards IFRS 16, the lease period is determined as the lease period that cannot be terminated, together with both periods subject to an opportunity to extend the lease if the group is reasonably confident of exercising the option and periods subject to an option to terminate the lease agreement if the group is reasonably certain not to exercise that option. In cases where the company will exercise extension options, the agreement is extended by the original agreement period, but at least three years.

- Valuation of inventories is done as an individual assessment based on movement in the stock and on sales history. Defective and outgoing goods are taken into account in the valuation and are valued at any net sales value. New goods and special products of lasting value are excluded from impairment of inventories.

- The group's business combinations are accounted for under the acquisition method. Identifiable acquired assets and liabilities taken over in a business combination are initially valued at fair value on the date of acquisition. Acquisition-related costs are expensed as they arise. Goodwill is valued at the difference between the total purchase price and fair value of identifiable acquired assets and acquired liabilities.

- The reported value of earn-outs and options to acquire the minority share are normally based on expected earnings development in acquired businesses in the coming years. Earn-outs refer to both contingent purchase prices for already acquired units and purchase prices for future acquisitions of minority shareholders' shares in connection with the application of the Anticipated Acquisition Method (AAM). Earnings developments other than expected will affect the reported value of put/call options and earn-outs.

- The company continuously evaluates the risk of potential disputes and historically it has been very unusual to have that type of cost items in the company's results. The company has no ongoing material dispute.

5 Reporting for operating segments

Operating segments
The group's operations are divided into geographical operating segments. The group has the following operating segments: EMEA, APAC and North America.

The segment reporting for the regions includes net sales, EBITA, investments and depreciation. Internal sales in each segment are eliminated in net sales; internal sales between segments are eliminated at the total level. Investments are reported in the segment where the asset is located and consist of the year's investments in tangible and intangible assets. Net sales are distributed by product area, i.e. Commercial and Industrial Refrigeration, HVAC and OEM.

All income is reported at a time when control of the products passes to the customer, which normally occurs upon delivery. As a result, there is no part of the transaction price that is allocated to unfulfilled performance commitments in future financial periods.
Sales in Sweden amount to approximately SEK 690 million (612). The individually material countries are the USA, France and Australia. Sales in the USA amount to approximately SEK 6,340 million (2), in Australia sales amount to approximately SEK 3,965 million (2,994) and in France sales amount to approximately SEK 3,963 million (3,519). It is our assessment that a country is material in cases where net sales in the country exceed 10 per cent of the group's total sales.

Total non-current assets less deferred tax assets and financial instruments amount to SEK 51 million (139) in Sweden. The individually material countries are the USA, Australia, France and Greece, where total non-current assets less deferred tax assets and financial instruments amounted to SEK 12,263 million (0) in the USA, SEK 2,283 million (2,349) in Australia, SEK 1,097 million (1,018) in France and SEK 911 million (908) in Greece. In cases where a country's total non-current assets, less deferred tax assets and financial instruments, exceed 10 per cent of the group's total non-current assets less deferred tax assets and financial instruments, the country is deemed to be material.

Operating segments

2023

SEK M	EMEA	APAC	North America	Elimination	Other	Total
Net sales	20 254	5 633	6 336	-73	-	32 150
EBITA	2 294	489	799	-	-244	3 338
Operating profit (EBIT)						3 159
Net financial income/expense						-576
Tax						-183
Net profit						**2 400**
Investments	**235**	**55**	**67**	**-**	**3**	**360**
Depreciation	**467**	**208**	**191**	**-**	**6**	**872**

Operating segments

2022

SEK M	EMEA	APAC	North America	Elimination	Other	Total
Net sales	18 232	4 473	-	-67	-	22 638
EBITA	1 991	377	-	-	-396	1 972
Operating profit (EBIT)						1 900
Net financial income/expense						-178
Tax						-456
Net profit						**1 266**
Investments	**166**	**52**	**-**	**-**	**2**	**220**
Depreciation	**403**	**162**	**-**	**-**	**6**	**571**

Net sales per product area

2023

SEK M	EMEA	APAC	North America	Elimination	Total
Commercial and industrial refrigeration	8 271	1 690	1 245	-4	11 201
HVAC	10 296	3 040	5 092	-5	18 423
OEM	1 687	903	-	-65	2 526
Total	**20 254**	**5 633**	**6 337**	**-74**	**32 150**

Net sales per product area

2022

SEK M	EMEA	APAC	North America	Elimination	Total
Commercial and industrial refrigeration	7 293	1 452	-	-3	8 742
HVAC	9 604	2 121	-	-1	11 724
OEM	1 335	899	-	-62	2 172
Total	**18 232**	**4 472**	**-**	**-66**	**22 638**

6 Employees and remuneration to employees

Average number of employees	2023		2022	
Parent company	**Total**	**Of which male**	**Total**	**Of which male**
Sweden	31	68%	30	67%
Total in the parent company	**31**	**68%**	**30**	**67%**
Subsidiaries	**Total**	**Of which male**	**Total**	**Of which male**
Australia	712	84%	554	82%
Austria	10	90%	-	-
Belgium	28	82%	705	80%
Bosnia-Herzegovina	14	57%	355	65%
Botswana	9	33%	346	85%
Bulgaria	45	78%	140	79%
China	130	77%	214	76%
Croatia	123	61%	204	79%
Czech Republic	97	66%	87	57%
Denmark	141	80%	121	64%
Estonia	9	78%	27	70%
Finland	64	86%	94	83%
France	579	79%	96	88%
Germany	119	78%	102	79%
Ghana	-	-	122	79%
Greece	88	57%	136	43%
Hungary	24	96%	113	79%
India	65	88%	46	80%
Ireland	9	67%	55	84%
Italy	359	84%	24	96%
Latvia	4	100%	32	56%
Lithuania	10	60%	27	85%
Malaysia	21	67%	99	68%
Mauritius	8	50%	0	0%
Mozambique	9	78%	9	67%
Namibia	10	70%	2	100%
Netherlands	226	64%	7	86%
New Caledonia	8	75%	6	67%

Average number of employees	2023		2022	
Subsidiaries	**Total**	**Of which male**	**Total**	**Of which male**
New Zealand	107	74%	8	75%
North America	909	89%	-	-
Norway	107	87%	7	71%
Poland	49	20%	5	80%
Portugal	25	80%	3	100%
Romania	37	54%	9	33%
Singapore	7	86%	29	62%
Slovakia	29	66%	10	70%
South Africa	754	81%	2	100%
South Korea	69	83%	-	-
Spain	210	80%	126	75%
Sweden	95	82%	6	67%
Switzerland	112	79%	692	84%
Tanzania	1	100%	20	65%
Thailand	138	83%	38	92%
UK	381	53%	140	79%
Zambia	3	100%	7	86%
Total in subsidiaries	**5 993**	**74%**	**4 690**	**77%**
Group, total	**6 024**	**73%**	**4 720**	**77%**

Salaries, other remuneration and social costs, SEK M	2023			2022		
	Salaries and other remuneration	Social costs	Total remuneration to employees	Salaries and other remuneration	Social costs	Total remuneration to employees
Parent company	74	35	109	71	30	101
of which pension costs[1]		9	9		9	9
Subsidiaries	3 058	659	3 717	2 081	454	2 535
of which pension costs		155	155		137	137
Group	**3 132**	**693**	**3 826**	**2 152**	**484**	**2 636**
of which pension costs		**164**	**164**		**146**	**146**

[1]Of the parent company's pension costs, SEK 3 million (9) relates to the board of directors and the CEO.

Board remuneration (SEK thousand)	2023	2022
	Salaries and other remuneration	Salaries and other remuneration
Kate Swann	940	894
Nathalie Delbreuve	610	87
Albert Gustafsson	535	573
Frida Norrbom Sams	588	495
Joen Magnusson	410	395
William Striebe	410	395
Kerstin Lindvall	410	395
Per Bertland	410	395
Total	**4 313**	**3 629**

Remuneration to the Board of Directors and senior executives
In 2023, fees to the chair of the Board of Directors amounted to SEK 840 thousand and to other board members SEK 410 thousand each. The Board of Directors consists of 4 men and 4 women. The fees to the board members on the Audit Committee shall be SEK 200 thousand to the chair and SEK 125 thousand to the ordinary members of the Audit Committee. The fees to the board members on the Remuneration Committee shall be SEK 100 thousand to the chair and SEK 53 thousand to the ordinary members of the Remuneration Committee.

Christopher Norbye, CEO, received salary, remuneration and other benefits amounting to SEK 10,453 thousand (9,685). For pension insurance, an annual amount equal to 30 per cent of gross salary is set aside. The pension solution is defined contribution. The retirement age of the CEO is 65. Profit-based salary is decided annually by the Board of Directors and can amount to a maximum of 100 per cent of annual salary. Profit-based salary is based on qualitative and quantitative goal fulfilment. Severance pay and fixed salary during the notice period are paid to the CEO, with a maximum of 24 months' fixed salary, in the event of termination by the company; no pension or holiday pay is paid on severance pay. The CEO must give six months' notice of resignation and this does not trigger the severance payment. In the case of new employment, no severance settlement occurs.

The group's other senior executives consist of 1 woman and 7 men and consist of the CFO, COO ARW EMEA, COO ARW APAC, COO Toshiba HVAC, CIO, CSCO, EVP M&A and EVP HR. During the year, the CFO left and was replaced by a new senior executive. All senior executives also hold the title EVP. For further information on senior executives, see pages 51-52. These have received salary, remuneration and other benefits amounting to SEK 24,027 thousand (21,271) including profit-based salary of SEK 7,193 thousand (6,484). Pension solutions for seven of the senior executives are defined contribution and amount to a maximum of 25 per cent of the fixed annual salary. The eighth senior executive has a defined benefit pension solution whose terms are based on the rules in France. Upon termination of employment by the company, the senior executives receive up to 12 months' salary. Profit-based salary is decided annually by the Board of Directors and can amount to a maximum of 75 per cent of annual salary.

The Remuneration Committee handles issues regarding remuneration for senior executives at the President and Executive Vice President-level. During the year, the Remuneration Committee held 4 registered meetings, which formed the basis for the board's decision and approval. Questions are prepared during the first board meeting of the year and decided at the latest at the board meeting held in connection with the AGM.

Long-term incentive programme
Option programme 2021/2024
The option programme from 2021 included approximately 90 employees within the group. The programme runs during the period 2021-2024. The maximum number of options amounted to 2,262,000 and the number subscribed amounts to 1,476,000. A total of SEK 21.5 million has been received in respect of the options at a price of SEK 14.10, which is recognised in equity. The company holds treasury shares so as to be able to deliver these when the options mature. The exercise price for the shares is SEK 150.40 in May 2024.

Option programme 2022/2025
A long-term option programme was approved by the shareholders at the 2022 Annual General Meeting. The incentive programme is an options programme covering some 90 employees within the group. The programme runs during the period 2022-2025. The maximum number of options amounted to 1,616,000 and the number subscribed amounts to 482,500. A total of SEK 7.2 million has been received in respect of the options at a price of SEK 14.90, which is recognised in equity. The company holds treasury shares so as to be able to deliver these when the options mature. The exercise price for the shares is SEK 148.40 in June 2025.

Option programme 2023/2026
The option programme from 2023 included approximately 50 employees within the group. The programme runs during the period 2023-2026. The maximum number of options amounted to 1,628,000 and the number subscribed amounts to 316,500. A total of SEK 7.4 million has been received in respect of the options at a price of SEK 23.40, which is recognised in equity. The company holds treasury shares so as to be able to deliver these when the options mature. The exercise price for the shares is SEK 206.50 in June 2026.

7 Other operating income

Group	2023	2022
Exchange gains	76	83
Charged environmental fees	4	21
Capital gains	13	20
Other	23	21
Total	**117**	**145**

8 Remuneration to auditors

Group	2023	2022
Deloitte		
Audit assignment	18 871	13 742
Audit activities in addition to audit assignment	475	262
Tax consultancy	402	364
Other services	6 420	34
Total	**26 168**	**14 402**
Other auditors		
Audit assignment	4 804	2 953
Audit activities in addition to audit assignment	61	30
Tax consultancy	439	346
Other services	36	55
Total	**5 340**	**3 384**
Total	**31 508**	**17 786**

Audit engagement refers to fees for the statutory audit, i.e. such work as has been necessary to submit the auditor's report. Tax advisory services refer mainly to general corporate tax matters. Other services refer to advice on financial reporting as well as services in connection with acquisitions.

9 Financial income

Group	2023	2022
Interest income	29	6
Exchange gains	168	65
Other financial income	0	3
Total	**197**	**74**

10 Financial expenses

Group	2023	2022
Interest expenses	-450	-144
Exchange loss	-156	-70
Interest expenses, leasing IFRS 16	-89	-38
Other	-78	-1
Total	**-773**	**-252**

11 Tax on profit for the year

Group	2023	2022
Current tax	-560	-511
Deferred tax (note 23)	377	56
Tax on profit for the year	**-183**	**-456**
Reconciliation of effective tax		
Profit before tax	2 583	1 721
Tax expense calculated at actual tax rate, 20.6% (20.6)	-532	-355
Effect of different tax rates	-102	-67
Non-deductible costs	-45	-62
Non-taxable income	85	19
Tax attributable to previous years	2	4
Tax losses for which no deferred tax asset was recognised	1	1
Revaluation of previous years' losses	-20	0
Non-capitalised losses	-10	0
Temporary differences, non-capitalised	-2	7
Tax restructuring	440	0
Other	0	-3
Net effective tax	**-183**	**-456**
Effective tax rate	7,1%	26,5%

Deferred tax in comprehensive income amounts to SEK 71 million (-2) and relates to pension provisions of SEK 0 million (-13) and hedging of net investments SEK 71 million (-11).

OECD Pillar Two Model Rules
Beijer Ref is subject to the Pillar Two Model Rules established by the OECD, enacted into Swedish legislation as of 1 January 2024. Since the legislation had not entered into force on the balance sheet day, there is no related exposure to current tax within the Group. Beijer Ref has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, Beijer Ref neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

According to the rules, the Group is subject to a top up tax on the difference between the effective tax rate calculated in accordance with the GloBE rules for each jurisdiction and the minimum tax rate of 15%. Beijer Ref is evaluating the Group's potential exposure to Pillar Two income taxes. The assessment indicates that no material tax exposure is to be expected.

12 Currency effect in result

Group	2023	2022
Currency effects in operating profit	8	82
Currency effects in financial income and expenses	12	-5
Currency effects in profit after tax	**20**	**77**

13 Intangible assets

Group	Capitalised expenditure for software	
Accumulated acquisition value	**2023**	**2022**
On 1 January	395	343
Acquisitions during the year	43	16
Acquisition of companies	4	1
Divestments and disposals	-3	-1
Reclassification	3	8
Translation differences for the year	-6	28
Total	**437**	**395**
Accumulated amortisation		
On 1 January	-316	-264
The year’s amortisation	-27	-30
Divestments and disposals	3	1
Translation differences for the year	4	-23
Total	**-335**	**-316**
Residual value	102	79

Group	Capitalised expenditure for research and development, etc.	
Accumulated acquisition value	**2023**	**2022**
On 1 January	30	22
Acquisitions during the year	5	6
Acquisition of companies	2	0
Translation differences for the year	0	2
Total	**37**	**30**
Accumulated amortisation		
On 1 January	-14	-10
The year’s amortisation	-5	-3
Translation differences for the year	0	-1
Total	**-18**	**-14**
Residual value	19	16

Group	Agencies and customer lists	
Accumulated acquisition value	**2023**	**2022**
On 1 January	886	708
Acquisitions during year	0	0
Acquisition of companies	1 696	122
Translation differences for the year	-98	56
Total	**2 484**	**886**
Accumulated amortisation		
On January 1	-255	-206
The year's amortisation	-147	-39
Translation differences for the year	10	-10
Total	**-393**	**-255**
Residual value	2 091	631

Group	Goodwill	
Accumulated acquisition value	**2023**	**2022**
On 1 January	4 416	2 668
Acquisition of companies	7 947	1 470
Translation differences for the year	-472	278
Total	**11 891**	**4 416**

Group	Goodwill per segment	
EMEA	3 592	3 044
APAC	1 460	1 372
North America	6 838	-
Total	**11 891**	**4 416**

Group	Brands	
Accumulated acquisition value	**2023**	**2022**
On 1 January	342	210
Acquisition of companies	3 168	110
Translation differences for the year	-176	22
Total	**3 334**	**342**

Group	Brands per segment	
EMEA	287	230
APAC	107	112
North America	2 940	0
Total	**3 334**	**342**

The group's operations are divided into geographical operating segments. From the first quarter 2023, the group has the following segments; EMEA, APAC and North America. The segments are also the group's cash-generating units.

The former operating segments Nordics, Central Europe, Southern Europe, Eastern Europe and Africa which were reported separately are now included in EMEA. The former operating segment Asia Pacific is included in APAC. All acquisitions made in the North American market are included in the operating segment North America.

The acquired brands in the group are deemed to have an indefinite lifespan. The assessment that the useful life of these trademarks is indefinite is based on the fact that they are well established trademarks within their respective areas which the group intends to retain and further develop. Furthermore, the brands are considered to be of significant economic importance as this form an integral part of the product offering to the market by signaling quality and innovation in the products. Because the trademarks are expected to be used as long as relevant operations are ongoing, these brands are deemed to have an indefinite lifespan.

Taking into account that an assessment has been made that the cash flows attributable to brands are not can be distinguished from other cash flows within the respective cash generating unit, is carried out impairment test for both goodwill and trademarks jointly by calculating the recovery value of the cash-generating units to which goodwill and trademarks are allocated.

The recoverable amount for the cash-generating units has been determined based on a calculation of useful value. These calculations are based on estimated future cash flows based on financial budgets approved by operational management for the next year. Subsequent estimates have been made covering a five-year period. Cash flows beyond the five-year period are calculated based on maintained profitability and 3% growth. The main variables when calculating the useful value are operating margin, growth and the discount rate after tax. These are estimated based on industry experience and historical experience. The discount rate has been established with the aid of current tools for calculation of return on equity requirements valued at market value and a weighted average of return requirements for the company's total capital.

The discount rate after tax has been calculated based on an overall assessment that takes into account the market's assessment of risk-free interest and risk associated with the specific asset.

A discount rate of 8.2% (8.4%) has been used for all segments. As the segments are considered to have a similar risk profile and operate in similar markets, the risks in cash flows are similar, which justifies the same return requirements being used. Reconciliation has also been made with external assessments of reasonable cost of capital. The estimated recoverable value shows reassuring safety margins of 38-170% (21-187%) in addition to the reported value per segment. Sensitivity analysis has been done for all segments. These too show a reassuring margin between recoverable values and book values. Management believes that no reasonable changes to material variables will result in an impairment need.

Group	Total intangible assets	
Accumulated acquisition value	**2023**	**2022**
On 1 January	6 069	3 951
Acquisitions during the year	49	22
Acquisition of companies	12 818	1 703
Divestments and disposals	0	-1
Reclassification	3	8
Translation differences for the year	-752	386
Summa	**18 186**	**6 069**
Accumulated amortisation		
On 1 January	-585	-480
The year's amortisation	-179	-72
Divestments and disposals	3	1
Translation differences for the year	14	-34
Summa	**-746**	**-585**
Residual value	17 439	5 484

14 Tangible fixed assets

Group	Buildings and land	
Accumulated acquisition value	**2023**	**2022**
On 1 January	458	427
Acquisitions during the year	26	8
Acquisition of companies	589	10
Divestments and disposals	0	-13
Reclassifications	64	0
Translation differences for the year	-40	26
Total	**1 097**	**458**
Accumulated depreciation		
On 1 January	-179	-169
The year's depreciation	-29	-14
Divestments and disposals	0	11
Translation differences for the year	3	-7
Total	**-205**	**-179**
Residual value	892	279

Group	Buildings and other technical plants	
Accumulated acquisition value	**2023**	**2022**
On 1 January	442	362
Acquisitions during the year	16	27
Acquisition of companies	8	33
Divestments and disposals	-4	-1
Reclassifications	-2	-4
Translation differences for the year	-14	25
Total	**447**	**442**
Accumulated depreciation		
On 1 January	-279	-243
The year's depreciation	-27	-21
Divestments and disposals	3	1
Translation differences for the year	10	-16
Total	**-293**	**-279**
Residual value	154	163

Group	Equipment, tools and installations	
Accumulated acquisition value	**2023**	**2022**
On 1 January	1 171	997
Acquisitions during the year	155	76
Acquisition of companies	132	18
Divestments and disposals	-26	-17
Reclassifications	36	26
Translation differences for the year	-17	71
Total	**1 449**	**1 171**
Accumulated depreciation		
On 1 January	-804	-695
The year’s depreciation	-125	-73
Divestments and disposals	18	14
Translation differences for the year	8	-50
Total	**-904**	**-804**
Residual value	546	367

Group	Construction in progress	
Accumulated acquisition value	**2023**	**2022**
On 1 January	63	24
Acquisitions during the year	111	64
Acquisition of companies	24	-
Reclassifications	-102	-29
Translation differences for the year	-2	4
Total	**94**	**63**
Residual value	94	63

Group	Totalt tangible fixed assets	
Accumulated acquisition value	**2023**	**2022**
On 1 January	2 134	1 810
Acquisitions during the year	309	175
Acquisition of companies	754	61
Divestments and disposals	-30	-31
Reclassification	-3	-7
Translation differences for the year	-75	126
Total	**3 088**	**2 134**
Accumulated depreciation		
On 1 January	-1 262	-1 106
The year’s depreciation	-181	-108
Divestments and disposals	21	26
Translation differences for the year	21	-74
Total	**-1 401**	**-1 262**
Residual value	1 687	872

15 Participations in group companies

Parent copmany	**2023**	**2022**
On 1 January	5 057	4 154
Acquisitions	7 765	859
Conversion internal loan	78	-
Change in value, companies with put/call option	89	44
Book value of shares in group companies	**12 989**	**5 057**

Specification of the parent company's and the group's holdings of shares and interests in group companies[1]

Companies owned by the parent company	Corp. Reg. No.	Registrered office	Direct share of capital, %[2]	Book value 2023	Book value 2022
G & L Beijer Förvaltning AB	556020-8935	Malmö	100	7	7
Freddox AB	559116-3372	Malmö	100	0	0
GFF SAS	552130296	Saint Bonnet de Mure	100	612	612
Delclim SAS	542008099	Saint Bonnet de Mure	100	111	111
Kylma AB	556059-7048	Solna	100	8	8
SCM Ref AB	556546-2412	Alvesta	100	2	2
Clima Sverige AB	556314-6421	Ängelholm	100	1	1
H. Jessen Jürgensen AB	556069-2724	Gothenburg	100	0	0
G & L Beijer A/S	56813616	Ballerup	100	143	143
Oy Combi Cool Ab	FI05999255	Helsinki	100	1	1
Schlösser Möller Kulde AS	914492149	Oslo	100	14	14
Beijer Ref Support Norway AS	894871172	Langhus	100	9	9
Børresen Cooltech AS	918890025	Langhus	100	8	8
Beijer Ref Eesti OÜ	10037180	Tallinn	100	0	0
Beijer Ref Latvia SIA	4000344341	Riga	100	0	0
Beijer Ref Lithuania UAB	1177481	Vilnius	100	3	3
Coolmark B.V.	24151651	Barendrecht	100	84	84
Celsis B.V.	08032408	Apeldoorn	100	28	28
Werner Kuster AG	104.904.958	Frenkendorf	100	28	28
Charles Hasler AG	105.871.422	Regensdorf	100	140	140
Dean & Wood Ltd	467637	Leeds	100	109	109
RW Refrigeration Wholesale Ltd	3453694	Leeds	100	7	7
DWG Refrigeration Wholesale Ltd	299353	Dublin	100	5	5
Beijer Ref Hungary Kft	01-09-163446	Budapest	100	5	5
Beijer Ref Romania s.r.l.	J35/2794/2004	Timisoara	100	3	3
Beijer Ref Slovakia s.r.o	36551856	Bratislava	100	0	0

Continuation[1]

Companies owned by the parent company	Corp. Reg. No.	Registrered office	Direct share of capital, %[2]	Book value 2023	Book value 2022
Beijer Ref Czech s.r.o	16734874	Čestlice	100	1	1
Beijer Ref Italy Srl	00728980152	Milano	100	106	60
SCM Frigo S.p.a	04342820281	Padua	100	143	143
Beijer Ref Belgium BV	0807.473.926	Aartselaar	100	23	23
Beijer ECR Iberica S.L	ES B85608925	Madrid	100	21	21
Cofriset SAS	961500261	Lyon	100	163	163
Beijer Ref Deutschland GmbH	HRB195155	München	100	131	131
Beijer Ref Africa (Pty) Ltd	2008/016731/07	Tulisa Park	100	60	60
Beijer B.Grimm (Thailand) Ltd	0105553151561	Bangkok	49	8	8
SCMREF (Thailand) Co Ltd	115550008521	Samutprakarn provine	100	19	19
Beijer Ref Holdings Ltd, NZ	5654928	Auckland	100	48	48
Beijer Ref Holdings AU Pty Ltd	607082379	Sydney	100	454	454
HRP Holdings Ltd	393196	Leeds	100	36	36
Beijer Ref Support B.V.	68371063	Oirschot	100	0	0
SCM Ref B.V.	68371160	Oirschot	100	0	0
Beijer Ref Portugal Unipessoal, Lda.	514531720	Vila do Conde	100	10	10
TecsaReco (Pty) Ltd	2017/452901/07	Tulisa Park	100	119	119
Tecsa Distributors Namibia (Pty) Ltd	2012/0555	Windhoek	100	15	15
Bonsoir (Pty) Ltd	2012/10024	Gabarone	100	7	7
3D Plus Limited	10965805	Leeds	66	20	20
Lumelco S.A.	A28118354	Madrid	100	155	155
Beijer Ref India Pvt Ltd	U29191DL2007PTC170816	New Delhi	100	71	40
Fenagy A/S	41457341	Århus	50	38	38
Coolair Klimasysteme GmbH[3]	HRB 213276	Nordhorn	60	58	61

Continuation[1]

Companies owned by the parent company	Corp. Reg. No.	Registrered office	Direct share of capital, %[2]	Book value	
				2023	**2022**
Froid et Clim Distribution	2014 B 1 240 027	Nouméa	100	18	18
Inventor A.G.S.A[3]	005861001000	Aten	80	948	862
Sinclair Global Group s.r.o[3]	15528383	Brno	100	378	357
Deltron d.o.o.[3]	60000252	Split	80	451	467
Deltron d.o.o.[3]	65-01-0209-14	Sarajevo	80	50	52
EID SAS[3]	522171412	Avignon	85	285	282
Easyairconditioning Group Limited[3]	04221804	Henley-In-Arden	80	57	58
Beijer Ref USA, Inc.	36-5049126	Georgia	100	6 876	-
Transport Cooling SA	2022/713927/07	Pretoria	100	92	-
Condex EOOD[3]	207446039	Sofia	70	579	-
Industrifiber AS[3]	921245149	Oslo	95	12	-
Beijer Ref Korea	134811-751968	Seoul	100	99	-
Gröntklima AS[3]	918708472	Oslo	51	100	-
Roobear Ltd	11740628	Leeds	100	7	-
Total				**12 989**	**5 057**

[1]The specification does not include dormant companies.
[2]The capital share is consistent with the voting share for the total number of shares, except for Beijer B. Grimm (Thailand) Ltd where the voting share amounts to 51%.
[3]The companies are consolidated to 100% as we hold the option to acquire the remaining share.

Continuation[1]

Companies owned by the group	Corp. Reg. No.	Registrered office	Direct share of capital, %[2]
H. Jessen Jürgensen A/S	16920401	Ballerup	100
Armadan A/S	16920436	Ballerup	100
BKF-Klima A/S	18297094	Ballerup	100
TT-Coil A/S	76273219	Ballerup	100
TTC Norge AS	947473697	Mysen	100
ECR Nederland B.V.	17014719	Nuenen	100
Durrisol Kuster AG	439.801.674	Frenkendorf	100
SCM Ref Africa (Pty) Ltd	1999/025734/07	Cape Town	100
Metraclark LDA	100248697	Cidade de Maputo	100
Metraclark Refrigeration and AC Wholesalers Namibia (Pty) Ltd	2008/992	Windhoek	100
Metraclark Botswana (Pty) Ltd	2003/5506	Gabarone	100
Metraclark (Zambia) Limited	109483	Lusaka	51
Metraclark Tanzania (Pty) Ltd	121736	Dar es-Salaam	100
Metraclark Ghana Ltd	CS578702015	Accra	100
Eurocool (Pty) Ltd	2013/128289/07	Johannesburg	100
TFD SNC	534687306	Saint Priest	100
Beijer Ref Polska Sp.z o.o	5261028388	Sekocin Nowy	100
SCM Ref SAS, France	811242882	Lyon	100
RNA Engineering & Trading Sdn. Bhd.	224933-A	Kuala Lumpur	49
Patton Ltd	92864	Auckland	100
RealCold NZ Ltd	5735187	Auckland	100
Beijer Ref Australia Pty Ltd	133913283	Sydney	100
Fridgehub.co.uk Ltd	8103679	Leeds	100
HRP Ltd	832237	Leeds	100
Kirby HVAC & R Pty Ltd	ABN42624910041	Sydney	100
Beijer Ref (Wuxi) Co, Ltd	91320214720563266C	Wuxi	100
Beijer Ref Singapore Pte Ltd	199608760N	Singapore	100

Continuation[1]

Companies owned by the group	Corp. Reg. No.	Registrered office	Direct share of capital, %[2]
Lumelco Portugal LDA	510444555	Vilar	100
Beijer Ref APAC Pty Ltd	ACN624879090	Sydney	100
Airconditioning Direct Pty Ltd	ABN48100354461	Sydney	100
ACD Holding Company Pty Ltd	ABN15617917281	Sydney	100
Hero Trade Supplies Pty Ltd	ABN73626337022	Sydney	100
Inventor Concept SRL[3]	J40/18417/2007	Bucharest	76
Gree Austria GmbH[3]	FN526353z	Raab	63
Sinclair Croatia d.o.o[3]	93897352452	Zagreb	100
Gree Czech & Slovak s.r.o.[3]	08641293	Brno	100
Sinclair Corporation Hungary Kft.[3]	11-09-022923	Komárom	95
Sinclair Slovakia s.r.o[3]	51877244	Bratislava	95
Gree Czech & Slovak s.r.o.[3]	52807118	Bratislava	95
Clima Solution Ltd	8255902	Auckland	100
Complete Air Supply Pty Ltd	ACN050611473	Sydney	100
Armcor Air Solutions	164523497	Melbourne	100
Airstream Components Pty Ltd	ACN146196778	Sydney	100
Thorn Holding Qld Pty Ltd	ACN135168277	Sydney	100
Beijer Ref Refrigerants Ltd	12309921	Leeds	100
Beijer Ref Academy Ltd	11947880	Wetherby	100
Easyairconditioning.com Limited[3]	04114812	Henley-In-Arden	80
Easyairconditioning London Ltd[3]	04819019	Henley-In-Arden	80
Australian Airconditioning Distributors Pty Ltd[3]	139947363	Springvale, Victoria	51
HVAC Consolidated Pty Ltd[3]	162828971	Clayton, Victoria	51
SCM Ref Australia Ltd	643020795	Bankstown	100
Beijer Ref (Mauritius) Ltd	C183355	Port Louis	100
Beijer Ref Heritage LLC[3]	92-1755636	Georgia	95
Heritage Distribution[3]	87-1969363	Georgia	95
WSC Holdings Holdco LLC[3]	87-1917940	Georgia	95

Continuation[1]

Companies owned by the group	Corp. Reg. No.	Registrered office	Direct share of capital, %[2]
WSC Holdings Guarantor LLC[3]	87-1758447	Georgia	95
WSC Holdings Blocker LLC[3]	87-1895263	Georgia	95
BBSC Holdings LLC[3]	88-0562652	Mount Vernon	95
Benoist Brothers Supply Company LLC[3]	37-0175100	Mount Vernon	95
NuComfort LLC[3]	83-1905673	St. Louis	95
Ed's Supply Company LLC[3]	62-0578231	Nashville	95
Ed's Supply Chattanooga LLC[3]	62-1238130	Nashville	95
Ed's Supply Little Rock LLC[3]	71-0358694	Nashville	95
Heritage Distribution OpCo LLC[3]	87-1718047	Georgia	95
Wittichen Supply Company LLC[3]	63-0369255	Birmingham	95
Coastal Supply Company of Tennessee LLC[3]	62-1136747	Knoxville	95
AMSCO Supply LLC[3]	93-3362204	Tulsa	95
Webb Supply LLC[3]	93-4771580	Euclid	95
Shravan Engineering[3]	U28191DL2023PTC411078	Chennai	76
GMC Airconditioning	2023/584612/07	Pretoria	100
HVAC Depot Ltd	9429051477301	Auckland	100
Turner Engineering WA Pty Ltd	ACN 009 381 373	Perth	100
Chaud Froid Distribution SAS	2014 B 1 240 027	Saint Brieuc	100

[1]The specification does not include dormant companies.
[2]The capital share is consistent with the voting share for the total number of shares, except for RNA Malaysia where the voting share amounts to 51%.
[3]The companies are consolidated to 100% as we hold the option to acquire the remaining share.

16 Rights of use assets

The note provides information on the leasing agreements where the group is lessee. Further information related to leases and extension options can be found in the accounting principles, see note 2. Maturity analysis for leasing liabilities is presented in note 3.

Group	2023	2022
Assets with right of use		
Buildings	2 129	1 622
Leasing vehicles	140	105
Fork-lift trucks	32	35
Office equipment	6	6
Machinery	2	2
Total	**2 308**	**1 771**
Leasing liabilities		
Short-term leasing liability	534	437
Long-term leasing liability	1 837	1 377
Total	**2 371**	**1 814**

Additional rights of use in 2022 amounted to SEK 386 million (285) and relate mainly to buildings.

Group	2023	2022
Depreciation of rights of use		
Buildings	-430	-324
Leasing vehicles	-64	-51
Fork-lift trucks	-14	-12
Office equipment	-3	-3
Machinery	-1	-1
Total	**-512**	**-391**
Financial and other external expenses		
Interest expenses, share of financial expenses	-90	-38
Expenses attributable to short-term leasing agreements	-5	-3
Expenses attributable to low-value leasing agreements	-5	-4
Total	**-99**	**-45**

17 Financial assets at fair value

Group	2023	2022
On 1 January	32	44
Changes in the fair value during the year	-3	-14
Exchange difference	0	2
On 31 December	**29**	**32**

The book value of holdings in securities amounts to SEK 29 million (32). The holdings consist of a 14% holding in a Spanish wholesale refrigeration company and 4.35% ownership of Kulthorn Kirby Ltd, which is listed on the Bangkok stock exchange.

As of 31/12/2023, the holding in the Spanish refrigeration wholesaler has been valued at estimated fair value.

The holding in Kulthorn Kirby has been valued at fair value as per the balance sheet date. The change in fair value is entered over other comprehensive income and during the year a change of SEK -3 million has been entered.

There is judged to be no need for impairment of the holding.

18 Trade debtors and other receivables

Group	2023	2022
Trade debtors	4 163	3 681
Prepaid expenses and accrued income	481	346
Other receivables	621	445
Total	**5 265**	**4 472**
Deduct long-term portion	-179	-136
Short-term portion	5 086	4 337

All non-current receivables fall due within five years from the balance sheet date. The fair value of trade debtors and other receivables is consistent with the reported value. There is no concentration of credit risks regarding trade debtors, as the group has a large number of customers which are also spread internationally.

Age analysis	2023	2022
Receivables not yet due	3 153	2 943
Receivables due 1-30 days	637	561
Receivables due 31-60 days	157	104
Receivables due 61-90 days	79	70
Receivables due 91-180 days	146	56
Receivables due 181-360 days	53	19
Receivables due >360 days	140	80
Total	**4 365**	**3 833**
Age analysis reserve for bad debts		
Reserve for bad debts on trade debtors not yet due	-10	-11
Reserve for bad debts on trade debtors overdue 1-30 days	-9	-10
Reserve for bad debts on trade debtors overdue 31-60 days	-3	-6
Reserve for bad debts on trade debtors overdue 61-90 days	-10	-8
Reserve for bad debts on trade debtors overdue 91-180 days	-26	-25
Reserve for bad debts on trade debtors overdue 181-360 days	-30	-14
Reserve for bad debts on trade debtors overdue >360 days	-113	-78
Total	**202**	**-152**
Reserves for bad debts		
On 1 January	-152	-144
Costs of bad debt losses	72	8
Reserve during the period	-63	-9
Acquisition of companies	-60	-7
On 31 December	**-203**	**-152**
Total trade debtors	**4 163**	**3 681**

The group applies the simplified method for calculating expected credit losses. The method means that expected losses over the entire term of the receivable are used as a starting point for trade debtors. The expected credit loss levels are based on customers' payment history along with loss history. The assessment is adjusted as necessary by forward-looking factors based on current available information.

19 Inventories

Group	2023	2022
Raw materials and supplies	270	245
Work-in-progress	140	87
Advances to suppliers	67	94
Finished products and goods for resale[1]	9 701	7 182
Invetory write-downs	-585	-409
Goods in transit	369	190
Total inventories	**9 961**	**7 389**
[1]Of which reported to net sales value	27	24

The individual assessment is based on age structure and write-downs principles. Stocks of finished products and goods for resale have been written down by 100% if the goods have not moved in more than 36 months and by 80% if the goods have not moved in the last 24-36 months.

20 Liquid funds

Liquid funds in the group consist of cash and bank balances and amount to SEK 1,957 million (1,518).

21 Share of capital

Number of shares	2023	2022
A shares with number of votes 10	27 956 160	27 956 160
B shares with number of votes 1	481 129 766	354 347 910
Total	**509 085 926**	**382 304 070**
Shares in own custody[1]	-2 275 000	-1 958 500
Number of outstanding shares	**506 810 926**	**380 345 570**

Each share has a nominal value of SEK 0.98.

The year's earnings per share		
before dilution, SEK[2]	4,88	3,00
after dilution, SEK[2]	4,88	3,00
Dividend per share, SEK	1,30	0,94

[1]During the year, 316,500 shares were acquired to ensure Beijer Ref's delivery of shares to participants in the incentive program.

[2]Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

Outstanding option programs have had no dilutive effect.

22 Borrowing

Group	2023	2022
Long-term		
Bank loans	6 167	4 191
Total long-term	**6 167**	**4 191**
Current		
Bank overdraft facilities	160	214
Bank loans	597	2 218
Commercial paper	955	175
Total current	**1 712**	**2 607**
Total borrowing	**7 879**	**6 798**

Of the company's total credit facilities of SEK 13,183 million (22,620), SEK 4,668 million (16,930) was unused on the balance sheet date. The financing agreements include all long-term bank loans as well as most of the reported overdraft facility. The parent company's limits consist of revolving credit facilities, long-term loans and commercial paper. The average credit period for all limits is approximately 16 months. All financial conditions (net debt ratio ratio and interest coverage ratio) that we are required to report in accordance with the financing agreements were met as per 31/12/2023. Borrowing is reported at accrued acquisition value and is considered to constitute a good estimate of fair value taking into account the fixed terms and the setting of interest rates.

The group's borrowings per currency in SEK million are as follows:

	2023	2022
EUR	3 008	3 305
SEK	3 654	3 401
USD	1 105	-
THB	51	12
AUD	46	55
Other currencies	16	25
Total	**7 879**	**6 798**

23 Deferred tax

Group	Value 01/01/2023	Acquisitions/ Divestments	Reported over the profit and loss account	Reported in other comprehen-sive income	Translation differences	Value 31/12/2023
Deferred tax assets:						
Fixed assets	31	-49	-28	-	3	-43
Trade debtors	13	16	-5	-	0	25
Inventories	111	36	2	-	-4	145
Provision for pensions	16	5	69	0	-4	86
Other provisions	107	5	-99	71	-3	81
Loss carry forwards	32	0	56	-	0	88
Set-off	-10	-	47	-	-	37
Total deferred tax assets	**299**	**14**	**42**	**71**	**-6**	**419**
Deferred tax liabilities:						
Fixed assets	-223	-512	369	-	-18	-384
Inventories	-17	-	-2	-	-0	-18
Tax allocation reserve	-15	-	15	-	-	-
Set-off	10	-	-47	-	-	-37
Total deferred tax liabilities	**-245**	**-512**	**335**	**-**	**-18**	**-439**
Deferred tax	**54**	**-498**	**377**	**71**	**-24**	**-21**

Group	Value 01/01/2022	Acquisitions/ Divestments	Reported over the profit and loss account	Reported in other comprehen-sive income	Translation differences	Value 31/12/2022
Deferred tax assets:						
Fixed assets	26	-	3	-	2	31
Trade debtors	12	0	-1	-	1	13
Inventories	80	1	20	-	9	111
Provision for pensions	25	0	1	-13	3	16
Other provisions	59	2	30	11	5	107
Loss carry forwards	27	3	0	-	2	32
Set-off	-5	-	-5	-	-	-10
Total deferred tax assets	**224**	**6**	**47**	**-2**	**23**	**299**
Deferred tax liabilities:						
Fixed assets	-142	-68	4	-	-15	-223
Inventories	-15	0	-1	-	-1	-17
Tax allocation reserve	-16	-	0	-	-	-15
Set-off	5	-	5	-	-	10
Total deferred tax liabilities	**-168**	**-69**	**8**	**0**	**-17**	**-245**
Deferred tax	**56**	**-62**	**56**	**-2**	**6**	**54**

IFRS 16 is included in the table for 2023 with a net receivable of SEK 16 million regarding fixed assets. The gross amounts are SEK 601 million in deferred tax receivables and 585 in deferred tax liabilities. In the table for 2022, the corresponding amount is a net receivable of SEK 11 million net and the gross amounts are SEK 461 million in deferred tax assets and SEK 450 million in deferred tax liabilities.

Deferred tax attributable to fixed assets, pension commitments and the majority of loss deductions are expected to be utilized after 12 months. Otherwise, a term of less than 12 months is expected. Most of the loss deductions are not time-limited. In addition to pre-booked loss deductions include approximately SEK 10 million (10) in accumulated losses that have not been capitalized due to uncertainty in utilization.

24 Pension commitments

Group	2023	2022
The amounts reported in the consolidated balance sheet were calculated as follows:		
Current value of funded commitments[1]	374	374
Fair value of plan assets	-316	-311
Deficits in funded plans	**59**	**63**
Current value of unfunded commitments	48	47
Net liabilities on the balance sheet	**107**	**110**

[1]In the 2022 value, the liability for direct pension is SEK 11 million (1)

Changes in the defined-benefit obligations during the year are as follows:		
On 1 January	410	436
Costs of service in the current year	13	15
Costs of service in previous years	-8	-2
Interest expense	10	3
Contributions from employees	12	12
Revaluation effects resulting from demographic and financial assumptions	-11	-109
Revaluation effects resulting from experience-based assumptions	5	33
Payments made	-39	-31
Liabilities acquired through business combinations	1	1
Other	1	0
Translation difference	14	52
On 31 December	**409**	**410**

The change in the fair value of plan assets during the year is as follows:		
On 1 January	311	296
Interest income	7	2
Revaluation effects	-3	-14
Contributions from the employer	8	8
Contributions from employees	12	12
Payments made	-33	-28
Translation difference	13	35
On 31 December	**316**	**311**

Group	2023	2022
The plan assets consist of the following:		
Funded with pension managers	85	304
Interest-bearing securities	68	-
Properties	60	-
Receivables at nominal value	9	-
Shares	74	-
Cash	3	2
Other	16	5
Total	**316**	**311**
The amounts recognised in other comprehensive income are as follows (revaluations):		
Actuarial (profit) or loss on the current value of the obligation	-6	-76
Return on plan assets excluding amounts included in the interest expenses	3	13
Total pension costs or (income)	**-3**	**-62**

Defined benefit plans

Within the group, there are a number of defined benefit plans, where employees are entitled to compensation after termination of employment based on final salary and length of service. The defined benefit plans are in Switzerland, Italy, Holland, France, Thailand, Greece and Sweden.

Pension insurance with Alecta

Commitments for retirement pension and family pension for salaried employees in Sweden are secured through an insurance policy with Alecta. According to a statement by the Council for Financial Reporting, UFR 10, this is a defined benefit plan that involves several employees. For the financial year 2022, the company has not had access to such in formation as makes it possible to report this plan as a defined benefit plan. The pension plan according to ITP that is secured by insurance with Alecta is therefore reported as a defined contribution plan. The year's contributions for pension insurance that is contracted with Alecta amounts to SEK 2.1 million (2.1). Alecta's surplus can be distributed to policyholders and/or the insured parties. The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance undertakings calculated according to Alecta's actuarial methods and assumptions, which do not correspond with IAS 19. The collective solvency level shall normally be allowed to vary between 125 and 175 per cent. In order to strengthen the level of consolidation if it is deemed too low, one measure may be to increase the contracted price for new subscriptions and extension of existing benefits. If the level of consolidation exceeds 150 per cent, premium reductions can be introduced. At the end of 2022, Alecta's surplus in the form of the collective consolidation level amounted to 158 per cent (172).

The composition of the net defined benefit obligation by country is presented below

2023	Netherlands	Switzerland	France	Italy	Other	Total
Present value of the obligation	89	248	33	30	22	**423**
Fair value of plan assets	-85	-225	-6	-	-	**-316**
Total	**4**	**23**	**27**	**30**	**22**	**107**

2022	Netherlands	Switzerland	France	Italy	Other	Total
Present value of the obligation	98	241	34	31	18	**421**
Fair value of plan assets	-95	-211	-5	-	-	**-311**
Total	**3**	**30**	**29**	**31**	**18**	**110**

De viktigaste aktuariella antaganden var följande:

	Netherlands		Switzerland		France		Italy		Other	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate, %	3.77	3.12	1.90	1.75	3.67	3.61	3.09	3.23	3.28	3.36
Future salary increases, %	-	-	1.20	1.20	2.00	2.15	3.00	-	4.86	4.84

Netherlands

The analysis for future salary increases is not relevant as the plans have no accrual and these parameters have no effect on benefits.

Sensitivity analysis for defined benefit pension commitments:

Effect on defined benefit obligations in 2023

		Netherlands		Switzerland		France		Italy		Other	
	Change in assumed value	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate, %	1.00%	-14.81%	18.96%	-12.24%	15.50%	-9.70%	11.14%	-6.74%	7.59%	-5.24%	5.90%
Future salary increases, %	1.00%	-	-	0.40%	-0.42%	11.61%	-10.20%	1.72%	-1.54%	6.13%	-5.64%

The above sensitivity analyses are based on a change in one assumption while all other assumptions are kept constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to material actuarial assumptions, the same method (the present value of the defined benefit obligation using the projected unit credit method at the end of the reporting period) is used as for calculating the pension liability presented in the financial condition report.

25 Other provisions

Group	2023	2022
Guarantee commitments	109	103
Other	92	86
Total	**201**	**189**
Long-term portion	130	112
Current portion	72	77
Total	**201**	**189**
Guarantee commitments		
Net value at the start of the period	103	79
Provisions made during the period	45	58
Acquisition of companies	-	1
Reclassification	1	-3
Amounts utilised during the period	-36	-36
Restored unutilised amount	-3	-4
Translation difference	-2	8
Net value at the period end	**109**	**103**

Guarantee reserve
A guarantee reserve is reported when the underlying product or service is sold. The guarantee provision is calculated on the basis of previous years' guarantee costs and a calculation of future guarantee risk.

Other		
Net value at the start of the period	86	56
Provisions made during the period	71	76
Acquisition of companies	0	6
Reclassification	-1	0
Amounts utilised during the period	-60	-60
Restored unutilised amount	0	-1
Translation difference	-4	8
Net value at the period end	**92**	**86**

Other
Provisions reported as other consist mostly of sales-related provisions such as bonuses and commissions

26 Trade creditors and other liabilities

Group	2023	2022
Trade creditors	2 728	2 585
Advance payments from customers	142	98
Accrued expenses and deferred income	1 086	1 149
Other current liabilities	1 514	788
Total	**5 470**	**4 621**

The fair value of trade accounts payable and other liabilities is considered to correspond to their reported values, as they are by nature short-term.

27 Pleged assets and contingent liabilities

Group	2023	2022
Pledged assets and contingent liabilities	169	27
Total	**169**	**27**

28 Transactions with shareholders with non-controlling interest

Group	2023	2022
On 1 January	111	93
Share of the year's result	25	17
Translation difference	1	10
Dividend	-17	-9
On 31 December	**120**	**111**

The holders of the non-controlling interest relate to Beijer B. Grimm (Thailand), Metraclark Zambia Limited, RNA Malaysia, Fenagy A/S and 3DPlus.

29 Company acquisitions

For each acquisition, the company performs a materiality assessment based on sales, product area and market. It is our assessment that an acquisition is material in cases where the sales of the acquired company exceed 5 per cent of the group's total sales. During the year, 15 acquisitions were consolidated in the group's accounts, of which Heritage Distribution was assessed as a material acquisition; the other 14 acquisitions were each deemed immaterial.

Heritage Distribution
On 20 January 2023, the acquisition of Heritage Distribution was completed. Beijer Ref acquired 94.77 per cent of the shares and holds a sale/purchase option to acquire the remaining shares. Heritage Distribution is a leading distributor of heating, ventilation, air conditioning and refrigeration tools, components, and equipment in North America. The acquisition of Heritage Distribution represents Beijer Ref's entry into the strategically important and attractive North American market. Heritage Distribution is included in Beijer Ref's financial reporting from 20 January 2023.

Other acquisitions
The acquisitions refer to the assets of Transport Cooling SA, AFM, Shravan Engineering, DS Maref, AMSCO Supply, HVAC Depot and Webb Supply. In addition, all shares in Roobear Ltd, GMC Airconditioning, Turner Engineering and CFD have been acquired, as well as the majority of the shares in Grönt Klima, Condex and Industrifiber, where the group has a sale/purchase option to acquire the remaining shares.

Accounting for acquisitions
Identified customer lists are written off over 10-15 years, while brands are judged to have an indefinite lifespan and are not written off. Most accrued acquisition goodwill is explained by synergy gains with the group's existing operations. In 2023, share and asset and liability acquisitions were carried out where parts of the final purchase price will be paid via option rights within the time span 2024–2029. The options have been valued at the likely outcome and entered as current and non-current liability; this liability amounts to SEK 728 million in total. Acquisitions that include a sale/purchase option, where ownership will amount to 100 per cent, are consolidated in their entirety at the time of acquisition.

Acquisition costs for acquisitions completed in 2023 and charged to profit for 2023 amount to approximately SEK 42 million and are included in other costs. Since the respective consolidation dates, the acquired companies have contributed SEK 7.007 million to the group's net sales and SEK 880 million to EBITA for the financial year.

The acquisition calculations for the companies acquired during 2022 have now been determined. No significant adjustments have been made to the calculations.

The table on the right shows the total cash flow effect from acquisition activities. The presentation of identifiable net assets refers to acquisitions made during the first six months of 2023 and the corresponding period of 2022 respectively. Other acquisitions include the effects of all acquisitions consolidated in 2023 excluding Heritage Distribution. These companies have been aggregated in the table below as the respective acquisitions are not material individually.

Acquisitions of companies	**Heritage Distribution**	**Other acquisitions**	**Sum 12 months 2023**	**Sum 12 months 2022**
Fair value reported in the group:				
Intangible fixed assets	4 435	369	4 805	233
Tangible and financial fixed assets	1 135	226	1 361	243
Deferred tax assets	-	1	1	6
Inventories	1 773	663	2 436	263
Other current assets	570	258	827	228
Liquid funds	432	71	504	154
Deferred tax liabilities	-494	-18	-512	-69
Provision	-	-2	-2	-4
Other current liabilities	-1 073	-451	-1 524	-500
Other current credit institutions	-5 619	-104	-5 723	-79
Total identifiable net assets	**1 160**	**1 014**	**2 174**	**476**
Goodwill	6 798	1 017	7 815	1 465
Effect on cash flow:				
Consideration	-7 958	-2 031	-9 989	-1 941
Non-paid purchase price	313	465	778	872
Consideration paid relating to acquisitions from previous years	-	-225	-225	-229
Reimbursed purchase price for previous years' acquisitions	-	14	14	-
Liquid funds in acquired companies	432	71	504	154
Total	**-7 213**	**-1 706**	**-8 919**	**-1 144**

30 Transactions with related parties

Beijer B. Grimm (Thailand) Ltd rents premises in property owned by companies controlled by Harald Link, who is a partner in Beijer B. Grimm (Thailand) Ltd. The rent during the year amounted to SEK 1 million (1).

Coolair Klimasysteme GmbH leases premises in a property owned by a company controlled by Siegfried Otto, minority owner of Coolair, and related party to him. The rent during the year amounted to SEK 1 million (1).

Deltron d.o.o. Croatia leases premises in property owned by companies controlled by Ante and Mladen Drnasin, minority owners of Deltron d.o.o. Croatia. The rent during the year amounted to SEK 2 million.

Australian Airconditioning Distributors Pty Ltd.leases premises in property owned by companies controlled by Craig Dodd, Jason Dodd and David Dodd, who in turn control Australian Airconditioning Distributors Pty Ltd. minority owner Aircon Concepts Pty Ltd. The rent during the year amounted to SEK 4 million. Australian Airconditioning Distributors Pty Ltd. is also charged administration costs by these companies amounting to SEK 1 million.

HVAC Consolidated Pty Ltd. has sold goods to companies owned by companies controlled by Craig Dodd and Jason Dodd who in turn control HVAC Consolidated Pty Ltd. minority owner Coldflow Airconditioning Pty Ltd at a value of SEK 22 million.

Companies within Sinclair Group in the Czech Republic, Slovakia and Austria lease premises in properties owned by companies controlled by Zdenek Cizek, Ivo Nespor and Vladimir Pakosta, minority owners of Sinclair Group. The rent amounted to SEK 10 million (7).

Companies within Sinclair Group in the Czech Republic and Slovakia provided property management and accounting services to companies controlled by Zdenek Cizek, Ivo Nespor and Vladimir Pakosta, who are minority owners of Sinclair Group. The services amounted to SEK 0 million (1).

In 2021, H. Jessen Jürgensen A/S leased premises in property owned by close associates of Peter Jessen Jürgensen, former board member of Beijer Ref AB. Peter Jessen Jürgensen resigned from the Board at the Annual General Meeting in April 2021. The rent during the period Jan-March 2021 amounted to SEK 1 million.

Remuneration to senior executives appears in note 6.

31 Events after the balance sheet date

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

32 Proposal for distribution of profit

Profit at the disposal of the Annual Meeting of shareholders:

Share premium reserve	14 535
Profit brought forward	333
Net profit for the year	475
Total	**15 343**

The Board of Directors and the CEO propose that the profit be distributed as follows:

Dividend, SEK 1.25 per share	659
To be carried forward	14 684
Total	**15 343**

The Board of Directors finds that the proposed dividend is within the framework of the company's long-term goals and is justifiable in view of what is stated in the Swedish Companies Act, Chapter 17, Section 3, regarding the requirements that the nature, scope and risks of the business place on the size of the equity and consolidation needs, liquidity and position in general for the parent company and the group. The group's and the parent company's equity/assets ratio after the proposed dividend amount to 29 per cent and 17 per cent, respectively.

The income statement and balance sheet will be presented to the Annual General Meeting on 23 April 2024 for adoption. The proposed record dates are 25 April and 25 October 2024.

Parent company profit and loss account and parent company's report on other comprehensive income

Parent company profit and loss account

SEK M	Note	2023	2022
Net sales		0	5
Other operating income	35	111	119
Total income		**111**	**124**
Goods for resale		-	-5
Other external costs	36	-97	-69
Personnel costs	34	-106	-103
Depreciation and write-down of intangible and tangible fixed assets	43, 44	-2	-3
Operating profit		**-94**	**-56**
Results of participations in group companies	37	535	632
Financial income	38	752	111
Financial expenses	39	-990	-206
Profit after financial investments		**202**	**481**
Appropriations	40	198	102
Profit before tax		**401**	**583**
Tax on the year's profit	41	74	10
Net profit for the year		**475**	**593**

Parent company's report on other comprehensive income

SEK M	2023	2022
Net profit for the year	475	593
Total comprehensive income for the year	**475**	**593**

Parent company balance sheet

SEK M	Note	2023-12-31	2022-12-31
ASSETS			
Intangible fixed assets			
Capitalised expenditure for software	43	7	6
Total intangible fixed assets		**7**	**6**
Tangible fixed assets			
Buildings and land	44	1	1
Equipment, tools and installations	44	3	3
Total tangible fixed assets		**4**	**4**
Financial fixed assets			
Participations in group companies	45	12 989	5 057
Financial assets at acquisition value	46	25	25
Deferred tax assets	41	86	10
Receivables from group companies		8 743	2 369
Other long-term securities holdings		14	11
Total financial fixed assets		**21 857**	**7 472**
Total fixed assets		21 867	7 482
Current assets			
Current receivables			
Receivables from group companies		2 566	1 889
Tax receivables	41	69	22
Other current receivables		37	15
Prepaid expenses and accrued income		33	19
Total current receivables		**2 705**	**1 945**
Liquid funds		0	339
Total current assets		**2 705**	**2 284**
Total assets		**24 573**	**9 766**

SEK M	Note	2023-12-31	2022-12-31
SHAREHOLDERS' EQUITY			
Share capital	49	495	372
Fund for development expenditures		5	6
Total restricted equity		**500**	**378**
Share premium reserve		13 633	902
Profit brought forward		1 235	247
Net profit for the year		475	593
Total non-restricted equity		**15 343**	**1 742**
Total equity		**15 842**	**2 119**
Untaxed reserves			
Tax allocation reserves		0	75
Total untaxed reserves		**0**	**75**
LIABILITIES			
Long-term liabilities			
Borrowing	22,27	6 146	4 163
Other long-term liabilities		446	572
Total long-term liabilities		**6 591**	**4 735**
Current liabilities			
Trade creditors		5	11
Borrowing	22,27	1 608	2 521
Liabilities to group companies		6	3
Other liabilities		1	31
Accrued expenses and prepaid income		519	271
Total current liabilities		**2 139**	**2 837**
Total equity and liabilites		**24 573**	**9 766**

Changes in equity, parent company

SEK M	Share capital	Fund for development expenditure	Non-restricted equity	Total equity
Equity 31/12/2021	**372**	**6**	**1 581**	**1 959**
Net profit for the year			593	593
Total comprehensive income for the year			**593**	**593**
Fund for development expenditures		0	0	0
Purchase of own shares			-21	-21
Received option premium LTIP 2022-2025			7	7
Dividend for 2021			-419	-419
Equity 31/12/2022	**372**	**6**	**1 742**	**2 119**
Net profit for the year			475	475
Total comprehensive income for the year			**475**	**475**
Fund for development expenditures		-1	1	0
Purchase of own shares			-39	-39
Received option premium LTIP 2023-2026			7	7
Dividend for 2022			-477	-477
Rights issue	123		13 633	13 756
Equity 31/12/2023	**495**	**5**	**15 343**	**15 842**

Parent company cash flow statement

SEK M	Note	2023	2022
Current operations			
Operating profit		-94	-56
Adjustments for items not included in the cash flow: Depreciation and write-downs of intangible and tangible fixed assets	43, 44	2	3
Other items not affecting cash flow		3	7
Total		**-89**	**-46**
Paid interes		-517	-136
Paid income tax		-	2
Cash flow from current operations before changes in working capital		**-605**	**-180**
Changes in working capital			
Changes in operating receivables		-7 328	-1 512
Changes in operating liabilities		-24	-253
Cash flow from current operations		**-7 957**	**-1 946**
Investment operations			
Acquisition of shares and participations		-7 823	-830
Acquisition of tangible and intangible fixed assets		-3	-2
Receivied interest		630	111
Receivied dividend		535	632
Cash flow from investment operations		**-6 662**	**-89**

SEK M	Note	2023	2022
Financial operations			
Borrowing		23 940	6 520
Amortisation of liabilities		-22 859	-3 848
Paid dividend		-477	-419
Receivied option premium, LTIP 2022-2025		7	7
Acquisition of own shares		-39	-21
Rights issue		13 707	-
Cash flow from financial operations		**14 280**	**2 240**
Change in liquid funds		-339	205
Liquid funds on 1 January		339	134
Liquid funds on 31 December		**0**	**339**

33 Parent company's accounting principles

The parent company's financial statements have been drawn up according to the Annual Reports Act (ÅRL) and RFR 2. In its financial statements, the parent company applies the International Financial Reporting Standards (IFRS) approved by the EU whenever possible under the Annual Reports Act and taking into account the relationship between financial reporting and taxation.

Subsidiaries
In the parent company's accounts, shares in subsidiaries are recognised at acquisition value, less any impairment. Dividends from subsidiaries are recognised solely to the extent that they are received as the distribution of income earned after acquisition.

Group contributions
Group contributions received by the parent company from a subsidiary are reported as an appropriation.

Leasing agreements
The parent company reports leasing agreements according to RFR2. Which means that leasing fees are booked over the leasing period in the income statement.

34 Employees and remuneration to employees

	2023		2022	
Average number of employees	**Total**	**of which male**	**Total**	**of which male**
Sweden	31	68%	30	67%
Total in the parent company	**31**	**68%**	**30**	**67%**

Salaries, other remuneration and social costs (SEK M)

	2023	2022	
	Salaries and other remuneration	**Social costs**	**Total remuneration to employees**
Sweden	74	35	109
of which pension costs[1]		9	9

Salaries, other remuneration and social costs (SEK M)

	2022		
	Salaries and other remuneration	**Social costs**	**Total remuneration to employees**
Sweden	71	30	101
of which pension costs[1]		9	9

[1]Of the parent company's pension costs, SEK 3 million (9) relates to the board of directors and the CEO.

Board remuneration (SEK thousand)	**2023**	**2022**
	Salaries and other remuneration	**Salaries and other remuneration**
Kate Swann	940	894
Nathalie Delbreuve	610	87
Albert Gustafsson	535	573
Frida Norrbom Sams	588	495
Joen Magnusson	410	395
William Striebe	410	395
Kerstin Lindvall	410	395
Per Bertland	410	395
Total	**4 313**	**3 629**

35 Other operating income

	2023	**2022**
Group revenues	111	115
Rent	-	1
Exchange gains	-	3
Total	**111**	**119**

36 Remuneration to auditors (SEK T)

	2023	**2022**
Deloitte		
Audit assignment	1 748	978
Audit activities in addition to audit assignment	306	-
Tax consultancy	52	300
Other services	4 200	-
Total	**6 306**	**1 278**

Audit engagement refers to fees for the statutory audit, i.e. such work as has been necessary to submit the auditor's report. Tax advisory services refer mainly to general corporate tax matters. Other services refer to advice on financial reporting as well as services in connection with acquisitions.

37 Results of participations in group companies

	2023	**2022**
Dividends received, group companies	535	632
Total	**535**	**632**

38 Financial income

	2023	**2022**
Interest income, group companies	616	109
Interest income, external	14	2
Exchange gains	117	-
Derivative valuation changes	4	-
Total	**752**	**111**

39 Financial expenses

	2023	**2022**
Interest expenses, group companies	-4	0
Interest expenses, external	-438	-136
Exchange losses	-472	-37
Derivative valuation changes	-	-33
Other financial expenses	-77	-
Total	**-990**	**-206**

40 Appropriations

	2023	**2022**
Group contributions	123	68
Tax allocation reserve	75	-16
Total	**198**	**52**

41 Tax on profit for the year

	2023	2022
Current tax	-2	0
Deferred tax	76	10
Tax on profit for the year	**74**	**10**
Reconciliation of effective tax		
Profit before tax	401	583
Tax expense calculated at actual tax rate, 20.6% (20.6)	-83	-120
Non-deductible costs	-2	-1
Non-taxable income	161	130
Adjustment of previous year's tax	-2	-
Net effective tax	74	10
Effective tax rate	18,6%	1,7%

42 Currency effect in result

	2023	2022
Currency effects in operating profit	-	3
Currency effects in financial income and expenses	-351	-70
Currency effects in profit after tax	**-351**	**-67**

43 Intangible assets

	Capitalised expenditure for software	
Accumulated acquisition value	**2023**	**2022**
On 1 January	23	21
Acquisitions during the year	4	2
This year's disposals	-2	-
Total	**25**	**23**
Accumulated amortisation		
On 1 January	-17	-15
The year’s amortisation	-2	-3
This year's disposals	2	-
Total	**-18**	**-17**
Residual value	7	6

44 Tangible fixed assets

	Buildings and land	
Accumulated acquisition value	**2023**	**2022**
On 1 January	6	6
Total	**6**	**6**
Accumulated depreciation		
On 1 January	-4	-4
The year’s depreciation	-1	0
Total	**-5**	**-4**
Residual value	1	1

	Equipment, tools and installations	
Accumulated acquisition value	**2023**	**2022**
On 1 January	7	7
Acquisitions during the year	0	0
This year's disposals	-2	-
Total	**5**	**7**
Accumulated depreciation		
On 1 January	-4	-4
The year’s depreciation	0	-1
This year's disposals	**2**	**-**
Total	**-2**	**-4**
Residual value	3	3

45 Participations in group companies*

	2023	2022
On 1 January	5 057	4 154
Acquisitions	7 765	859
Share contribution	78	-
Change in value, companies with put/call option	89	44
Book value of shares in group companies	**12 989**	**5 057**

*For more information, see note 15

46 Financial assets at fair value

	2023	2022
On 1 January	25	25
On 31 December	**25**	**25**

47 Borrowing

	2023	2022
Long-term		
Bank loans	6 146	4 163
Total long-term	**6 146**	**4 163**
Current		
Bank overdraft facilities	98	176
Bank loans	555	2 170
Commercial paper	955	175
Total current	**1 608**	**2 521**
Total borrowing	**7 754**	**6 684**

The group's borrowings per currency in SEK M are as follows:

EUR	2 996	3 401
SEK	3 654	3 283
USD	1 105	-
Total	**7 754**	**6 684**

The parent company's limits are primarily distributed across two sources of financing: revolving credit facilities and long-term loans. The average credit period for all limits is approximately 13 months. All financial conditions (solvency and interest coverage ratio) that we are obligated to report according to the financing agreements were met as of December 31, 2022. Borrowings are recorded at accrued acquisition value and are considered to be a good estimate of fair value considering the term and interest rate.

48 Contingent commitments/Contingent liabilities

	2023	2022
Guarantee commitments	38	45
Total	**38**	**45**

The parent company's guarantee undertaking is to the bank for subsidiaries' credits.

Exemption rules for subsidiaries
A parent company guarantee has been issued in accordance with Article 2:403 paragraph 1F of the Netherlands Civil Code regarding the financial year 2023 for the following subsidiaries registered in the Netherlands. The parent company guarantee applies to all outstanding liabilities of the subsidiaries at the balance sheet date until commitments are fulfilled. The subsidiaries described have applied the exemption regarding the obligation to register the annual accounts with the Dutch Chamber of Commerce in accordance with Article 2:403 paragraph 1 of the Dutch Civil Code.

- Beijer Ref Support B.V.
- ECR-Nederland B.V.
- Coolmark B.V.
- SCM Ref B.V.
- Celsis B.V.

49 Share of capital

Number of shares	2023	2022
A shares with number of votes 10	27 956 160	27 956 160
B shares with number of votes 1	481 129 766	354 347 910
Total	**509 085 926**	**382 304 070**
Shares in own custody	-2 275 000	-1 958 500
Number of outstanding shares	**506 810 926**	**380 345 570**

Each share has a nominal value of SEK 0.98.

Proposal for distribution of profit

Profit at the disposal of the Annual Meeting of shareholders:	
Share premium reserve	14 535
Profit brought forward	333
Net profit for the year	475
Total	**15 343**

The Board of Directors and the CEO propose that the profit be distributed as follows:	
Dividend, SEK 1.25 SEK per share[1]	659
To be carried forward	14 684
Total	**15 343**

The board finds that the proposed dividend is within the framework of the company's long-term goals and is reasonable considering the provisions stated in Chapter 17, Section 3 of the Companies Act regarding the requirements posed by the nature, scope, and risks of the operations on the size of the equity and consolidation needs, liquidity, and position of the parent company and the group. The solvency of the group and the parent company after the proposed dividend amounts to 53% and 62% respectively.

The income statement and balance sheet will be presented to the annual general meeting for approval on April 23, 2024. The proposed record dates are April 25 and October 25, 2024.

[1]For 2023, according to the board's proposal, also refer to note 32.

Signatures

The Board of Directors and the CEO declare that the consolidated financial report has been prepared in accordance with the international financial reporting standards IFRS as adopted by the EU and gives a true and fair view of the group's position and results.

The annual report has been prepared in accordance with good accounting practice and gives a true and fair view of the parent company's position and results. The report of the board for the group and the parent company gives a true and fair overview of the development of the group's and the parent company's activities, position and results, as well as describing significant risks and uncertainty factors to which the parent company and the companies within the group are exposed.

Malmö 03/28/2024

Kate Swann
Chair

Christopher Norbye
CEO

Albert Gustafsson
Board member

William Striebe
Board member

Frida Norrbom Sams
Board member

Joen Magnusson
Board member

Kerstin Lindvall
Board member

Per Bertland
Board member

Nathalie Delbreuve
Board member

Our audit report was submitted 03/28/2024

Deloitte AB

Richard Peters
Authorised Public Accountant
Auditor in charge

AUDITOR'S REPORT

To the general meeting of the shareholders of Beijer Ref AB (publ) corporate identity number 556040-8113

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Beijer Ref AB (publ) for the financial year 2023-01-01 - 2023-12-31, except for the corporate governance report on page 55-59. The annual accounts and consolidated accounts of the company are included on pages 53-103 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

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

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

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

Valuation of inventory
The group carries significant inventories of goods and spare parts, amounting to SEK 9 961 million and held by several subsidiaries in many countries. Valuation of inventory requires clear policies and is subject to management's estimates for determining its cost, judgment about its saleability and its net realizable value as well as procedures for safeguarding and keeping track of the inventory.

In note 2 and in note 4 the group's inventory accounting policy and critical accounting estimates and judgments are described.

Our audit procedures
Our audit procedures included, but were not limited to:
• assessing the group's accounting policy and the individual entities' accounting for inventory in compliance with IFRS,
• on a sample basis testing of the valuation of inventory,
• evaluating management's estimates of the obsolescence reserve, and
• review of eliminations of intragroup profits in inventory.

Acquisitions and identification of surplus values
In 2023, Beijer Ref concluded acquisitions for a total consideration of SEK 9 989 million. The reporting of acquisitions includes significant estimates and assessments being made by management to determine the fair value of the acquired assets and liabilities and allocating these to the appropriate cash-generating units.

In note 2 and in note 4 the group's acquisition accounting policy and accounting estimates and judgments are described. Information related to acquisitions can be found in note 29.

Our audit procedures
Our audit procedures included, but were not limited to:
• Review of accounting principles to ensure that the accounting is in accordance with IFRS,
• Review of agreements linked to acquisitions and established acquisition calculations, including the Group's significant assumptions and assessments for valuation of acquired assets and assumed liabilities.
• Review of completeness in relevant notes to the financial statements.

Our valuation specialists have participated in the implementation of selected audit procedures.

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 1-52, 106-114. The other information also includes the remuneration report that we obtained before the date of this audit 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor´s report".

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Beijer Ref AB (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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.

A further description of our responsibilities for the audit of the management’s administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor´s report.

The auditor’s examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Beijer Ref AB (publ) for the financial year 2023-01-01 - 2023-12-31.

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

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

Basis for opinion

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

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

Responsibilities of The Board of Directors and the Managing Director

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

Auditor’s responsibility

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

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

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

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

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

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

The auditor’s examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 55-59 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s 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.

Deloitte AB, was appointed auditor of Beijer Ref AB by the general meeting of the shareholders on the 2023-04-25 and has been the company’s auditor since 2020-06-25.

Malmö 2024-03-28
Deloitte AB

Richard Peters
Authorized Public Accountant

Five years in summary

SEK M	2023	2022	2021	2020	2019
Sales and profits, excluding items affecting comparability[1]					
Net sales	32 150	22 638	16 905	14 062	14 817
Organic growth, %	1.4	16.4	14.4	-6.2	4.4
EBITDA	4 090	2 717	1 835	1 477	1 655
EBITA	3 398	2 217	1 410	1 086	1 274
EBIT	3 219	2 145	1 361	1 036	1 230
Net financial items	-438	-179	-69	-59	-56
Profit before tax	2 781	1 967	1 292	977	1 174
Tax on the year's profit	-645	-480	-302	-248	-301
Net profit for the year	2 136	1 511	990	729	873
Attributable to:					
The parent company's share-holders	2 110	1 494	979	722	864
Non-controlling interests	25	17	11	6	9
Profit per share before dilution, SEK[2]	4.33	3.54	2.58	1.90	2.27
Profit per share after dilution, SEK[2]	4.33	3.54	2.56	1.89	2.26
Capital structure					
Liquid funds including unutilised bank overdraft facility	2 357	2 000	1 342	1 646	1 286
Equity	21 443	6 714	5 266	4 489	4 369
Capital employed	33 884	16 849	11 379	8 596	8 374
Operating capital	31 898	15 300	10 331	7 395	7 538
Operating cash flow	2 490	176	-59	1 200	1 190
Interest-bearing liabilities	10 357	8 722	5 589	4 105	4 002
Balance sheet total	39 170	21 864	15 300	11 401	11 079

[2]Items affecting comparability exist for the period 2023 and 2022. See impact of items affecting comparability on p. 53.
[2]The 2022 figure is a recalculation as a result of the rights issue that was completed in March 2023.

	2023	2022	2021	2020	2019
Key figures					
Equity ratio, %	54.7	30.7	34.4	39.4	39.4
Return on equity, %	11.2	20.4	20.0	16.5	20.9
Return on operating capital, excluding items affecting comparability, %	10.7	16.7	16.0	14.5	16.8
EBITA margin, excluding items affecting comparability, %	10.6	9.8	8.3	7.7	8.6
Net debt/EBITDA, excluding leasing liabilities, pension liability and items affecting comparability, ratio	1.69	2.30	2.02	1.38	1.52
Other					
Average number of employees	6 024	4 720	4 134	3 856	3 869

Net debt reconciliation

SEK M	2022-12-31	Cash flow	Currency effect	Non-cash flow effect	2023-12-31
Pension commitments	110	-17	1	13	107
Long-term borrowing	4 191	-1 812	98	3 691	6 167
Lease liabilities	1 814	9	-73	621	2 371
Short-term borrowing	2 607	-2 901	-3	2 009	1 712
Deduct:					
Liquid funds	1 518	484	-45	-	1 957
Net debt	**7 204**	**-5 205**	**68**	**6 334**	**8 400**

Net debt reconciliation

SEK M	2021-12-31	Cash flow	Currency effect	Non-cash flow effect	2022-12-31
Pension commitments	142	-11	17	-37	110
Long-term borrowing	3 007	1 029	155	-	4 191
Lease liabilities	1 476	-386	121	603	1 814
Short-term borrowing	964	1 546	97	-	2 607
Deduct:					
Liquid funds	1 004	442	72	-	1 518
Net debt	**4 585**	**1 736**	**318**	**566**	**7 204**

The net debt is part of the company's APM and are reported on the website.

Energy

Reporting principles
Energy consumption data is obtained from invoiced data from our power suppliers and/or from metered figures. Data for energy consumption in Scope 1 & 2 includes all of Beijer Ref's facilities in 2021. New facilities in 2022 and 2023 will be added in 2024. Data for 2021 and 2022 will also be updated at that time, in line with the Green House Gas Protocol guidelines, for recalculation of emissions for base year on acquisition. Energy consumption from leased and rented sales offices and small local warehouses is included in scope 1 & 2 emissions.

		Unit	2023	2022	2021
Scope 1 & 2	Scope 1 + 2 / total energy consumption, direct and indirect	MWh	25 578	27 947	29 867
Scope 1	- of which natural gas	MWh	5 981	9 583	8 615
Scope 1	- of which coal or fuel distilled from crude oil	MWh	298	0	50
Scope 2	- of which district heating	MWh	2 941	1 950	3 041
Scope 2	- of which electricity	MWh	16 358	16 414	18 161

Greenhouse gas emissions (Scope 1, 2 & 3)

Reporting principles
Beijer Ref has adopted the Greenhouse Gas Protocol (GHG) as the basis for our greenhouse gas reporting principles. Scope 1, 2 & 3.

Direct emissions in Scope 1: Direct and indirect energy consumption is an important source of greenhouse gas emissions at Beijer Ref, as are VOC emissions from handling the refrigerants and emissions from owned and leased company cars. Data for Scope 1 & 2 emissions includes all Beijer Ref facilities. GHG emissions from leased and rented sales offices and small local warehouses are included in Scope 1 & 2 emissions. Data on VOCs is based on the number of reported leaks from our companies across the organisation. Emissions from power consumption are based on the International Energy Agency's country specific GHG emission factors (market based), excluding production and transmission losses. The total emissions per revenue are based on the group's revenues for companies owned in 2021 and absolute emissions for the same companies.

Scope 3: The greenhouse gas emissions reported are in accordance with the Greenhouse Gas Protocol Accounting and Reporting Standard and include categories that are considered material for Beijer Ref. Quantification is subject to inherent uncertainty since the scientific knowledge used to determine emission factors and the figures required to combine emissions of different gases are incomplete. As the data quality for the remaining Scope 3 categories improves, we plan to update and include it in our reporting.

1. Use of sold products: Covers all our refrigeration and HVAC units sold and the emissions result from the use of these products during their lifetime in terms of emissions from electricity consumed and leakage of refrigerants. Product life cycle, energy consumption and leakage rates are industry standards based on the assumptions of the EU impact assessment report accompanying the proposal for a Regulation of the European Parliament and of the Council on fluorinated greenhouse gases amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014. The assumptions are combined with the number of units sold from our business system.

Another aspect of the use of sold products is the sale of refrigerants in bulk that are sold in gas cylinders to installers for filling or refilling units. Emissions from this category are calculated as how much of the refrigerants are expected to leak into the atmosphere during the refrigerant's life cycle. Product life cycle and leakage rates are industry standards based on the assumptions of the EU impact assessment report accompanying the proposal for a Regulation of the European Parliament and of the Council on fluorinated greenhouse gases amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014.

2. Goods and services purchased: Includes all input electronic devices, piping and refrigerants that are registered in Beijer's system for handling production data. Emissions are calculated as emission factors linked to financial expenses in the different areas.

3. Transport of goods: Based on expenses on the different types of transport (road and sea). Emissions are calculated as emission factors linked to financial expenses in the different areas.

4. Life cycle of used product: Based on the refrigerants sold in bulk and the amount remaining at the end of the product's life cycle. Leakage rates at the end of the life cycle are industry standards based on the assumptions of the EU impact assessment report accompanying the proposal for a Regulation of the European Parliament and of the Council on fluorinated greenhouse gases amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014 in combination with the amount of gas sold based on data generated from the company's business system.

	2023	2022	2021
Scope 1, direct emissions			
- VOCs and HFC-gases	0	28 370	387
- Leased Company Cars	7 953	7 227	5 375
- Natural Gas	1 094	1 844	1 146
- Other fossil fuel emissions	546	17	71
Scope 2, indirect emissions			
- Electricity (location based)	6 216	6 699	6 541
- District Heaing	415	359	248
Scope 1 & 2, total	16 224	44 898	13 768
Scope 1 & 2 emissions intencity			
- Per revenue	0.68	1.98	0.81
Scope 3, other indirect emissions			
Use of sold products:			
- Electricity	2 551 930	2 633 572	2 688 798
- Leakage from refrigerants sold	5 245 644	5 313 444	5 425 022
- Leakage from loaded units	247 354	255 268	324 947
End of life treatment of sold products:			
- Leakage from refrigerants end of life	2 377 367	2 408 001	2 474 432
Purchased goods and services	204 331	581 911	286 224
Up and down stream transportation	82 725	120 855	163 095
Employee commuting	1 412	7 990	6 630
Waste generated in operations	5 780	5 254	5 452
Business travel	1 309	233	135
Fuel and enery-related activities	4 590	10 627	3 103
Scope 3, total	**10 722 442**	**11 337 155**	**11 377 838**
Scope 1, 2 & 3, total	**10 738 666**	**11 382 053**	**11 391 606**
Scope 1, 2 & 3, emissions intencity	**450**	**503**	**674**

*Applies to comparable companies (i.e. not companies acquired from 2022 onwards)

ESG data and accounting principles

Accounting principles for sales of environmentally friendly products
Beijer Ref has the ambition that 50 per cent of Beijer Ref's own OEM refrigeration equipment sold will be classified internally as "environmentally friendly" by 2025. The definition of environmentally friendly is that the refrigeration equipment is run with a refrigerant with a low global warming potential (GWP), which means that the GWP must be lower than 150. Total OEM sales refer to the total amount of original equipment manufactured and sold as shown in note 5. Environmentally friendly sales are the share of net sales of the total OEM market that meets the criteria for running on a refrigerant with GWP lower than 150.

	2023	2022	2021	2020	2019
Green OEM-sales, %	45	39	33	32	26

Accounting principles for the EU Taxonomy
Taxonomy-aligned economic activity refers to an economic activity described in the delegated acts supplementing the Taxonomy Regulation when that economic activity meets all technical screening criteria within those delegated acts. At Beijer Ref, we evaluate that the environmentally friendly part of our OEM operations in terms of sales, OpEx and CapEx meets the criteria described and is taxonomy related. Our core business at Beijer Ref is the sale and distribution of equipment to HVAC and refrigeration installers. Sales and distribution are currently not accepted as aligned activity in the EU taxonomy legislation, although we consider ourselves to be an important part of the solution, as shown in other parts of the report. The total sales used as a denominator includes income from contracts with customers (note 5). Total CapEx used as a denominator includes additions of tangible assets (note 14) and intangible assets (note 13 excluding goodwill) and the addition of right-of-use assets (note 16). Goodwill is not included in CapEx because it is not defined as an intangible asset in accordance with IAS 38. OpEx used as a denominator includes the following items (repair and maintenance costs related to premises, repair and maintenance of machinery and tools etc., short-term leases and cost of R&D). This is part of other external costs in the consolidated income statement.

	Total (denominator) (SEK M)	Share covered by taxonomy "aligned", %	Share not covered by taxonomy "non-aligned", %
Sales	32 150	3.55	96.45
Capital expenditure (CapEx)	6 923	0.82	99.18
Operating expenditure (OpEX)	80	27.0	72.98

Accounting principles for work-related injuries and accidents
Work-related injuries are measured as the number of injuries resulting in absence from work that exceed one day per one million hours worked. The scope of the report covers all Beijer Ref's full-time and part-time contract partners. Short- and long-term sick leave is based on the same number of employees as described above. Staff turnover is based only on full-time employees.

		2023	2022	2021	2020	2019
Injuries and accidents. all employees	LTI freq.	6.1	7.6	6.6	4.6	5.2
Long-term sick leave	%	1.6	1.5	1.1	1.3	1.1
Short-term sick leave	%	1.7	1.7	1.3	1.8	1.1
Total sick leave	%	3.3	3.2	2.4	3.1	2.2
Target sick leave	%	<4	<4	<4	<4	<4

Accounting principles for anti-corruption
Cases submitted through the SpeakUp function for whistleblowers include all cases reported either directly through the whistleblower system or through management. The scope of relevant matters for SpeakUp for Whistleblowers includes violations of all the subjects covered by the Beijer Ref Code of Conduct. Business ethics and compliance cases submitted through SpeakUp are investigated through Beijer Ref's investigative process.

	2023	2022	2021	2020	2019
Number of notified cases	1	0	1	3	1

Accounting principles for equality
The number of employees and managers is based on the total number of employees, which is also reported divided between men and women. The reporting includes all of Beijer Ref's full-time and part-time employees.

	2023	2022	2021	2020	2019
Female employees, %	23	23	23	22	21
Female managers, %	22	18	19	17	16

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activites (1)	"Code (2)"	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	"Category transitional activity (20)"
		SEK M	%	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	1 140	3.55%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	9,60%		
Turnover of environmental sustainable activities (Taxonomy-aligned (A.1)		1 140	3.55%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	9,60%		
Of which enabling activities		0	0%							E/NL	E/NL	E/NL	E/NL	E/NL	E/NL	E/NL	%	E	
Of which transitional activities		1 140	3.55%	Y						Y	Y	Y	Y	Y	Y	Y	9,60%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	1 386	4.31%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1 386	4.31%	%	%	%	%	%	%								0		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		2 526	7.86%	%	%	%	%	%	%								0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		29 624	92%																
TOTAL		32 150	100%																

Proportion of turnover/Total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	3.55%	7.86%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activites (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category en-abling activity (19)	"Category transitional activity (20)"
Text		SEK M	%	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	57	0.82%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	91%		
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1)		57	0.82%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	91%		
Of which enabling activities		0	0%							E/NL	E/NL	E/NL	E/NL	E/NL	E/NL	E/NL	%	E	
Of which transitional activities		57	0.82%	Y						Y	Y	Y	Y	Y	Y	Y	91%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	6	0.08%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6	0.08%	%	%	%	%	%	%								0		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		63	0.91%	%	%	%	%	%	%								0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		6 847	99.1%																
TOTAL		6 923	100%																

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.82%	0.91%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activites (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category en-abling activity (19)	"Category transitional activity (20)"
Text		SEK M	%	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	22	27.0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	84.5%		
OpEx of environmental sustainable activities (Taxonomy-aligned A.1)		22	27.0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	84.5%		
Of which enabling activities		0	0%							E/NL	E/NL	E/NL	E/NL	E/NL	E/NL	E/NL	%	E	
Of which transitional activities		22	27.0%	Y						Y	Y	Y	Y	Y	Y	Y	84.5%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																			
				"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"	"EL; N/EL"										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	2	2.9%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2	2.9%	%	%	%	%	%	%								0		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		24	29.9%	%	%	%	%	%	%								0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		56.0	70.1%																
TOTAL		79.9	100%																

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	27.0%	29.9%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

Industry terms

ARW	Air Condition & Refrigeration Wholesale - refrigeration wholesaler business in air conditioning and refrigeration.
Chiller	Liquid refrigeration unit.
CO_2 equivalent	A measurement of greenhouse gas emissions and how much carbon dioxide is needed to produce the same effect on the climate.
F-gases	Artificial gases containing fluorine, such as HCFCs and HFCs.
GWP	Global Warming Potential, measures the influence of the greenhouse effect.
HCFC	HydroChloroFluoroCarbons, which affect the ozone layer and contribute to global warming.
HFC	HydroFluoroCarbons, fluorinated greenhouse gases that contribute to global warming.
HFO	HydroFluoroOlefins, synthetic environmentally friendly refrigerants.
HVAC	Heating, Ventilation, Air Conditioning.
OEM	Original equipment manufacturer, own product manufacturing.
Transcritical	Heat transfer with gas cooler.
CCM	Climate Change Mitigation
CCA	Climate Change Adaptation
WTR	Water and Marine Resources
CE	Circular Economy
PPC	Pollution Prevention and Control
BIO	Biodiversity and ecosystems

Other

CSR	Corporate Social Responsibility.
The Kigali Agreement	Addendum to the Montreal Protocol. An agreement between countries that have committed themselves to reducing the production and consumption of HFCs by more than 80% over the next 30 years (2050).
KPI	Key Performance Indicator.
PIM	Product Information Management, centralised management of product information that is needed to market and sell the products through one or more distribution channels.

Definition of key figures

Beijer Ref uses a number of alternative key figures. The group believes that the key figures are useful to users of the financial statements as a complement to the profit and loss account and balance sheet and cash flow statement. Examples of alternative key figures linked to financial position: return on equity and operating capital, net liabilities, debt to equity ratio and equity/assets ratio. The group also uses the cash flow measurement of operating cash flow to give an indication of the funds that the business generates in order to be able to carry out strategic investments, make amortisations and provide returns to shareholders. The performance measurements EBITDA, EBITA and EBIT are measurements that Beijer Ref considers relevant for investors who wish to understand the business's profit generation. For further description including calculations and key figures, see https://www.beijerref.com/alternative-performance-measures.

Geographical areas

EMEA	Austria, Belgium, Bosnia and Herzegovina, Botswana, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Ghana, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Mauritius, Mozambique, Namibia, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Tanzania, United Kingdom, Zambia.
APAC	Australia, China, India, Malaysia, New Caledonia, New Zealand, Singapore, South Korea, Thailand.
North America	USA

The shareholders of Beijer Ref AB (publ), corporate ID no. 556040-8113, are hereby invited to the Annual General Meeting (the “AGM”) to be held on 23 April 2024, at 15.00 at Glasklart, Dockplatsen 1, in Malmö, Sweden. Registration for the AGM will begin at 14.30.

The board of directors has resolved, in accordance with the provisions of the company’s Articles of Association, that shareholders may exercise voting rights in advance by so-called postal voting.

A. RIGHT TO PARTICIPATE, NOTIFICATION OF ATTENDANCE AND POSTAL VOTING

A shareholder who wishes to attend the AGM venue or who wishes to exercise its voting rights by postal voting, must be recorded in the share register maintained by Euroclear Sweden AB as per 15 April 2024; and must

(i) in the event of participation at the AGM venue: give notice of attendance to the company no later than by 17 April 2024, kindly before 16:00.

Notice of attendance is submitted by regular mail to Beijer Ref AB, “AGM”, c/o Computershare AB, P.O. Box 5267, SE-102 46 Stockholm, Sweden, by email to proxy@computershare.se, by telephone +46 (0)771 24 64 00, or through the company’s website, https://www.beijerref.com/annual-general-meeting-2024/. The notice of attendance shall include name of shareholder, personal or corporate identity number, address, telephone number, and if relevant, name of proxy holder and number of any assistants (not more than two); and/or

(ii) in the event of exercising voting rights by postal voting: give notice hereof by submitting its postal vote to the company no later than by 17 April 2024, kindly before 16:00.

A special form shall be used for postal voting. The form is available on the company’s website, https://www.beijerref.com/annual-general-meeting-2024/. The completed and signed form shall be sent to Beijer Ref by regular mail to Beijer Ref AB, “AGM”, c/o Computershare AB, P.O. Box 5267, SE-102 46 Stockholm, Sweden or by e-mail to proxy@computershare.se. Shareholders may also cast their votes electronically by verifying with BankID via the company’s website, https://www.beijerref.com/annual-general-meeting-2024/.

A shareholder who wishes to attend the AGM venue in person or by proxy must give notice of this in accordance with the instructions in (i) above. Hence, a notice of participation only through postal voting is not sufficient for a person who wishes to attend the AGM venue.

If a shareholder is represented by proxy, a written and dated power of attorney signed by theshareholder must be issued to the proxy and submitted to the company. A proxy form is available on the company’s website, https://www.beijerref.com/annual-general-meeting-2024/. Further, if the shareholder is a legal entity, a registration certificate or other authorisation document must be submitted to the company. In order to facilitate the registration process, proxies and registration certificates and any other authorisation documents is requested to be received by the company at the above address in connection with submitting the notice of attendance or postal vote.

The shareholder may not provide a postal vote with specific instructions or conditions. If so, the entire vote is invalid. Further instructions and conditions are included in the form for postal voting.

Shareholders whose shares are nominee-registered must temporarily re-register their shares in their own name in the shareholders’ register maintained by Euroclear Sweden AB in order to participate in the AGM (so called voting rights registration). The shareholders’ register as of the record date 15 April 2024 will include voting rights registrations made no later than 17 April 2024. Therefore, shareholders must, in accordance with the respective nominee's routines, in due time before said date request their nominee to carry out such voting rights registration.

Financial calender for 2024

• Interim report Q1	23 April
• Annual General Meeting	23 April
• Interim report Q2	19 July
• Interim report Q3	24 October
• Year-end report 2024	31 January 2025

For more information, contact:

Niklas Willstrand
Director of Global Communications
Telephone +46 40-35 89 00
Email nwd@beijerref.com

This is Beijer Ref

The Beijer Ref Group is focused on trade and distributor activities within refrigeration products, air conditioning and heat pumps. The product range mainly consists of products from leading international manufacturers and in addition some manufacturing of our own products combined with service and support for the products. The group creates added value by adding technical expertise to the products, providing knowledge and experience about the market and providing efficient logistics and warehousing.

Beijer Ref supplies customers across large parts of the world with a wide range of products. Through its 150+ subsidiaries in Europe, North America, Africa and Asia and Oceania, sales, purchasing, logistics and distribution are handled. Part of the sales comes from own production. The business is divided into three operating segments: EMEA, APAC and North America. Growth occurs both organically and through the acquisition of companies that complement current operations.

Seasonal effects

Beijer Ref's sales are seasonally dependent as demand for refrigeration and air conditioning is at its peak during the warm months of the year. It means that demand in the northern hemisphere is at its peak during the second and third quarters whilst demand in the southern hemisphere is at its peak during the first and fourth quarters.

BEIJER REF

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On our website www.beijerref.com you will always find the latest information, such as publish financial information, press releases and much more.

This document is a translation of the Swedish language version. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.