



Expect more



CHRISTIAN
BERNER

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- Revised report
- Sustainability information
- Remuneration report

The revised annual accounts and consolidated financial statements are on pages 2, 22–23 and 44–74. The corporate governance report that was reviewed by the auditors is on pages 32–35 and 38–43.

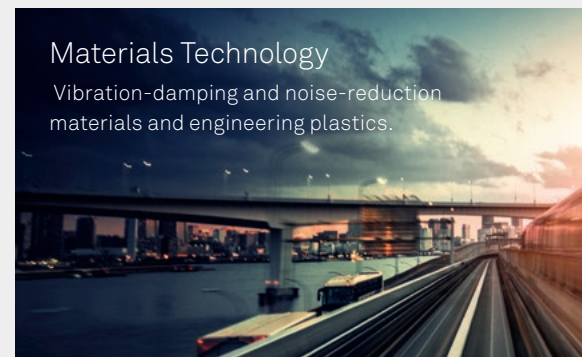
The remuneration report is on pages 36–37.

The sustainability information that was reviewed by the auditors is on pages 13–19.

A value-creating technology partner for more than 120 years...

Christian Berner is a technology trading company. We help companies facing technical investments to find the right solution. Through decisions close to customers in a decentralised organisation, we help them choose or develop innovative solutions from the global market. We thereby give them the conditions to increase profitability and to conduct a sustainable business.

High level of technical expertise in two complementary business areas



Diversified customer and supplier base

5,000 customers

- The largest customer accounts for 4 per cent of revenue
- The key customer segments are the pulp and paper industry, engineering industry, construction industry, food industry and petrochemicals and refineries.

200 suppliers

Most are based in Europe, but purchases are also made in other parts of the world.

Strong position in the Nordic region

4 geographic segments

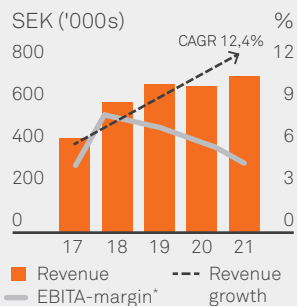
- Sweden, SEK 526 million
- Norway, SEK 130 million
- Finland, SEK 69 million
- Denmark, SEK 18 million



...with a strong history and a strategy for 120 more years

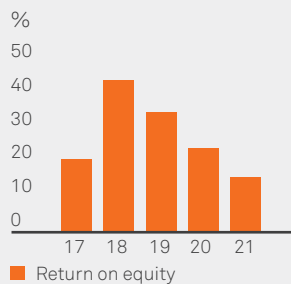
Good growth

We have had a good growth over time.



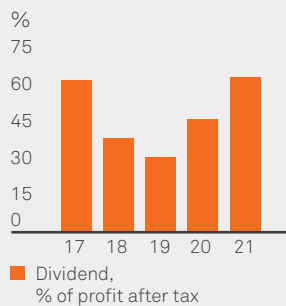
Return

Return on capital gives us resources...



Dividends

...to both pay dividends...



Successful acquisitions

...and make acquisitions.

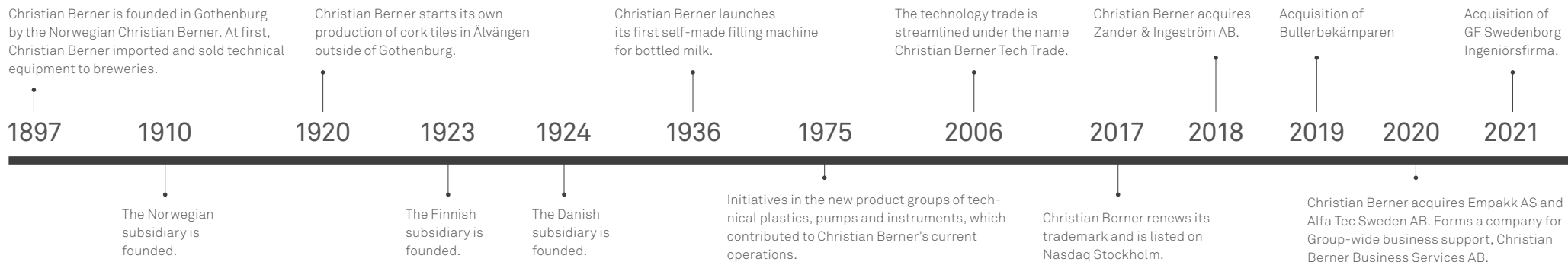
SEK 982 million
acquired revenue in the past five years

Strategy for high value creation

Our overall strategic goal is profitable and sustainable growth. We believe that a sustainable financial value creation must be based on an operation that creates great value for customers, which is sustainable for society and which feels meaningful to our employees. This is why we focus on areas

- Where we add a great deal of customer benefit
- That contribute to sustainability
- That have the conditions for good profitability

More than 120 years of knowledge and quality



Year in brief

The beginning of the year was marked by the pandemic as the customers waited to place new orders. The trend turned in the second quarter when the order intake increased strongly, which continued throughout the year.

Acquisitions

GF Swedenborg Ingeniörsfirma

In April, Christian Berner AB acquired GF Swedenborg Ingeniörsfirma, which markets and sells pump brands, such as Dickow and DAB, and rupture discs from Rembe. They also have their own products in industrial dampers that are sold under their own trademark Swedspjäll.

Swedenborg had revenue of SEK 50 million in 2021 with good profitability. The purchase price was SEK 28 million on a debt-free basis plus SEK 6 million in an additional purchase consideration based on earnings for 2021.

Net revenue and EBITA



Other important events

Other events concern staff changes:

- Marcus Wigren was appointed the new President of Zander & Ingeström and took office on 10 January 2022. He replaces Joel Lybert who left on 30 November.
- In September, Sara Johansson began the newly established role as head of the HR function in the Group's service company Christian Berner Business Services AB.
- Lars Westlund took office as interim CFO on 1 December. He replaced Torbjörn Gustafsson, who left on 31 December.
- In October, it was announced that CEO Bo Söderqvist will be leaving his position. He will stay until a successor is in place.
- In November, it was announced that Caroline Reuterskiöld was appointed CEO and will replace Bo Söderqvist in 2022.

COVID-19

The global pandemic, COVID-19, which affected the world in 2020, was also the external factor that had the greatest impact on the Group in 2021. As the pandemic, in 2020, negatively impacted opportunities to visit existing customers and proactively cultivate new segments and establish new products, the order intake decreased and thereby the order book the Group carried over into 2021. The first few months of the year were also strongly affected by

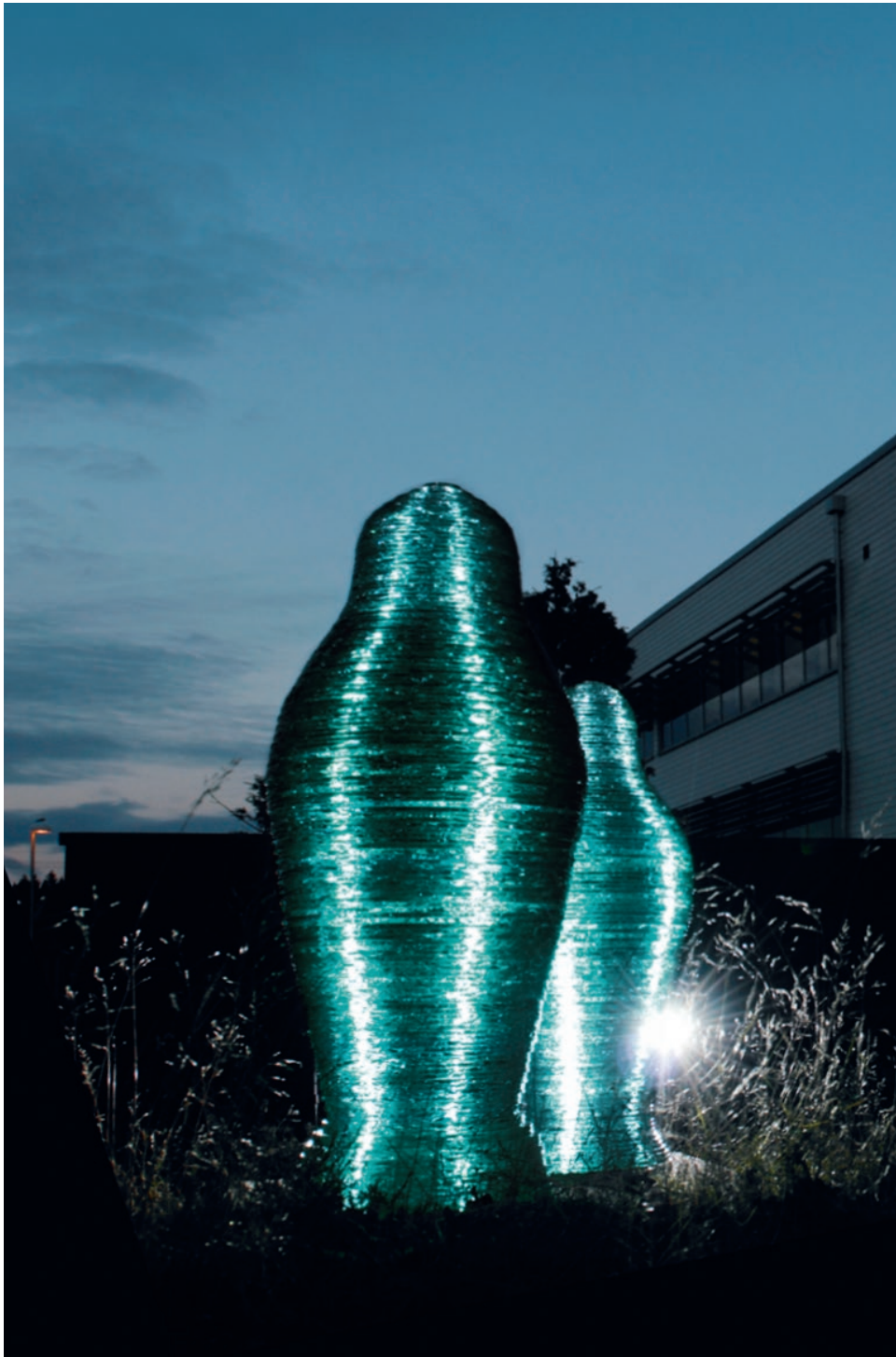
KPIs

SEK THOUSANDS	2021	2020	2019	2018	2017
Net revenue	743,209	695,169	704,750	617,575	449,607
Net revenue growth	6.9%	-1.4%	14.1%	37.4%	4.8%
EBITA	30,885	42,167	53,085	51,779	21,467
EBITA margin	4.2%	6.1%	7.5%	8.40%	4.80%
Operating profit/loss	30,046	40,705	51,035	50,091	20,177
Operating margin	4.0%	5.9%	7.2%	8.1%	4.5%
Net financial items	-1,268	-869	-2,229	-1,252	-257
Profit/loss for the period	24,742	32,104	37,894	37,725	15,448
Total assets	609,282	513,115	424,778	352,400	186,891
Earnings per share (SEK)	1.21	1.66	2.03	2.02	0.84
Equity ratio, %	30.7%	34.3%	36.1%	36.8%	50.8%
Return on equity, %	15.9%	24.2%	34.5%	43.5%	20.9%
Cash flow for the period	28,995	23,720	-7,179	-31,276	-334
Number of shares at close of period	18,759	18,759	18,759	18,759	18,759

For definitions of key performance indicators, see page 75.

the restrictions that the spread of the disease gave rise to. It was not until March that some restrictions could be lifted and there was a clear change in the possibility of proactive sales and a generally higher demand for the Group's products and services. This was also shown in a strong increase in order intake in the second quarter, as well as a strong profit in the third quarter.

There is still some impact linked to increased delivery times. We have not seen that we lost any business because of this, but orders remain in the order book longer before they can be delivered to the customer and can be invoiced.



MESSAGE FROM THE CEO

Strong order intake in the second half of the year

We began the year with a lower order book, which meant that the first half of the year was weak in terms of profit. Demand recovered, however, and after a strong order intake in the second half of the year, we have a good order book to take with us into 2022.

The Group EBITA margin amounted to 4.2 (6.1) per cent. Revenue increased by 6.9 per cent to SEK 743 (695) million. Zander & Ingeström had another strong year and G.F Swedenborg, which we acquired during the year, achieved "all time high" earnings, which was extra enjoyable after taking possession on 1 May.

Development of the markets

In Sweden, the EBITA margin was 8.5 (9.5) per cent. The order intake during the year was good and we see stable demand in the market. Zander & Ingeström and G.F Swedenborg had, as mentioned, a very strong year. Christian Berner AB also improved profitability towards last year, but there is room here for further improvement.

In Norway, we achieved an EBITA margin of 6.4 (6.7) per cent. The order intake during the year was weaker in Process & Environment, but had continued good development for vibration-damping materials for the construction industry and infrastructure projects.

Denmark made a weak profit with an EBITA margin of 4.3 (5.7) per cent. This is explained by the fact that the order intake has been weak for a long time, as the process industry, in particular, is holding off on its investments.

Finland had a weak year with an EBITA margin of 1.7 (6.3) per cent. Sales of vibration-damping materials to the construction industry in the Helsinki area remained good, but we lacked major machinery investments in the process industry.



*Order intake
up 18%*

MESSAGE FROM THE CEO

Focus on high value creation

We will continue to focus on growth and on making more acquisitions that contribute to the Group's development. Our strategic "High Value" focus with the cornerstones of customer value, sustainability and profitability will help us navigate forward, choose and opt out.

Some concrete examples from the year are that we closed down the Gas & Energy product area in Sweden, restructured Technical Plastics in the Group, and made a stake and invested in more employees in Vibration Technology and Heating Technology, which are two areas where we see great potential for growth and profitability. We also acquired G.F Swedenborg, which developed very positively.

Positive future

Our vision is to create innovative technical solutions for a sustainable society. We already do this today, among other things in quiet environments, clean water and sustainable energy systems. And we will do more and develop more solutions and products for the society of the future.

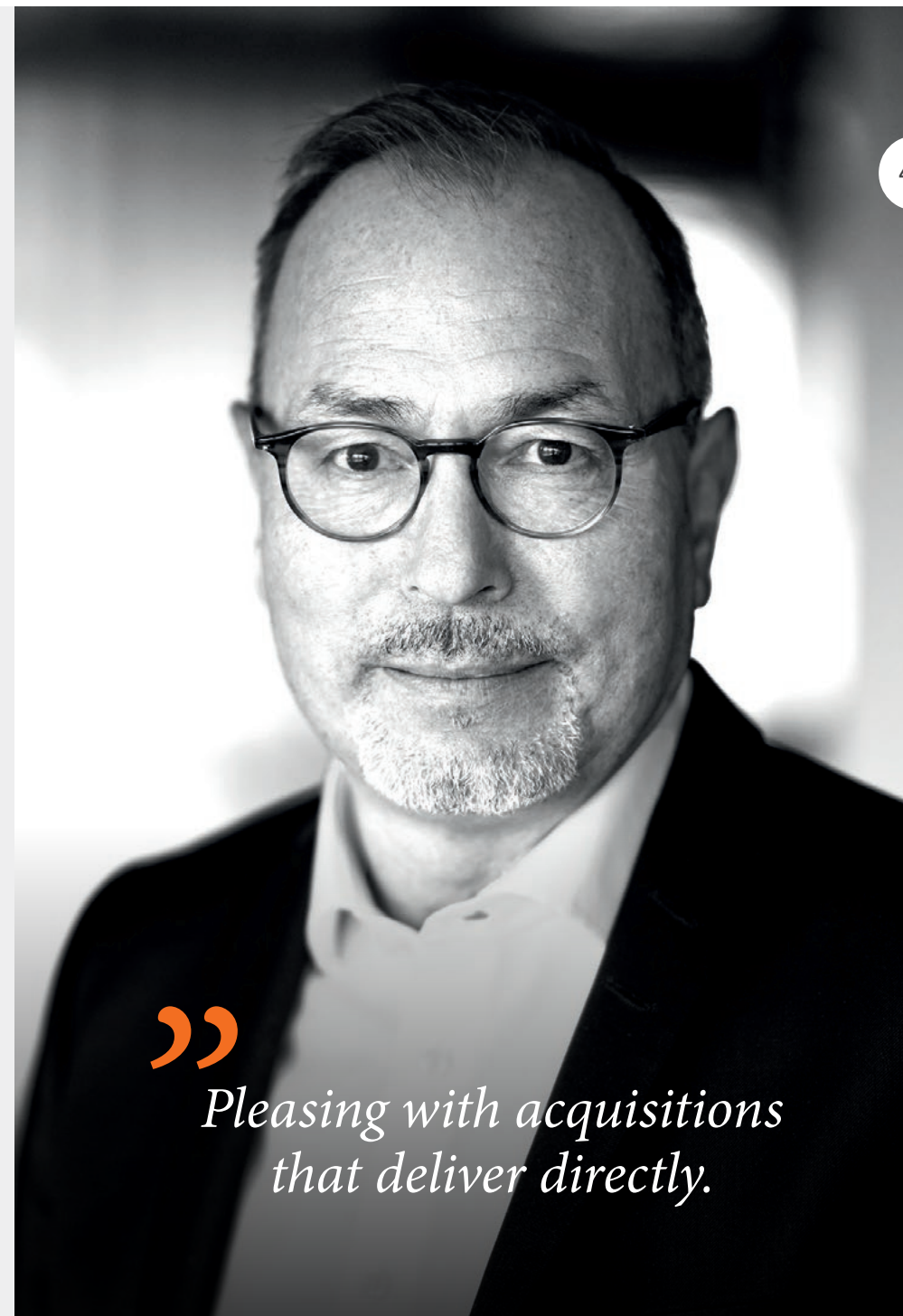
We assess the underlying demand as stable and have hopes for a continued positive development even if we see continued extended delivery times for larger projects mainly due to a shortage of raw materials and components.

We have a good risk diversification with many different technical areas and customer segments, and we have demonstrated an ability to add strong operations to the Group through acquisitions.

Thank you as I bid farewell

This is my last "Message from the CEO" in an annual report from Christian Berner. I would therefore like to thank all the fantastic employees, customers, suppliers and shareholders for your rewarding collaboration as I now move on to new challenges.

I would also like to wish my successor Caroline Reuterskiöld and all our employees the best of luck in the continued development of the Group. It has been enjoyable and challenging to have made the journey from a family-owned company to a listed company with all that this entails. That journey is now continuing without me.

Bo Söderqvist

MARKET AND STRATEGY

Trends shape the business

The fluctuations in the economy are what have the single greatest impact on a technology trading company such as Christian Berner. In the longer term, both demand in various product areas and the company's role in the value chain are affected by trends in both society and industry.

Society trends

Several of the global megatrends have a major impact on Christian Berner's markets in the Nordic region. The challenges that these trends bring with them have been met with an increased focus on sustainability, which drives demand for certain product categories.

Sustainable use of resources

The population is growing not only globally, but also in the Nordic region, which contributes to growing economies. At the same time, the Earth's resources are limited, which increases the demand for consumption in the wealthy part of the world to reduce its footprint. This drives demand for products that contribute to a sustainable use of resources.

Climate change

Restricting climate change requires a powerful transformation of society as a whole. Many companies are therefore working aggressively to reduce emissions throughout the chain, which drives streamlining processes, demand for new materials and production methods.

Increased urbanisation

Large cities are growing, both in the world and in the Nordic region. In order to work, large and growing cities require an efficient infrastructure and measures to reduce noise and vibrations from traffic and other activities. This is driving demand for rail-bound traffic and infrastructure, such as water treatment technology.

CHRISTIAN BERNER'S SOLUTION FOR

Circular thinking helped NILAR

The Swedish battery manufacturer NILAR has developed batteries without cadmium, lead or magnesium with a major focus on circular thinking. Since 2017, Christian Berner has worked together with the company, initially to develop a functioning production process.

After first renting machines for testing, the company together with Christian Berner was able to specify which equipment at the turn of 2018/2019 would be purchased and installed at the production facility in Gävle. In 2021, demand had increased so much that the company invested in two new production lines.

CHRISTIAN BERNER'S SOLUTION FOR

From natural gas to zero emissions

To refine potato flour so that it has the right properties as a stabiliser in, for example, soups, sauces and cheeses, Stalex in Malmö uses a lot of steam. It previously came from a natural gas-fired boiler. As part of their climate and sustainability work, they decided to switch to an electric boiler from Zander & Ingeström.

The result of using the more efficient electric boiler was 7 per cent lower total energy consumption, and CO₂ emissions were able to be reduced from 2,614 tonnes per year to zero.

CHRISTIAN BERNER'S SOLUTION FOR

Damping of large timber building projects

In growing Tampere, the city has set itself the goal of becoming carbon neutral by 2030. The construction sector is an important part of this work and therefore the city supports various projects to increase construction with timber, including Vuores Kuusikko – one of the largest timber-building projects ever in Europe. The total of six buildings can accommodate over 13,600 square metres and 195 apartments.

Since wooden beams are not as rigid as concrete, solutions are required to dampen noise and vibrations. Christian Berner worked together with the beam supplier VVR Wood to insulate both the floor levels and the lift shaft in order to achieve a quiet and good living environment.



MARKET AND STRATEGY

Market trends

Technology trading companies are affected by how customers and suppliers choose to organise their operations. By adding extensive customer value, Christian Berner strengthens its role in the value chain.

Focus on the core business

When companies focus on their core business, surrounding areas are given lower priority. This increases the need for close cooperation with suppliers that can add knowledge.

Digitalisation

Digitalisation affects virtually all processes. Digital product catalogues, increasing elements of e-commerce, remote control of equipment and digital twins of installed machines are all examples of timesaving and resource-saving opportunities that digitalisation provides.

Greater demand for services

As the core business is given greater focus, the internal service departments are shrinking and demand for external service and support is increasing. On a small scale, more people are also looking at the possibility of buying the service that the machine performs, such as packed bags or pumped water, instead of buying the machine.

Fewer suppliers

Many industrial companies strive to consolidate their purchases to fewer suppliers and to use the same supplier in several markets. This reduces administrative costs and enables a closer and more rewarding cooperation with the selected suppliers.

CHRISTIAN BERNER'S INITIATIVES

Research will rest on a bed of Sylomer

At Medicinareberget in Gothenburg, the Natrium project is under way, involving a new building that will gather large parts of the Faculty of Science at the University of Gothenburg under one roof. In order to keep frame noise and vibrations from disturbing the advanced lab equipment, some of the foundation rests on a bed of Sylomer. Christian Berner assisted the developer Skanska throughout the process to ensure full function and provide security in its implementation.

CHRISTIAN BERNER'S INITIATIVES

1,000 square metres of damping ceiling

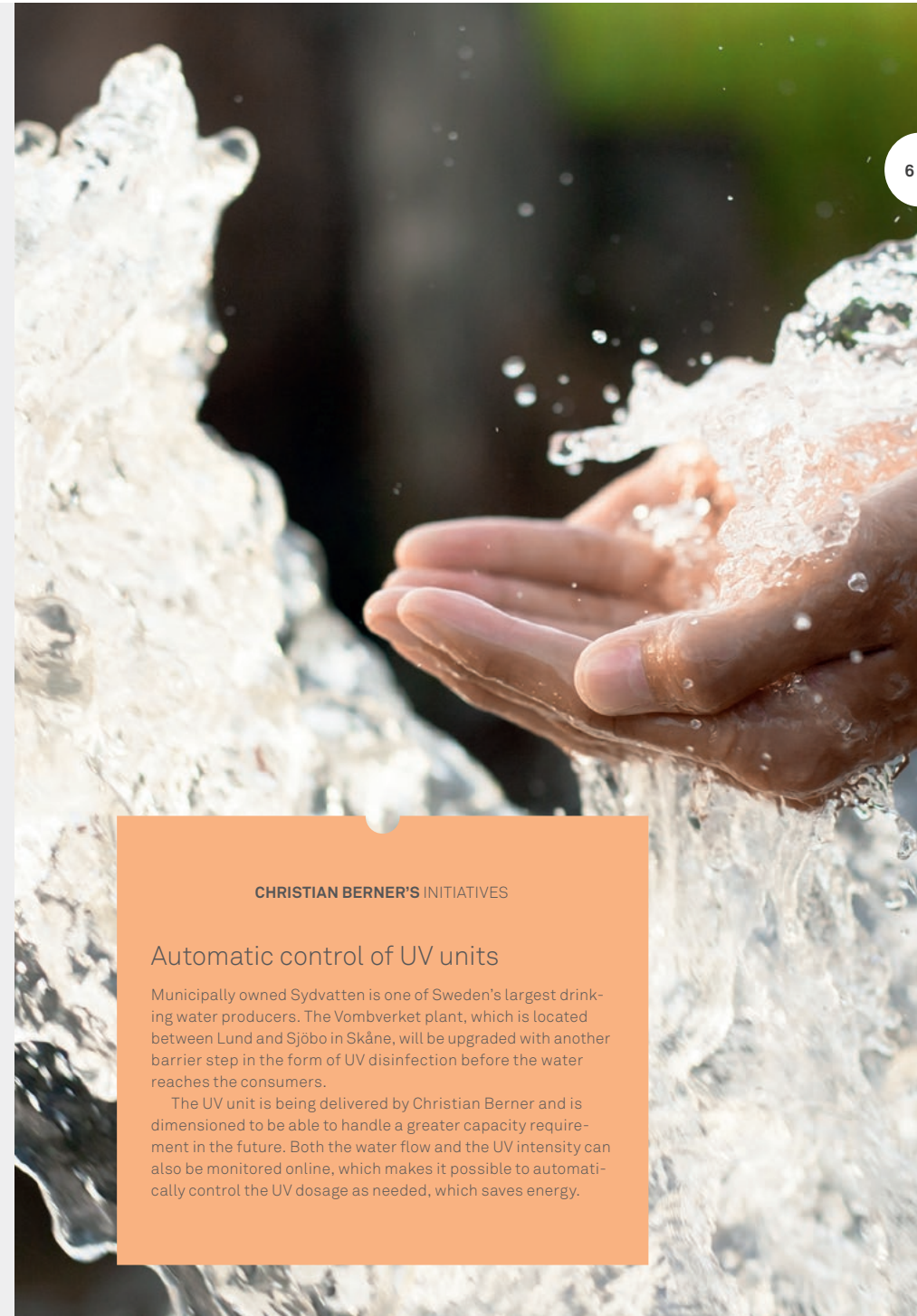
In order to dampen noise and at the same time get the right aesthetic expression, the new Torvbråten Skole between Drammen and Oslo in Norway was equipped with ceiling panels of wood wool from Cewood. Christian Berner, which markets Cewood, assisted the construction company with expert advice on noise and vibrations for a successful final result.

CHRISTIAN BERNER'S INITIATIVES

Automatic control of UV units

Municipally owned Sydsvatten is one of Sweden's largest drinking water producers. The Vombverket plant, which is located between Lund and Sjöbo in Skåne, will be upgraded with another barrier step in the form of UV disinfection before the water reaches the consumers.

The UV unit is being delivered by Christian Berner and is dimensioned to be able to handle a greater capacity requirement in the future. Both the water flow and the UV intensity can also be monitored online, which makes it possible to automatically control the UV dosage as needed, which saves energy.



MARKET AND STRATEGY

Strategy for high value creation

Christian Berner's vision is to create innovative technical solutions for a sustainable society. In order to achieve the overall strategic goal, profitable and sustainable growth, the company follows a strategy based on clear targets and clear governance to create value for all stakeholders.

Through clear targets...

WE CREATE STRONG
CUSTOMER VALUE

WE STRENGTHEN
SUSTAINABILITY

WE CONDUCT A
PROFITABLE BUSINESS

...and clear governance...

①
INCREASING VALUE IN
THE VALUE CHAIN

②
PORTFOLIO
OPTIMISATION

③
CONTINUOUS
IMPROVEMENTS

> Read more on pages 9-11

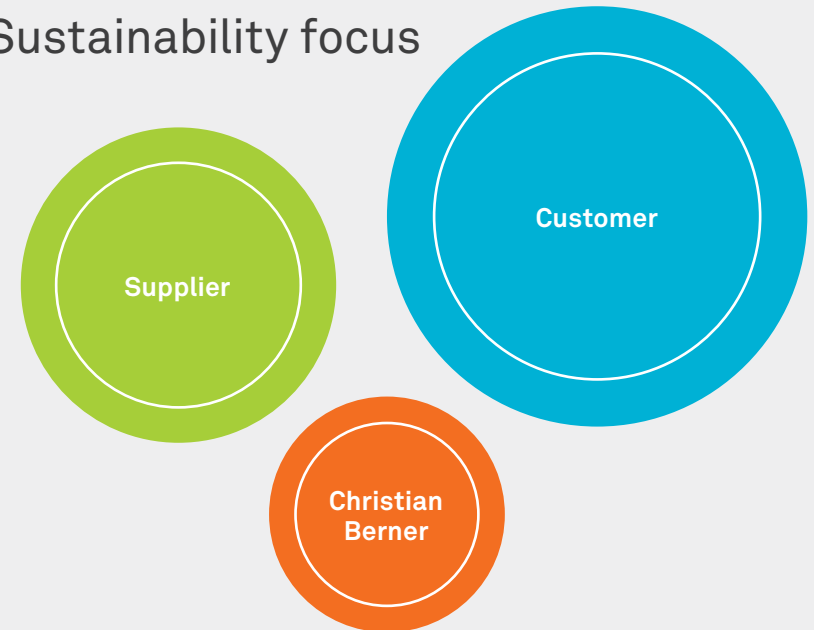
...we create a business that

are
meaningful
for customers,
suppliers, society and
employees

and

create
**profitable
and sustainable
growth**
for our shareholders

Sustainability focus



Supplier

- Requirement specification
- Collaboration
- Energy and resource efficiency enhancement
- Development

> Read more on page 15

Christian Berner

- Our climate footprint
- Fossil-free in our own operations
- Diversity
- Health and safety
- Anti-corruption

> Read more on page 17

Customer

- Environmental technology
- Sustainable consulting
- Energy and resource efficiency enhancement
- Transition to more sustainable business models

> Read more on page 19

MARKET AND STRATEGY

Financial targets

	Goal attainment		Historic development			
	2021	Last five years	2020	2019	2018	2017
Revenue growth: >10% Average revenue growth of at least 10 per cent per annum over a business cycle, including acquisitions.	6.9%	12.4% per year on average	-1.4%	14.1%	37.4%	4.8%
EBITA margin: 9% Average EBITA margin of 9 per cent per annum over a business cycle.	4.2%	6.2% per year on average	6.1%	7.5%	8.4%	4.8%
Equity ratio: 35% The company shall have an equity ratio that is not below 35 per cent.	30.7%	37.7% per year on average	34.3%	36.1%	36.8%	50.8%
Return on equity: 25% Return on equity shall amount to a minimum of 25 per cent.	15.9%	27.8% per year on average	24.2%	34.5%	43.5%	20.9%
Dividend: 30–50% The Board aims to give shareholders a dividend that provides a good direct return and dividend growth. Christian Berner's aim is to distribute 30–50 per cent of the profit after tax. However, the company's financial position, cash flow, acquisition opportunities and outlook will be taken into account.	61.9%	46.9% per year on average	45.2%	29.6%	37.3%	60.7%

MARKET & STRATEGY

Clear governance

Christian Berner has a strategy for high value creation where the offering will be built around product areas that have a high customer value, have potential for good profitability and contribute to sustainability.

① Increasing value in the value chain

As a technology trading company, Christian Berner's role in the value chain is to simplify purchasing and sales processes for both suppliers and customers. The company continuously works to strengthen its role as a strategic partner to both customers and suppliers by adding added value in the form of technical knowledge, processing, refinement of products, development of unique customer articles, inventory management and service.

Export of own products

Through acquisitions, Christian Berner has increased elements of its own products in the offering in recent years. For several of these, such as the Zeta boiler from Zander & Ingeström and Swedspjäll from Swedenborg, there is an export business that the company is investing in to further develop.

CHRISTIAN BERNER'S VENTURES

Great possibilities for the Zeta boiler

The growing elements of variable renewable energy production, such as wind and solar power, in the power grid create a challenge in balancing the system between production and consumption. One of several ways forward is deemed by expert authorities to be energy storage.

One solution based on well-tried technology is the Zeta boiler from Zander & Ingeström. When the production from wind power, for example, is high, the boilers can be started at short notice and consume large amounts of electricity to make hot water or steam, which is then stored in accumulator tanks for later use in district heating grids or industrial processes.

As processes are electrified and renewable production is expanded, we see an increased demand for electric boilers from more markets and for more applications.



MARKET & STRATEGY

② Portfolio optimisation

Christian Berner is evaluating all product areas, and potential acquisitions, based on three parameters: customer value, sustainability and profitability. Areas with good market potential and strong competitive advantages are prioritised and where conditions are correspondingly lacking, structural approaches are considered.

Customer value

Christian Berner seeks to add customer value. This can be through expertise – both within the customers' processes and the products' properties – a comprehensive offering, solutions that provide value, precise and fast deliveries, and good support and service. A high customer value is a prerequisite for long-term competitiveness.

Sustainability

Sustainability is becoming an ever more important factor in purchasing for companies and an ever more important driver of growth. At the same time, products that do not contribute to sustainability have a structural headwind. Therefore, solutions that contribute to sustainability are an important focus.

Profitability

Achieving the right profitability demands both adequate size and market share in the product area. Strong suppliers, an optimised customer and product portfolio and a high share of service and aftermarket also help. In order for profitability to have high potential in the long term, we invest in sustainable solutions and products.

③ Continuous improvements

The most important tool for continuous improvements is a healthy corporate culture. Christian Berner's culture work is based on core values that the entire company has worked out. They are summarised with the values: passionate, courageous, innovative and together.

Collaboration and technical expertise

Christian Berner seeks to collaborate with strong suppliers that have market-leading products with a high technology content and at the same time continue to develop its own sales and product development organisation's high level of technical expertise and capacity for qualified advice and product development.



Daniel Sillrén works at Christian Berner's main warehouse in Mölnlycke.

CHRISTIAN BERNER'S VENTURES

GF Swedenborg wants to grow

In May, Christian Berner acquired GF Swedenborg Ingeniörsfirma, which sees stronger opportunities to grow as a part of the Group.

"The business rests on two cornerstones. On one hand, it is the trade in pumps and special valves for power plants and petrochemicals that accounts for around 60 per cent. On the other, it is our own industrial dampers, Swedspjäll, that are used in flue gas treatment in power plants, for example. With them, we have an export business," says the company's President, Patrik Swedenborg.

Recently, the company developed a much denser damper for which a large market investment is planned.

"We have ambitious growth targets, primarily for our dampers, but also on the pump side," he says.

As a part of a larger Group, the opportunities to grow and take market shares improve, according to Patrik Swedenborg.

– "We felt safe selling to Christian Berner because they want to invest long-term in our business and keep the company name alive. This was important for us because the name has existed since 1964. And the pump division has great potential for synergies with other companies within the Group, such as Zander & Ingeström, for example," concludes Patrik.



“Energy plants and industries use advanced systems to clean flue gases. Swedenborg has developed Swedspjäll – a unique damper technology that, through its density, makes it possible to avoid double dampers with locking air, which saves both operating costs and simplifies installation and maintenance.”

Patrik Swedenborg, President of GF Swedenborg Ingeniörsfirma.

Decentralisation with synergies

Christian Berner's governance model is characterised by management by objectives with a high degree of decentralisation. Decisions close to the business are made in the subsidiaries, which have their own profit responsibility. Synergies in business support processes that are common to the Group will be utilised, and for this purpose Christian Berner Business Services was started in 2020. In addition, best practices in each product area must be shared between the subsidiaries in each country.

Increase in added value sales

Christian Berner will increase its part of the value of the sale. Partly by combining sales of products with qualified consulting and services into value-creating solutions. Partly by increasing its share of the value added through its own products or through refinement and customisation.

Focus on environmental biotechnology

Christian Berner's offering in environmental technology can be divided into four areas: quiet environments, clean water, sustainable products and

sustainable energy systems. These areas have a structural tailwind in demand and will continue to be developed.

Acquisitions

Acquisitions have been identified as a central component in order to achieve the company's growth targets. A good financial position and a large number of interesting companies of various sizes and product ranges in the Nordic region provide good conditions for the strategy.

Potential acquisitions will be evaluated according to the same three criteria as the product areas: customer value, sustainability and profitability. In addition, shared values and culture are important for a functioning collaboration in the Group.

Prioritised acquisition areas for Christian Berner are the product areas where the company already has strong positions. The acquisitions will contribute to further strengthening these positions, which means that for every acquired company, there shall be a clear plan for how it will continue to develop together with the Christian Berner Group.

> Contact us

Christian Berner is always looking for high-quality companies that are a good fit for the Group. Feel free to contact us to discuss future opportunities together.

Bo Söderqvist, CEO, Christian Berner Tech Trade AB
phone +46 (0)31 33 66 910.

We make food production sustainable

Process & Environment

We deliver systems for filling, packaging
and labelling food that provide the right
amounts and reduce waste.

Expect more

SUSTAINABLE VALUE CREATION

Active sustainability work

For the Christian Berner Group, sustainability work is an integrated part of the goals and strategies for profitable growth. As a Group, we can create long-term value by ensuring that our products contribute to sustainable solutions, to reduced emissions and to compliance with requirements and rules in the area of sustainability.



Christian Berner is a global actor in a global market. The demands and expectations of companies to act sustainably and be responsible partners are continuously growing. This entails challenges, but also major opportunities since innovation, quality and sustainable solutions are a crucial part of Christian Berner's offering. New legal requirements, global agreements, standards and directives are constantly increasing the requirements on companies and their work with the value chain.

In 2020, Christian Berner signed the UN's sustainability initiative, the Global Compact. The Group thereby pledges to actively work on, and comply with, the Global Compact's ten principles for sustainable development in the four areas of human rights, working conditions, the environment and anti-corruption. The principles are based on the UN Universal Declaration of Human Rights, the ILO's core conventions on human rights in working life, the Rio Declaration and the UN Convention against Corruption.

Christian Berner has now issued a simplified Communication on Progress (CoP) where the Group confirms that we conduct our operations in accordance with the 10 principles and demonstrates our accountability. The CoP is published on the UN Global Compact's website, accessible to the public.

Christian Berner actively works in accordance with Agenda 2030, containing the 17 sustainable development goals. The goals have helped clarify that global sustainable development is closely tied to economy, environment and social aspects. The global sustainable development goals point out the necessity of having a balance between

various goals, where economic sustainability is a prerequisite for both social and environmental sustainability, and vice versa.

Christian Berner has a strong position to contribute to greater sustainability through compliance with sustainability requirements, but also through the company's solutions and products. A strength is the company's long high-level of expertise and understanding of our customers' processes. Being on the leading edge technologically has gone hand in hand with sustainability where new technologies need to continuously be developed. Read more about goals and strategies for profitable growth on page 7.

Contributions and impact in the value chain

The Christian Berner Group is exposed to industries where sustainability is particularly prominent, such as water, energy and food, where higher legal requirements are set on the treatment of emissions and water quality, for example. Environmental technology is a defined focus area within the Group and among other things comprises the work Christian Berner does within silent environments, clean water, sustainable production, sustainable products and sustainable energy systems.

Christian Berner sells high-quality plastic that is difficult to replace with other materials today. Plastic has many beneficial properties that should be evaluated against the fact that it is a fossil and energy-intensive material that creates problems when society is incapable of taking care of it. This demands the company's expertise in recycled, renewable and recyclable materials.

SUSTAINABLE VALUE CREATION

Christian Berner as an enabler

Christian Berner actively works to help customers to achieve set sustainability goals. Through adapted business solutions and a strong service and product offering, we give our customers the possibility of sustainable choices. An important factor for driving development further is a thorough knowledge base among the company's employees.

Christian Berner helps customers to reduce waste, water use and chemicals in the food industry with measuring instruments and filter solutions, for example. Another example is Christian Berner's solution where ozone is used to purify waste water from pharmaceutical remnants, which is among the latest technology for municipal water treatment. The electric Zeta boiler can replace boilers that are fuelled by oil, coal and other fossil fuels, the flue gases of which contribute to global warming and pollute soil and water.

**Christian Berner as a global actor**

Christian Berner has historically acted in the Nordic market. Through the acquisition of Zander & Ingeström, some sales have become global. An increased share of trade with countries deemed to have a high level of corruption entails an increased risk. The risk of violating other human rights, such as children's right, the right to freedom of association and freedom of speech, also increases as trade becomes global.

The Code of Conduct (the Code), which is common for the Group, highlights supplier responsibility and the importance of human rights and anti-corruption. Christian Berner requires the major suppliers to approve the Code.

Christian Berner's whistle-blower function and associated process are a good means in the work to keep improprieties from occurring. In 2021, no matters were reported through the whistle-blower function.

Internal governance for sustainability work

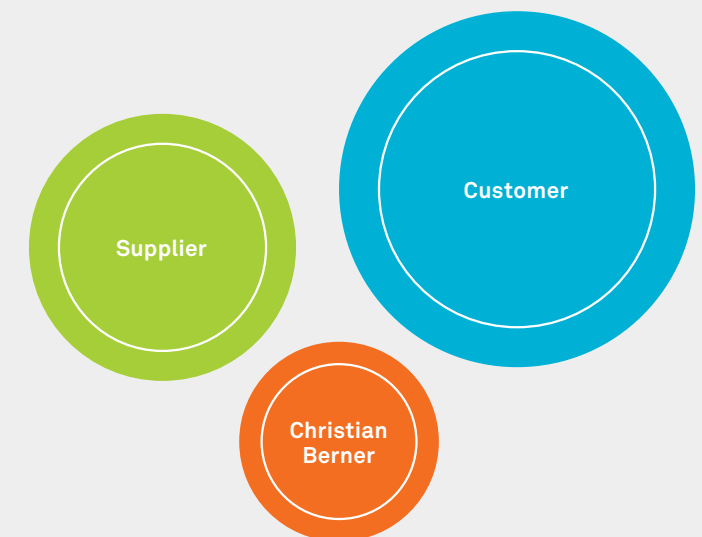
During the year 2021, Christian Berner took further steps to clarify its sustainability work, in accordance with the strategic focus set in 2020, where Sustainability together with the areas Customer Value and Profitability form the three cornerstones that make up the strategic focus called High Value, according to which the Group governs and acts. For the area Sustainability, a model applies that is based on the Group's value chain. In brief, it is based on the three perspectives: Supplier, Christian Berner and Customer. Based on this model, we worked more clearly and more focused on our sustainability efforts during the year. Even if all three perspectives are important and have their goal formulations, key performance indicators and activities, it is with the Customer perspective that the Group can most clearly contribute to a sustainable development.

Every company within the Group works with targets and activities that are followed up by Group management in quarterly Business Review Meeting (BRMs).

Christian Berner is keen to actively engage in dialogue with our stakeholders and in 2021 a stakeholder survey was done, where the stakeholders were identified, including what their most important areas are relative to the Group. Based on this, an updated materiality analysis could be prepared, which will help the company focus on the right areas moving forward.

In the daily work, the Code of Conduct is the overall steering document in the sustainability work for Christian Berner. In addition to this, there is further governance through other goals and policies, such as those in environment, work environment and quality.

The sustainability risks are presented under Risks and uncertainties on pages 44-45.

Framework for Christian Berner's sustainability work**Supplier**

- Requirement specification
- Collaboration
- Energy and resource efficiency enhancement
- Development

Christian Berner

- Our climate footprint
- Fossil-free in our own operations
- Diversity
- Health and safety
- Anti-corruption

Customer

- Environmental technology
- Sustainable consulting
- Energy and resource efficiency enhancement
- Transition to more sustainable business models



Hans Lindqvist, Sandra Fundin,
Anders Alexandersson and Helena Sällsten.



During the year, the on-going work with the assessment of our supplier base continued. Due to visiting and travel restrictions in the wake of COVID-19, the possibility of physical meetings with suppliers was very limited during 2021 as well. Assessments and follow-up of improvement items have therefore primarily taken place during the year digitally instead. An updated assessment form was launched in 2021 where sustainability issues are assessed separately and each major supplier is awarded a sustainability rating.

The importance of having good awareness and insight into suppliers' processes, operations and work regarding sustainability issues is growing as awareness grows and with it demands from customers, society and other stakeholders. Having a close cooperation and good, transparent dialogue with our most important suppliers is crucial to succeed. Christian Berner has the explicit goal of assessing the 30 largest suppliers from a sustainability perspective; increased knowledge and refined tools and methods to make this possible are under continuous development. The goal is to strengthen and clarify requirements and goals for the cooperation with our suppliers, and ensure that the follow-ups and measurements made have the right focus and drive the work in sustainability issues in the right direction.

By offering sustainable products and services, we want to help the customer achieve set sustainability objectives; the cooperation with our suppliers is a key factor for ensuring that we have an offering to the market that provides the right conditions for this. The work to continuously monitor technical development with regard to new materials, products and processes continues and the ambition is to in the future introduce and highlight more and more sustainable materials and products in the offer to our customers.

Code of Conduct / Business ethics

The Group's Code of Conduct is still one of the cornerstones of the sustainability work. The Code is addressed to employees and suppliers, partners and other stakeholders. It is important that all collaboration and business relationships with suppliers are characterised by high business ethics.

By entering agreements or cooperation with Christian Berner, the supplier commits to implementing and monitoring compliance to every part of the Code. Suppliers are in turn responsible for subcontractors being informed of and complying with the same standards.

Christian Berner's representatives may not offer or receive personal gifts, services, travel, entertainment or similar benefits that may be considered unreasonable or inappropriate in connection with potential business decisions or public authority decisions. Entertainment and gifts must be characterised by openness and moderation, and they must always have a natural connection with the business relationship.

SUSTAINABLE VALUE CREATION



AREA	RESULTS INDICATOR	TARGET	PROFIT 2021	COMMENTS
Suppliers	Mapping of suppliers' sustainability efforts.	Increased knowledge of materials, products and suppliers.	100% of the A and B suppliers mapped	A new assessment form with a self-evaluation section was launched in 2021. All A and B suppliers were assessed during the year from a sustainability perspective. The results of the assessments show both a wide distribution in maturity regarding sustainability issues among our major suppliers, but also that the work being done and completed at our suppliers is primarily within scope 1 & 2. The goal in the future is to work with Scope 3 together with the suppliers to continue the work on recycling, re-use and circularity further ¹⁾ .
Suppliers	Percentage (%) of total purchase volume that assessed suppliers represent.	80% (roughly equivalent to the purchasing volume with A and B suppliers)	80%	In 2021, a new model was introduced for the evaluation of suppliers where sustainability aspects are an integral part. All A and B suppliers have now been evaluated according to the new model ¹⁾ .
Suppliers	Number of on-site follow-ups	All A suppliers	Planned for 2022	On-site visits to suppliers were not possible to any greater extent in 2021 due to the visiting and travel restrictions in the wake of COVID-19. Follow-up meetings have instead taken place as necessary ¹⁾ .

¹⁾ The supplier base at newly acquired companies will gradually be evaluated and mapped with regard to sustainability. Targets and results here primarily concern CBAB, CBAS, ASCB and CBOY.

100% of the A and B suppliers mapped

80% purchase volume from evaluated suppliers

SUSTAINABLE VALUE CREATION



The competition for competent employees is growing. To attract, retain and develop employees, it is of central importance for Christian Berner to have attractive workplaces where the employers are satisfied and develop.

In order to be a partner for sustainable value creation, Christian Berner must serve as a good example in terms of its own climate footprint. We therefore actively work to best minimise resource consumption in the operations.

Climate footprint

Christian Berner works preventively to reduce the company's environmental impact in terms of business travel, transports, energy and waste and works based on the precautionary principle to protect people and the environment. During the year, travel continued to be infrequent due to the prevailing pandemic. New ways have been found to meet without having to contribute to unnecessary travel. Even small things can have a large effect and one example that has been done is to avoid power-consuming screens in standby now that many people do not work full-time in the offices.

As of 2021, Christian Berner performed calculations of its climate footprint through the GHG protocol with emissions classification into three scopes. The largest part of the Christian Berner Group's climate impact is in Scope 1, where the majority comes from travel with company cars and Scope 3, which includes other business travel, such as flights, hotels and trains. Scope 2 is the part with the lowest climate impact thanks to the Group almost exclusively purchasing renewable electricity in 2021, which it will continue to prioritise.

Health and safety

Christian Berner conducts systematic work regarding the work environment and fire safety in order to identify, prevent and mitigate potential negative impact from a health and environment perspective.

The Group's largest subsidiary in Sweden, Christian Berner AB and Zander & Ingeström AB, has come far in terms of the occupational health and safety and fire protection work. Staff managers in the

Christian Berner Group are responsible for ensuring the well-being of their employees and working with health and safety issues in accordance with national legislation and together with the employees or their representatives. The goal is for no accidents and incidents to occur. Every company has preventive measures to achieve the goal.

Training

Continuing professional development will contribute to Christian Berner's goals and strategies, both in the short term and the long term, and will help to develop the business and its employees to equip them to meet future demands and needs.

Sustainability is integrated as a part of other courses, such as sales courses. In order to increase internal sustainability competence, management will encourage competence-improving sustainability-related activities. The strategy work led to the sustainability issues being brought up on the agenda.

Many of our employees took the opportunity to attend online training during the year as we were unable to meet in person.

Diversity

Diversity is something that affects the entire operation and all areas of it. From recruitment and skills development to communications and marketing. Christian Berner assumes an ethos of recognising the equal value of all human beings and a level playing field between individuals and groups. Nobody should be discriminated against or subjected to offensive treatment. Through a good composition of people with various knowledge and experience, the operation is not at as much risk of losing expertise and different perspectives. The gender equality work is important; efforts began in 2018 with systematic follow-up and preparation of results indicators to follow up on the gender distribution (see Note 7).

Work environment

The work environment is a very important part of Christian Berner's HR policy. The operations must be characterised by a good working

environment that promotes work satisfaction, as well as a long-term and sustainable working life. Christian Berner companies together developed their view of flexible working methods, bringing together the best parts of the time before and during the pandemic. A greater need is recognised for the employee to be able to combine private life and working life, which today's technology offers. Everyone has continued to take responsibility for reducing the spread of infection and the companies have taken the necessary steps to be able to offer a safe working environment.

The work environment efforts in general are followed up continuously through employee development talks, employee surveys and occupational health and safety inspections. The Swedish part of Christian Berner's operations and Zander & Ingeström have also integrated systematic improvement work through their management system, which is certified according to ISO 9001:2015 and ISO 14001:2015. Zander & Ingeström also holds certificates according to ISO 45 000:2018.

People & Values

A continuation of the Group-wide work that began in January 2020 with visions and values has now been taken further in each individual company with local action plans and activities implemented during the year. As planned, leadership training was conducted in 2021 with good results and evaluation. Efforts will continue to train new leaders in the organisation and workshops with the employees to implement the new core values in the organisation.

Based on the eNPS index, Christian Berner AB, for example, appointed ambassador groups that work with goals and activities that will improve information flow, collaboration, cooperation and workplace issues.

Collaboration and society

Christian Berner's code of conduct is a guideline for how employees must act in a professional and ethical manner in their day-to-day work. This Code of Conduct is signed by all employees and upon new employment.

SUSTAINABLE VALUE CREATION



AREA	RESULTS INDICATOR	TARGET	PROFIT 2021	COMMENTS
Occupational health and safety	Accidents/Incidents	No Accidents/Incidents	11/6	In 2020, the outcome was 2/5
Diversity/Gender equality	Percentage of women in senior positions vs. percentage of women in total	Increase percentage of women in senior positions vs. percentage of women in total	31%/26%	The percentage of women in senior positions is the same as in the previous year at 31%. In 2021, the percentage of women employees increased to 26% from 24% in 2020.
eNPS	Ambassador's index	> 0	-11	eNPS, Employer Net Promoter Score = Ambassadors – critics. The result is interpreted as low on the scale of Very high to very low.
Operations	tonnes CO ₂ emissions/FTE for the total climate impact of the business	Reduce CO ₂ emissions	1.81	In 2020, the outcome was 1.85 Despite an increase in travel, Christian Berner has reduced its total emissions through renewable energy, among other things
Business travel	tonnes CO ₂ emissions/FTE for business travel by road, train, air and boat	Reduce CO ₂ emissions	1.33	For 2022, the Group is taking a clear step towards reducing one of its largest emissions items, business travel, by introducing a new car policy. It will systematically phase out fossil-powered company vehicles within a three-year period. The company cars purchased today are those that private individuals can buy in three years' time. By changing our vehicle fleet, Christian Berner is helping to change the general market. Continuous work to reduce short-haul flights and replace them with digital meetings or travel by train continues.

31 % women in senior positions

SUSTAINABLE VALUE CREATION



Christian Berner's role as a leading technology trading company comprises many aspects. As a strategic advisor to customers, the company offers technical solutions that reduce costs, save energy and reduce environmental impact.

Our customers' sustainable development

Christian Berner supports our customers' operations and their development. By offering sustainable products and solutions, the Group helps its customers transition towards even more sustainable solutions. The increased pace of change towards greater demand for sustainable products and solutions and increased sustainability requirements from authorities impact Christian Berner's customers.

The Group creates customised solutions and delivery of complete system solutions where various products from different suppliers are combined, which leads to greater efficiency for both the company's customers and suppliers. By being a strategic partner and advisor between manufacturers and customers, and by offering technical solutions that reduce costs and environmental impact, the customers' decision-making process is structured and streamlined.

Environmental technology

Christian Berner supports its customers with sustainable solutions through qualified needs analysis, consulting, service and development. Many of Christian Berner's products and services help to reduce the environmental impact of the customers, for example by reducing the amount of chemicals and shipments, as well as environmentally damaging materials. Examples of this include vibration-damping materials that improve the environment for residents and areas around rail lines and purification of emissions or water treatment without chemicals.

Christian Berner also helps customers in their choice of resource-efficient solutions and products. By setting requirements on the company's own and cooperative partners' operations, Christian Berner promotes development and innovation of environmentally safe products and technology, and can provide the customers with sustainable products and solutions.

AREA	RESULTS INDICATOR	TARGET	PROFIT 2021	COMMENTS
Customer	Percentage of sales related to the sustainable development goals.	Increasing positive contributions to, and reducing negative impact on the sustainable development goals.	In 2021, the Group's companies actively worked to relate SDGs relative to their operations and sales. The materiality analysis that was done in the autumn of 2021 further improved focus and direction.	Within the Group, there are many different products and services, all of which have their own attributes and impact on the UN's global sustainable development goals. The Group's focus is to ensure that every subsidiary and its underlying product area have the possibility to ensure that the greatest possible positive impact takes place.





Esmeralda Thoma at the CNC machine, which processes plastic parts according to the customer's wishes.

Auditor statement on the sustainability report

To the General Meeting of shareholders of Christian Berner Tech Trade AB (publ),
corp. ID no. 556026-3666

Assignment and division of responsibilities

It is the Board of Directors that is responsible for the sustainability report for the year 2021 on pages 13-19 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Review's focus and scope

Our review has been conducted in accordance with FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our review of the sustainability report has another focus and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinion.

Opinions

A sustainability report has been prepared.

Gothenburg, 21 March 2022
KPMG AB

Mathias Arvidsson
Authorised Public Accountant

We provide fantastic acoustics

A man in a dark suit and white gloves, holding a baton, is shown in profile, looking towards the left. He is positioned in the lower right quadrant of the frame. The background is dark and smoky, with a bright light source on the left side, creating a dramatic, atmospheric effect. The text 'We provide fantastic acoustics' is overlaid on the left side of the image in a large, white, sans-serif font.

Materials Technology

We deliver vibration-damping and
noise-reduction materials and solutions
that create the right acoustic environment

Expect more

Development 2021

Financial development

Revenue

SEK MILLION	2021	Growth	2020
Sweden	526.4	8.8%	483.9
Norway	129.6	29.1%	100.4
Finland	69.1	-21.9%	88.5
Denmark	18.1	-19.1%	22.4
Total	743.2	6.9%	695.2

Revenue increased by 6.9 per cent. Sweden benefited from the consolidation of the acquisition of Swedenborg from May.

Result

SEK MILLION	2021		2020	
	EBITA	Margin	EBITA	Margin
Sweden	44.6	8.5%	46.2	9.5%
Norway	8.3	6.4%	6.7	6.7%
Finland	1.2	1.7%	5.6	6.3%
Denmark	0.8	4.3%	1.3	5.7%
Group	-24.0		-17.6	
Total	30.9	4.2%	42.2	6.1%

Severance pay to the outgoing CEO of SEK 7.5 million was charged to earnings for the Group.

Return

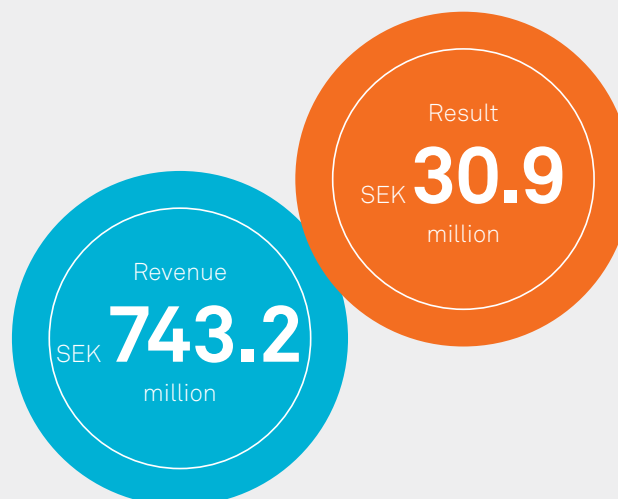
Return on equity after financial items for the past 12-month period amounted to 15.9 (24.2) per cent.

Cash flow

Cash flow from operating activities was SEK 22.4 (63.0) million. Cash flow from investing activities was SEK -29.9 (-39.8) million. Cash flow from financing activities amounted to SEK 36.5 (0.6) million. The dividend paid amounted to SEK 14.1 (11.3) million.

Equity ratio

The equity ratio at 31 December was 30.7 (34.3) per cent.



Growth continued to be good for the Group in 2021.
Per Siesing is the Supply Chain Manager.



Susanna Salminen works as the warehouse manager in Mölnlycke.

Employees

The average number of employees in the past 12-month period amounted to 214.5 (198). At the end of the financial year, the number of employees was 209, compared with 198 at the beginning of the year.

Parent company

The main tasks of the parent company are to take responsibility for management, business development, acquisitions, financing and analysis. The parent company's internal net revenue for the financial year was SEK 5.8 (6.8) million and profit/loss after net financial items was SEK -18.2 (-9.3) million.

The parent company's financial non-current assets mainly comprise shares in subsidiaries. At 31 December, there were 3 (4) employees.

Outlook

In general, there are no indications of any general decline in the demand situation compared with 2021. On the contrary, demand is expected to become stronger as the negative effect from COVID-19 decreases, with the reservation that the longer lead and delivery times in certain areas – primarily Process Facilities, Technical Plastics and Vibration Technology – as a result of a shortage of raw materials and components can have an effect. The ambition is to generate growth in 2022 organically and through acquisitions.

Proposed dividend resolution

The Board proposes that a dividend be paid totalling SEK 14,070,000, which is equivalent to SEK 0.75 per share. The Board proposes that the dividend payment be made immediately after the Annual General Meeting. It is the opinion of the Board that the proposed dividend is justifiable considering the demands that the nature, scope and risks of the business place on the size of the equity and the company's consolidation requirements, liquidity and financial position in general. This opinion should be viewed against the background of the information contained in the annual report. The company management is not planning any significant changes to the existing business, such as major investments, sales or liquidation. For more information about the company's financial position and performance, refer to the following income statement and balance sheet and the related supplementary information.

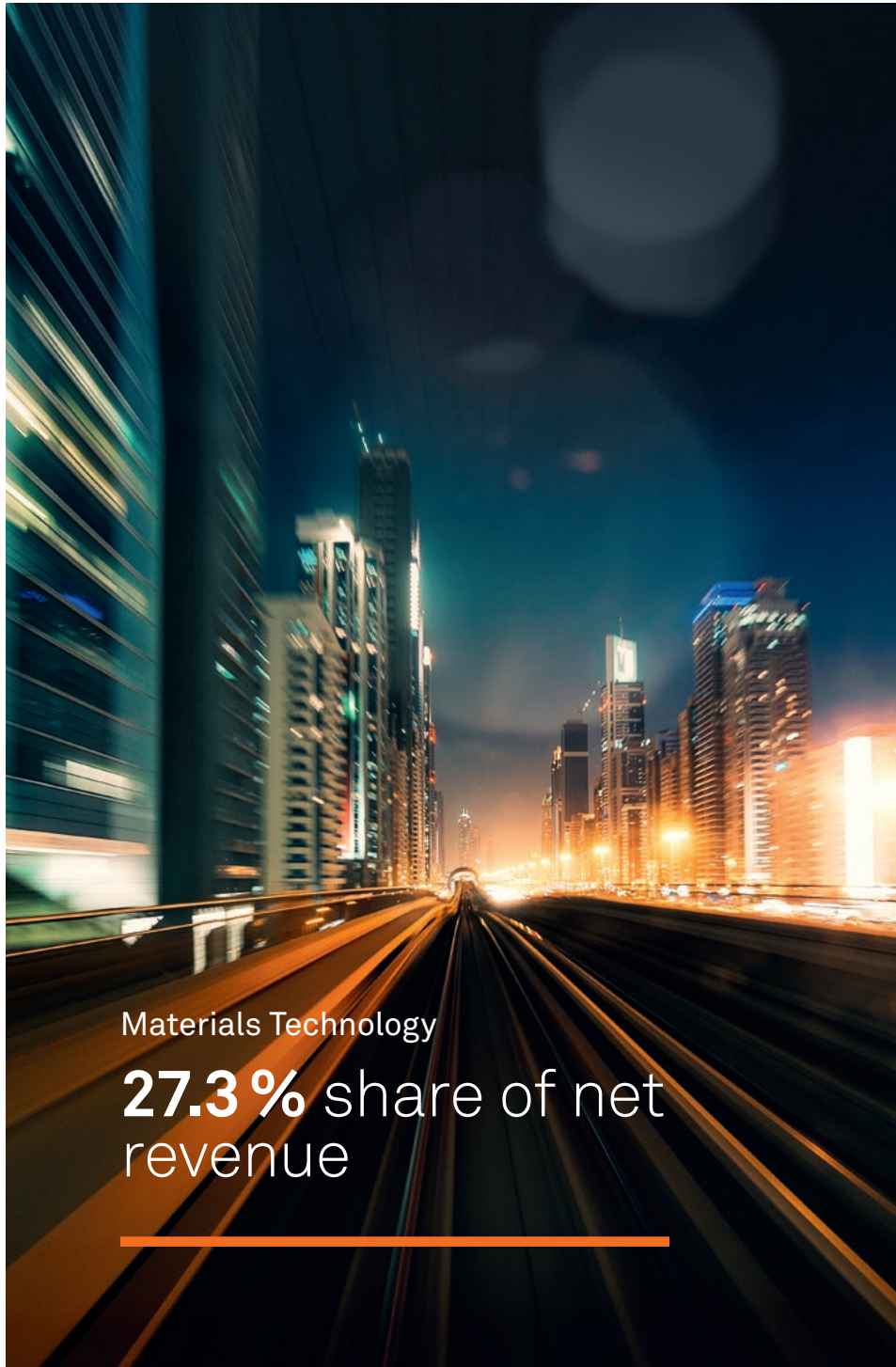
Appropriation of earnings, SEK thousands

The following is at the disposal of the Annual General Meeting:

Retained earnings	107,001
Profit for the year	10,843
Total	117,844

The Board of Directors proposes

Dividend of SEK 0.75 per share	14,070
To be carried forward	103,774
Total	117,844



Materials Technology

27.3% share of net revenue

MATERIALS TECHNOLOGY BUSINESS AREA

Increased profitability and new investments

Christian Berner's operations focused on the sales of vibration-damping and noise-reduction materials and technical plastics are gathered in the Materials Technology business area.

Market & customers

The customers in Materials Technology are primarily in infrastructure, such as rail and trams, as well as the paper, construction and mining industries.

The business area is less sensitive to economic fluctuations than the Process & Environment area since the products are largely comprised of wear products and consumables where demand is driven by the capacity utilisation in the customer segment. In addition to this, the development is driven by major investment decisions, where Christian Berner's materials form part of the investment, such as railway projects and construction.

In general, consumables and wear goods have higher margins than products of an investment nature.

Competitive advantages for Christian Berner are a large product range, high delivery reliability and qualified advice. The products and solutions in Materials Technology are divided into two product areas:

Technical Plastics

Christian Berner is a complete Nordic plastics supplier and offers everything from semi-finished goods to machined parts in high-quality plastic

materials and the most common engineering plastics. The company has a broad customer base, with the key industries being the paper industry and the mining industry, alongside products for materials handling systems.

Vibration Technology

Christian Berner supplies vibration-damping and noise-reduction materials in a range of applications to several sectors, primarily construction, industry and rail transport. In addition to vibration damping, the company's products also help to reduce the costs of operation and maintenance.

Examples of products

- Vibration damping
- Engineering plastics
- Noise barriers
- Sub-ballast mats and under sleeper pads for vibration insulation
- Noise absorbers

MATERIALS TECHNOLOGY BUSINESS AREA

Development 2021

Revenue decreased compared with 2020 to SEK 203 (224) million. Profitability weakened and the EBITA margin amounted to 8.8 (9.6) per cent.

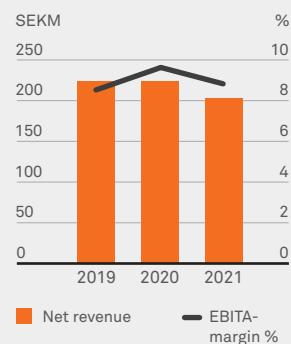
Important events

- Investment in water cutting equipment that broadens the range of services
- Restructuring in Technical Plastics that strengthens profitability
- Investment in Vibration Technology towards the industrial segment

Focus 2022

- Focus on customised parts from own production
- Integration of Bullerbekämparen's organisation into Christian Berner AB
- Development of solutions for the industrial segment

Materials Technology



8.8%
EBITA margin
SEK 203 million
net revenue



Vibration-insulating and noise-reduction solutions contribute to quiet environments in society.

A landscape featuring several wind turbines and power lines against a sunset sky. The sun is low on the horizon, creating a warm orange glow. The wind turbines are silhouetted against the sky, and power lines stretch across the scene from the right side.

We contribute to more sustainable energy systems

Process &
Environment

We deliver systems for filling, packaging
and labelling food that provide the right
amounts and reduce waste.

Expect more

PROCESS & ENVIRONMENT BUSINESS AREA

Acquisitions and a stronger offering

The Process & Environment business area targets customers with a need primarily for process equipment and complete technical systems.

Market and customers

Christian Berner's customers in Process & Environment are spread across a large number of segments, including the paper industry, the municipal sector, the food industry and the process industry.

Sales are mainly driven by major investment decisions at customers even if sales of a more recurring nature also exist. Since the acquisition of Zander & Ingeström in 2018, there is also an export business in electric and steam boilers that is global, as well as Swedspjälle after the acquisition of Greenfood Swedenborg.

Competitive advantages for Christian Berner are technically well-educated employees who with qualified advice can guide the customers to solutions that have the right capacity and operating economy. The offering is divided into four areas.

Environmental & fluid technology

The environmental and fluid technology area offers individual components, whole systems and a wide range of services within instrumentation and analysis, dosing pumps and disinfection systems.

Process equipment

Christian Berner offers a broad range of products, machines and installations in the areas of packaging and filling, fluid technology and powder and

drying technology. The solutions are adapted based on the customer's needs and specifications.

Filter technology

Christian Berner is a complete filter provider, with the market's widest range from leading manufacturers, and is able to help customers with all kinds of fluid filtration.

Flow technology, heating technology and industrial dampers

Flow technology offers centrifugal and displacement pumps, high-pressure pumps for industrial use of high-pressure water. Heating technology offers flow-through heaters, hot-water boilers and its own electric boilers of the Zeta boiler brand, which are also sold as exports. Industrial dampers are sold through the Swedspjäll brand.

Examples of products

- Dosing pumps
- Disinfection systems
- Electric boilers, steam and hot-water boilers
- Filters for water purification
- High-pressure pumps
- Industrial pumps
- UV equipment
- Industrial dampers
- Rupture discs



Process & Environment

72.7% share
of net revenue



Heating technology, flue gas dampers and flow technology are focus areas for 2022.

PROCESS & ENVIRONMENT BUSINESS AREA

Development 2021

Revenue increased compared with 2020 to SEK 540 (471) million. Profitability weakened and the EBITA margin amounted to 6.8 (8.1) per cent. Since last year's fourth quarter, the business area has also been supplemented by the acquired company Swedenborg, which contributes to the increased sales. Process & Environment is well developed in Sweden with strong sales and an improved gross margin. Process facilities, Environment & fluid technology and Swedenborg are areas that stand out positively. A delivery for a major project in China reduced the margin compared with the previous year.

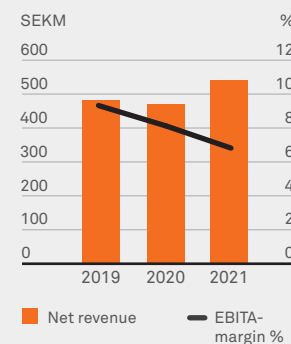
Important events

- Zander & Ingeström and Christian Berner AB are co-located in new premises in Täby
- Acquisition of GF Swedenborg Ingeniörsfirma.
- Zander & Ingeström Master Distributor for Alfa Laval Hygenic Fluid Handling
- New suppliers in water treatment that strengthen the offering in the strategically important area of environmental technology

Focus 2022

- Investment in the Heat Technology business area with product development and sales
- Further development of proprietary flue gas dampers Swedspjäll/Swedamper with an increased share of export sales
- Investing in flow technology towards the customer segments of food and pharmaceuticals.

Process & Environment



6.8%
EBITA margin

SEK 540 million
net revenue

Share data

In 2021, the Christian Berner share increased by 25 per cent, which can be compared with the Stockholm Stock Exchange as a whole in the form of the OMX Stockholm PI which rose by 34 per cent.

In 2021, 10.1 million shares were traded at a total value of SEK 318.5 million. This is equivalent to a turnover rate of 55 per cent. On average, there were 78 trades on each trading day of the year.

Since the listing in 2014, the Christian Berner share had a total return of 295 per cent (price trend + reinvested dividend). In the same period, the comparative index, which includes dividends, OMX Stockholm GI provided a total return of 211 per cent.

Ownership structure

Christian Berner has a total of 2,850 (2,066) shareholders. Gårdaverken AB was the largest single owner in Christian Berner at year-end and held 23.7 per cent of the capital and 52.3 per cent of the votes in Christian Berner. Gårdaverken is controlled by the Chairman of the Board, Joachim Berner.

Share buyback and dividend

The 2021 AGM gave the Board a mandate to acquire and transfer own shares. However, the holding may not exceed 10 per cent of outstanding shares. At the end of the year, the company had no treasury shares. The AGM also mandated the Board of Directors to decide on a new share issue totalling a maximum of 10 per cent of the shares, with or without preferential rights for the shareholders, at market conditions.

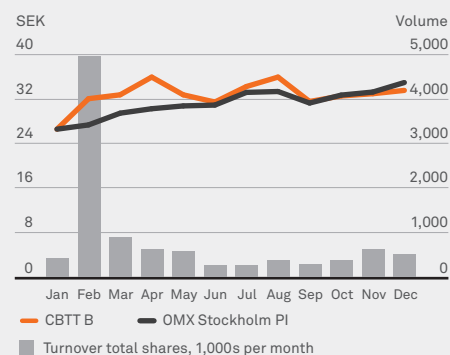
The Board proposes a dividend of SEK 0.75 per share to the 2022 Annual General Meeting. This is equivalent to 61.9 per cent of profit after tax. The objective is for the dividend ratio to be between 30 and 50 per cent.



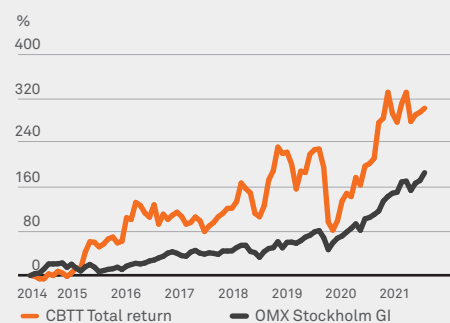
The share rose by 25 per cent during the year. The picture shows Helena Sällsten and Jonas Larsson working with Environmental and fluid technology.

SHARE DATA

Price trend in 2021



Total return since listing



Largest shareholders

Name	Class A shares	Class B shares	Shares	% of capital	% of votes
Gårdaverken AB	1,250,000	3,192,083	4,442,083	23.7%	52.3%
Concejo AB		1,932,323	1,932,323	10.3%	6.4%
Cervantes Capital		1,914,158	1,914,158	10.2%	6.4%
Isolde Stensdotter Berner		1,630,572	1,630,572	8.7%	5.4%
Lannebo Fonder		1,147,197	1,147,197	6.1%	3.8%
Ksenia Berner		796,920	796,920	4.2%	2.7%
Unionen		745,000	745,000	4.0%	2.5%
Protector Forsikring ASA		506,223	506,223	2.7%	1.7%
Avanza Pension		471,218	471,218	2.5%	1.6%
Mikael Gunnarsson		333,389	333,389	1.8%	1.1%
Elisabet Larsson		266,390	266,390	1.4%	0.9%
Nordnet Pensionsförsäkring		264,154	264,154	1.4%	0.9%
HC Capital Advisors GmbH		200,000	200,000	1.1%	0.7%
Niclas Berner Wolf		188,584	188,584	1.0%	0.6%
Cliens Fonder		172,000	172,000	0.9%	0.6%
Swedbank Försäkring		154,909	154,909	0.8%	0.5%
Antap Capital AB		110,697	110,697	0.6%	0.4%
Sonja Lachenardiére		100,000	100,000	0.5%	0.3%
Bo Söderqvist		88,633	88,633	0.5%	0.3%
Handelsbanken Fonder		85,000	85,000	0.5%	0.3%
Others		3,209,948	3,209,948	17.1%	10.7%
Total	1,250,000	17,509,398	18,759,398	100.0%	100.0%



We make
the journey
quiet and
peaceful

Materials Technology

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MESSAGE FROM THE CHAIRMAN OF THE BOARD

Succession.

A difficult thing. When is it time to let go, move on, hand over? When does seniority become mostly nostalgic and sentimental instead of supportive and wise?

As a third generation in a family business, I have had many opportunities in life to think about these issues. The fear of becoming the spoiled and so slandered third generation that runs the family heritage into the ditch has characterised me. This fear was probably one of the reasons Christian Berner was listed several years ago. Regardless, the change in ownership has been beneficial for both the company and us owners. A large part of this success can be attributed to the company's CEO of many years, Bo Söderqvist. He moved the company from a mediocre family-owned firm with poor profitability to a modern, listed company with profitability and growth.

And now it's time for the next step. Succession.

And now it's time for the next step. Succession. Time for the next chapter's managers.

In almost every Board evaluation I have been involved in doing at Christian Berner, as well as at other companies, the issue of the supply of talent has ended up far down on the list. Here, it is requested that this particular, oh so important issue, should have a higher priority. But even if the ambition is good, it's easy for it all to become an unengaged going-through-the-motions effort. Of course, the radar is always more or less on to find talent.

Now the goal is to increase the pace of the company's development in terms of both size and performance. The conditions exist in that there is a growing focus on sustainable solutions and offerings, sound finances and, above all, dedicated employees. I prefer not to make any promises, but see that the Christian Berner Group has all the prerequisites to reach a different size and significance.

"Dad, it's brave of you to be taking this step now. And of course the responsibility and work are getting heavier for you," my daughter Henrietta said when we recently talked about the Christian Berner Group. We do this strikingly often and together with her brother and my son Willem. They both have an interest in the company, which is very unexpectedly at a completely different level than it was for me when I was in my 20s. I would have preferred to play pop music and sign autographs.

"You've done something right," said Annelie Karlsson, President of the Family Business Network, which helped many companies with difficult successions in particular.

Maybe. Regardless, they are now both on the Board of Directors of Gårdaverken, which is the majority shareholder of Christian Berner. It was Henrietta and Willem who asked. Not me. That's the way it can go. They may see that I found joy and was energised by developing the company.

However, I am not going to throw in the towel just yet, but I want to make sure that the company takes a proper step now under the direction of a new CEO and CFO.

If I don't get hit by a bus, that is. Those things happen. But at least I have actively taken responsibility for the succession through a generational collaboration.

It feels dignified and proper. And it is with great pleasure that I welcome the company's new CEO, Caroline Reuterskiöld. Her background and experience vouch for her being the right leader for the next step in the company's now 125-year history.

Welcome to join us on the continued journey.

Joachim Berner
Chairman of the Board of Directors



*It feels dignified
and proper.*

Corporate Governance Report 2021

Corporate governance means that the Board uses processes and steering documents to both support and check that Christian Berner Tech Trade AB is run as sustainably, responsibly and efficiently as possible, and that the governance becomes a tool in the development of the Group.

Through clearly set structures and regulations, we ensure that our guidelines on how we conduct business are well-defined. When the corporate governance is clear, the employees' focus can be freed up to continuously develop and improve our business towards set goals.

Shareholders

Christian Berner Tech Trade AB (publ) is a Swedish public limited company listed on Nasdaq Stockholm since 31 March 2017 as a part of the Small Cap segment. The company follows the Code at Nasdaq Stockholm and applies Nasdaq Stockholm's regulations for issuers and has no deviation to report. The code applies to all Swedish companies whose shares are listed on a regulated market in Sweden.

Share capital

It has total share capital of SEK 0.63 million distributed across a total of 18,759,398 shares, divided into 1,250,000 class A shares and 17,509,398 class B shares, all of which have a par value of SEK 0.03. All class A shares entitle the holder to ten (10) votes at the General Meeting and all class B shares entitle the holder to one (1) vote at the General Meeting.

The number of shareholders at 31 December 2021 was 2,850 (2,066). The ten largest shareholders had a total shareholding of 80.9 (80.9) per cent of the total shares and 88.1 (88.1) per cent of the votes. See the table of the 10 largest shareholders on page 30.

Nomination Committee

The task of Christian Berner's Nomination Committee is to prepare proposals ahead of the upcoming Annual General Meeting with regard to the chair of the meeting, the Board fees, auditors' fees, Board of

Directors, Chairman of the Board, auditors and Nomination Committee. The Nomination Committee shall consist of three members appointed one each by the three largest shareholders in terms of votes at the time of the Annual General Meeting. If a shareholder declines to appoint a member, the right to appoint the member shall pass to the next-largest shareholder in terms of votes. If the member's association to the shareholder which nominated the member ceases, or if the member for any other reason leaves the Nomination Committee, the shareholder that nominated the member has the right to replace this member on the Nomination Committee. If a shareholder who has appointed a member to the Nomination Committee disposes of a significant portion of its shares in the company before the work of the Nomination Committee is concluded, the member appointed by this shareholder shall, if the Nomination Committee so decides, step down and be replaced by a new member appointed by the largest shareholder in terms of votes who is not already represented on the Nomination Committee. The Nomination Committee appoints a chair from among its members, who must not be the Chairman of the Board. The Nomination Committee ahead of the 2022 Annual General Meeting consists of Sten Ancarcrona (chair), Joachim Berner and Simon Kjellström.

Nomination Committee's work

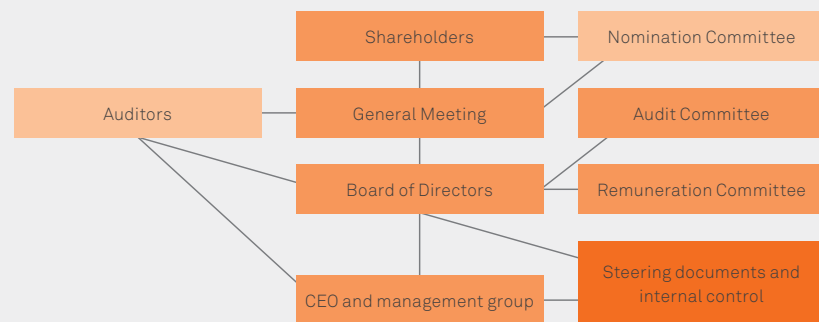
The members confirmed that there are no conflicts of interest that affect their assignment. During the autumn of 2021, the Nomination Committee interviewed all Board members, employee representatives, the CEO and CFO, which provided the possibility of obtaining information about the work in the Board, the Audit Committee, and the company's finance function. The Nomination Committee thereby received documentation to assess if the Board's composition is satisfactory and the need for competence and experience in the Board. The shareholders

had the opportunity to submit proposals and opinions to the Nomination Committee prior to the 2021 Annual General Meeting. No remuneration has been paid by Christian Berner Tech Trade AB to the members of the Nomination Committee for their work. The Nomination Committee's proposals for the 2022 Annual General Meeting are presented by the convening notice for the AGM and on the company's website, christianberner.com.

General Meeting

According to the Swedish Companies Act (2005:551), the General Meeting is the highest decision-making body of the company. The Annual General Meeting must be held within six months of the end of the financial year. The Annual General Meeting of Christian Berner Tech Trade AB usually takes place in April in Mölnlycke. At the Annual General Meeting, the shareholders exercise their right to vote on key issues, such as the adoption of the income statement and balance sheet, the appropriation of the company's profit or loss, the approval of discharge from liability for the members of the Board of Directors and the CEO, the election of members of the Board of Directors and auditors, as well as the remuneration of the Board of Directors and auditors. In addition to the Annual General Meeting, Extraordinary General Meetings may be convened. According to the Articles of Association, notice of General Meetings shall be given through an announcement in "Post- och Inrikes Tidningar" (the Swedish Official Gazette) and by publishing the notice on the company's website. At the same time as giving notice, the company shall announce in "Göteborgs-Posten" and "Dagens Industri" that notice has been given. At the Annual General Meeting of 29 April, resolutions were made on the usual matters, including the appropriation of the company's profit, determination of the fees to be paid to the Board of Directors and the auditors, the number of Board members,

CORPORATE GOVERNANCE REPORT



External steering documents

Among the external steering instruments that make up the framework for corporate governance in Christian Berner Tech Trade AB are the following:

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm rulebook
- Swedish Corporate Governance Code
- Applicable EU regulations

Internal steering documents

The binding internal steering instruments include:

- Articles of Association
- Formal work plan of the Board of Directors
- Instructions for the Audit Committee, the CEO and financial reporting to the Board
- Values
- Code of Conduct
- Finance policy
- Communication policy
- Other steering documents, policy documents, guidelines and instructions
- ISO 9001 and ISO 14001

In addition to these, there are processes for risk management, internal control and sustainability.

the election of the Board of Directors, Chairman of the Board and auditors, as well as principles for the appointment of the Nomination Committee. Minutes from the Annual General Meeting are available on Christian Berner Tech Trade's website christianberner.com.

The 2021 Annual General Meeting will be held on 28 April 2022 in Mölnlycke.

Right to participate in the General Meeting

Shareholders who wish to participate in the discussions at the General Meeting must be entered in the share register maintained by Euroclear Sweden five weekdays before the meeting and must also register with the company their intention to participate in the General Meeting no later than the date indicated in the notice convening the meeting. This date cannot be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must be no earlier than the fifth weekday before the General Meeting. Shareholders can attend general meetings in person or be represented by a proxy and may also be assisted by a maximum of two people. It is usually possible for shareholders to register for the General Meeting in a number of ways, as specified in the notice convening the meeting. Shareholders are entitled to vote on behalf of all the shares held by the shareholder.

Auditors

In order to examine the company's annual report and accounts as well as the management of the Board of Directors and the Chief Executive Officer, a registered accounting firm is appointed as the auditor at the Annual General Meeting. At the 2021 Annual General Meeting, the registered accounting firm KPMG AB (Norra Hamngatan 22, 404 39 Gothenburg) was elected as the auditor until the next Annual General Meeting. Authorised Public Accountant Mathias Arvidsson is the auditor in charge. The auditors have participated in the Board meeting to present KPMG's audit process and to give the Board members an opportunity to ask questions without the presence of management. The auditors also participated in the Audit Committee meetings. The auditors' fees are as stated in Note 8 for the Group.

Board of Directors

The Board of Directors is the highest decision-making body of the company after the Annual General Meeting. According to the Swedish Companies Act, the Board is responsible for the company's management and organisation.

The Board members are usually elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the company's Articles of Association, the Board of Directors must consist of at least three members and at most seven members and no deputies.

The company's Board of Directors currently consists of seven ordinary members and two employee representatives. The Board of Directors consists of three women and four men. The company's Chief Executive Officer is not a member of the Board of Directors.

The Chairman of the Board is elected by the Annual General Meeting and has specific responsibility for the management of the work of the Board of Directors and for the work of the Board of Directors being well organised and carried out in an effective manner. The Board of Directors follows written rules of procedure, which are revised annually and adopted at the constituent Board meeting each year. The rules of procedure govern, among other things, the Board's work and functions and the division of work between the Board members and the Chief Executive Officer.

All Board members, with the exception of the Chairman of the Board Joachim Berner and Board member Carl Adam Rosenblad, are also independent in relation to the company's major shareholders.

Board work

At the constituent Board meeting, the Board of Directors also adopts instructions for the Chief Executive Officer, including financial reporting. According to the rules of procedure currently in force, after the constituent meeting following the Annual General Meeting, the Board of Directors must meet on at least four scheduled occasions during the financial year. In addition to these Board meetings, further Board meetings may be convened to discuss issues that cannot be deferred to an ordinary Board meeting.

The overall task of the Board of Directors is to set the company's overall goals and strategy. The issues for the Board of Directors' work primarily concerns strategy work, follow-up and control of the company's operations and risks, value creation and control of the company's compliance with external and internal rules. The Board of Directors' follow-up of the company's compliance with internal and external rules is based partly on the reported results of the company's self-assessment process and partly on the risk-based mapping the company does annually. During the year, the Board of Directors held nine Board

CORPORATE GOVERNANCE REPORT

meetings and attendance was 93 per cent in total. Kerstin Gillsbro was absent on three occasions and Joachim Berner and Carl Adam Rosenblad were absent on one occasion each.

Evaluation of the Board of Directors

The Board of Directors is evaluated every year with the aim of both developing the Board work and creating a basis for the Nomination Committee's evaluation of the Board's composition. The evaluation of the Board was done in 2021 through interviews of each individual Board member, and a survey that was done in autumn 2021. From the Board's evaluation, it was apparent that the Board work went well and that opinions from earlier evaluations were taken into account. The evaluation also showed that the Board's collective expertise and experience are well balanced.

Board fees

The Nomination Committee presents proposals for resolutions at the General Meeting concerning Board fees. Board fees are not paid for positions on the boards of subsidiaries. Board members who are employed within the Group do not receive any separate remuneration for Board work. At the 2021 Annual General Meeting, it was resolved, according to the Nomination Committee's proposal, that a fee of SEK 450,000 would be paid to the Chairman of the Board for the coming year and a fee of SEK 200,000 per Board member would be paid to other Board members who are not employed in the Group. Remuneration will be paid for the work of Board members on the Audit Committee established by the Board of Directors in the amount of SEK 100,000 for the Chairman of the Audit Committee and SEK 50,000 for the other two members of the Audit Committee. Remuneration will be paid for the work of Board members on the Remuneration Committee established by the Board of Directors in the amount of SEK 100,000 for the Chairman of the Remuneration Committee and SEK 50,000 for the other two members of the Remuneration Committee. Information on the Board fees for 2021 is in Note 7 for the Group. The Nomination Committee's proposal on remuneration prior to the 2022 Annual General Meeting are presented by the convening notice for the Annual General Meeting.

Audit Committee

The company has an Audit Committee consisting of three members: Joachim Berner, Bertil Persson and committee chair Lars Gatenbeck. The Audit Committee must, without this affecting the general responsibilities and duties of the Board of Directors, among other things, monitor the company's financial reporting, monitor the effectiveness of the company's internal controls, self-assessment process and risk

management, keep itself informed about the auditing of the annual accounts and consolidated financial statements, review and monitor the impartiality and independence of the auditor and in doing so pay particular attention to whether the auditor provides the company with services other than auditing services, and support the Nomination Committee in preparing proposals for the Annual General Meeting's election of auditors. The Audit Committee also handles corruption or bribery according to the whistle-blower policy and alleged violations of the Competition Act. Complaints or matters of a similar nature are reported to the chair of the committee. All members of the Audit Committee are independent in relation to the company and the company's management. Bertil Persson and Lars Gatenbeck are also independent in relation to the company's major shareholders. During the year, the committee held five meetings with 100 per cent attendance.

Remuneration Committee

The Board of Directors of Christian Berner has decided not to establish a separate remuneration committee. The Remunerations Committee deals with issues such as those concerning principles for remuneration and other terms of employment for the company's Chief Executive Officer and senior executives. The Remuneration Committee must also monitor and evaluate the application of guidelines for the remuneration of senior executives that by law are to be decided by the Annual General Meeting. The Remuneration Committee consists of three members, Kerstin Gillsbro, Bertil Persson and the Chairman of the Remuneration Committee Joachim Berner. The Remuneration Committee held two meetings in 2021 with 100-per-cent attendance.

CEO and management group

The Chief Executive Officer for the Group is Bo Söderqvist. The Chief Executive Officer reports to the Board of Directors and is responsible for the company's routine administration and day-to-day operations. The division of work between the Board of Directors and the Chief Executive Officer is specified in the rules of procedure for the Board of Directors and the instructions for the Chief Executive Officer. The Chief Executive Officer may make the decisions required for the development of the business, within the parameters of the Swedish Companies Act and the business plan, budget and instructions for the Chief Executive Officer stipulated by the Board of Directors, as well as other guidelines and instructions which the Board of Directors may issue. The Chief Executive Officer must take the necessary steps to ensure that the company's accounts are fully compliant with the law and that asset management is conducted in a satisfactory manner. The Board of Christian Berner Tech Trade AB has drawn up instructions for the Chief Executive Officer, which must be adopted annually at the Board

meeting immediately following each Annual General Meeting. According to the instructions for financial reporting, the Chief Executive Officer is ultimately responsible for financial reporting at the company and must consequently ensure that the Board of Directors receives adequate information in order to enable the Board to continuously monitor the company's financial position. The Chief Executive Officer must keep the Board of Directors continuously informed about the development of the company's operations, the net revenue trend, the company's profit and financial position, liquidity and credit position, important business events and any other event, circumstance or situation that may be deemed of significance to the company's shareholders. Together with CEO Bo Söderqvist, Christian Berner Tech Trade's Group management was comprised of the CFO, the President of Christian Berner AB, the President of Zander & Ingeström AB, the President of A/S Christian Berner, the President of Christian Berner OY, the President of Christian Berner AS, the Director of Marketing, the HR Manager and the CIO. The Group management meets regularly and addresses issues that, among other matters, concern corporate governance, reporting and strategy. In addition, Group management assists the CEO in carrying out decisions by the Board of Directors.

Group-wide areas of responsibility

The Group is responsible for and operates a number of areas that assist the Group and the country segments with Group-wide expertise and tasks. As help, they have a number of employees in the parent company, as well as borrowed help from the Group's subsidiaries and external consultants.

The Group works with internal control, where a dedicated controller works with the Group's internal control and reports to the Group's CFO, who reports to the Audit Committee. Within the area, work is being done to develop, improve and secure internal control with regard to financial reporting in the Group.

In the sustainability work, work is done in every Group company, but the coordination is done by the Group headed by the CFO. The area of risk management, where risks are evaluated, identified and priorities are consolidated, is a part of the CFO's responsibility and is coordinated by controllers at the Group level.

Diversity

Christian Berner shall actively work for gender equality and diversity. The company may not engage in any form of discrimination in its activities or recruitment processes. Prohibited bases of discrimination include, but are not limited to: age, disability, sexual orientation, gender, transgender identity or expression, religion or other belief or ethnicity.

Remuneration report

Introduction

This report describes the guidelines for remuneration of senior executives for Christian Berner Tech Trade AB, adopted by the 2021 Annual General Meeting, and how they were applied in 2021. The report also contains information on the remuneration of the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes. Further information on remuneration of senior executives is in Note 7 (Employee and personnel expenses) on pages 57-58 in the Annual Report for 2021. Information on the Remuneration Committee's work in 2021 is in the corporate governance report on pages 33-35 of the Annual Report for 2021. Board fees are not covered by this report. Such fees are decided on annually by the Annual General Meeting and are reported in Note 7 on page 58 of the Annual Report for 2021.

Development 2021

The CEO summarises the Group's development in his Message from the CEO on page 3 of this Annual Report for 2021.

Decision-making procedure for remuneration

Every year, the shareholders at the Annual General Meeting pass a resolution regarding the remuneration of the Board members (including members of the Board's Audit Committee and Remuneration Committee). The Board of Directors appoints the CEO and approves his/her remuneration and the compensation to the other members of the Group management team. The Remunerations Committee prepares issues and proposals on remuneration of the Board and is responsible for ensuring that the principles for remuneration of the management are in line with the company's goals and the shareholders' interests.

Overall application of remuneration principles

The following guidelines cover the members of the Group management team of Christian Berner Tech Trade AB (publ) and were adopted by the 2021 Annual General Meeting.

Company's remuneration guidelines

A successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, presuppose that the company can recruit and retain qualified employees. For further information on the company's business strategy, see page 7. For this, Christian Berner Tech Trade AB must be able to offer competitive remuneration. These guidelines mean that senior executives can be offered competitive overall compensation. Variable cash remuneration that is covered by these guidelines shall have the purpose of promoting the company's business strategy and long-term interests, including its sustainability. As of today's date, the company has not established any long-term share-based incentive programmes.

Forms of remuneration, etc.

The remuneration of the CEO and senior executives shall consist of fixed cash salary, variable cash remuneration, pension benefits and other customary non-monetary benefits.

Fixed cash salary

Every member of the Group management team shall be offered a fixed cash salary that is market based in relation to the work's level of difficulty, the executive's experience, expertise, responsibility and qualitative performance. Fixed cash salary is revised annually as a main rule.

Variable cash remuneration

The variable cash remuneration shall take into account the individual's level of responsibility and degree of influence. The size of the variable remuneration shall be based on the individual's percentage fulfilment of set targets. The variable cash remuneration may be equivalent to a maximum of 42 per cent of the fixed annual cash salary for the CEO and a maximum of 25 per cent of the fixed annual cash salary for the other senior executives. Fulfilment of criteria for disbursements of variable cash remuneration shall be able to be measured during a period of one

year. Further cash variable remuneration can be payable in extraordinary circumstances on condition that such arrangements are only made at an individual level either with the aim of recruiting or retaining a senior executive, or as compensation for extraordinary work done beyond the person's ordinary duties. Such remuneration may not exceed an amount equivalent to 40 per cent of the fixed annual cash salary and may not be paid out more than once a year and individual. Decisions on further cash remuneration shall be made by the Board of Directors.

Pension

The CEO and other senior executives shall be covered by defined-contribution pension plans or ITP plans, in some cases with supplements. The pension premiums paid by the company shall amount to a maximum of 40 per cent of the senior executive's fixed annual cash salary unless the executive is covered by a defined-benefit pension according to compulsory collective agreement stipulations. Variable cash remuneration shall be pensionable to the extent that is pursuant to compulsory collective agreement provisions that are applicable to the senior executive.

Non-monetary benefits

Other customary non-monetary benefits can include, for example, medical expenses insurance, life insurance, health insurance and a company car. Premiums and other expenses due to other customary non-monetary benefits may combined amount to a maximum of 15 per cent of the fixed annual cash salary for senior executives.

End of employment

Upon an end of employment, the period of notice for the CEO and other executives may be a maximum of six months regardless of whether termination is made by the company or the executive resigns. If the company ends the employment, severance pay may be payable to the CEO equivalent to a maximum of the fixed cash salary for six months.

REMUNERATION REPORT

Criteria for the allocation of variable cash remuneration, etc.

The remuneration is based on the individual's commitment and performance in relation to targets defined in advance, both individual targets and shared targets for the company as a whole, which may be financial or non-financial. The variable cash remuneration to the CEO shall be 100 per cent dependent on the outcome of EBITA at the Group level. The variable remuneration of other senior executives shall be 80 per cent dependent on the outcome of EBITA to some part attributable to the Group and to the most part attributable to the relevant Group company in which the senior executive is active. 20 per cent of the variable cash remuneration for other senior executives is dependent on fulfilment of individual goals, which are non-financial and which have clear connections to implementation of the company's business strategy or long-term goals (including its sustainability) or promote the senior executive's long-term development. It is the Board's opinion that the combination of individual non-financial goals and financial targets attributable partly to the Group and partly to the Group company where the senior executive has the greatest possibility to influence contributes positively to the company's business strategy, long-term interests and sustainability. When the measurement period for fulfilment of criteria for payment of variable cash remuneration ends, the degree to which the criteria were fulfilled shall be assessed. The Board of Directors is responsible for the assessment insofar as concerns variable cash remuneration of the CEO. Insofar as concerns variable cash remuneration of other senior executives, the Remunerations Committee is responsible for the assessment. With regard to financial targets, the assessment shall be based on the financial information most recently published by the company. The Board of Directors shall have the possibility to partly or entirely reclaim variable remuneration paid on incorrect grounds in accordance with law or agreement and with the limitations pursuant thereto.

Salary and terms of employment for employees

The Board of Directors of Christian Berner Tech Trade AB has decided to establish a Remuneration Committee with the task of evaluating the total remuneration of senior executives. Total remuneration, the composition of remuneration and the increase in remuneration and the rate of increase over time have formed part of the Remuneration Committee's decision-making documentation.

The decision-making process to adopt, revise and implement the guidelines

The Remuneration Committee shall draw up a proposal for new guidelines for the remuneration of senior executives if necessary or at least every four years and submit the proposal for a resolution at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the General Meeting. The Remuneration Committee shall also follow and evaluate programmes for variable remuneration for company management, the application of guidelines for remuneration of senior executives and regarding remuneration structures and levels in the company. In the Remunerations Committee's handling of and decision in remuneration-related issues, the CEO or other persons in company management are not present insofar as they are affected by the issues.

Deviation from the guidelines

The Board may decide to temporarily deviate from the guidelines in part or in whole if in an individual case there are special reasons to do so and a deviation is necessary to safeguard the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions in remuneration issues, which includes decisions on deviations from the guidelines.

Follow-up of application of guidelines in 2021

In 2021, the company complied with the remuneration guidelines adopted by the General Meeting. In 2021, the Board of Directors approved exceptions to the current guidelines on severance pay for the CEO. Included in this decision, the Board in its evaluation found that total remuneration levels in the company are suitable. No other deviations from the guidelines were made and no deviations have been made from the decision-making process, which according to the guidelines shall be applied to determine the remuneration. In the Board's opinion, the total disbursed remuneration to senior executives constitutes a competitive remuneration in line with the company's guidelines. Providing competitive remuneration ensures that the company can recruit and retain qualified employees, which contributes to the company's long-term results in a positive way. The auditor's opinion on the company's compliance to the guidelines is available at www.christianberner.com. No remuneration has been reclaimed.

Table 1 – Total remuneration of CEO in 2021 and 2020

	2021	2020
Salary increase in %	10%	9%
Salary	2,765	2,425
Bonus	–	–
Other benefits	83	72
Pension	940	1,017
Other remuneration	15	9
	3,803	3,523

The figures above do not include severance pay of SEK 7.5 million (including salary, pension and social security contributions) to the current CEO.

Application of performance criteria

The performance criteria for the CEO's variable remuneration are 100 per cent dependent on the outcome of EBITA % at a Group level. For 2021, the CEO's total remuneration is 100 per cent based on fixed salary and 0 per cent on variable remuneration.

Table 2 – CEO's performance during the reported financial year: variable cash remuneration

Executive	Description of criteria attributable to the remuneration component	Relative weighting of performance criteria	a) Measured performance and b) actual allocation / remuneration outcome
Bo Söderqvist, CEO	Financial outcome, EBITA %	100 %	a) 4.2% b) SEK 0

Comparative information regarding changes in remuneration and the company's earnings

Table 3 – Changes in remuneration and the company's earnings in the past five reported financial years

	2016	2017	2018	2019	2020	2021
Total remuneration, CEO, SEK '000s	2,670	2,840	3,763	3,205	3,523	3,803
Remuneration increase in % for CEO	1.5%	6.4%	32.5%	-14.8%	9.9%	7.9%
Group EBITA margin	5.9%	4.8%	8.4%	7.5%	6.1%	4.2%
EBITA margin change in percentage points	0.2%	-1.1%	3.6%	-0.9%	-1.5%	-1.59%
Average remuneration development based on the number of full-time equivalent employees in the Group	1.5%	0.7%	3.5%	5.2%	-3.8%	-0.7%

The figures above do not include severance pay of SEK 7.5 million (including salary, pension and social security contributions) to the current CEO.

Board of Directors



Joachim Berner

Chairman of the Board of Directors since 2014 (Board member since 2013 and from 1989 to 2008). Member of the Audit Committee and Chairman of the Remuneration Committee. Born 1962.

Education: Master of Science in Economics, MBA, from the School of Business, Economics and Law at the University of Gothenburg.

Other current positions:

Industrial advisor to Accendo Capital and Capman. Chairman of the Boards of Gårdaverken AB, Berner Fastighets AB and Seafire Capital (Publ). Member of the Boards of Yrkesakademien AB (publ) Convenium Österlen, Konstab and Squid (njuice AB).

Shareholding in Christian Berner Tech Trade: 1,250,000 class A shares and 4,442,083 class B shares through Gårdaverken AB.

Independence: Dependent in relation to the major shareholders. Independent in relation to the company and company management.



Kerstin Gillsbro

Board member since 2016. Born 1961. Member of the Remuneration Committee.

Education: Graduate Engineer in Civil Engineering from the Faculty of Engineering at Lund University.

Other current positions:

CEO of Jernhusen AB. Member of the Boards of JM, Green Building Council and JBS (Swedish Railway Industry's collaboration forum).

Shareholding in Christian Berner

Tech Trade: 7,015 class B shares.

Independence: Independent in relation to the company and company management.



Bertil Persson

Board member since 2018. Member of the Audit Committee and the Remuneration Committee. Born 1961.

Education: Master of Science in Economics from the Stockholm School of Economics.

Other current positions:

Member of the Boards of Nobina AB, Bufab AB and Troax AB. Senior advisor and Hjalmarsson & Partners.

Shareholding in Christian Berner

Tech Trade: –

Independence: Independent in relation to the company and company management.



Stina Wollenius

Board member since 2018. Born in 1979.

Education: Master of Science in Industrial Economics from the KTH Royal Institute of Technology and Technische Universität Berlin.

Other current positions:

Chairman of the Board and CEO of Glasgruppen, member of the Boards of Svensk Planglasförening and Produktionslyftet (Rise).

Shareholding in Christian Berner

Tech Trade: 1,647 class B shares.

Independence: Independent in relation to the company and company management.



Lars Gatenbeck

Board member since 2014. Chairman of the Audit Committee. Born 1956.

Education: Dr. Med. at Karolinska Institutet, Master of Science in Medicine at Karolinska Institutet.

Other current positions:

Industrial advisor to EQT. Chairmen of the Boards of Life Medical Sweden AB and Life Equity Group Holding AB, Deputy Chairman of Stiftelsen Industriefonden, member of the Boards of Ambea AB, Dataflow Group PTY, Panasia Health Ltd, Tunstall Healthcare Group Ltd, Cancerföreningen and the Silviahemmet Foundation. Trustee of the King Gustav V Jubilee Foundation.

Shareholding in Christian Berner

Tech Trade: 43,364 class B shares.

Independence: Independent in relation to the company and company management.

BOARD OF DIRECTORS



 Sara Mattsson

Board member since 2021.
Born in 1983.

Education: Master of Science in Sociology from Uppsala University, UC Berkeley and San Francisco State University.

Other current positions:

Creative Lead for Google AB and Board member of C.A.G. Group AB (publ).

Shareholding in Christian Berner

Tech Trade: 360 class B shares

Independence: Independent in relation to the company's major shareholders. Independent in relation to the company and company management.



 Carl Adam Rosenblad

Board member since 2021.
Born in 1965.

Education: Master of Science in Economics from Uppsala University.

Other current positions:

President and Board member of Concejo AB (publ). Chairman of the Boards of Firenor International AS and SBF Management AB.

Shareholding in Christian Berner

Tech Trade: 15,000 class B shares

Independence: Dependent in relation to the company's major shareholders. Independent in relation to the company and company management.



 Robert Sätterberg

Employee representative since 2021.
Born in: 1978

Education: 3-year high school Business & Administration Porthälla Partille.

Other current positions:

Technical Sales Representative, Fluid filtration for Environmental and fluid technology at Christian Berner AB. Chairman of the local Unionen club at Christian Berner AB

Shareholding in Christian Berner

Tech Trade: –



 Sandra Fundin

Employee representative since 2020.
Born in 1983.

Education: Event Marketing & Management.

Other current positions:

Marketing Coordinator at Christian Berner Business Services.

Shareholding in Christian Berner

Tech Trade: –

Management



Bo Söderqvist

CEO of Christian Berner Tech Trade AB since 2010. Born in: 1963.

Education: Leadership training at the Swedish Institute of Management, Krauthammer International and Håkan Frödén Coaching & Communication. Training in steel and metal at SSAB Borlänge and Inexa. Sales training at BE-skolan.

Other current positions:

Chairman of the Boards of Christian Berner AB, Christian Berner Oy, A/S Christian Berner, Christian Berner AS and Zander & Ingeström AB.

Shareholding in Christian Berner Tech Trade: around 90,000 class B shares



Lars Westlund

CFO of Christian Berner Tech Trade AB, employed in 2021. Born in: 1958.

Education: MBA, School of Business, Economics and Law, Gothenburg.

Other current positions:

Member of the Board of Aerowash AB.

Shareholding in Christian Berner Tech Trade: –



Hans Lindqvist

President of Christian Berner AB, Supply Chain Director in Christian Berner Tech Trade AB and President of A/S Christian Berner since 1 December 2020. Employed since 2018. Born in: 1965.

Education: Graduate Engineer in Mechanical Engineering from Chalmers Institute of Technology.

Other current positions:

Member of the Board of Christian Berner AB and Chairman of the Board of Bullerbekämparen AB.

Shareholding in Christian Berner Tech Trade: 12,000 class B shares



Henrik Westerholm

President of Christian Berner Oy, since 2006. Born in: 1970.

Education: Engineer in Machine Automation from the Institute of Technology in Helsinki.

Other current positions:

Board member of Christian Berner Oy.

Shareholding in Christian Berner Tech Trade: 8,727 class B shares



Herman Thon

President of Christian Berner AS since 2017. Born in: 1970.

Education: Leadership training from the Norwegian Defence University College, MSc in Marketing from Kristiania University College, MBA from the Norwegian School of Economics (NHH), Strategy and innovation from INSEAD Business School.

Other current positions:

Board member of Christian Berner AS.

Shareholding in Christian Berner Tech Trade: –

MANAGEMENT



 Joel Lybert

President of Zander & Ingeström until 30 November 2021. Born in 1975. AB, employed since 2019

Education: Bachelor of Science in Marine Engineering at Kalmar University.

Other current positions: Board member of Zander & Ingeström AB.

Shareholding in Christian Berner Tech Trade: 1,000 class B shares.



 Ann Svensson

Director of Marketing of Christian Berner Tech Trade. Employed since 2016. Born in: 1969.

Education: Berghs School of Communication.

Shareholding in Christian Berner Tech Trade: 2,000 class B shares.



 Fredrik Berndtson

CIO of Christian Berner Tech Trade since 2019. Born in: 1973.

Education: Master of Science in Chemical Engineering, Chalmers University of Technology, Bachelor of Science in Business Administration at the School of Business, Economics and Law at the University of Gothenburg

Shareholding in Christian Berner Tech Trade: –



 Sara Johansson

HR Manager of Christian Berner Tech Trade. Employed since 2021. Born in: 1988.

Education: HR and salary administration, Mölnlycke Vocational College.

Shareholding in Christian Berner Tech Trade: –

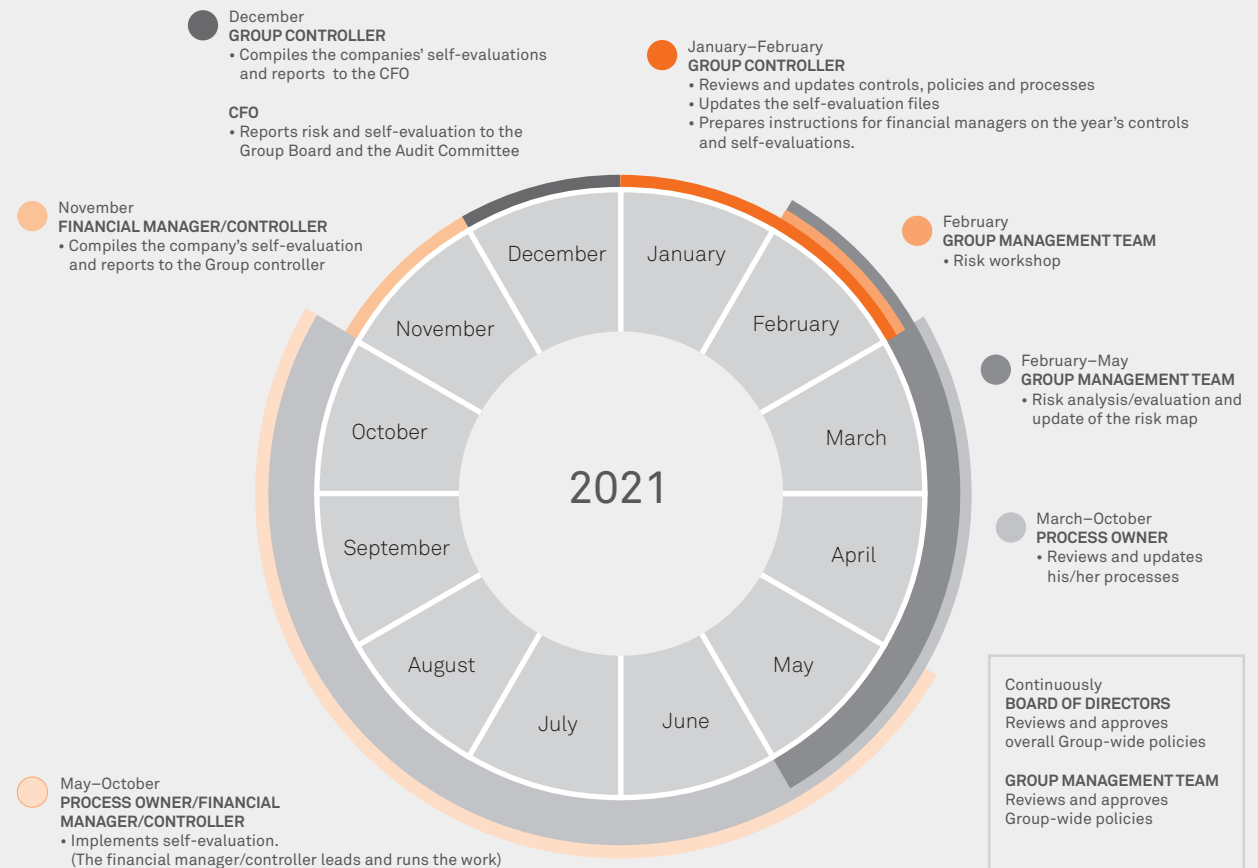
Internal control at Christian Berner

The Board of Directors has ultimate responsibility for internal control and governance in relation to financial reporting. The Board of Directors annually adopts specific documents that guide and support the management and other employees in their work to ensure that reporting is complete and accurate and gives a true and fair view. The Board of Directors and the management also define decision-making paths, responsibility paths and powers. These documents mainly comprise the Board of Directors' rules of procedure, the Chief Executive Officer's instructions and the finance policy, authorisation policy and finance handbook. Christian Berner Tech Trade has an extensively decentralised responsibility for driving and implementing the strategy. Operating activities are conducted in independent operating units where the responsibility for profit/loss, the balance sheet and cash flow also rests. Managers of the operating units and their employees make the business decisions, ensure they are handled correctly and make sure the risk taking is balanced. As support, the respective companies regularly follow up the outcome of their business units' operations, as Group management does for the respective company in established Business Review Meetings (BRM).

Control activities

To limit identified risks to each process, a self-evaluation of defined controls shall be done annually and reported to the Audit Committee and the Board. The CFO is responsible for this self-evaluation process. The Group has a self-evaluation programme that the subsidiaries shall follow; see illustration. An assessment of the level of internal control and the effectiveness of the controls must be performed annually and driven by the companies' finance manager/controllers. The Group's CFO is responsible for presenting the results to the Audit Committee and the Board of Directors. Christian Berner Tech Trade has Group-wide monitoring, where subsidiaries and functions must monitor the effectiveness of the controls and report back to the Group controller. (Policy for internal governance and control). Some key performance indicators are followed up monthly against the budget/forecast in the form of a documented account closing meeting between the Group companies' financial managers/controllers and Group controllers where the income statement and balance sheet are the most important.

Yearly cycle for internal control



INTERNAL CONTROL

2021 successes

The Group-wide organisation CBBS was further developed in 2021 and now also includes an HR function. All functions in CBBS support all Group companies with the aim of harmonising and streamlining processes in IT, finance, marketing and marketing communications, as well as HR.

During the year, the companies' self-evaluations were developed to include quality and environmental targets for the companies that are quality and environmentally certified.

An extensive effort was made to update and modernise the Group's accounting handbook. All the staff involved then participated in a workshop to review the new handbook.

Planning for 2022

Continued development of Group-wide processes and with development of local and relevant control points in the subsidiaries' self-evaluations. Develop Christian Berner Business Services as the Group's centre for Group-wide functions. Development of the Group's sustainability work and framework for the sustainability work.

Risks and risk management

Conducting business involves taking risks. Good risk management provides opportunities for a better business while risks that are not properly managed can be costly to the business.

Risk assessment

There is an established policy for risk management, "Policy for internal governance and control", which the company follows in its work. Within the scope of Christian Berner Tech Trade AB's risk management process, a number of risk areas have been identified. These are analysed and evaluated regularly by Group management. The company's CFO leads this work together with the company's controller. Significant risks and uncertainties are presented on pages 44-45 together with the steps that can be taken to handle the risks.

Risk spread

Christian Berner Tech Trade's earnings, financial position and strategic position are affected by both internal factors, which the Group itself has control over, and external factors where the possibility of influence is more limited. The Group works to identify, evaluate, manage and follow up risks that affect the business. The objective is for the Group's goals to be achieved through deliberate and well-considered risk taking that follows the guidelines the Group has set. Christian Berner has activities directed at customers in many different market segments and niches within, above all, the Nordic countries.

The wide-spread customer stock provides less exposure to risks of a decline in a specific industry. A part of the Group's business is based to a large degree on sales in connection with large investments and projects, while other parts have a more on-going nature. In an economic decline, the investment willingness decreases while the on-going business is less affected. Christian Berner has actively increased the share of sales of on-going products and services to reduce the risks of exposure to an investment-intensive business. We work with around 150 suppliers from around the world, with the majority in Europe. The Group always wants to work closely with selected suppliers and build up a relationship where we create value together. If a supplier for some reason is not of current interest to continue cooperation with, the Group has the possibility to find a new supplier for similar solutions and to maintain the customer relationship.

Sustainability risks

Christian Berner acts responsibly and active sustainability work is therefore important for the company. Christian Berner takes a holistic view, centred on good business ethics, the environment, human rights and the company's future. Christian Berner complies with the international conventions UN Global Compact, ILO and the OECD guidelines for multinational enterprises. The business comprises trading, distribution and a limited amount of processing. The Group's impact on the environment is limited and relates primarily to the transport of goods, business travel and waste management. None of the Group's companies are involved in any environmental disputes.

Crisis management

The Group's crisis management is decentralised, which means that insofar as possible, events should be solved locally, close to the origin of the event. If crises arise that can conceivably affect the Group, the CEO should be contacted immediately for a dialogue on the handling of resolution activities and how information should be formulated and coordinated. If the CEO cannot be reached, the CFO should be informed.

Surrounding world factors

Component shortages and delays in the supply chain are external factors that impacted the fourth quarter of 2021 in particular. A close dialogue with customers ensured that no business was lost even though significant delays in deliveries were the effect of this external situation.

The global pandemic, COVID-19, has also involved some delays in deliveries and also complicated meetings with potential customers. Especially in markets that have had varying degrees of shutdowns during certain periods.

Both Group management and the Board of Directors have followed the developments carefully and taken steps to mitigate the impact of the aforementioned external factors.

Risks and uncertainties

RISKS

MANAGEMENT

Economic developments and market trends

Demand for Christian Berner's products and services is extensively affected by macroeconomic factors that are beyond the company's control. This involves the industry's development and investment willingness, the situation in the economy in general and conditions on the global capital market. The outbreak of pandemics also affects the business climate, which became clear in 2020. A weakening of these factors in the markets that Christian Berner is active in can entail negative effects on financial position and performance. The Board of Directors and management have carefully analysed the potential effects of the conflict in Ukraine on the Christian Berner Group. At the time of the preparation of the annual report, it is difficult to estimate whether this impact is short-term, i.e., a number of months, or whether the impact will be more long term. The Board of Directors and management can conclude that there is uncertainty in the outside world, which has the consequence that there is uncertainty both in the possibility of obtaining deliveries and in selling the company's products. There is also uncertainty regarding the future price trend for raw materials.

Changes in the customer chain

Globalisation and rapid technological development are driving structural changes in the customer chain, which may result in an increase or drop in demand for Christian Berner's services, for example through mergers and relocation. Rapid technical development can lead to customer demand for products and solutions shifting to new variants, which were not previously available.

Competitive situation

All of the Group's subsidiaries are active in sectors that are subject to competition. In addition, a consolidation can take place in the industry on the supplier side and larger merged suppliers may have a broader offering, which can lead to price pressure. The subsidiaries' future competitive opportunities are dependent on the ability to be on the leading edge of technology and to rapidly act on new market needs. Increased competition or deteriorated capacity at a subsidiary to meet new market needs can have a negative impact on the Group's financial position and performance.

The effect of the economic fluctuations is reduced by the company being active, through multiple subsidiaries, in many different industries and geographic areas. Christian Berner also works continuously to develop operations that are less dependent on a specific market and to adapt costs to specific prerequisites. Through monthly meetings with Group management and quarterly Business Review Meetings, the company monitors the development in the Group and the subsidiaries and creates the possibility to manage any changes. The Board of Directors and management are closely monitoring the developments and continuously taking steps to limit the possible negative effects on the Group.

As a strategic partner and adviser of manufacturers and customers, Christian Berner is able to organise, structure and streamline the decision-making process. This leads to increased efficiency for both the company's customers and suppliers. Christian Berner is active in dialogues with both customers and suppliers regarding current needs and solutions, and potential development in the future.

Christian Berner strives to offer products and services where price is not the one deciding factor. By working closely with both suppliers and customers, our know-how and our competitiveness are continuously developed. We add value in the form of extensive technical knowledge, delivery reliability, service and availability, which limits the risk that the customer reduces its demand. Christian Berner works long term with leading suppliers.

RISKS

MANAGEMENT

Ability to recruit and retain staff

Christian Berner's continued success is dependent on being able to retain experienced employees with specific expertise and recruiting new employees with new perspectives and competencies.

There are key individuals both among senior executives and among the Group's employees otherwise. There is a risk that one or more senior executives or other key individuals leave the Group at short notice, due for example to stress, the work environment or finding development opportunities at another company. There is also a risk that the Group does not succeed in recruiting new expertise to contribute to the Group's business development. If the Group fails to retain existing key individuals or recruit suitable replacements for those who leave and/or competent new key individuals in the future, it can have a negative impact on Christian Berner's financial position and performance.

Acquisitions and goodwill

Christian Berner has conducted multiple acquisitions. Strategic acquisitions will also continue to be an important part of growth. However, there is a risk that Christian Berner will not be able to identify suitable acquisition objects due for example to competition with other acquiring parties. Costs attributable to acquisitions may also be higher than expected and positive effects on income may not occur or may take longer to realise than anticipated. The risk of the impairment of goodwill arises if a business unit under-performs in relation to the assumptions that applied at the valuation and any impairment may negatively affect the Group's financial position and performance. Additional risks associated with acquisitions are integration risks and exposure to unknown obligations.

Christian Berner works actively with continuing professional development and employee satisfaction at the company.

In 2020, all employees and managers in the Group were involved in preparing a new shared vision and core values for the Group. Based on this work, manager and employee development is also being done.

This work provides a good opportunity to create a shared view of who we are and where we are headed. The Group's annual employee survey is intended to find out how the employees view the employer, the work situation and what can be improved and developed.

The acquisition strategy includes that the companies' key individuals shall be well motivated to continue running the company/business unit as a part of the Group.

Christian Berner makes a careful selection of potential acquisition candidates and actively seeks companies that are already profitable at a stable level. Christian Berner has extensive experience of acquiring and pricing companies. All potential acquisitions and their operations are carefully examined before the acquisition is carried out. There are well-established processes and structures for pricing and implementing acquisitions. In these processes, the Group also cooperates with partners (auditors, lawyers and acquisition specialists) to secure the process and the outcome. Integration of acquired companies is facilitated by the company newly formed during the year, Christian Berner Business Services AB, which assists with the administrative integration. In the agreements entered into, efforts are made to obtain required guarantees to limit the risk of unknown obligations. As the Group acquires more companies active in different areas, it also entails a significant risk diversification.

RISKS AND UNCERTAINTIES

RISKS	MANAGEMENT
<p>Business ethics and human rights</p> <p>Christian Berner's continued success is strongly dependent on our good reputation and business ethics. Human rights violations in the Group's own or suppliers' operations would have a negative impact on the Group's reputation among employees, customers and other stakeholders and affect demand for the Group's products.</p>	<p>The Group works internally with business ethics through training, for example, and annually follows up compliance to rules regarding anti-corruption and human rights. Christian Berner's good and, in many cases, long relationships with carefully selected suppliers reduce the risk that human rights violations would happen at our suppliers. The Group works for its suppliers to sign Christian Berner's Code of Conduct, or present an equivalent code of conduct of their own. Supplier evaluations are done to ensure compliance.</p>
<p>Financial risks</p> <p>Within the Group, there are various financial risks. Currency risk is the risk that exchange rates have a negative impact on Christian Berner's financial position and performance. Transaction exposure is the risk that arises as a result of the Group having in- and outbound payments as a result of payment flows in a foreign currency. Translational exposure arises as a result of the Group having net investments in foreign currencies through foreign subsidiaries. The Group is also exposed to financing risk, meaning the risk that financing of the Group's capital requirements is impeded or made more expensive. Interest-rate risk means the risk that unfavourable changes in interest rates would have a negative impact on Christian Berner's financial position and performance.</p>	<p>Christian Berner strives for a structured and effective management of the financial risks that arise in the operations in accordance with the finance policy set by the Board of Directors. The finance policy expresses the ambition to identify, minimise and control financial risks and how the responsibility for managing these risks is to be divided within the organisation. The objective is to ensure a well-balanced risk level and minimise the earnings effect of the financial risks. A more detailed description of how Christian Berner manages the financial risks is in Note 3.</p>
<p>Suppliers and customers</p> <p>In order to deliver products, Christian Berner is dependent on external suppliers fulfilling agreements entered, in terms of e.g. volume, quality and delivery time. Incorrect, delayed or unmade deliveries can have a negative impact on Christian Berner's financial position and performance. Christian Berner's reputation is also dependent on the suppliers having high business ethics, such as with regard to human rights, working conditions and the environment (also see "Business ethics and human rights"). Agreements with customers vary with regard to agreement term, guarantees and liability limitations. In some customer and supplier relationships, there are no written agreements, which can create a legal uncertainty regarding agreement content.</p>	<p>Christian Berner's good and often long relationships with carefully selected suppliers reduce the risk that the Group will not be able to deliver as promised. In order to ensure the Group's high standards regarding business ethics, Christian Berner's Code of Conduct must be complied with or the supplier must present a comparable code of conduct of its own. Special supplier evaluations are also conducted. From a longer perspective, Christian Berner is not dependent on any individual supplier or customer. The Group's largest customer accounts for around 2 per cent of the Group's net revenue.</p>
<p>Seasonal effects</p> <p>The risk that Christian Berner's operations, earnings and cash flow are affected by strong seasonal effects controlled by customer demand.</p>	<p>Christian Berner's sales of high-tech products and solutions to industry and infrastructure entails no material seasonal effects. The customers' demand and investment willingness may, however, vary between quarters.</p>

RISKS	MANAGEMENT
<p>Organisation</p> <p>Christian Berner's decentralised organisation is based on subsidiaries having a large local responsibility for their operations. This places high demands on financial reporting and follow-up and deficiencies in this can entail deficient control and governance of the operations.</p>	<p>Christian Berner governs its subsidiaries through active Board work and quarterly Business Review Meetings (BRM), Group-wide policies, financial targets and instructions regarding financial reporting. By being an active owner and monitoring the subsidiaries' development, risks can be quickly identified and addressed in accordance with the Group's guidelines. Through the Group-wide business support company, Christian Berner Business Services AB, the Group's subsidiaries are supported to varying degrees with regard to Marketing, Business Development & IT, Accounting and Payroll. The functions are well informed and prepare both policies and instructions and with economies of scale can help subsidiaries to maintain good control and develop processes where necessary.</p> <p>The largest subsidiaries' presidents are members of the Group's management team, which together with the CEO, CFO, Director of Marketing and CIO, meets monthly to discuss and act on any issues.</p>
<p>IT security and cyber risks</p> <p>The digital risks are continuously increasing throughout society. Like most companies, Christian Berner and Christian Berner's subsidiaries are dependent on different information systems and other technology to take care of and develop the operations. Unplanned operating outages and cyber security incidents, such as data breaches, viruses, sabotage and other cyber crimes can entail both revenue losses and reputation losses. IT events or cyber incidents at third parties, such as suppliers or customers, can also impact Christian Berner's delivery and earnings capacity.</p>	<p>In order to ensure stable IT environments and prevent incidents, Christian Berner conducted a thorough risk analysis in 2020 with the help of external cyber security experts. This is to ensure that the security level is at a high level and to identify improvement areas.</p> <p>By having both internal and external resources available, the response time for resolving unplanned IT outages can be shortened. Through the Group-wide IT function within Christian Berner Business Services AB, most of the Group shares common IT resources and can thereby gain access to shared knowledge, expertise and development within the area of IT security.</p>
<p>Environment</p> <p>Changed environmental legislation can impact sales of our products, transports of goods and the way in which our customers use the products. An inability to meet the customers' increased environmental standards can impact sales. There is also a risk that one of the Group's subsidiaries, through its corporate identification number, can be tied to a historical liability pursuant to the Environmental Code.</p>	<p>Christian Berner's subsidiaries mainly conduct trading and operations that have a limited direct environmental impact. Within the Group, limited manufacturing is conducted. The Group follows up the operations and environmentally related risks with sustainability reporting and all companies comply with the Group's Code of Conduct. In connection with acquisitions, Christian Berner conducts analyses of corporate ID numbers to counter the risk of becoming liable to pay damages for historical environmental matters.</p>



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FINANCIAL INFORMATION – GROUP

Consolidated statement of comprehensive income

SEK thousands	Note	2021	2020
Operating income			
Net revenue	5	743,209	695,169
Other operating income	6	4,093	2,080
Total operating income		747,302	697,249
Goods for resale		-449,655	-425,211
Other external costs	8,9,28	-56,581	-57,838
Staff costs	7	-181,742	-149,181
Depreciation of property, plant and equipment and amortisation of intangible assets	9,13,14	-29,277	-24,045
Other operating expenses	6	-	-268
Total operating expenses		-717,256	-656,543
Operating profit/loss		30,046	40,706
Financial income	10	3,840	3,858
Financial expenses	10	-5,108	-4,727
Net financial items		-1,268	-870
Profit/loss before tax		28,778	39,836
Income tax	11	-6,050	-8,720
Profit/loss for the year		22,729	31,116
Other comprehensive income			
Items that can be transferred to profit and loss for the year			
Translation differences on translation of foreign subsidiaries		2,013	988
Total comprehensive income for the year		24,742	32,104

The profit for the year and the total comprehensive income are entirely attributable to the parent company's shareholders

Earnings per share	Note	2021	2020
Earnings per share before and after dilution (SEK)	12	1.21	1.66

FINANCIAL INFORMATION – GROUP

Consolidated statement of financial position

SEK thousands	Note	31/12/2021	31/12/2020
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	13	193,678	179,528
Distribution rights	13	1,562	1,508
Trademarks	13	32,497	17,000
Internally developed software	13	1,413	1,755
Total intangible assets		229,151	199,792
Property, plant and equipment			
Machinery and equipment	14	21,280	18,200
ROU assets, leasing	9	84,409	92,847
Total property, plant and equipment		105,689	111,047
Financial assets			
Other non-current receivables	15	292	268
Total financial assets		292	268
Deferred tax assets	20	793	310
Total non-current assets		335,925	311,416

SEK thousands	Note	31/12/2021	31/12/2020
Current assets			
Inventories		84,741	60,500
Advance payments to suppliers		1,718	1,515
Total inventories, etc.		86,459	62,016
Current receivables			
Trade receivables	15.16	99,263	75,127
Current tax assets		–	2,909
Other current receivables		4,159	6,533
Prepaid expenses and accrued income	17	3,655	5,711
Cash and cash equivalents	15.18	79,821	49,401
Total current receivables		186,897	139,682
Total current assets		273,357	201,698
TOTAL ASSETS		609,282	513,115

FINANCIAL INFORMATION – GROUP

Consolidated statement of financial position (cont.)

SEK thousands	Note	31/12/2021	31/12/2020
EQUITY AND LIABILITIES			
Equity			
Share capital		625	625
Other capital contributions		41,228	41,228
Reserves		3,499	1,486
Retained earnings (incl. profit/loss for the year)		141,475	132,816
Total equity		186,827	176,155
LIABILITIES			
Non-current liabilities			
Non-current leasing liability	9,15,19	61,137	72,654
Deferred tax liabilities	20	8,465	6,047
Provisions		1,203	1,335
Other non-current liabilities		102	8,257
Total non-current liabilities		70,908	88,292
Current liabilities			
Liabilities to credit institutions	15.19	175,000	100,339
Current leasing liability	9,15,19	21,365	21,229
Advance payments from customers		14,080	13,501
Trade payables	15.21	50,569	46,243
Current tax liabilities		295	–
Other current liabilities		34,356	26,102
Accrued expenses and prepaid income	15.22	55,882	41,255
Total current liabilities		351,547	248,669
Total liabilities		422,455	336,961
TOTAL EQUITY AND LIABILITIES		609,282	513,115

FINANCIAL INFORMATION – GROUP

Consolidated statement of changes in equity

SEK thousands	Note	Share capital	Other capital contributions	Reserves	Retained earnings including profit/loss for the year	Total equity
Opening equity, 01/01/2020		625	41,228	498	111,120	153,471
Profit/loss for the year		–	–	–	31,116	31,116
Translation differences for the year		–	–	988	–	988
Total comprehensive income		–	–	988	31,116	32,104
Dividend		–	–	–	–11,256	–11,256
Treasury shares utilised in business combinations		–	–	–	1,835	1,835
Closing equity, 31/12/2020		625	41,228	1,486	132,816	176,155
Opening equity, 01/01/2021		625	41,228	1,486	132,816	176,155
Profit/loss for the year		–	–	–	22,729	22,729
Translation differences for the year		–	–	2,013	–	2,013
Total comprehensive income		–	–	2,013	22,729	24,742
Dividend		–	–	–	–14,070	–14,070
Closing equity, 31/12/2021		625	41,228	3,499	141,475	186,827

Equity is attributable in its entirety to the shareholders in the parent company, Christian Berner Tech Trade AB.

FINANCIAL INFORMATION – GROUP

Consolidated statement of cash flows

SEK thousands	Note	2021	2020
Cash flow from operating activities			
Operating profit/loss		30,046	40,706
Adjustment for non-cash items	23	16,887	24,144
Interest paid and similar items		-5,108	-4,727
Interest received and similar items		3,840	859
Income tax paid/refunded		-4,319	-16,506
Cash flow from operating activities before changes in working capital		41,346	44,476
Cash flow from changes in working capital			
Increase/decrease in inventories		-20,325	12,798
Increase/decrease in operating receivables	2	-11,323	15,975
Increase/decrease in operating liabilities	2	12,660	-10,275
Total change in working capital		-18,988	18,498
Cash flow from operating activities		22,358	62,974
Cash flow from investing activities			
Acquisition of subsidiaries		-22,584	-34,403
Capital expenditures in property, plant and equipment		-7,316	-4,851
Investments in intangible assets		-	-581
Cash flow from investing activities		-29,900	-39,835

SEK thousands	Note	2021	2020
Cash flow from financing activities			
Loans raised		75,000	100,000
Repayment of loans	23	-339	-68,974
Dividend		-14,070	-11,256
Repayment of lease liabilities	23	-24,054	-19,189
Cash flow from financing activities		36,537	581
Cash flow for the period		28,995	23,720
Cash and cash equivalents at the start of the period		49,401	26,740
Exchange difference in cash and cash equivalents		1,425	-1,059
Cash and cash equivalents at end of year		79,821	49,401

Notes – Group

Amounts are in thousands of Swedish kronor (SEK '000s) unless otherwise indicated.

NOTE 1 General information

The parent company Christian Berner Tech Trade AB (publ) and its subsidiaries (together the Group) market, sell and supply components, systems and services with a high technical content. The range includes high-quality products, consultancy services, system solutions, installation, services and processing for customers in industry and the public sector. The products come from around 150 suppliers who in most cases are leaders in their respective niches. The Group has operations in Sweden, Norway, Finland and Denmark, with the largest market being Sweden.

The parent company is a limited liability company registered in Sweden and with its registered office in Mölnlycke. The postal address of the head office is Box 88, SE-435 22 Mölnlycke, Sweden, and the visiting address is Designvägen 1, Mölnlycke, Sweden. The Board of Directors approved the year-end report on 25 February 2022.

The consolidated statement of comprehensive income and the consolidated statement of financial position, as well as the parent company's income statement and balance sheet, will be submitted for adoption at the Annual General Meeting on 28 April 2022.

All amounts are reported in thousands of Swedish kronor (SEK '000), unless otherwise indicated. The figures in brackets relate to the previous year.

NOTE 2 Summary of significant accounting principles

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

2.1 Basis for preparation of the reports

The consolidated financial statements have been prepared in accordance with the Annual Accounts Act, RFR 1, Supplementary Accounting Rules for Corporate Groups, and International Financial Reporting Standards (IFRS). The reporting is based on historical cost except with regard to certain financial instruments recognised at fair value. All reports prepared in compliance with IFRS require the use of a number of significant accounting estimates. Furthermore, the management is required to make certain assessments upon application of the Group's accounting principles. Those areas that involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant for the consolidated financial statements are indicated in Note 4.

2.2 Consolidation

2.2.1 Basic accounting principles

Subsidiaries

Subsidiaries are all companies over which the Group has a controlling influence. The Group controls a company when it is exposed or entitled to a variable return from its holdings in the company and is able to influence the return through its influence over the company.

Subsidiaries are included in the consolidated financial statements as of the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which the controlling influence ceases.

The purchase method is used for reporting the Group's business combinations. The purchase price and any supplemental purchase considerations for the acquisition of a subsidiary is comprised of the fair value of the transferred assets, the liabilities assumed by the Group to the former owners of the acquired company. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Costs associated with acquisitions are expensed as they arise.

Goodwill is initially measured as the amount by which the total purchase price and any fair value of non-controlling interests at the date of acquisition exceeds the fair value of identifiable net assets acquired. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is recognised directly in profit and loss. Intra-Group transactions, balance sheet items, and income and expenses from transactions between Group companies are eliminated. Gains and losses resulting from intra-Group transactions that are recognised in assets are also eliminated. Where applicable, the accounting principles of subsidiaries have been amended to guarantee a consistent application of the Group's principles.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. Within the Group, this function has been identified as the CEO, who makes strategic decisions.

2.4 Translation of foreign currency

Functional currency and reporting currency

The different units of the Group have the local currency as their functional currency, as the local currency has been defined as the currency used in the primary economic environment in which the unit mainly operates. The parent company's functional currency is Swedish kronor (SEK) which is also the presentation currency of the consolidated financial statements.

Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rates that apply on the transaction date. Foreign exchange gains and losses of a commercial nature arising from such transactions and translation of assets and liabilities in foreign currencies at closing date rates are recognised in operating profit. Foreign exchange gains and losses of a financial nature relating to loans and cash and cash equivalents are recognised in the income statement in net financial items.

Translation of foreign Group companies

The results and financial position of all Group companies with a functional currency different to the reporting currency are translated to the Group's reporting currency. The assets and liabilities on each balance sheet are translated from the functional currency of the foreign operation to the Group's reporting currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. The income and expenses in each income statement are translated to Swedish kronor at the average exchange rate prevailing at each transaction date. Translation differences arising on the translation of foreign operations are recognised in other comprehensive income.

2.5 Intangible assets

Goodwill and brands

Goodwill and brands arise on the acquisition of subsidiaries and refer to the amount by which the purchase price exceeds the fair value of identifiable assets, liabilities and contingent liabilities of the acquired company.

Goodwill and brands are not amortised but are tested for impairment annually, or more frequently if events or changes in circumstances indicate possible impairment. Goodwill is recognised at cost less accumulated impairment losses. On the sale of a unit, the carrying amount of goodwill is included in the gain/loss arising.

NOTES – GROUP

Note 2 cont.

For the purpose of impairment testing, goodwill and brands acquired in a business combination are allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. Each unit or group of units to which goodwill and brands have been allocated corresponds to the lowest level in the Group at which the goodwill and brands in question are monitored for internal management. Goodwill and brands are monitored at the operating segment level. The operating segments are consistent with the cash-generating units in accordance with IAS 36.

The carrying amount of goodwill and brands is compared with the recoverable amount, which is the higher of the value in use and the fair value less selling expenses.

Distribution rights

Distribution rights (sole rights to distribute) acquired separately are recognised at cost. Distribution rights acquired through a business combination are recognised at fair value at the acquisition date. Distribution rights have a definable useful life and are recognised at cost less accumulated amortisation. Amortisation is applied straight-line in order to allocate the cost of distribution rights over their estimated useful life of 10 years.

2.6 Property, plant and equipment

Property, plant and equipment is recognised at cost less depreciation. Cost includes expenses that can be directly attributed to the acquisition of the asset.

Additional expenses are added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost of the asset can be reliably measured. The carrying amount of a replaced part is removed from the balance sheet. All other repairs and maintenance are recognised as costs in the income statement in the period in which they occur.

Straight-line depreciation is applied as follows:

Equipment	10 years
Machinery, vehicles	5–7 years
Computer equipment	5 years

Residual values and useful lives of assets are tested at the end of each reporting period and adjusted where required. The carrying amount of an asset is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on the sale of property, plant and equipment are determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognised in other operating income or other operating expenses in profit and loss.

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets that are not ready for use are not amortised, but are tested annually for impairment. Assets that are amortised are assessed for a reduction in value whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

2.8 Inventories

Inventories consist of finished goods and goods for resale. Inventories are recognised at the lower of cost and net realisable value. The cost is determined using the weighted average prices for each homogeneous group of products.

2.9 Financial instruments

Financial instruments are included in various balance sheet items and are described below. A financial instrument is any form of agreement that gives rise to a financial asset at one company and a financial liability or an equity instrument at another company.

2.9.1 Classification and measurement

The category that a financial asset is classified as belonging to is determined both by the company's business model and by the contractual cash flows the company will receive from the financial asset. The category of amortised cost includes trade receivables, financial receivables and cash and cash equivalents. The category of fair value through profit and loss currently includes no items. The Christian Berner Group also has no financial assets in the category fair value through other comprehensive income.

2.9.2 Impairment of financial instruments

The Group revised its method for determining impairment requirements. This mainly concerns the company's recognition of bad debts. In accordance with IFRS 9, a calculation was done based on historical data to determine the impairment requirement in accordance with the requirements in IFRS 9.

2.9.3 Hedging instruments

In terms of hedge accounting, IFRS 9 has no effect on Christian Berner's financial position and performance as no hedges were recognised at the opening or close of 2020 or 2021.

2.10 Trade receivables

Trade receivables are financial instruments that consist of amounts due from customers for goods and services sold in operating activities. If payment is expected within one year or less, they are classified as current assets.

2.11 Cash and cash equivalents

Cash and cash equivalents are financial instruments and include bank deposits on both the balance sheet and the statement of cash flows.

2.12 Trade payables

Trade payables are financial instruments and relate to obligations to pay for goods and services acquired in operating activities. If payment is expected to be made within one year, they are classified as current liabilities.

Trade payables are measured at amortised cost.

2.13 Liabilities to credit institutions

Borrowing is a financial instrument and is recognised initially at fair value, net of transaction costs. Borrowing is subsequently recognised at amortised cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognised in the income statement over the term of the loan by applying the effective interest method. Borrowing is classified as current liabilities unless the Group has an unconditional right to postpone payment of the debt for at least 12 months after the end of the reporting period.

2.14 Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of previous events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

If there are a number of similar obligations, an assessment is made of the probability of an outflow of resources being required to settle this group of obligations as a whole. A provision is reported even if the probability of an outflow relating to a particular item in this group of obligations is small.

The provisions are valued at the present value of the amount expected to be required in order to settle the obligation. A discount rate before tax that reflects a current market assessment of the time-related value of money and the risks associated with the provision is used here. The increase in the provision relating to the passage of time is recognised as an interest expense.

2.15 Current and deferred taxes

The tax expense for the period comprises current and deferred tax. The current tax expense is calculated on the basis of the tax regulations enacted or substantively enacted at the balance sheet date in the countries where the parent company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised in accordance with the balance sheet method for all temporary differences between the tax values of assets and liabilities and their carrying amounts in the consolidated financial statements. Temporary differences are not recognised in consolidated goodwill. Deferred income tax is calculated using the tax rates that apply or have been announced at the balance sheet date and which are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets on loss carryforwards are recognised to the extent it is probable that future taxable profit will be available against which the loss can be utilised.

NOTES – GROUP

Note 2 cont.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and tax liabilities, the deferred tax assets and tax liabilities relate to taxes charged by the same tax authority and relate to either the same tax subject or a different tax subject and there is an intention to settle the balances through net payments.

2.16 Employee remuneration

Pension obligations

The Group has both defined benefit and defined contribution pension plans. The defined benefit plans consist of ITP 2 plans (see below for a more detailed description). A defined contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits relating to the employees' service in current or previous periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions are paid. The contributions are recognised as a cost in the profit and loss for the year at the rate they are earned by employees providing service to the company during a period. Prepaid contributions are recognised as an asset to the extent that the Group may benefit from a cash refund or a reduction in future payments.

In some parts of the Group, there are staff in Sweden who are covered by an ITP 2 plan. The ITP 2 plan's defined benefit pension obligations for old-age and family pension are secured through an insurance policy at Alecta. According to a statement of the Swedish Financial Reporting Board (UFR 3 Classification of ITP plans financed by insurance at Alecta) this is a multi-employer defined benefit plan. For this period, the company has not had sufficient access to the information required in order to report its proportional share of the plan obligation and of the plan assets and costs and has therefore been unable to report the plan as a defined benefit plan. The ITP 2 pension plan, which is secured through an insurance policy at Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit old-age and family pension is individually calculated and is dependent, among other things, on salary, pension previously earned and expected remaining period of service.

2.17 Revenue recognition

Revenue is recognised when the control is transferred to the customer and the sales price is allocated to the performance commitments identified in the contracts. The performance commitments can be met at a specific time or over time.

Project sales

For Christian Berner, revenue is recognised over time, specifically when the Group has committed to delivering a project priced in its entirety through construction contracts. Then, revenue is recognised based on the project's degree of completion. This mainly applies to heating projects in the subsidiary Zander & Ingeström. For more information on project sales, see Note 24.

Sale of goods

The Group sells technical components, materials and advanced equipment. Sales of goods are recognised when a Group company has delivered the product to a customer. Delivery is not considered to have taken place until the products have been dispatched to the specified location and control has been transferred to the customer and either the customer has accepted the products in accordance with the contract of sale, the conditions for acceptance have expired or the Group has objective evidence that all criteria for acceptance have been fulfilled.

Sale of services

The Group sells services in the form of consultancy, analysis, development, installation and service. Revenue from the sale of services is recognised in the period in which the services are performed. Revenues are calculated by determining the degree of completion of the specific transaction based on the proportion of the services performed in relation to the total services to be performed.

Commission sales

Christian Berner acts as a sales channel for suppliers by selling the supplier's services through contact with the end customer. The revenue is an agreed commission that Christian Berner receives from the supplier and is usually received from suppliers in connection with or after the product is delivered to the end customer. Christian Berner does not check the sales flow and is normally dependent on suppliers and customers agreeing and closing the deal in order for us to be able to receive final payment from the supplier. Here, there is usually only a performance commitment and revenue recognition takes place in connection with delivery.

2.18 Interest income

Interest income is recognised using the effective interest method. When the value of a receivable in the category of loan receivables and trade receivables has fallen, the Group reduces the carrying amount to its recoverable amount, which is the estimated future cash flow, discounted at the original effective interest rate for the instrument, and continues to recognise the discounting effect as interest income. Interest income on impaired loan receivables and trade receivables is recognised at the original effective interest rate.

2.19 Dividend income

Dividend income is recognised when the right to receive payment has been established.

2.20 Dividends to the parent company's shareholders

The dividend paid to the parent company's shareholders is reported as a liability in the consolidated financial statements in the period when the dividend was approved by the parent company's shareholders.

2.21 Leases

Christian Berner applies IFRS 16 Leases, which means that all leases, with a few exceptions, are recognised as a right of use (ROU) asset and lease liability in the balance sheet. Leasing is initially valued at the lower of the leased asset's fair value and the present value of the minimum lease payments when the contract becomes effective. Variable charges are expensed in the periods in which they are incurred.

2.22 Statement of cash flows

The statement of cash flows has been prepared using the indirect method. The reported cash flow solely comprises transactions that resulted in the inflow and outflow of funds. In cash flow, utilised overdraft facilities are not recognised net, but rather utilised overdraft facilities are presented on their own line in the cash flow for financing activities. Current operating receivables are comprised of the items "Customer receivables", "Other current receivables" and "Prepaid expenses and accrued income" in the balance sheet. The equivalent for current operating liabilities is "Trade payables", "Advance payments from customers", "Other current liabilities" and "Accrued expenses and prepaid income". Both lines in the cash flow statement may further include manual adjustments for non-cash items.

NOTE 3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to various financial risks: market risk (primarily currency risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial results.

NOTES – GROUP

Risk management is handled by a central finance department in accordance with the finance policy established by the Board. Group Finance identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

a) Market risk**Currency risk**

The Group operates internationally and is exposed to currency risks, primarily with regard to the euro (EUR) and the Norwegian krone (NOK). Currency risk arises from future business transactions, recognised assets and liabilities, and net investments in foreign operations. Currency risk arises when future business transactions are denominated in a currency that is not the functional currency of the unit. Sales primarily take place in each unit's functional currency, which means that trade receivables are not exposed to exchange rate fluctuations to any significant extent, other than translation to the Group's accounting currency.

The Group's purchases of goods take place in EUR in most cases.

The Group's risk management policy is that transaction exposure is managed in such a way that the elimination of currency effects is done as far as possible through the use of currency clauses in customer contracts. The exposure is for the period between the paid trade receivable, which usually has a credit period of 30 days and the paid trade payable, where the credit period is sometimes 60 days. This exposure is not currently hedged.

In terms of transaction risk, the Group is primarily exposed to fluctuations in the EUR/SEK and NOK/SEK exchange rates. The sensitivity of profits to fluctuations in exchange rates results primarily from trade payables in these currencies. The table below shows the impact on profit before tax for the Group in the event of a change in these exchange rates, with all other variables remaining constant. There is no additional impact on equity. For further information, see Notes 16 and 21.

In light of the above, a change in the value of the SEK by 2 per cent and 4 per cent, respectively, relative to other currencies would have an insignificant effect on profit related to financial instruments as of the balance sheet date.

SEK thousands	2021	2020
EUR/SEK +/-2%	112/-112	89/-89
NOK/SEK +/-4%	322/-322	105/-105

The Group has a number of holdings in foreign operations, the net assets of which are exposed to currency risks. The Group has chosen not to hedge the currency exposure arising from the net assets of the Group's foreign operations as it is considered insignificant. The table below illustrates the translation risk by showing how a reasonable possible change in the currency of respective foreign operations, all other variables remaining constant, would affect the translation difference in other comprehensive income, which is reported in the "Reserves" item in equity.

SEK thousands	2021	2020
EUR/SEK +/-2%	3/-3	144/-144
NOK/SEK +/-4%	142/-142	428/-428
DKK/SEK +/-2%	2/-2	95/-95

b) Interest risk

The Group's interest risk arises from long-term borrowing. Borrowing at variable interest rates exposes the Group to interest risk with regard to cash flow. The Group's exposure to the variable interest rate during the year was not significant, which is why no risk management measures have been implemented. In 2021 and 2020, the Group's borrowing at variable interest rates was in SEK.

The table below shows the impact on consolidated profit before tax of a reasonable possible change in the interest rate on borrowing in SEK, all other variables remaining constant. All effects on profit refer to the impact of higher/lower interest expenses for borrowing at variable interest rates. There is no additional impact on equity.

SEK thousands	2021	2020
25 basis points higher/lower	438/-438	251/-251

c) Credit risk

Credit risk is managed at Group level, with the exception of credit risk relating to outstanding trade receivables. Each Group company is responsible for examining and analysing the credit risk of each new customer before the standard terms of payment and delivery are offered. Credit risk arises from cash and cash equivalents, derivative instruments and deposits with banks and financial institutions, including outstanding receivables and agreed transactions. Individual risk limits are set based on internal or external credit assessments in accordance with the limits set by the Group management. The use of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses due to non-payment by these counterparties. For further information, see Note 16.

Maturity date for liabilities	Less than 3 months	Between 3 months and 1 year	1–2 years	2–5 years	More than 5 years
At 31 December 2020					
Liabilities to credit institutions	–	100,339	–	–	–
Lease liabilities	7,076	14,153	26,929	45,725	–
Trade payables	46,243	–	–	–	–
At 31 December 2021					
Liabilities to credit institutions	–	175,000	–	–	–
Lease liabilities	6,410	14,955	18,514	25,844	16779
Trade payables	50,569	–	–	–	–

d) Liquidity risk

Cash flow forecasts are drawn up by the Group's operating companies and are aggregated by the Group. The Group carefully monitors rolling forecasts of the Group's liquidity reserve to ensure that the Group has sufficient cash to meet the needs of operating activities. The current levels of cash flow and liquidity mean there is no requirement for further borrowing. At 31 December 2021, the Group's cash and cash equivalents total SEK 79,821,000, compared with total liabilities to credit institutions of SEK 175,000,000. The bank loan of SEK 175,000,000 is renegotiated every quarter, hence the maturity between 3 months and 1 year. However, the intention is that the loan is long term.

Temporary liquidity surpluses may be invested, besides bank deposits, in treasury bills or commercial papers with a K1 rating or equivalent international rating, with a maximum maturity of 360 days.

The table below provides an analysis of the Group's non-derivative financial liabilities, distributed by the contractual time to maturity at the balance sheet date. The amounts presented in the table are the contractual, undiscounted cash flows.

3.2 Capital management

The Group's objective with regard to the capital structure is to safeguard the Group's ability to continue its operations so it can continue to generate a return for its shareholders and benefits for other stakeholders and to maintain an optimum capital structure in order to keep capital costs down.

In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's dividend policy of a 30–50 per cent dividend on profit for the year secures the company's target equity ratio. According to Christian Berner's financial targets, the company must have an equity ratio of 35 per cent.

NOTES – GROUP

NOTE 4 Significant accounting estimates and assessments**4.1 Significant accounting estimates and assessments**

Estimates, assumptions and assessments are made in the application of the accounting principles in the preparation of the annual accounts and consolidated financial statements. These affect the amounts recognised for assets, liabilities, revenue, expenses and supplementary information. Estimates and assumptions are based on historical experience, other relevant factors and future expectations and are reviewed regularly. The actual outcome may therefore differ from the estimates and assumptions made.

Impairment testing of goodwill

The Group tests goodwill for impairment every year, in accordance with the accounting principle described in Note 2.7. The recoverable amounts for cash-generating units have been established by calculating the value in use. Certain estimates must be made in these calculations. For details of these estimates, as well as assessments of how reasonable possible changes to key assumptions would affect the calculation of the recoverable amounts, see Note 13.

At the end of the year, goodwill amounted to SEK 193,678,000 (SEK 179,528,000).

NOTE 5 Segment information

The CEO is the Group's chief operating decision-maker. The company management has determined the operating segments based on the information processed by the CEO and used as a basis for allocating resources and assessing performance.

The CEO assesses operations from both a geographic perspective and a business area perspective. As the geographic perspective has been judged to be superior to the business area perspective, Christian Berner has four operating segments: Sweden, Norway, Finland and Denmark. The business areas are described in more detail at the end of this note.

The CEO assesses the performance of the operating segments primarily on the basis of EBITA. This measure is earnings before interest, taxes and amortisation, including goodwill impairment.

Revenue

Sales between segments take place on market terms. The revenue from external parties that is reported to the CEO is measured in the same way as in the company's external financial reporting.

	2021			2020		
	Segment revenue	Sales between segments	Revenue from external customers	Segment revenue	Sales between segments	Revenue from external customers
Sweden	545,561	-19,164	526,397	530,821	-46,921	483,900
Norway	129,567	-	129,567	100,379	-	100,379
Finland	69,109	-	69,109	88,481	-	88,481
Denmark	18,136	-	18,136	22,409	-	22,409
Total	762,373	-19,164	743,209	742,090	-46,921	695,169

Operating revenue is distributed as follows:

	2021	2020
Products	725,748	674,358
Services	17,461	20,811
Total	743,209	695,169

The breakdown of results by segment is made on the basis of profit before tax. The measure mainly used by the CEO to evaluate the segments, however, is EBITA. EBITA is reconciled against earnings before tax as follows:

EBITA	2021	2020
Sweden	44,606	46,170
Norway	8,310	6,711
Finland	1,151	5,596
Denmark	780	1,274
Group as a whole ¹⁾	-23,962	-17,584
Total	30,885	42,167
Amortisation of intangible assets	-839	-1,460
Net financial items	-1,268	-869
Profit/loss before tax	28,778	39,838

¹⁾ Group as a whole relates to unallocated expenses with respect to the parent company and the service company.

Depreciation of property, plant and equipment

	2021	2020
Sweden	-21,446	-16,326
Norway	-3,786	-2,724
Finland	-2,560	-2,834
Denmark	-646	-700
Total	-28,438	-22,584

NOTES – GROUP

Note 5 cont.

Revenue from external customers by country, based on customer location

	2021	2020
Sweden	427,511	374,742
Norway	132,811	112,511
Finland	72,236	88,812
China	40,260	23,193
Denmark	19,989	21,655
Japan	7,979	–
Poland	7,370	14,277
France	6,870	4,615
Belarus	6,675	35,836
Germany	4,062	5,316
Greenland	2,267	1,820
Czech Republic	2,219	3,721
Netherlands	2,172	567
United Kingdom	1,895	20
Belgium	1,779	2,248
Switzerland	1,649	1,055
Estonia	1,077	1,498
Lithuania	824	50
Åland	622	612
Latvia	509	–
Spain	490	–
Iceland	449	189
Other countries	1,494	2,432
Total	743,209	695,169

The Group has a large number of customers, with the largest accounting for no more than 4 (2) per cent of sales, which concerns the sale of heating projects.

Non-current assets, other than financial instruments and deferred tax assets, are distributed by country as follows:

	2021	2020
Sweden	289,048	266,093
Norway	38,784	36,797
Finland	5,498	7,082
Denmark	1,510	868
Total	334,840	310,840

Investments, excl. acquisitions of subsidiaries, are distributed by country as follows:

	2021	2020
Sweden	5,967	8,472
Norway	737	1,244
Finland	613	68
Denmark	–	–
Total	7,317	9,784

Business areas

Christian Berner consists of four segments, which represent both the company's geographic distribution and its reporting structure (Sweden, Norway, Denmark and Finland). Each segment (country) is then divided into the business areas Process & Environment and Materials Technology. The Process & Environment business area includes the sale of process equipment and complete systems, with sales primarily in large investment projects but also in ongoing maintenance. The Materials Technology business area includes the sale of vibration-damping and noise-reduction materials, as well as plastics.

The tables below show the net revenue and EBITA for each business area. The "Group-wide" item refers to unallocated expenses, such as consolidated annual accounts and stock exchange-related costs, which arise in the Group's parent company.

Net revenue by business area

	2021	2020
Process & Environment	540,346	470,729
Materials Technology	202,863	224,439
Total	743,209	695,168

EBITA by business area

	2021	2020
Process & Environment	36,938	38,165
Materials Technology	17,909	21,586
Group as a whole	–23,962	–17,584
Total	30,885	42,167

NOTE 6 Other operating income/expenses**Other operating income**

	2021	2020
Rental income	–	22
Exchange-rate gain, operations	450	–
Gains on the sale of machinery/equipment	482	23
Recovered bad debts	1	–
Insurance compensation	8	13
Compensation from suppliers	150	634
Compensation for sick pay	153	171
Lay-off pay support	2,389	–
Other Government grants	294	125
Other income	166	1,092
Total	4,093	2,080

Other operating expenses

	2021	2020
Exchange-rate loss, operations	–	–268
Total	–	–268

NOTE 7 Employees, remuneration and numbers**1. All employees (excluding external Board members)**

	2021	2020
Salaries and other remuneration	132,154	110,267
Social security expenses	36,606	29,538
Pension costs – defined contribution plans	18,699	17,305
Group total	187,459	157,110

The Group has both defined benefit and defined contribution pension plans.

In defined contribution plans, the Group's obligation is limited to fixed contributions, which are paid to a separate legal entity. As indicated in Note 2.16, the ITP 2 plan's defined benefit pension obligations are reported as a defined contribution plan.

The Group's share of total savings premiums for ITP 2 at Alecta amounts to 0.02468% (0.01482%) at 31/12/2021.

The Group's share of the total number of active insured in ITP 2 amounts to 0.01764% at 31/12/2021 (0.01829%)

The expected premiums for the upcoming financial year for insurance policies signed with Alecta total SEK 3,384,000 (4,312,000)

At 31/12/2021, Alecta's surplus in the form of the collective funding level was 172%. The collective funding level is the market value of Alecta's assets as a percentage of the insurance commitments, calculated in accordance with Alecta's actuarial calculation assumptions, which do not comply with IAS 19. Information regarding the latest adopted guidelines in accordance with Chapter 6, Section 1a of the Swedish Annual Accounts Act; see the Remuneration report section on page 36.

NOTES – GROUP

Note 7 cont.

2. All employees (including external Board members)

	2021		2020	
	Board members and other senior executives	Other employees	Board members and other senior executives	Other employees
Salaries and other remuneration	17,441	113,585	13,624	95,399
Bonuses	270	2,724	1,248	1,703
Pension costs	4,564	14,134	3,604	13,320
Social security expenses	6,106	31,087	4,424	25,501
Group total	28,381	161,530	22,900	135,923

3. Remuneration of senior executives

Remunerations and benefits	2021					
	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension costs	Other remuneration	Total
Chairman of the Board	550	–	–	–	–	550
Stina Wollenius	193	–	–	–	–	193
Bertil Persson	277	–	–	–	–	277
Lars Gatenbeck	293	–	–	–	–	293
Malin Domstad (four months)	60	–	–	–	–	60
Kerstin Gillsbro	227	–	–	–	–	227
Sara Mattsson (eight months)	133	–	–	–	–	133
Carl-Adam Rosenblad (eight months)	133	–	–	–	–	133
CEO	7,042	–	185	2,341	15	9,583
Other senior executives (Group management 8 people)	8,533	270	480	2,223	69	11,575
Total	17,441	270	665	4,564	84	23,024

Remunerations and benefits	2020					
	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension costs	Other remuneration	Total
Chairman of the Board	450	–	–	–	44	494
Stina Wollenius	180	–	–	–	1	181
Bertil Persson	230	–	–	–	3	233
Lars Gatenbeck	280	–	–	–	12	292
Malin Domstad	180	–	–	–	1	181
Kerstin Gillsbro	180	–	–	–	13	193
CEO	2,425	–	72	818	9	3,324
Other senior executives (Group management 8 people)	8,760	525	542	2,176	164	12,167
Total	12,685	525	614	2,994	247	17,065

The figures above include a severance pay of SEK 7.5 million to the current CEO. The amount includes salary, pension and social security contributions.

Pensions

The retirement age for the CEO and other senior executives is 65. The pension premium is to amount to 40% of the pensionable salary.

The pension premiums paid by the company shall amount to a maximum of 40 per cent of the senior executive's fixed annual cash salary unless the executive is covered by a defined-benefit pension according to compulsory collective agreement stipulations.

4. Number of employees distributed by country

	2021		2020	
	Number	Of which men	Number	Of which men
Sweden	155	113	138	103
Norway	31	22	33	24
Finland	19	16	23	20
Denmark	4	3	4	3
Group total	209	154	198	150

5. Gender distribution of Board members and senior executives (including subsidiaries)

	2021		2020	
	Number	Of which men	Number	Of which men
Board members	45	37	47	36
CEO and other senior executives	9	7	9	8

NOTES

NOTE 8 Auditors' fees

	2021	2020
	KPMG	KPMG
Audit assignment	1,181	1,202
Audit activities in addition to the audit assignment:		
Tax advice	–	–
Other services	52	72
Total	1,233	1,274

NOTE 9 Leasing

Assets	31 Dec 2021	31 Dec 2020
ROU assets	84,409	92,847
Total	84,409	92,847

Lease liabilities	31 Dec 2021	31 Dec 2020
Current	21,365	21,229
Non-current	61,137	72,654
Total	82,502	93,883

	January – December	
	2021	2020
Depreciation of ROU	–24,054	–19,189
Interest expenses	–1,810	–1,461
Total	–25,864	–20,650

NOTE 10 Financial income and expenses

Revenue	2021	2020
Other interest income	134	156
Foreign exchange gains	206	702
Other financial income	3,500	3,000
Total financial income	3,840	3,858

Costs	2021	2020
Interest expenses on liabilities to credit institutions excluding leasing liabilities	–3,257	–2,353
Interest expenses on liabilities to credit institutions for leasing liabilities	–1,810	–1,461
Foreign exchange losses	–	–690
Other financial expenses	–40	–223
Total financial expenses	–5,108	–4,727
Net financial items	–1,268	–869

NOTE 11 Income tax

Current tax	2021	2020
Current tax on profit/loss for the year	–7,275	–8,368
Adjustments for previous years	3	–46
Total current tax	–7,272	–8,414

Deferred tax (Note 20)	2021	2020
Change in temporary differences	1222	–141
Deferred tax attributable to loss carryforward	–	–165
Total deferred tax	1,222	–306
Total income tax	–6,050	–8,720

The income tax on pre-tax profit differs from the theoretical amount that would have been produced from the use of the tax rate in Sweden for profit at the consolidated companies as described below:

	2021	2020
Profit/loss before tax	28,778	39,836
Income tax calculated using the tax rate in Sweden 20.6% (21.4%)	–5,928	–8,525
Effect of foreign tax rates	–127	29
Tax effect of:		
Non-deductible expenses	–252	–815
Non-taxable income	4	642
Deductible temporary differences and other future tax deductions for which no deferred tax has been recognised	251	40
Adjustment for current tax of previous years	3	–320
Change due to a changed tax rate	–	229
Tax expense	–6,050	–8,720

NOTES

NOTE 12 Earnings per share*Before and after dilution*

Earnings per share before dilution is calculated by dividing the profit attributable to the parent company's shareholders by a weighted average number of ordinary shares outstanding during the period. No dilution effects have adjusted the weighted average number of ordinary shares outstanding for the periods, therefore earnings per share after dilution is the same as earnings per share before dilution.

Earnings per share

	2021	2020
Profit attributable to the parent company's shareholders	22,729	31,116
Class A shares with 10 votes each	1,250	1,250
Class B shares with 1 vote each	17,509	17,509
Total	18,759	18,759
Treasury shares	-	-
Weighted average number of ordinary shares outstanding (thousands)	18,759	18,759
Earnings per share	1.21	1.66

Every share has a par value of SEK 0.03.

NOTE 13 Intangible assets**Cost**

Financial year 2020	Distribution rights	Goodwill	Trademarks	Internally developed software	Total
Opening carrying amount	2,564	146,224	17,000	1,579	167,367
Adjustment of cost for unpaid supplemental purchase consideration	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-
Purchases	-	-	-	581	581
Purchases through acquisitions	-	33,304	-	-	33,304
Reclassifications	-	-	-	-	-
Sales and disposals	-	-	-	-	-
Depreciation	-1,055	-	-	-405	-1,460
Closing carrying amount	1,508	179,528	17,000	1,755	199,791

At 31 December 2020

Cost	4,098	181,552	17,000	2,160	204,811
Acc. impairment and amortisation	-2,590	-2,024	-	-405	-5,019
Carrying amount	1,508	179,528	17,000	1,755	199,792

Financial year 2021	Distribution rights	Goodwill	Trademarks	Internally developed software	Total
Opening carrying amount	1,508	179,528	17,000	1,755	199,792
Adjustment of cost for unpaid supplemental purchase consideration	-	-	-	-	-
Foreign exchange differences	-	1,845	-	-	1,845
Purchases	409	-	-	142	551
Purchases through acquisitions	-	12,305	15,497	-	27,802
Reclassifications	-	-	-	-	-
Sales and disposals	-	-	-	-	-
Depreciation	-355	-	-	-484	-839
Closing carrying amount	1,562	193,678	32,497	1,413	229,151

At 31 December 2021

Cost	4,507	195,702	32,497	2,302	235,008
Acc. impairment and amortisation	-2,945	-2,024	-	-889	-5,858
Carrying amount	1,562	193,678	32,497	1,413	229,151

In the 2021 financial year, goodwill and brands were added in the acquisition of AB GF Swedenborg Ingeniörsfirma. For acquisition calculations for these companies, refer to the separate note.

NOTES

Note 13 cont.

Impairment testing of goodwill and brands

Goodwill and brands are monitored by the management, based on the operating segment to which the Group has allocated the operations. Goodwill and brands arising through acquisitions are allocated entirely to the Sweden and Norway operating segment as below and this is therefore the group of cash-generating units at which goodwill and brands are tested.

Goodwill and brands by segment and cash-generating unit	2021	2020
Zander och Ingeström Aktiebolag	141,923	141,923
AB G.F Swedenborg Ingenjörfirma	27,802	–
Christian Berner AB	17,845	17,845
Bullerbekämparen Svenska AB	13,614	13,614
Total Sweden	201,184	173,382
Empakk AS	24,991	23,146
Total Norway	24,991	23,146
Total	226,175	196,528

The recoverable amount for the segments has been determined by calculating the value in use. These calculations are made using estimated future cash flows before tax, based on financial budgets approved by the company management that cover a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate as below.

2021	%
Long-term growth rate (%)	2.0
Discount rate before tax (%)	10.3

Significant assumptions made when calculating the value in use are annual volume growth and related profit trend, long-term growth rate and a market return on equity (WACC). It is the assessment of the management that the annual volume growth for each CGU over the five-year forecast period is a significant assumption. Assumptions have been made about the gross margin, cost level, working capital requirements and investment required. The sales volume in each period is the main reason for the development of income and expenses. The annual volume growth is based on the management's experience and on previous results, as well as the management's expectations of market trends. The long-term growth rate used corresponds to the long-term inflation expectations in Sweden. The growth rate is also not considered to exceed the long-term growth rate for the market in which the CGU concerned operates. The discount rate applied is indicated before tax.

NOTE 14 Machinery and equipment

Financial year	2021	2020
Opening carrying amount	18,200	14,243
Exchange differences	149	100
Purchases	6,765	9,784
Purchases through acquisitions	685	2,096
Reclassifications	22	-1,314
Sales and disposals	-157	-3,314
Depreciation	-4,384	-3,395
Closing carrying amount	21,280	18,200
At 31 December		
Cost	41,732	34,944
Depreciation	-20,452	-16,744
Carrying amount	21,280	18,200

NOTE 15 Financial instruments by category

Financial assets measured at amortised cost	31/12/2021	31/12/2020
Assets on the balance sheet		
Trade receivables	99,263	75,127
Cash and cash equivalents	79,821	49,401
Other non-current receivables	292	268
Total	179,375	124,796
Financial liabilities measured at amortised cost	31/12/2021	31/12/2020
Liabilities to credit institutions	175,000	100,339
Lease liabilities	82,502	93,883
Trade payables	50,569	46,243
Accrued expenses and prepaid income	55,882	41,255
Additional purchase consideration measured at fair value	10,757	8,257
Total	374,710	289,977

Additional purchase consideration measured at fair value	31/12/2021
Opening balance	8,257
Purchase	6,000
Change in value	-3,500
Closing balance	10,757

CBTT holds various financial instruments and most of them are measured at their amortised cost with the exception of liabilities for additional purchase considerations that are measured instead at their fair value through profit or loss. A liability to pay an additional purchase consideration is a financial instrument the value of which is dependent on assumptions and assessments made by the company (level 3 instruments). In the current case, the value of the liability depends on the acquired company's performance in 2021. Where financial instruments are recognised at their amortised cost, these values correspond in all cases to the fair values of the items. During the year, the additional purchase consideration for Alfa Tec Svenska AB was not triggered and was adjusted against profit in an amount of SEK 3.5 million.

NOTE 16 Trade receivables

	2021	2020
Trade receivables	100,831	75,937
Provisions for doubtful receivables	-1,568	-810
Trade receivables, net	99,263	75,127
Overdue trade receivables where impairment requirements are not considered to exist	16,019	15,735
Age distribution of trade receivables	2021	2020
Trade receivables not yet due	82,432	59,392
1-30 days	12,066	10,705
31-60 days	2,088	2,347
> 60 days	4,245	3,493
of which provisioned	-1,568	-810
Total	99,263	75,127

For an age analysis of trade receivables with impairment requirements, refer to Note 2.

NOTES

Note 16 cont.

Recognised amounts by currency for trade receivables are as follows:

	2021	2020
SEK	58,813	43,664
EUR	25,689	8,443
NOK	11,014	20,616
DKK	2,576	1,531
USD	961	288
GBP	174	308
CHF	36	114
JPY	-	163
Total	99,263	75,127

Changes to the provisions for doubtful receivables are as follows:

	2021	2020
At 1 January	810	457
Provisions for doubtful receivables	927	463
Receivables written off during the year as uncollectable	-78	-15
Unused amounts reversed	-108	-157
Effect of changes in exchange rates	17	62
At 31 December	1,568	810

NOTE 17 Prepaid expenses and accrued income

	31/12/2021	31/12/2020
Prepaid rent	226	2,409
Prepaid leases	-	519
Prepaid insurance policies	299	50
Other items	3,130	2,733
Total	3,655	5,711

NOTE 18 Cash and cash equivalents

Cash and cash equivalents, both on the balance sheet and in the cash flow statement, consist of:

	31/12/2021	31/12/2020
Cash	3	3
Bank deposits	79,818	49,398
Total*	79,821	49,401

*Excl. unused overdraft facilities

Bank overdraft facility

The Group has an approved overdraft facility in the currencies NOK and EUR; these credits were not utilised in 2021.

	31/12/2021	31/12/2020
Bank overdraft facility in NOK (thousands)	1,000	1,000
Bank overdraft facility in SEK (thousands)	-	-
Bank overdraft facility in EUR (thousands)	250	250

NOTE 19 Liabilities to credit institutions

	31/12/2021	31/12/2020
Non-current		
Liabilities to credit institutions for leases	61,137	72,654
Total non-current	61,137	72,654
Current		
Liabilities to credit institutions (excl. leases)	175,000	100,339
Liabilities to credit institutions for leases	21,365	21,229
Total current	196,365	121,568
Total, Group	257,502	194,222

Recognised amounts by currency	31/12/2021	31 Dec 2020
SEK	175,000	100,000
NOK	-	339

Information about fair value

The carrying amount essentially corresponds to the fair value with regard to non-current borrowing, where the interest rate is variable and the margin unchanged at the balance sheet date compared with the date when the loan was initially recognised. For other financial liabilities, and assets, the fair value is deemed to correspond to the carrying amount, particularly where these items are short term in nature.

NOTE 20 Deferred income tax

Deferred tax assets and liabilities are distributed as follows:

	31/12/2021	31/12/2020
Deferred tax assets		
Lease liabilities	395	220
Intra-Group profit	303	-
Other deductible temporary differences	95	90
Total	793	310

Deferred tax liabilities

Trademarks	6,694	3,502
Untaxed reserves	1,771	2,545
Total	8,465	6,047

Deferred tax assets

At 1 January 2020	504
Recognition in income statement, attributable to loss carry-forwards	-305
Foreign exchange differences	-29
Change attributable to IFRS 16	140
At 31 December 2020	310

At 1 January 2021	310
Foreign exchange differences	6
Change in leasing liability through profit or loss	175
Change in intra-Group profits through profit or loss	303
At 31 December 2021	793

Deferred tax liabilities

At 1 January 2020	7,902
Change attributable to untaxed reserves	-1,719
Change attributable to new tax rates	-136
At 31 December 2020	6,047

At 1 January 2021	6,047
Change in untaxed reserves through profit or loss	-774
Change in brands in business combinations	3,192
At 31 December 2021	8,465

NOTES

NOTE 21 Trade payables

	2021	2020
Trade payables	50,569	46,243
Age distribution trade payables	2021	2020
Trade payables not yet due	45,680	40,223
1–30 days	4,225	5,972
31–60 days	482	–179
> 60 days	182	227
Total	50,569	46,243

Recognised amounts by currency for trade receivables are as follows:

	2021	2020
SEK	21,962	20,200
EUR	20,113	19,330
NOK	2,973	3,071
DKK	442	580
USD	1,783	444
GBP	2,338	1,924
CHF	958	694
Total	50,569	46,243

NOTE 22 Accrued expenses and prepaid income

	31/12/2021	31/12/2020
Accrued salaries	3,604	3,410
Accrued travel expenses	362	89
Accrued holiday pay	14,597	14,233
Accrued social security expenses	4,410	4,299
Accrued payroll tax	3,967	3
Accrued interest	463	215
Other accrued liabilities	118	9,203
Accrued trade payables	20,868	9,802
Severance pay	7,493	–
Total	55,882	41,255

NOTE 23 Cash flow

Adjustment for non-cash items	2021	2020
Depreciation and amortisation of non-current assets	29,277	24,045
Capital gains from sale/disposal of non-current assets	135	–
Warranty provisions	–131	–
IFRS 16 adjustments	–2,848	–
Additional purchase consideration	–8,282	–
Deferred tax	–1,264	–
Other provisions	–	100
Total	16,887	24,145

Specification of cash flow effect on liabilities in financing activities	2021		2020	
	Liabilities to credit institutions for acquisition loans	Liabilities attributable to leases	Liabilities to credit institutions for acquisition loans	Liabilities attributable to leases
Opening balance	100,339	93,883	76,959	58,245
Cash flow	–339	–24,054	–76,959	–19,189
Purchases	75,000	12,673	100,339	54,827
Closing balance	175,000	82,502	100,339	93,883

The table above presents the change in the Group's debt/equity ratio the cash flow of which is recognised in financing activities in accordance with new disclosure requirements in IAS7.

NOTE 24 Distribution of net revenue

Christian Berner's revenue streams are presented by Segment and Business Area, where Segment corresponds to the market for the revenue. All Business Areas are represented in all segments and the revenues come in contracts with categories described in more detail below. The Process & Environment Business Area has a business model, which to a larger degree is characterised by category 1 and 2, while the Materials Technology Business Area has a larger share of category 3. However, all three categories are found in all segments and business areas.

Christian Berner has revenues in three categories: (1) Commission sales, where Christian Berner serves as the sales channel for suppliers through contact with the end customer. The revenue is an agreed commission that Christian Berner receives from the supplier and is usually received from

suppliers in connection with or after the product is delivered to the end customer. Christian Berner does not check the sales flow and is normally dependent on suppliers and customers agreeing and closing the deal in order for us to be able to receive final payment from the supplier. (2) Project sales, refer to the revenue streams where Christian Berner has several performance commitments, i.e. it is not only comprised of one service or product, but the agreement comprises several different parts. The revenue is mainly comprised of remuneration agreed in advance for the projects and usually paid through advance invoicing and invoicing at various milestones in the projects, depending on the size of the projects. These projects can run for a long time and depending on their nature, the income and expenses are also recognised gradually as the degree of completion develops.

The earnings outcome for larger projects depends on the estimate holding and the project being successful. Accordingly, there is always an uncertainty regarding the profitability of the project before it is completed. (3) Sales of goods and services. This category pertains to the goods and services sold separately. It may be about a service or installation, a product or spare part from our inventory. These goods are sold at the amounts agreed with the customer, usually based on price lists. The time for revenue recognition of these goods and services is when control is transferred to the customer. Invoicing usually takes place in connection with delivery. The largest uncertainty here would be if the customer does not have payment capacity to pay us for services rendered or products delivered.

Jan-Dec 2021

Net revenue, SEK '000s	Sweden	Norway	Finland	Denmark	Group
Process & Environment	408,858	94,950	24,446	12,092	540,346
Materials Technology	117,539	34,617	44,663	6,044	202,863
Total	526,397	129,567	69,109	18,136	743,209

Jan-Dec 2020

Net revenue, SEK '000s	Sweden	Norway	Finland	Denmark	Group
Process & Environment	358,155	58,906	41,392	12,276	470,729
Materials Technology	125,744	41,473	47,089	10,133	224,439
Total	483,901	100,379	88,481	22,409	695,169

Contracted future revenue

The contracted revenues that the Group has where the performance commitments are unmet and where the contract term exceeds one year pertains to our entire Process & Environment business area and the construction contracts found there.

Contracted future revenue	2022	2023
Construction contract within heating	38,000	–

NOTES

Note 24 cont.

Revenues regarding performance obligations from earlier periods (advance payments from customers)

Opening balance 01/01/2020	31,488
Received contract liabilities in acquisition	–
Recognised as revenue during the year	–31,488
New contract liabilities entered into during the year	13,501
Closing balance 31/12/2020	13,501
Opening balance 01/01/2021	13,501
Received contract liabilities in acquisition	–
Recognised as revenue during the year	–12,500
New contract liabilities entered into during the year	13,079
Closing balance 31/12/2021	14,080

NOTE 25 Operating receivables**AB GF Swedenborg Ingeniörsfirma**

Christian Berner Tech Trade acquired AB GF Swedenborg Ingeniörsfirma on 15 April 2021 and has access as of 3 May. AB GF Swedenborg Ingeniörsfirma markets and sells well-known pump makes and rupture discs. They also have manufacturing of industrial dampers that are sold under their own brand. In 2020, the company's sales amounted to SEK 45.1 million with an EBITDA of SEK 6.3 million. At the end of 2020, the company had 13 employees. The acquisition is expected to have a positive impact on Christian Berner Tech Trade's earnings per share for the current year. The purchase consideration amounted to SEK 34.2 million (of which SEK 6 million is additional purchase consideration recognised as a liability) on a debt-free basis and was financed through available cash and loans raised. The value of the additional purchase consideration is based on the acquired company's performance in 2021. Expensed transaction costs amounted to SEK 1.9 million. In 2021, the company's net revenue was SEK 49.5 million, of which SEK 33.5 million is included in the Group's revenue and an EBITA of SEK 8.0 million, of which SEK 4.0 million is included in the Group's profit.

Purchase price	34,179
Net assets measured at fair value	21,874
Goodwill	12,305

Net assets consist of the values below

	Fair value in the Group, SEK '000s
Intangible assets excluding goodwill	15,497
Tangible fixed assets	686
Financial fixed assets	0
Current assets	19,217
Deferred tax liabilities	–3,192
Non-current liabilities	0
Current liabilities	–10,334
Net asset	21,874

Cash and cash equivalents in acquired operations amounted to SEK 5.6 million.

Alfa Tec Sweden AB

On 7 October 2020, Christian Berner Tech Trade signed an agreement on the acquisition of all shares in Alfa Tec Sweden AB (<http://alfatec.se>), a company that markets and sells Alfa Laval's products in thermal processes and fluid technology. In 2019, the company's sales amounted to SEK 32.2 million with an EBITDA of SEK 3.4 million. At the end of 2019, the company had five employees. The purchase price is estimated at SEK 12.2 million and consists of an additional purchase consideration of SEK 3.5 million and SEK 1.8 million in treasury shares. The acquisition is financed through available cash, treasury shares and newly raised loans. An additional purchase consideration may amount to a maximum of SEK 7.0 million based on profit for 2021–2022. Expensed transaction costs amounted to SEK 1.5 million.

Purchase price	12,189
Net assets measured at fair value	2,031
Goodwill	10,158

Net assets consist of the values below

	Fair value in the Group, SEK '000s
Intangible assets excluding goodwill	0
Tangible fixed assets	0
Financial fixed assets	0
Current assets	5,553
Provisions	0
Non-current liabilities	0
Current liabilities	–3,522
Net asset	2,031

Cash and cash equivalents in acquired operations amounted to SEK 2.3 million.

Empakk AS

On 1 October 2020, Christian Berner Tech Trade acquired Empakk AS (<http://empakk.no>), a company which markets and sells solutions for packaging, storage and transport of food in public and private operations in the Norwegian market. The company has its registered office in Fredrikstad and in 2019, revenue amounted to NOK 47.3 million with an EBITDA of NOK 4.8 million (EBIT SEK 4.3 million). At the end of 2019, the company had 15 employees. For the first half of 2020, the company's sales amounted to NOK 28.3 million with an EBITDA of NOK 3.4 million (EBIT NOK 3.3 millions).

The purchase consideration was estimated at SEK 38.1 million (of which SEK 5 million is additional purchase consideration recognised as a liability) and was financed through available cash and loans raised. An additional purchase sum of no more than NOK 5.0 million may become payable depending on the 2020–2021 result. Expensed transaction costs amounted to SEK 1 million.

Purchase consideration (SEK '000s)	38,083
Net assets measured at fair value	15,017
Goodwill	23,067

Net assets consist of the values below

	Fair value in the Group, SEK million
Intangible assets excluding goodwill	0
Tangible fixed assets	1,861
Financial fixed assets	84
Current assets	22,161
Provisions	–
Non-current liabilities	–331
Current liabilities	–8,758
Net asset	15,017

Cash and cash equivalents in acquired operations amounted to NOK 6.3 million (translated to SEK 5.9 million).

NOTE 26 Pledged assets

	31/12/2021	31/12/2020
Floating charges	35,000	35,000
Total	35,000	35,000

NOTES

NOTE 27 Contingent liabilities

	31/12/2021	31/12/2020
Warranties	11,270	5,984
Total	11,270	5,984

NOTE 28 Related parties

At 31/12/2021, Gårdaverken AB owns all class A shares and 18.2% of all class B shares and accordingly has the largest share of the votes and 23.7% of the total shares. Concejo AB owns 10.3%. Cervantes Capital owns 10.2 per cent of the total shares as of the same date. The remainder of the shares have a wide distribution.

Purchase of services:	2021	2020
Rent of art from the Chairman of the Board	–	102
Purchase of art	–	1,080
Rent of premises for AB G.F. Swedenborg	503	–
Total	503	1,182

The services recognised as above have been purchased on normal business terms on a commercial basis.

Information on the remuneration of senior executives is provided in Note 7.

NOTE 29 Events after the end of the reporting period

The company communicated a profit warning for the fourth quarter of 2021 on 17 January 2022.

CEO Bo Söderqvist will leave the company on 28 April 2022 after the Annual General Meeting, and Caroline Reuterskiöld will begin as the new CEO on 28 April 2022.

Based on the industries in which the Christian Berner Group operates, the conflict in Ukraine so far has not had a major impact on the order intake. No serious supply problems or major increases in raw material prices have occurred so far. It cannot be ruled out that a far-reaching conflict in Ukraine can have major consequences on the Group's order intake, the possibility of obtaining deliveries and higher raw material prices.

FINANCIAL INFORMATION – PARENT COMPANY

Parent company income statement

SEK thousands	Note	2021	2020
OPERATING INCOME			
Net revenue	3.16	5,781	6,761
Total		5,781	6,761
Operating expenses			
Purchased services	16	-1,598	-615
Other external costs	5	-4,978	-8,282
Staff costs	4	-22,007	-11,496
Total operating expenses		-28,583	-20,393
Operating profit/loss		-22,802	-13,632
Profit from participations in Group companies	6	4,102	6,497
Interest and similar income	6	3,706	879
Interest and similar expenses	6	-3,224	-3,064
Total profit/loss from financial items		4,585	4,312
Profit/loss before tax		-18,218	-9,320
Appropriations	7	30,000	41,000
Tax on profit for the year	8	-939	-5,454
PROFIT/LOSS FOR THE YEAR		10,843	26,226

The parent company has no items recognised as other comprehensive income; therefore, total comprehensive income is the same as profit/loss for the year.

FINANCIAL INFORMATION – PARENT COMPANY

Parent company balance sheet

SEK thousands	Note	2021	2020
ASSETS			
Non-current assets			
Financial assets			
Shares in Group companies	9	314,979	280,370
Total financial assets		314,979	280,370
Total non-current assets		314,979	280,370
Current assets			
Current receivables			
Receivables from Group companies	16	37,849	55,291
Other current receivables		719	677
Current tax assets		240	–
Prepaid expenses and accrued income	10	382	245
Total current receivables		39,190	56,213
Cash and bank balances	11	41,874	14,711
Total current assets		81,064	70,924
TOTAL ASSETS		396,043	351,294

SEK thousands	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		625	625
Revaluation reserve		37,000	37,000
Statutory reserve		–	1
Total restricted equity		37,625	37,626
Non-restricted equity			
Retained earnings		107,001	94,843
Profit for the year		10,843	26,226
Total non-restricted equity		117,844	121,069
Total equity		155,469	158,695
LIABILITIES			
Non-current liabilities			
Liabilities to Group companies	16	120	840
Liabilities for acquired companies	16	–	8,256
Total non-current liabilities		120	9,096
Current liabilities			
Liabilities to Group companies	16	40,885	72,775
Liabilities for acquired companies		10,757	–
Liabilities to credit institutions	13	175,000	100,000
Trade payables	14	1,415	1,920
Current tax liabilities		–	5,247
Other current liabilities		354	361
Accrued expenses and prepaid income	15	12,045	3,200
Total current liabilities		240,454	183,503
TOTAL EQUITY AND LIABILITIES		396,043	351,294

FINANCIAL INFORMATION – PARENT COMPANY

Parent company statement of changes in equity

SEK thousands	Restricted equity			Non-restricted equity	
	Share capital	Revaluation reserve	Statutory reserve	Retained earnings incl. profit/loss for the year	Total
Opening equity, 01/01/2020	625	37,000	1	104,264	141,890
Profit/loss for the year plus comprehensive income	–	–	–	26,226	26,226
Total	625	37,000	1	130,490	168,116
Transactions with shareholders					
Dividend	–	–	–	–11,256	–11,256
Sale of own shares	–	–	–	1,835	1,835
Closing equity, 31/12/2020	625	37,000	1	121,069	158,695
Opening equity, 01/01/2021	625	37,000	1	121,069	158,695
Profit/loss for the year plus comprehensive income	–	–	–1	10,845	10,844
Total	625	37,000	–	131,914	169,539
Transactions with shareholders					
Dividend	–	–	–	–14,070	–14,070
Closing equity, 31/12/2021	625	37,000	–	117,844	155,469

FINANCIAL INFORMATION – PARENT COMPANY

Parent company statement of cash flows

SEK thousands	Note	2021	2020
Cash flow from operating activities			
Operating profit/loss		-22,802	-13,632
Adjustment for non-cash items		1,781	879
Interest received and similar items		3,706	-
Interest paid and similar items		-3,224	-3,064
Income tax paid		-6,426	-2,497
Cash flow from operating activities before changes in working capital		-26,965	-18,314
Change in other current receivables	2	1,868	-8,150
Change in other current operating liabilities	2	-26,129	10,497
Total change in working capital		-24,261	2,347
Cash flow from operating activities		-51,226	-15,967
Cash flow from investing activities			
Acquisition of subsidiaries		-30,039	-42,675
Cash flow from investing activities		-30,039	-42,675
Cash flow from financing activities			

SEK thousands	2021	2020
Loans raised	75,000	100,000
Repayment of loans	-	-57,079
Dividends received	6,497	8,568
Group contribution received/paid	41,000	33,000
Dividend paid	-14,069	-11,256
Cash flow from financing activities	108,428	73,233
Decrease/increase in cash and cash equivalents		
Cash flow for the year	27,163	14,591
Cash and cash equivalents at start of year	14,711	120
Cash and cash equivalents at end of year	41,874	14,711

Changes have been made for 2020 regarding the dividend received and the Group contribution received/paid. In 2020, these two items were specified under the investing activities in an amount of SEK 6,497,000 and SEK 41,000. The amounts pertained to reserved figures. In 2021, this is corrected to actual amounts paid out and the items are moved to "Cash flow from financing activities" instead.

The effect of SEK 5,929,000 has been adjusted against "Change in other current receivables".

FINANCIAL INFORMATION – PARENT COMPANY

Notes – Parent Company

NOTE 1 General information

Christian Berner Tech Trade AB (publ) (the parent company) is responsible for the Group's business development, acquisitions, financing, management and analysis.

The parent company is a limited liability company registered in Sweden and with its registered office in Mölnlycke. The postal address of the head office is Box 88, SE-435 22 Mölnlycke, Sweden, and the visiting address is Designvägen 1, Mölnlycke, Sweden.

Unless otherwise stated, all amounts are reported in thousands of Swedish kronor (SEK '000s).

NOTE 2 Summary of the parent company's significant accounting principles

The annual accounts for the parent company have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Assets and liabilities are valued at historical cost. Where the parent company applies accounting principles other than the Group's accounting principles as described in Note 2 to the consolidated financial statements, this is indicated below.

All reports prepared in compliance with RFR 2 require the use of a number of significant accounting estimates. Furthermore, the management is required to make certain assessments upon application of the parent company's accounting principles. Those areas that involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant for the annual accounts are indicated in Note 4 of the consolidated financial statements.

For information about financial risks, see Note 3 of the consolidated financial statements.

Presentation

The income statement and balance sheet are presented in accordance with the form of presentation prescribed in the Swedish Annual Accounts Act. The statement of changes in equity also uses the same presentation format as the Group, but must include the columns indicated in the Swedish Annual Accounts Act. This also results in the use of different terms compared with the consolidated financial statements, primarily in relation to financial income and expenses and equity.

Shares in subsidiaries

Shares in subsidiaries are recognised at cost, less any impairment.

Cost includes acquisition-related costs and any additional consideration.

Where there is an indication that shares in subsidiaries have decreased in value, their recoverable amount is calculated. If this is lower than the carrying amount, impairment is applied. Impairment is reported in the item "Earnings from shareholdings in Group companies".

Shareholder contributions and Group contributions

Group contributions made by the parent company to subsidiaries and Group contributions received by the parent company from subsidiaries are recognised as appropriations. Shareholder contributions made are recognised as an increase in the carrying amount of the shareholding and at the recipient company as an increase in equity.

Financial instruments

IFRS 9 is not applied at the parent company and financial instruments are valued at cost. In subsequent periods, financial assets that are acquired with

the intention of them being held in the short term will be recognised in accordance with the lowest value principle at the lower of cost and market value.

On every balance sheet date, the parent company assesses whether there is any indication of impairment in any of the financial non-current assets.

Impairment takes place if the decrease in value is deemed to be permanent. The impairment of interest-bearing financial assets reported at amortised cost is calculated as the difference between the asset's carrying amount and the present value of the management's best estimate of future cash flows discounted by the asset's original effective interest rate. The impairment amount for other financial non-current assets is calculated as the difference between the carrying amount and the higher of the fair value less selling expenses and the present value of future cash flows (based on the management's best estimate).

NOTE 3 Distribution of net revenue

Net revenue comes entirely from the sale of Group-wide services.

NOTE 4 Remuneration of employees and the Board

	2021		2020	
	Board members and other senior executives	Other employees	Board members and other senior executives	Other employees
Salaries and other remuneration	8,419	831	4,838	1,449
Bonuses	–	39	43	72
Pension costs	2,908	316	1,651	511
Social security expenses	3,427	358	1,935	440
Group total	14,754	1,544	8,467	2,472

	2021		2020	
	Number at the balance sheet date	Of which men	Number at the balance sheet date	Of which men
Gender distribution of Board members and senior executives				
Board members	9	5	8	3
CEO and other senior executives	2	2	2	2
Total	11	7	10	5

FINANCIAL INFORMATION – PARENT COMPANY

Note 4 cont.

The company has defined benefit pension plans through ITP 2.

As indicated in Group Note 2.16, the ITP 2 plan's defined benefit pension obligations are also reported as a defined contribution plan, in other words the company's obligation is limited to fixed contributions, which are paid to a separate legal entity.

The company's share of total savings premiums for ITP 2 at Alecta amounts to 0.00223% at 31/12/2021 (0.00196% at 31/12/2020). The company's share of the total number of active insured in ITP 2 amounts to 0.00076% at 31/12/2021 (0.00072% at 31/12/2020). Expected premiums for the upcoming financial year for insurance policies signed with Alecta amount to SEK 61,000 (334,000) at 31/12/2021, Alecta's surplus in the form of the collective funding level was 172 per cent. The collective funding level is the market value of Alecta's assets as a percentage of the insurance commitments, calculated in accordance with Alecta's actuarial calculation assumptions, which do not comply with IAS 19.

See Group Note 7 for individual details for the Board of Directors and the CEO, as well as the terms applicable to termination of employment, pensions and pension obligations.

NOTE 5 Auditors' fees

	2021	2020
KPMG	KPMG	KPMG
Audit assignment	341	233
Audit activities in addition to the audit assignment	–	–
Tax advice	–	–
Other services	–	–
Total	341	233

NOTE 6 Financial items

	2021	2020
Profit from participations in Group companies		
Anticipated dividends from subsidiaries	4,102	6,497
Interest and similar income		
Foreign exchange gains	206	879
Adjustment in acquisition of subsidiary	3,500	–
Interest and similar income		
Interest expenses on liabilities to credit institutions	3,223	2,186
Foreign exchange losses	–	868
Other financial expenses	1	10
Total financial items – net	4,585	4,312

NOTE 7 Appropriations

	2021	2020
Group contributions received	32,000	45,000
Group contributions paid	–2,000	–4,000
	30,000	41,000

NOTE 8 Tax on profit for the year

	2021	2020
Current tax		
Current tax on profit/loss for the year	939	5,492
Adjustments for previous years	–	–38
Total current tax	939	5,454

The income tax on pre-tax profit differs from the theoretical amount that would have been produced from the use of the tax rate for the parent company as described below:

	2021	2020
Profit/loss before tax	11,781	31,680
Income tax calculated using the tax rate in Sweden 20.6% (21.4%)	2,427	6,780
Tax effect of:		
Non-taxable dividend	–845	–1,390
Adjustment for current tax of previous years	–	38
Non-taxable income, reversed additional purchase consideration	–721	–
Non-deductible expenses	78	27
Total recognised tax	939	5,454

FINANCIAL INFORMATION – PARENT COMPANY

NOTE 9 Holding and investments in subsidiaries

	31/12/2021	31/12/2020
Opening cost	280,370	227,604
Adjustment of cost	-1,431	
Capital contributions		
Acquisition of subsidiaries	36,039	52,766
Closing accumulated cost		280,370
Closing carrying amount	314,978	280,370

Name	Corp. ID no.	Registered office and country of registration and operation	No. of shares	Percentage of ordinary shares directly owned by the parent company (%)	Proportion of ordinary shares held by non-controlling interests (%)	Carrying amount, 31/12/2021	Carrying amount, 31/12/2020
Christian Berner AB	556049-5235	Mölnlycke, SE	10,000	100	0	67,808	67,808
Christian Berner AS	910542788	Oslo, NO	1,000	100	0	4,375	4,375
Christian Berner OY	0195573-0	Vanda, FI	20	100	0	5,676	5,676
A/S Christian Berner	55551510	Lyngby, DK	513	100	0	4,649	4,649
A-filter AB	556065-0409	Gothenburg, SE	6,000	100	0	-	720
Christian Berner Business Services AB	556473-1783	Mölnlycke, SE	1,000	100	0	120	120
Fillflex AB	556281-4102	Västra Frölunda, SE	1,000	100	0	120	120
PlastKapTek Sverige AB	556799-6391	Partille, SE	1,000	100	0	-	711
Power to Heat Scandinavia AB	559090-9981	Täby, SE	500	100	0	50	50
Zander och Ingeström Aktiebolag	556020-3472	Täby, SE	10,000	100	0	143,375	143,375
Stockholm Elinvest AB*	556442-5337	Täby, SE	1,000	*	0	-	-
Bullerbekämparen Svenska AB**	556161-4123	Partille, SE	4,000	**	0	-	-
Empakk AS	984,398,026	Fredrikstad, NO	133	100	0	39,628	39,628
Alfa Tec Sweden AB	556939-8901	Trollhättan, SE	3,500	100	0	13,138	13,138
AB G.F. Swedenborg Ingenjörfirma	556093-5479	Mölnlycke, SE	1,000	100	0	36,039	-
						314,978	280,370

* At 31/12/2021, marked company is a subsidiary of Zander & Ingeström AB and accordingly has no carrying amount in the parent company.

** At 31/12/2021, marked company is a subsidiary of Christian Berner AB and accordingly has no carrying amount in the parent company.

NOTE 10 Prepaid expenses and accrued income

	13/12/2021	31/12/2020
Prepaid rent	-	-
Other items	382	245
Total	382	245

NOTE 11 Cash and cash equivalents

	31/12/2021	31/12/2020
Bank deposits	41,874	14,711
Total	41,874	14,711

NOTE 12 Proposed appropriation of profit/loss

The following profits are at the disposal of the Annual General Meeting:

	31/12/2021	31/12/2020
Retained earnings	107,001	94,843
Profit for the year	10,843	26,226
	117,844	121,069

The Board of Directors proposes that this profit be appropriated of as follows:

SEK 0.75 (0.75) per share to be distributed to shareholders	14,070	14,070
To be carried forward	103,774	106,999
	117,844	121,069

FINANCIAL INFORMATION – PARENT COMPANY

NOTE 13 Liabilities to credit institutions

Current	31/12/2021	31/12/2020
Liabilities to credit institutions	175,000	100,000
Total	175,000	100,000

NOTE 14 Trade payables

	31/12/2021	31/12/2020
Trade payables, SEK	1,415	1,920
Trade payables, NOK	–	–
Currency adjustment trade payables	–	–
Total trade payables	1,415	1,920

NOTE 15 Accrued expenses and prepaid income

	31/12/2021	31/12/2020
Accrued salaries	2,093	1,970
Accrued social security expenses	1,135	764
Other accrued liabilities	1,324	466
Severance pay	7,493	–
Total	12,045	3,200

NOTE 16 Transactions with related parties

At 31/12/2021, Gårdaverken AB owns all class A shares and 18.2% of all class B shares and accordingly has the largest share of the votes and 23.7% of the total shares. Concejo AB owns 10.3%. Cervantes Capital owns 10.2 per cent of the total shares as of the same date. The remainder of the shares have a wide distribution.

Purchases from and sales to subsidiaries

Sales to Group companies constitute 100% (100%) of the parent company's net revenue, and purchases from Group companies constitute 14% (24%) of the parent company's purchases.

Sales to subsidiaries consist of corporate administrative services.

Purchases from subsidiaries consist of Group-wide expenses for onward debiting. The services are purchased on normal business terms on a commercial basis.

Liabilities to shareholders	31/12/2021	31/12/2020
At beginning of year	–	–
Dividend approved by the AGM	14,070	11,256
Amortised amount	–14,070	–11,256
At year-end	–	–

Receivables from Group companies	31/12/2021	31/12/2020
Receivables from subsidiaries	37,849	55,291
of which, current	37,849	55,291

Liabilities to Group companies	31/12/2021	31/12/2020
Liabilities to subsidiaries	41,005	81,871
of which, current	40,885	72,775

NOTE 17 Pledged assets

	31/12/2021	31/12/2020
Shares in subsidiaries	25,000	25,000
Total	25,000	25,000

NOTE 18 Contingent liabilities

	31/12/2021	31/12/2020
Guarantees	27,650	33,780
Guarantee commitments to the benefit of subsidiaries	13,424	2,598
Total	41,074	36,378

NOTE 19 Events after the end of the reporting period

The company communicated a profit warning for the fourth quarter of 2021 on 17 January 2022.

CEO Bo Söderqvist will leave the company on 28 April 2022 after the Annual General Meeting, and Caroline Reuterskiöld will begin as the new CEO on 28 April 2022.

ASSURANCE OF THE BOARD OF DIRECTORS AND THE CEO

Assurance of the Board of Directors and the CEO

The Board of Directors and the CEO warrant that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and provide a true and fair picture of the financial position and result of the Group. The annual accounts have been prepared in accordance with good accounting practice and provide a true and fair picture of the financial position and result of the parent company.

The Directors' Report for the Group and the parent company provides a true and fair overview of the development of the business, financial position and results of the Group and the parent company and describes significant risks and uncertainties faced by the parent company and the companies forming part of the Group.

Mölnlycke, 21 March 2022

Joachim Berner
Chairman of the Board

Bo Söderqvist
Chief Executive Officer

Bertil Persson
Board Member

Carl Adam Rosenblad
Board member

Stina Wollenius
Board Member

Lars Gatenbeck
Board Member

Kerstin Gillsbro
Board Member

Sara Mattsson
Board member

Sandra Fundin
Employee Representative

Robert Sätterberg
Employee Representative

Our audit report was submitted on 21 March 2022.
KPMG AB

Mathias Arvidsson
Authorised Public Accountant

Definitions

Christian Berner Tech Trade AB has reviewed the terminology for alternative key performance indicators on the basis of the new guidelines of the European Securities and Markets Authority (ESMA). No changes to the key performance indicators are considered necessary as a result of this.

Description of financial performance indicators not contained in IFRS

Non-IFRS performance indicators	Description	Reason for use of indicator
Net revenue growth	Increase in the net revenue as a percentage of the total revenue of the previous year	Indicator of the company's growth relative to the previous period, which illustrates the company's trend and enables the underlying driving forces to be tracked
EBITDA	Earnings before impairment of goodwill and impairment and amortisation of other intangible assets that arose in connection with business combinations and equivalent transactions	As a manufacturing company, EBITA is an important indicator of the company's profitability before interest, taxes and impairments
EBITDA margin	EBITDA as a percentage of net revenue	The EBITDA margin illustrates the company's profit generation before interest, taxes and amortisation, relative to operating income. A performance indicator that is appropriate for companies such as Christian Berner
Operating profit/loss	Operating profit/loss before financial items and taxes	Operating profit/loss gives an overall picture of the company's profit generation in its operating activities
Operating margin	Operating profit/loss before financial items and taxes, as a percentage of operating income	The operating margin is a traditional comparison indicator that illustrates the company's profit generation relative to operating income
Net financial items	The difference between financial income and financial expenses	Net financial items shows the difference between financial income and financial expenses
Profit/loss for the period	Profit/loss before tax	Profit/loss for the period: this indicator is relevant because it is the profit for the period that the Board of Directors decides to distribute to shareholders or reinvest in the company.
Total assets	The company's total assets	Total assets indicates the company's total assets that are at the disposal of the company in order to generate returns for shareholders
Equity ratio	Equity as a percentage of total assets	A traditional indicator showing financial risk, expressed as the proportion of adjusted equity that is financed by the shareholders
Return on equity	Profit/loss after financial items as a percentage of average equity	Shows the return on the shareholders' invested capital, from the perspective of the shareholders
Cash flow for the period	Total of the cash flow from operating activities, cash flow from investing activities and cash flow from financing activities	The cash flow for the period is an indicator of how much cash and cash equivalents the company generates or loses in each period
Number of shares at close of period	The number of outstanding shares at the end of the reporting period	The number of shares in the company is important, as it forms the basis of the calculation of earnings per share
Average equity	The average of the total of opening equity for the period added to closing equity for the period	Average equity is a more conventional comparison indicator and is used as a component in a number of other key performance indicators

Derivation of alternative performance measures

Derivation of alternative performance measures	2021	2020
EBITDA	30,885	42,165
Amortisation of intangible assets	-839	-1,460
Operating profit/loss	30,046	40,705
EBITDA	30,885	42,165
Net revenue	743,209	695,169
EBITDA margin	4.2%	6.1%
Operating profit/loss	30,046	40,705
Net revenue	743,209	695,169
Operating margin	4.0%	5.9%
Equity	186,827	176,155
Total assets	609,282	513,115
Equity ratio	30.7%	34.3%
Profit/loss before tax	28,778	39,836
Average equity	181,491	164,813
Return on equity	15.9%	24.2%



Kristian Borg in the plastic processing workshop.

Audit report

To the General Meeting of shareholders of Christian Berner Tech Trade AB (publ), corp. ID no. 556026-3666

Statement on the annual accounts and consolidated financial statements

Opinions

We have audited the annual accounts and consolidated financial statements for Christian Berner Tech Trade AB for 2021 except for the Corporate Governance Report on pages 33-35 and 38-43. The company's annual accounts and consolidated financial statements are included on pages 2, 22-23 and 44-74 of this document.

It is our opinion that the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and provide in all material respects a true and fair view of the financial position of the parent company at 31 December 2021 and of its financial result and cash flow for the year in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and provide in all material respects a true and fair view of the financial position of the Group at 31 December 2021 and of its financial result and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. Our opinions do not cover the corporate governance report on pages 33-35 and 38-43. The Directors' Report is consistent with the other parts of the annual accounts and the consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the Parent Company Income Statement and Balance Sheet and the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position.

Our opinions in this statement on the annual accounts and consolidated financial statements are consistent with the content of the supplementary report submitted to the parent company's Audit Committee in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility under these standards is described in further detail in the section entitled "The auditor's responsibility". We are independent in relation to the parent company and the Group, in accordance with generally accepted auditing standards in Sweden, and we have also fulfilled our professional ethical responsibility in accordance with these requirements. This includes, based on the best of our knowledge and conviction, that no prohibited services as referred to in Article 5.1 of the Audit Regulation (537/2014) have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We consider the audit evidence we have obtained to be adequate and appropriate to form the basis for our opinion.

Particularly significant areas

Areas of particular significance to the audit are those that in our professional opinion were the most significant to the audit of the annual accounts and consolidated financial statements for the period in question. These areas are addressed within the scope of the audit of, and in our opinion on, the annual accounts and consolidated financial statements as a whole, but we make no separate statements regarding these areas.

AUDIT REPORT

Valuation of goodwill and brands as well as participations in Group companies

See Note 13 on pages 60-61 and the accounting principles on pages 52-53 and Note 9 on page 72 and accounting principles on page 70 in the annual report and consolidated financial statements for detailed disclosures and description of the area.

Description of the area

At 31 December 2021, the Group recognised goodwill and brands totaling SEK 226 million, which comprises 67% of total assets. Goodwill and brands shall annually be subject to at least one so-called impairment test, which includes both complexity and significant elements of assessments by Group management. An impairment test must be prepared for each of the cash-generating units, which for the Group coincides with the subsidiaries acquired.

Participations in Group companies are recognised in the parent company. If the value of the participations exceeds equity in the respective Group company, the same type of testing is done, with the same techniques and opening balances, as for goodwill in the Group.

According to applicable regulations, the testing shall be done according to a certain technique where the company must make future assessments about the business' internal and external conditions and plans. Examples of such assessments are future payments and receipts, which among other things require assumptions regarding future market conditions and thereby indirectly regarding how competitors can be expected to act. Another important assumption is what discount rate should be used to take into account that future assessed receipts are associated with risk and are thereby worth less than cash and cash equivalents that are directly available to the Group.

How the area has been taken into account in the audit

We checked the Group's impairment tests to assess whether or not they are implemented in accordance with applicable regulations. In addition, we assessed the reasonability of the future receipts and payments, as well as the assumed discount rates and the rate of growth. We also challenged the company's estimates of the growth rate by comparing the actual outcome with forecasts from earlier periods with the aim of evaluating the company's capacity for precision.

We involved our own valuation specialists to thereby ensure the reasonability of using discount rates, which include evaluation of financial and industry-specific forecasts where this is applicable.

We have also done spot checks that the company's calculations are mathematically correctly done.

We applied professional assessment in our work in the evaluation of the forecasts by testing how changed key assumptions can affect the valuation through sensitivity analysis.

We assessed the circumstances presented in the disclosures in the annual accounts and if the information is sufficiently extensive as a description of the assessments made in assumptions and of applied methods.

Revenue

See Note 5 on pages 56-57 and the accounting principles on page 54 in the annual report and consolidated financial statements for detailed disclosures and description of the area.

Description of the area

The Group recognises sales of products when risks and benefits from ownership are transferred to the customer, when the sales price is agreed or when there is a possibility to estimate the price through the related project's degree of completion and when payment can be expected.

Terms of freight for the sales transactions may differ between regions/countries/products, which is why ownership can be transferred before actual delivery of the products. Revenue recognition is associated with assessments of when risks and benefits are transferred mainly as a result of complex contractual terms and terms of freight.

How the area has been taken into account in the audit

We assessed the formulation of the company's checks regarding revenue recognition of sales of the product and how these checks were implemented. We reviewed a selection of contracts to analyse relevant contractual conditions and how they were presented and assessed the suitability of the applied revenue recognition. On a selection basis, we reviewed sales transactions recognised before and after year-end to assess whether correct terms were applied to the contract and that risks and benefits were transferred to the customers. We gathered evidence such as freight documentation, payment documentation from banks and confirmations of deliveries to assess if revenues have been recognised at the correct time.

AUDIT REPORT

Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual accounts and consolidated financial statements and is found on pages 1, 3–21, 24–32, 36–37, 75 and 81. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated financial statements does not cover this other information and we do not express any form of confirming statement regarding this other information.

In connection with our audit of the annual accounts and consolidated financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. 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.

Based on the work performed concerning this information, if we 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 CEO

It is the Board of Directors and the CEO that are responsible for the preparation of the annual report and consolidated financial statements and that they provide a true and fair view according to the Annual Accounts Act and, with regard to the consolidated financial statements, according to International Financial Reporting Standards (IFRS) as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they deem necessary for the purpose of preparing annual accounts and consolidated financial statements that are free from material misstatement, whether due to irregularities or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They indicate, where applicable, whether there are any circumstances that may affect the ability to continue operations and to apply the going concern assumption. The going concern assumption is not applied, however, if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no other realistic alternative than to do so.

The Board's Audit Committee shall, without it affecting the Board's responsibility and duties otherwise, monitor the company's financial reporting, among other things.

The auditor's responsibility

Our aim is to obtain reasonable assurance about whether the annual accounts and consolidated financial statements are free from material misstatement, whether due to irregularities or error, and to submit an audit report containing our opinion. Reasonable assurance is a high level of certainty, but is no guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will uncover a material misstatement, should one exist. Misstatements can occur as a result of irregularities or error and are considered material if, individually or together, they may reasonably be expected to affect the financial decisions made by the user on the basis of the annual accounts and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the suitability of the accounting policies applied and the reasonability of the Board's and CEO's estimates in the accounting and associated disclosures.
- Draw a conclusion on the suitability of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may lead to significant doubt about the company's and the Group's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Gather adequate and suitable audit evidence regarding the financial information for the units or business activities within the Group to express an opinion concerning the consolidated financial statements. We are responsible for the management, supervision and implementation of the Group audit. We are solely responsible for our opinions.

We must inform the Board of Directors of the planned scope and timing of the audit. We must also provide information about significant observations during the audit, including the potential significant deficiencies in the internal control that we identified.

We must also provide the Board with a statement that we have complied with relevant requirements of professional ethics regarding independence, and take up all relationships and other circumstances that may reasonably affect our independence, and where applicable measures implemented to eliminate threats or countermeasures.

Of the areas communicated with the Board, we determine which of them have been most significant to the audit of the annual accounts and consolidated financial statements, including the most important assessed risks of material misstatements, and which therefore constitute the areas of particular importance to the audit. We describe these areas in the audit report insofar as laws or other statutes do not prevent disclosures on the matter.

AUDIT REPORT

Statement on other legal and regulatory requirements**Auditor's review of management and proposed appropriation of the company's profit or loss**
Opinions

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the Board of Directors' and the CEO's management of Christian Berner Tech Trade AB for 2021 and the proposed appropriation of the company's profit or loss.

We recommend that the General Meeting appropriate the profit as proposed in the Directors' Report and discharge from liability the members of the Board of Directors and the CEO in respect of the financial year.

Basis for opinion

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility under these standards is described in further detail in the section entitled "The auditor's responsibility". We are independent in relation to the parent company and the Group, in accordance with generally accepted auditing standards in Sweden, and we have also fulfilled our professional ethical responsibility in accordance with these requirements.

We consider the audit evidence we have obtained to be adequate and appropriate to form the basis for our opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriation of the company's profit or loss. The dividend proposal includes, among other things, an assessment of whether the dividend is justifiable in relation to the demands that the nature, scope and risks of the business of the company and the Group place on the size of the equity, consolidation requirements, liquidity and financial position in general of the company and the Group.

The Board of Directors is responsible for the company's organisation and the management of the company's affairs. This includes continuously monitoring the financial situation of the company and the Group and ensuring that the company is organised such that accounting, asset management and the company's financial circumstances are otherwise controlled in a satisfactory manner.

The Chief Executive Officer must perform routine administration tasks according to the guidelines and instructions of the Board of Directors and, among other things, take the necessary measures to ensure that the company's accounts are fully compliant with the law and that asset management is conducted in a satisfactory manner.

The auditor's responsibility

Our aim with regard to the audit of the administration, and therefore our opinion on discharge from liability, is to obtain audit evidence to enable us to assess with reasonable assurance whether any Board member or the CEO has in any material respect:

- taken any action or been guilty of any negligence that may result in liability to the company, or
- in any other way acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our aim with regard to the audit of the proposed appropriation of the company's profit or loss, and therefore our opinion on this, is to assess with reasonable assurance whether the proposal is compliant with the Swedish Companies Act.

Reasonable assurance is a high level of certainty, but is no guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always uncover actions or negligence that may result in liability to the company or establish that a proposed appropriation of the company's profit or loss is not compliant with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The review of the management and the proposed appropriation of the company's profit or loss is primarily based on the audit of the accounts. What additional audit procedures are done is based on our professional assessment on the basis of risk and materiality. This means that we focus the review on such measures, areas and circumstances that are material to the business and where deviations or violations would be of particular significance to the company's situation. We go through and assess decisions made, decision documentation, actions taken and other circumstances that are relevant to our opinion regarding discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned



The Group's companies help customers with the selection of resource-efficient products and solutions. Peter Jandermark handles engineering plastics at the warehouse in Mölnlycke.

AUDIT REPORT

statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Swedish Companies Act.

Auditor's review of the ESEF report

Opinions

In addition to our audit of the annual accounts and consolidated financial statements, we also conducted a review that the Board of Directors and the CEO have prepared the annual accounts and consolidated financial statements in a format that enables uniform electronic reporting (the ESEF report) in accordance with Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Christian Berner Tech Trade AB for 2021.

Our review and our opinion only relate to the statutory requirement.

In our opinion, the ESEF report 8oDVp1b9lsdHPOQ= was prepared in a format that essentially enables uniform electronic reporting.

Basis for opinion

We conducted the review in accordance with FAR's recommendation RevR 18 Auditor's review of the ESEF report. Our responsibility under this recommendation is described in further detail in the section entitled "The auditor's responsibility". We are independent in relation to Christian Berner Tech Trade AB, in accordance with generally accepted auditing standards in Sweden, and we have also fulfilled our professional ethical responsibility in accordance with these requirements.

We consider the evidence we have obtained to be adequate and appropriate to form the basis for our opinion.

Responsibilities of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) and that there is such internal control that the Board of Directors and the CEO deem necessary to prepare the ESEF report without material misstatement, whether due to irregularities or error.

The auditor's responsibility

Our task is to express our opinion with reasonable assurance as to whether the ESEF report is prepared in a format that meets the requirements in Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), on the basis of our review.

RevR 18 requires us to plan and implement our review measures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of certainty, but is no guarantee that a review conducted in accordance with RevR 18 and generally accepted auditing standards in Sweden will uncover a material misstatement, should one exist. Misstatements can occur as a result of irregularities or error and are considered material if, individually or together, they may reasonably be expected to affect the financial decisions made by the user on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and thereby has a comprehensive system for quality control, which takes into account documented guidelines and procedures regarding compliance with professional ethical requirements, standards for professional practice and applicable requirements in laws and other statutes.

The review includes obtaining evidence through various measures if the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated financial statements. We choose which measures to carry out, among other things by assessing the risks of material misstatements in the reporting, whether due to irregularities or error. In this risk assessment, we take into account those parts of the internal control that are relevant to how the Board of Directors and the CEO prepare the documentation in order to design review measures that are appropriate to the circumstances, but not in order to express an opinion on the effectiveness of the internal control. The review also includes an evaluation of the suitability and reasonableness of the Board's and the CEO's assumptions.

The review measures mainly involve a technical validation of the ESEF report, i.e., if the file containing the ESEF report complies with the technical specification set out in Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation) and a reconciliation of the ESEF report with the audited annual accounts and consolidated financial statements.

The review also includes an assessment of whether the ESEF report has been marked with iXBRL, which enables a fair and complete machine-readable version of the Group's income statement, balance sheet and equity statement and cash flow statement.

Auditor's review of the corporate governance report

It is the Board of Directors that is responsible for the corporate governance report on pages 33-35 and 38-43 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's statement RevR 16 Auditor's review of the corporate governance report. This means that our review of the corporate governance report has another focus and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6 Section 6 Paragraph 2 Items 2-6 of the Annual Accounts Act and Chapter 7. Section 31 Paragraph 2 of the same act is consistent with the other sections of the annual accounts and consolidated accounts and is in compliance with the Annual Accounts Act.

KPMG AB, Box 11908, 404 39, Gothenburg, Sweden, was appointed Christian Berner Tech Trade AB's auditor by the General Meeting on 29 April 2021. KPMG AB or auditors active at KPMG AB have been the company's auditors since 2019.

Gothenburg, 21 March 2022

KPMG AB

Mathias Arvidsson
Authorised Public Accountant

Annual General Meeting and reporting dates

28 April 2022

Annual General Meeting 2022
The Annual General Meeting will be held at the head office in Mölnlycke, Sweden on 28 April 2022, at 4:00 p.m.

28 April 2022

Interim report for the first quarter 2022

18 August 2022

Interim report for the second quarter 2022

27 October 2022

Interim report for the third quarter 2022

23 February 2023

Year-end report 2022

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