

Annual Report 2022





The strategic focus on tyre operations continued and at the end of the year we stored almost 400,000 wheels for our customers in our tyre hotels.

Content

This is Bilia 2

Net turnover amounted to SEK 35,345 M (35,509). Operating profit amounted to SEK 2,102 M (1,925). The margin was 5.9 per cent (5.4). The organic growth in the Service Business was 3 per cent.

Statement by the Managing Director 4

We reported our second best result ever in 2022, despite the high level of macro-economic and geopolitical uncertainty around the world. The stable result, taking into account divested operations, can mainly be attributed to the continued strong Service Business and a good demand for cars.

Internal strategy 6

A success factor for Bilia is our employees. Our internal strategy is based on an employeeship that creates pride and consideration.

Business strategy 8

Bilia is a full-service supplier, with a wide range of services, a One Stop Shop offering assistance with everything related to the car ownership during the car's entire life cycle.

Growth strategy 10

Bilia's vision is to be the best service company in the business – through consideration for our customers, colleagues and the world we live in. We strive for continuous development, to be a little better each day, whatever our position and duties.

The value creation model 12

Our resources, vision and circular business model create lasting value for our customers and stakeholders.

Sustainability targets 14

Financial targets 15

Directors' Report 16

The Group in figures	18
Business areas	20
Service Business	22
Car Business	24
Fuel Business	26
Risks and opportunities	28

Sustainability Report 33

Corporate Governance Statement 45

Board of Directors 50

Group Management 52

Financial information 53

Consolidated Financial Reports	54
Consolidated Notes	62
Parent Company Financial Reports	99
Parent Company Notes	104

Signatures 114

Auditor's Report 115

Sustainability Notes 119

Five-year Review 129

The Bilia share 131

Definitions and Performance Measures 134

Information on Annual General Meeting 135

Articles of Association 136

One of Europe's largest full-service supplier
for everything related to car ownership

This is Bilja



► Bilja is a full-service supplier with one of the widest ranges of products and services on the market, and offers assistance with everything related to car ownership during the car's entire life cycle. All our customers are treated as guests and we aim always to create a better experience.

KEY FIGURES 2022

MARKET CAPITALISATION

SEK **11.0** Bn

TOTAL TURNOVER

SEK **35.3** Bn

ORGANIC GROWTH IN THE SERVICE BUSINESS

3 %

DELIVERED CARS, NEW AND USED

84,890

TURNOVER OUTSIDE OF SWEDEN

41 %

► NINETEEN CAR BRANDS



VOLVO



► Kokstad Autosenter AS in Bergen was part of Bilia's strategic expansion of used car sales and we now have four Bilia Outlet facilities in Norway.

► Through the acquisition of AS Insignia, we became a Jaguar and Land Rover dealer in Norway's important Oslo market.

► By acquiring a majority stake in Bil1Din, who conducts car dismantling operations, Bilia thus became the first player in Norway to take a clear responsibility for the sustainability of the car throughout its life cycle, including reuse of used parts.



► Through the acquisitions of Holmgrens Truck-Motor AB, Hellgrens Lastvagnsservice AB and Skellefteå Billackering AB, we continued to expand Bilia's operations in northern Sweden.

► The acquisition of M Bilar Group AB meant additional facilities for BMW and MINI in geographically good areas in central Sweden, where we will offer customers high-quality service.

► We welcomed five new car brands, Volkswagen, Skoda, Audi, Seat and Cupra, through the acquisition of Söderbergs Personbilar i Norrköping AB.

► In October, Bilia-Emond Luxembourg moved into a new top modern facility in the Cloche d'Or business center, Luxembourg city. They became one of the largest BMW and MINI facilities in Europe and among the first with BMW's new market concept.



TOTAL NUMBER OF FACILITIES

157

EMPLOYEES

5,110

DACIA



XPENG



SKODA





Humility and a long-term approach create possibilities

TIMES ARE CHANGING. To remain successful in a fast-changing world, we need to adapt, renew and challenge ourselves by constantly developing and identifying new opportunities.

A stable result during a year of uncertainty

We reported our second best result ever in 2022, despite the high level of macroeconomic and geopolitical uncertainty around the world. The year has been characterised by the ongoing global shortage of components, rising inflation, high interest rates and increased energy prices. The stable result, taking into account divested operations, was attributable to the continued strong performance of the Service Business and a good demand for cars. Similarly to last year, we begin 2023 with a record high order backlog, 26,325 cars in total.

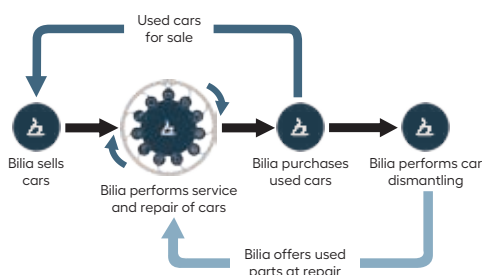
Our circular business model

To contribute to fulfilling the UN's global Sustainable Development Goals 2030, and satisfy demand for sustainable products and services, we are developing new services in areas such as reuse and renovation of spare parts. In recent years we have therefore acquired car dismantling operations and we are working to increase the proportion of reused parts in our workshops. During the year, we acquired the majority stake in Bil1Din AS in Norway, making us the first player in the country to take clear responsibility for the sustainability of the car throughout its life cycle, including reuse of used parts. Through our circular business model we offer the customer help with everything from buying a new or used car, insurance, accessories, servicing, damage repair and car rental, to dismantling and reuse of used spare parts.

We have during the year launched sustainability targets. Satisfied customers and proud employees have been a target for us for many years and we are convinced that these are important components of Bilias sustainable growth strategy. For 2022, Bilias volume-weighted customer satisfaction was 3.0 percentage points higher than the average for the respective brand in its country. The percentage of committed employees was 15 percentage points higher compared to benchmark, which meant that we met our targets. We have now added three new targets relating to reused spare parts, the proportion of women in our sales operation, and that we want to contribute to a lower climate impact for our customers.

Circular business model

We follow the car during its entire lifecycle



Times are changing – and so are we

We are seeing increased demand for turnkey solutions for car users. Time is scarce for many people, and our full-service concept enables us to offer our customers a full range of services and save valuable time. We are continuing to develop our new area of operation, Mobility Care, which is part of our focus on expanding shared services for all car brands. Mobility Care currently encompasses tyres, dismantling, reuse of used spare parts, car glass, used cars and damage centres. We see a growing market need for tyres and rim repairs in future as tyres on electric cars wear more quickly and the aluminium rims are larger and more expensive than before.

Together we are the Bilia family

Acquiring operations that complement and enhance our existing Service and Car Business, allows us to pursue an ongoing sustainable business strategy and growth in future. During the year, the Bilia family has been extended by a further eight high-quality car brands.

The acquisition of Söderbergs Personbilar i Norrköping AB means that as of 2023 we can offer sales and servicing for Volkswagen, Audi, Skoda, Seat and Cupra cars, and for Volkswagen transport vehicles. The acquisition of AS Insignia enables us to offer sales and servicing for Jaguar and Land Rover in Oslo. In addition, we signed an agreement with XPENG regarding sales of new cars and service operations in Sweden from 2023.

We also strengthened our BMW offering through the acquisition of M Bilar Group AB, a BMW and MINI dealer in Sweden.

In addition we have expanded our service network for trucks in northern Sweden with the acquisition of Holmgrens Truck-Motor AB in Gällivare, and Hellgrens Lastvagnsservice AB and Skellefteå Billackering AB in Skellefteå. These acquisitions enable us to develop our truck operations for Mercedes-Benz and further bolster our Service Business.

Focus on the customer and their needs

While we are working actively to meet the challenges in the wider world, we are strengthening our business and customer experience so that we can continue in the future to deliver sustainable attractive and innovative turnkey solutions for the mobile human and be the best service company in the business.

Despite tough challenges, I am proud and impressed by how everyone at Bilia is continuing to work together to drive Bilia forward while showing consideration for our customers, colleagues and the world we live in.

Gothenburg, April 2023

Per Avander

CEO and Managing Director

Bilia's employees – proud and considerate

EMPLOYEES. Bilia's vision – to be the best service company in the business through consideration for our customers, colleagues and the world we live in – requires dedicated and responsible employees.

► Bilia's employeeship is based on four core values: Dedication, Competence, Genuine and Respect. New recruits learn about our core values from their very first day as part of their introduction. This is followed up in role-specific courses on our way of working with focus on the customer.

In today's fast-changing world, ongoing professional development is a key success factor. Employees who work with Bilia's car brands go on training programmes that give them in-depth knowledge about our products and services.

As Bilia is a large organisation with many different car brands and roles, our employees have opportunities to grow and develop internally.

Our internal strategy is based on employeeship that creates pride and consideration. In order to grow and develop, all employees are offered an annual performance appraisal with their immediate manager. This is a chance to talk about the work situation, the employee's performance as well as their development needs and opportunities.

Bilia wants to create the conditions for motivated employees who focus on shared and individual goals that lead to greater profitability, growth and customer satisfaction, and it therefore offers different variable pay elements depending on the individual's duties and role. Over 90 per cent of employees at Bilia are rewarded based on the customer's experience.

It is also an important part of our internal strategy to keep on our toes and monitor how employees feel about their work situation. Bilia therefore carries out annual employee surveys using an independent research company. In 2022, a pilot scheme with more frequent pulse surveys was trialled in part of the operation. Checking in with employees a little more frequently, which enables Bilia to pick up on development needs more quickly, has been welcomed by employees and

managers alike. Work on employee dedication has resulted in Bilia being ranked among the top 5 employers for the year in measurements on the external employee experience platform Brilliant. Employee dedication is well above the benchmark and increased further in 2022.

Bilia's employees should thrive, both at and outside of work, which is why we care about our employees' future, health and life outside of work. We actively work to promote well-being and security through health-promoting programmes, fitness subsidies, joint fitness activities and education about health and ill health.

At Bilia, every employee is responsible for their own and their colleagues' working environment. Together we create an inclusive environment where each employee feels appreciated for the person they are and receives affirmation for their work. We are convinced that a workplace filled with people who have different knowledge, experiences and backgrounds is positive for the working environment and the company's profitability.

We operate in a male-dominated industry, and this places high demands on measures to attract more women. Equal opportunity and treatment regardless of gender is a fundamental principle for us. We are convinced that an even gender distribution has positive effects on both the work environment and profitability, and would therefore like to recruit more women. We have formulated a special recruitment policy which we follow up regularly, we work actively with wage mapping and a gender equality plan, and we keep the recruitment discussion alive.

As a further step in our efforts to boost diversity, we are working actively to recruit people from different ethnic backgrounds. Today around 30 different languages are spoken throughout the Group.

Bilia's road to success

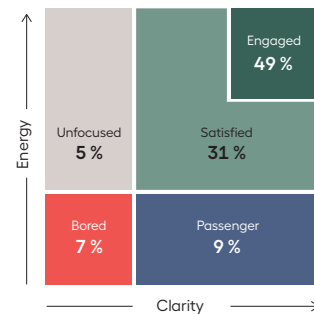
OUR VISION. We want to be the best service company in the business – through consideration for our customers, colleagues and the world we live in.

Strong leadership

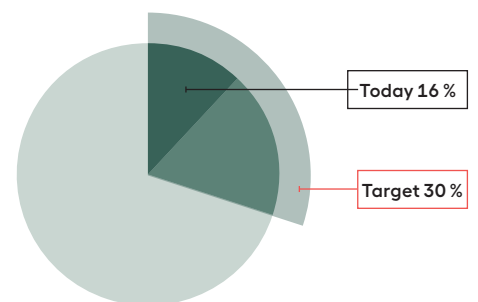
Our leaders should stand for strong leadership with focus on engagement and competence.



► Our Sustainability targets



► Proportion of committed and proud employees is an important component of our internal strategy to have proud employees and satisfied customers. For 2022, the proportion of committed and proud employees was 15 percentage points higher compared with benchmark which was in line with last year's performance.



► Bilgia wants to be an equal organisation, where men and women are represented in all professional categories. We want to increase the proportion of women in our business and focuses as a first step on the proportion of women in our sales operations. During 2022 the proportion of women in sales operations increased from 13 to 16 per cent.

Proud employees

Our employees should be proud to contribute to a better experience for our customers.

Satisfied customers

Our customers should have a better experience through a considerate approach.

Satisfied shareholders

Our shareholders should be satisfied with the return on their investment in Bilgia shares.

We offer everything for the car ownership

ALL UNDER ONE ROOF. Bilia is a full-service supplier with one of the widest ranges of products and services on the market, and offers assistance with everything related to car ownership during the car's entire life cycle. All of our customers are treated as guests and we aim always to create a better experience.

► Our circular business model is based on the customer's need for a product or service related to owning a car, for the car's entire life cycle. We offer private and corporate customers a wide range of car models and brands that suit the needs of different customers. In connection to the car purchase, customers are offered financing and insurance solutions to facilitate the process. At this stage, we also offer services to simplify their car ownership, such as service and wheel storage subscriptions. Service subscriptions give customers a fixed monthly cost and the wheel storage service simplifies wheel changes and makes storage easier for the customer. Our subscriptions give us the chance to meet customers repeatedly, thus strengthening relations and presenting opportunities to offer customers additional services.

We help with everything relating to owning a car and our offering includes servicing and repairs, fuel, car washes, rental cars, wheels and tyres, rim repair, car accessories, car care, paintwork, glass replacement and repair, car dismantling and more. Contact with us takes place online and/or in a visit to one of our showrooms. Bilia has regular contact with its customer base through customer-specific offers related to car ownership. The business model puts the customer in focus and is developed in line with customer needs and requirements.



Bilia's business model is circular in its nature as it offers services for everything related to car ownership during the car's entire life cycle.

A better experience

EXPERIENCE. At Bilia we strive for continuous development, to be a little better each day, whatever our title or position. Working in a goal-conscious way founded on our vision, core values and customer promise creates a positive spiral, enabling us to exceed expectations and provide a better experience for customers and colleagues alike.





We offer services for everything related to car ownership during the car's entire life cycle, from the purchase of a new car to recycling parts from a dismantled car.



Car purchase

Financing, insurance, the Bilia-card, service subscriptions, tyre hotels, paint shops, accessory and tyre and wheel sales.



Store

Accessories, spare parts and e-commerce.



Stations

Fuels and car washes.



Tyre centres

Tyre hotels, wheel change, tyre and wheel sales and workshop services.



Rim repair

Renovation of rims.



Service

Original service, personal service technicians and repairs.



Car glass

Glass treatment, glass repair and windscreen replacement.



Car care

Reconditioning and AC-cleaning.



Damage

Roadside assistance, body shop, paint shop and dent removal.



Rental cars

Rentals and Flexlease.



Car dismantling

Dismantling, reuse and sales of used car parts.

VISION

The best service company in the business – through consideration for customers, colleagues and the world we live in.

Bilia will create a sustainable business through consideration and pride by offering attractive and innovative solutions for the mobile human being.

CULTURE AND CORE VALUES

Dedication, Competence, Genuine, Respect.

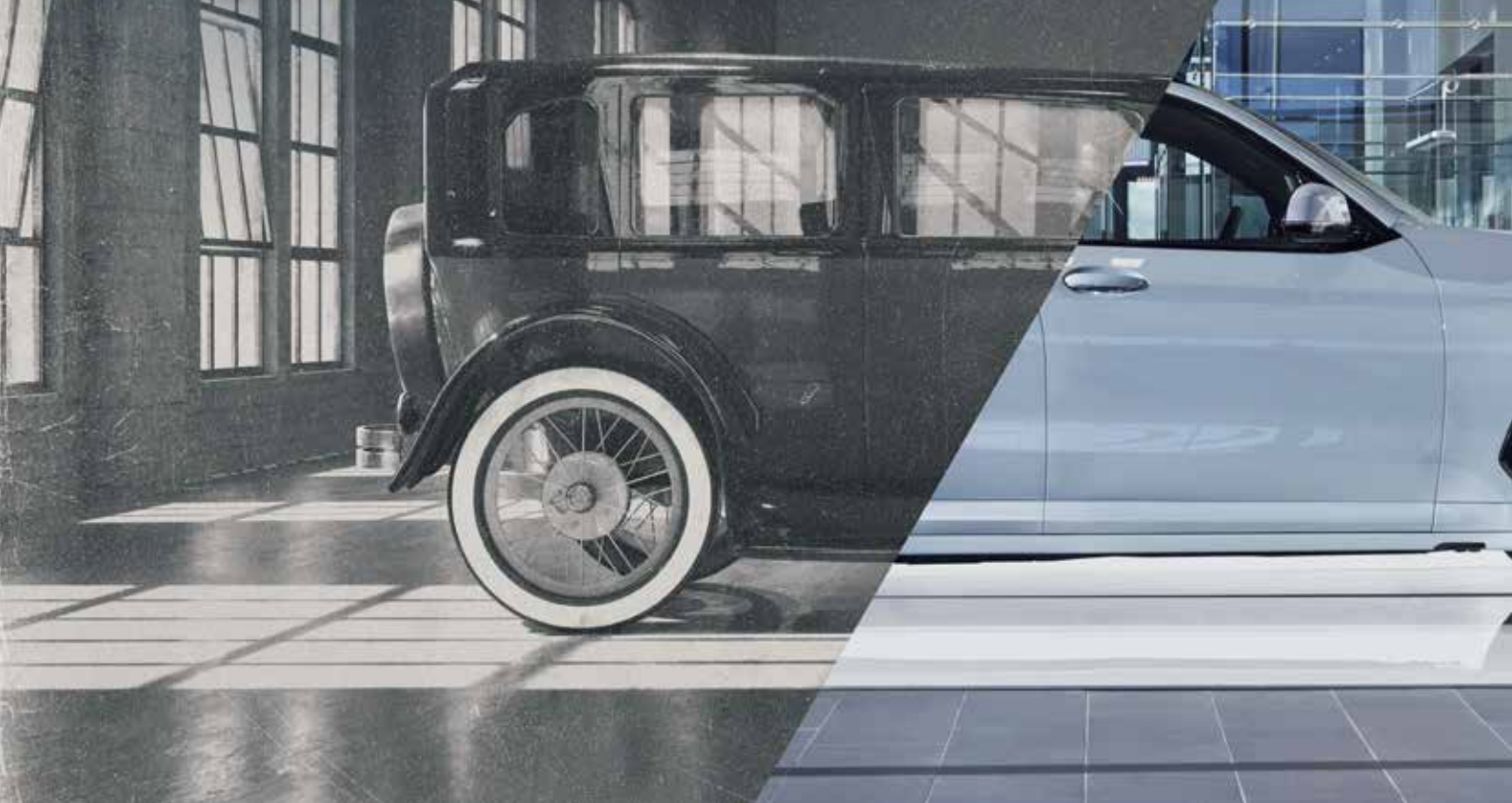
Bilia's culture and core values govern our attitude and the way we interact. At Bilia we are engaged in the meeting with customers, with each other and with suppliers. We show competence by using our expertise to find solutions and suggestions that benefit the customer the most. Being genuine and showing mutual respect build confidence in Bilia and our employees.

CUSTOMER PROMISE

A better experience.

Through management by objectives, monitoring and quality processes, we work goal-consciously to be a little better every day. Our general goal is to create an experience that exceeds the customer's expectations, and adds value that distinguishes Bilia from its competitors.

Times are changing – and so are we



TRANSITION. The automotive industry is undergoing its biggest ever change. A survey of the world's leading automotive markets shows that Norway and Sweden are well ahead when it comes to the share of sold electric cars. Other countries are following suit, and several car manufacturers aim to have a 100 per cent electric offering by around 2030.

► There has long been consolidation in the industry resulting in a smaller number of larger dealers and repair workshops. For some car brands, the number of dealers has more than halved over a decade. The consolidation is chiefly a result of rapid technological progress, digitalisation and accessibility requirements which need major investment. One of many examples of this is electric car repairs, which not only require investment in equipment but also expertise in high voltage systems.

Over the past decade, Bilja has carried out some 40 acquisitions and the focus is now on further growing with our car brand portfolio and expanding our newly established Mobility Care operational area. This operational area relates to products and services that are common to all car brands, such as used cars, tyres, rims, glass, car dismantling and spare parts.

Circular business models

The circular economy is an important instrument in reducing consumption of resources and the use of limited raw materials in the world. More and more companies have circular business models, where maintenance and repair are part of the whole. Bilja is one of few Swedish companies in the industry that takes care of the car's entire life cycle, from sale to car dismantling and recycling. During car dismantling, up to 95 per cent of all de-registered cars are recycled. All of the parts are checked, and those that pass the tests are labelled and sold to repair workshops as spare parts. Bilja currently has five car dismantling operations and aims to become self-sufficient in used car parts.

Our sustainable growth strategy includes wheel balancing, wheel storage, tyre sales, rim repair and glass as growth areas for our Service Business. The tyre industry is currently fragmented and as the number of electric cars on the roads rises, wear on tyres will increase because electric cars are heavier and accelerate more quickly than conventional cars.

Rim repair is one of our newest circular areas of operation, and helps to extend the service life of existing rims, which is both cheaper and more eco-friendly than buying new rims.

The replacement and repair of car glass is also becoming increasingly important because electric cars are fitted with larger, thinner panes of glass that are consequently more vulnerable to damage.



Electrification is changing the need for servicing

Studies show that the need for servicing will change with the full electrification of cars, connected cars and driver assistance. At the same time, cars are becoming more technologically complex and the level of expertise required to service them is increasing.

The total value for the service market, including claims handling, is estimated to decrease in the long-term by approximately 15 per cent, but based on a larger fleet of cars and the ongoing consolidation of service workshops, the total service market is expected to be stable moving forward. Bilja, which is a large player on the market, has good opportunities to develop new services for car owners and to continue to take market share as industry conditions change.

Dealer becomes the agent – a new business model

Car manufacturers increasingly want to move away from the dealership structure and towards sales through agency agreements. The main difference will be that the dealer, i.e. the agent, will be an adviser during the purchase of the car, take care of delivery of the car to the customer, and receive a commission for each car delivered. Formally the purchase takes place between the car manufacturer and the customer, and the car manufacturer determines the price and is responsible for the stock of new cars. Bilja already has an agency agreement with Mercedes-Benz and has found it to be a well-functioning business model that is also popular with customers. More car brands are planning to implement agent models in future.

A sustainable growth strategy

WE WILL CONTINUE TO GROW. Our goal is to grow by more than 5 per cent over a business cycle. We are doing this through a combination of organic growth and acquisitions.

► Between 2012 and 2022, Group turnover doubled from SEK 17.7 Bn to SEK 35.3 Bn and the number of employees increased by almost 50 per cent.

Organic growth

As part of our efforts to develop sustainable new services to meet our customers' needs, our new Mobility Care operational area was established in 2022 and focuses on products and services that are common to all car brands. Mobility Care currently covers car glass, spare parts recycling, car dismantling, used cars, bodywork and paintwork, tyres, wheel storage and rim repair. Mobility Care focuses on repair, including rim repair, so that customers do not have to buy new.

We want to continue to grow our sales of used cars via Bilja Outlet in Sweden and Norway. We now have nine facilities where we sell used cars of all brands that are over three years old, and we have the opportunity to sell the services needed for car ownership.

Growth through acquisitions

In the past ten years Bilja has made some 40 acquisitions, which has entailed expansion in new countries, new car brands and new service areas.

In light of the ongoing consolidation in the industry, we see good opportunities to create continued growth through future acquisitions in areas of strategic importance to us.

We want to continue to grow, primarily with our existing car brands, but we are also open to further additions to our car brand portfolio.

We want to make acquisitions in Sweden, Norway, Luxembourg and Belgium, but acquisitions in other European countries may also be of interest.

Our aim is also to grow the Service Business by making acquisitions in new areas of operation.

Sustainable growth strategy

- Organic growth in the Service Business
- New services/products via Mobility Care
- Continued growth through acquisitions
- Focus on used cars
- Geographic growth

How Bilia creates value

VALUE CREATION. Our resources, vision and business model create lasting value for our customers and stakeholders.

Bilia's resources

Relational capital

► Customers, general agents, manufacturers, property owners, business partners and decision-makers that Bilia meets face-to-face, by digital meetings, and also by other digital channels as Bilia's websites, Facebook, Instagram and LinkedIn.

Intellectual capital

► 106,000 service subscriptions and 393,000 wheels stored in our tyre hotels to create a favourable offering for the customers, ensuring simplicity of car ownership. Through our business partners we have access to products and services in line with technological developments, benefiting our customers and employees.

Human capital

► 5,110 employees in four countries, Sweden, Norway, Luxembourg and Belgium, all actively helping to provide our customers with a better experience and evolve Bilia further, enabling the Group to achieve its financial targets.

Material capital

► 157 facilities in four countries, where customers can meet us to get help to buy a new or used car, purchase car accessories, buy vehicle fuel and wash, service or repair of their car and other services that simplify owning a car.

Financial capital

► SEK 11,828 M invested capital from shareholders, lenders and lessors. SEK 1,538 M reinvested into the operation in the form of facilities, machinery and equipment.

► **393,000**
number of stored wheels

► **5,110**
employees
in four countries

► **157**
facilities
in four countries

► **11,828**
SEK M invested
capital

Bilia offers



► Sales in four countries the past year.



► 19 car brands with a relevant selection of green cars.



► Easily accessible digital and physical meeting spots to visit.



► Sales and customer service via personal contact and digital channels.



► Proud and considerate employees who assist our customers.

Sustainable value creation

Shareholders

- Profit for the year SEK 1,622 M
- Proposed dividend of SEK 8.80 per share 2023
- Market capitalisation of SEK 11,007 M

Customers

- A better experience
- Simple car ownership
- A considerate service company

Employees

- Job opportunities
- Professional and personal development
- Pay, pension and benefits

Financiers and suppliers

- Long-term, mutually beneficial partnerships
- Lease payments of SEK 685 M
- Interest payments of SEK 68 M

Society and the world we live in

- Reduced energy consumption and emissions to land, water and air
- Focus on a safe, healthy working environment
- Strives to contribute to sustainable production and consumption

6.6 %

Dividend yield on the Bilja share. Dividend of SEK 8.80 per share for 2023.

3.0

percentage points higher customer satisfaction compared to other dealers in Sweden and Norway.

49 %

committed employees which was 15 percentage points higher compared to benchmark.

0.8

times. The ratio of net debt to EBITDA, excluding IFRS 16, compared to our financial target of <2.0 times.

9

identified goals from 2030 Agenda and the UN's global Sustainable Development Goals where Bilja can contribute and work for sustainable development.

5 reasons to invest in Bilja

1. Circular business model for sustainable offers

Bilja's business model is to be a full-service supplier that offers everything a car owner needs during the car's entire life cycle. Development of services is ongoing continuously, based on customers' wishes and requirements, where we offer an opportunity to make choices that reduce climate and environmental impact.

2. Seamless customer experience and good accessibility

Bilja's operations are primarily run from some 160 facilities which are supported with a digital offer that simplifies and improves our contact with and service to customers. The number of customer visits is twice as many on our website as in our facilities and in total there are 8 million visits per year in Sweden alone.

3. Strong business partners

Bilja has long-term collaborations with selected partners who contribute to our competitive range of products and services for our customers. Through continued acquisitions, we continuously increase the number of partners in the Bilja family.

4. Proud and considerate employees

Our corporate culture is based on dedicated, proud and considerate employees and leaders, and this is fundamental in offering a better experience to ensure satisfied, loyal customers. For 2022, the percentage of committed and proud employees was 15 percentage points higher compared to benchmark.

5. Strong financial position

Bilja has a stable and strong financial position and strives to be a shareholder-friendly company in the long term. During 2022, a decision on a quarterly dividend of SEK 8 per share to the shareholders and the buyback of own shares of SEK 525 M has been taken. The board's proposal for the 2023 AGM is an ordinary dividend of SEK 8.80 per share, to be distributed on four occasions of SEK 2.20 per share.

TOTAL RETURN OF BILJA SHARE



Source: Nasdaq

— A-share — OMX Stockholm GI

Sustainability targets

Bilia's sustainability targets are long-term but will be updated continuously.

► Bilia launched its sustainability targets in 2022. Satisfied customers and proud employees have been our target for many years. Now we added three new targets regarding recycled spare parts, proportion of women in our sales operations and contributing to a lower climate impact for our customers. In 2022, we have met our targets regarding satisfied customers and proud employees.

Activities have been initiated to increase the proportion of used spare parts in our repair shops, which for 2022 amounted to 6 per cent. The percentage of women in our sales operations has increased from 13 per cent to 16 per cent. We are working to define how we can contribute to a lower climate impact for our customers in the future, for example by increasing the sale of electric cars.

► How were Bilia's sustainability targets met in 2022

CUSTOMER SATISFACTION TO BE THREE PERCENTAGE POINTS HIGHER THAN THE INDUSTRY AVERAGE FOR EACH BRAND AND COUNTRY



► Satisfied customers are an important component of Bilia's internal strategy for being a successful organisation. For the last three years, the customer satisfaction was 3.3 percentage points higher than the industry average for each brand and country.

INCREASED SHARE OF USED SPARE PARTS IN OUR REPAIR SHOPS

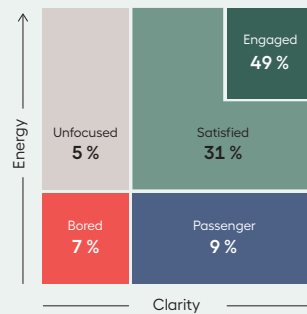
► The target is linked to our circular business model and intends to increase the proportion of used spare parts from our car dismantling to our repair shops. This contributes to a more sustainable Service Business and a better use of the car throughout the entire life cycle. The proportion of used spare parts in our repair shops 2022 amounted to 6 per cent.



CONTRIBUTE TO LOWER CLIMATE IMPACT AMONG OUR CUSTOMERS WHEN USING THE PRODUCTS AND SERVICES WE PROVIDE

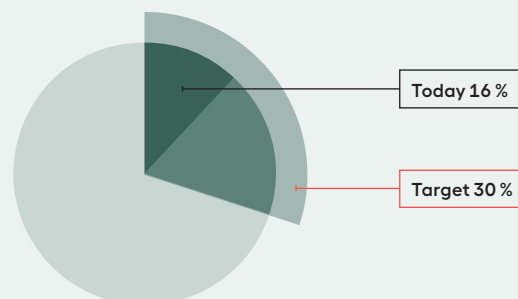
► Bilia wants to contribute to a lower climate impact and will work with activities to identify the way in which this should be done in order to establish measurable targets in the future. During 2022 we have been working to identify how we can contribute to a lower climate impact for our customers.

PROPORTION OF COMMITTED EMPLOYEES ABOVE THE BENCHMARK AND ANNUAL IMPROVEMENT



► Proportion of committed and proud employees is an important component of our internal strategy to have proud employees and satisfied customers. For 2022, the proportion of committed and proud employees was 15 percentage points higher compared with benchmark which was in line with last year's performance.

PROPORTION OF WOMEN IN SALES OPERATIONS SHOULD EXCEED 30 PER CENT



► Bilia wants to be an equal organisation, where men and women are represented in all professional categories. We want to increase the proportion of women in our business and focus as a first step on the proportion of women in our sales operations. During 2022 the proportion of women in sales operations increased from 13 to 16 per cent.

Financial targets

Bilia's financial targets are long-term and apply over a business cycle.

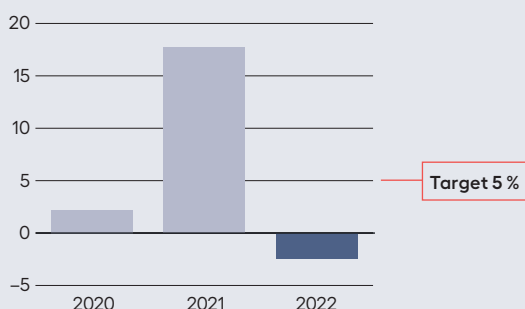
Bilia's financial targets were met 2022, as below:

- ▶ Operational margin 5.9 per cent (target 5.0 per cent)
- ▶ Payout ratio 50 per cent (target at least 50 per cent of profit per share)
- ▶ Total growth did not meet the target (target over 5.0 per cent)

- ▶ Ratio of net debt to EBITDA, excluding IFRS 16, 0.8 times (target under 2.0)
- ▶ From 2017 to 2022 Bilia's total growth in turnover was 27 per cent, an average annual growth of over 5 per cent. The negative growth in 2022 is mainly explained by divested operations.

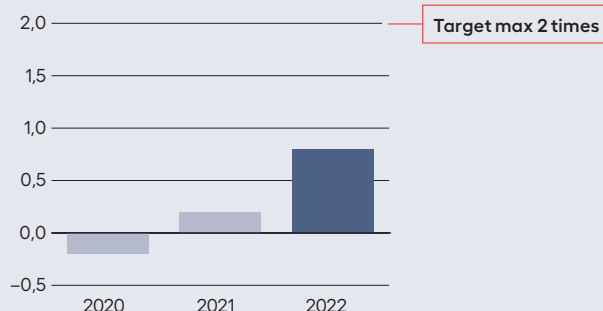
▶ How were Bilia's financial targets met in 2022

TOTAL YEARLY GROWTH HIGHER THAN 5 PER CENT DURING A BUSINESS CYCLE



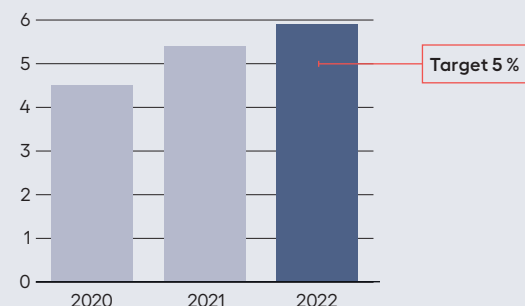
- ▶ The total growth includes organic growth and growth through acquisitions and divested operations. The total growth over the last five years amounted to an average of 27 per cent and since 2012 the reported turnover has increased by 100 per cent.

NET DEBT IN RELATION TO EBITDA, EXCLUDING IFRS 16



- ▶ The target is unchanged compared to before. Net debt in relation to EBITDA during 2022 amounted to 0.8 times and in recent years amounted to between -0.2 (positive net debt) to 0.8 times.

OPERATING MARGIN OVER 5 PER CENT DURING A BUSINESS CYCLE



- ▶ The operating margin target of 5 per cent means a doubling compared to previous target of 2.5 per cent. The operating margin 2022 amounted to 5.9 per cent and during the last five years to an average of 4.6 per cent.

DIVIDEND SHARE OF AT LEAST 50 PER CENT OF PROFIT PER SHARE



- ▶ The target is unchanged compared to before. The dividend share for 2022 amounted to 50 per cent and over the last five years to an average of 59 per cent.

Directors' Report

The Board of Directors and Managing Director of Bilja AB (publ), Corp. ID no. 556112-5690, hereby submit their annual accounts and consolidated accounts for financial year 2022. The Bilja Group is referred to as Bilja. When only the Parent Company is being referred to, it is called Bilja AB.



Operations – general

Bilja is one of Europe's largest full-service suppliers for everything related to car ownership with a leading position in servicing and sales of new and used cars, transport vehicles and trucks. Bilja had, at the end of 2022, around 160 facilities in Sweden, Norway, Luxembourg and Belgium plus two online auction sites, one in Sweden and one in Norway.

Bilja's vision is to be the best service company in the business – through consideration for our customers, colleagues and the world we live in. Bilja's business model is circular in nature and offers services for everything related to car ownership during the car's entire life cycle. Bilja strives continuously to be the best service company in the business through full-service workshops, showrooms and a customer service, with high availability, physically and digitally.

Bilja's Service Business includes a well-developed range of services and service concepts that are continuously developed to simplify the car ownership, during the car's entire life cycle, for the customers. The Service Business includes workshop services, spare parts, car dismantling, rim repair, wheel sales and storage, store sales and e-commerce.

Bilja's Car Business includes sales of both new and used cars, transport vehicles and trucks, plus supplementary services such as financing and insurance. During 2022, Bilja sold cars from Volvo, BMW, MINI, Toyota, Lexus, Mercedes-Benz, Porsche, Nissan, Jaguar, Land Rover, Renault, Dacia and Alpine, transport vehicles from Renault, Toyota, Mercedes-Benz, Nissan and Dacia as well as trucks from Mercedes-Benz. From 2023 we will also offer cars from XPENG, Volkswagen, Audi, Skoda, Seat, Cupra and ORA and transport vehicles from Volkswagen. During 2022 we have received a termination of agreements to sell new cars and transport vehicles from Renault, Dacia and Alpine. The notice period runs until October 2023. The termination is not considered to have a material impact on Bilja's result or financial position.

Bilja's Fuel Business comprises sale of fuels and car washes.

The Bilja share

The total number of shares in the company at 31 December 2022 was 96,299,952, including holdings of own shares of 4,315,709 and considered that during the year, 6,500,000 own shares were withdrawn. All issued shares have equal rights in the company and are entitled to one vote at the Annual General

Meeting (AGM). Bilja's shares are listed on Nasdaq Stockholm and can be transferred freely there, subject to the rules of the exchange.

Bilja has no knowledge of any shareholders' agreements between Bilja's shareholders.

The 2022 AGM authorised the Board of Directors to buy back Bilja shares equivalent to no more than 10 per cent of the total number of shares in the company. At the same time, the Board was also authorised to dispose of Bilja shares. Bilja has exercised the authorisation during 2022 to buy back Bilja shares and has during the year repurchased 3,792,419 of its own shares. At the end of the year, the total number of own shares corresponded to 4.5 per cent of the total number of shares. During 2021 3,552,839 shares were repurchased.

Key figures

In addition to financial definitions according to IFRS standards, key ratios are used which are considered to give investors and Bilja's management a complement to IFRS to assess Bilja's performance. For definitions, see page 134.

	2022	2021	2020
Bilja Group			
Net turnover, SEK M	35,345	35,509	30,168
Operational earnings, SEK M	1,906	2,142	1,593
Operational margin, %	5.4	6.0	5.3
Operating profit, SEK M	2,102	1,925	1,364
Profit before tax, SEK M	2,002	1,830	1,260
Net profit for the year, SEK M	1,622	1,457	984
Earnings per share, SEK	17.43	14.90	9.85
Ratio of net debt to EBITDA, excluding IFRS 16, times	0.8	0.2	-0.2
Return on capital employed, %	21.5	20.5	16.7
Return on equity, %	36.2	33.8	27.5
Operating cash flow, SEK M	345	1,814	2,872
Equity/assets ratio, %	24	26	24
Equity per share, SEK	53	46	40
Number of employees, 31 December	5,110	5,331	4,646

Sales and earnings

Net turnover amounted to SEK 35,345 M (35,509). Adjusted for acquired and divested operations and for exchange rate fluctuations, net turnover was unchanged compared with the previous year. Exchange rate fluctuations had a positive impact of approximately SEK 700 M on net turnover compared to the previous year.

Operating profit amounted to SEK 2,102 M (1,925). Operating profit for 2022 included gains from sales of Volvo and Renault operations in Sweden and Norway of SEK 368 M.

Operational earnings amounted to SEK 1,906 M (2,142), and the operational margin was 5.4 per cent (6.0). The Service Business reported a result of SEK 1,161 M, which was SEK 118 M lower than the previous year. The Car Business reported a result of SEK 823 M, which was SEK 115 M lower than the previous year. The Fuel Business reported a result of SEK 21 M, which was SEK 16 M lower than the previous year. The lower results were mainly attributable to divested operations. The Group's underlying overheads increased by 4 per cent on the previous year. Overheads amounted to 12.3 per cent of net turnover, which was 1.0 percentage point higher than the previous year.

The operation in Sweden reported a result of SEK 1,304 M (1,418). The margin was 6.2 per cent (6.9). The operation in Norway reported a result of SEK 547 M (757). The margin was 4.8 per cent (6.7). The operation in Western Europe reported a result of SEK 154 M (79). The margin was 5.0 per cent (2.1). The Car Business and Service Business for Sweden and Norway both reported a lower result, mainly due to divested operations and normalised gross profit margins from sales of used cars. For Western Europe, the higher result was mainly attributable to the divestment of operations that had reported losses in previous years. The operating result for the Parent Company amounted to SEK -101 M (-113). The result was positively affected by approximately SEK 15 M due to the revaluation of endowment policies for pensions compared with last year.

Net profit for the period amounted to SEK 1,622 M (1,457). Earnings per share amounted to SEK 17.43 (14.90). Exchange rate fluctuations did not have a material impact on net profit for the period compared to the previous year.

Acquisition of non-current assets

Acquisitions of non-current assets amounted to SEK 390 M (285) excluding lease vehicles and SEK 1,538 M (1,257) including lease vehicles.

Financial position

The balance sheet total increased by SEK 2,801 M during 2022 and amounted to SEK 20,001 M. Equity increased by SEK 470 M amounting to SEK 4,887 M. During the year, Bilja bought back 3,792,419 of its own shares, for a total purchase price of SEK 525 M. The equity/assets ratio amounted to 24 per cent (26). Net debt increased by SEK 1,514 M during the year and amounted to SEK 5,766 M. Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 1,786 M, an increase of SEK 1,204 M since December 2021. The ratio of net debt to EBITDA, excluding IFRS 16, amounted to 0.8 times compared with 0.2 times last year.

At year-end, SEK 644 M of Bilja's credit with the banks (Nordea and DNB) was utilised (balance SEK 550 M). The credit limit with Nordea and DNB totals SEK 1,500 M at the end of 2022, and has during February 2023 been extended by SEK 800 M to a total of SEK 2,300 M. The extended credit limit constitutes a back-up credit for SEK 800 M of bond loans that mature in October 2023. The original maturity date for the credit limit in March 2025 also applies to the additional credit of SEK 800 M.

Notable events

► Bilja sold the remaining four BMW/MINI facilities in Germany.

► Bilja sold three facilities in Oslo, Norway and a total of eleven facilities in Skaraborg, Bergslagen, Stenungsund and Uppsala, Sweden. These facilities conduct sales of new cars, used cars and service operations for Volvo and Renault.

► Bilja has repurchased 3,792,419 shares. The AGM decided on a reduction of the share capital by withdrawing 6,500,000 own shares that had previously been bought back by the company and an increase in the share capital through a bonus issue.

► Bilja concluded an agreement with XPENG for sales and service operations on the Swedish market.

► Bilja concluded an agreement to acquire LB's Lastbilar AB, in Norrköping, Helligrens Lastvagns-service AB and Skellefteå Billackering AB in Skellefteå and Holmgrens Truck-Motor AB in Gällivare to develop the Service Business for trucks.

► Bilja concluded an agreement to acquire Kokstad Autosenter AS, which conducts sales of used cars and a brand-independent service workshop in Bergen, Norway.

► Bilja concluded an agreement to acquire 50.1 per cent of the shares in Bil1Din Holding AS, which conducts car dismantling operations in Norway.

► Bilja reached an agreement to acquire AS Insignia, which conducts sales and service operations for the Jaguar and Land Rover car brands in Oslo, Norway.

► Bilja reached an agreement to acquire M Bilar Group AB. The business is conducted at five facilities in Västerås, Eskilstuna, Borlänge, Örebro and Mora and conducts sales and service for BMW and MINI.

► Bilja reached an agreement to acquire Söderbergs Personbilar i Norrköping AB. The business is conducted in Norrköping and Nyköping and is a dealer of Volkswagen, Audi, Skoda, Seat and Cupra cars as well as Volkswagen transport vehicles with associated sales of used cars and service operations.

► In January 2023, subsequent to year-end, Bilja reached an agreement with Great Wall Motors to be an importer and dealer in Norway. During the first half of 2023, Great Wall Motor will launch the electric car brand ORA in Norway.

The Group in figures

► The Group divided into Service, Car and Fuel Business

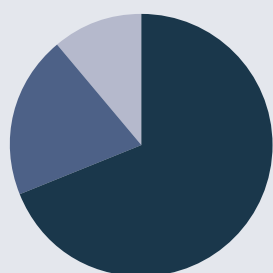
	Net turnover, SEK M ¹⁾			Operational earnings, SEK M			Margin, %		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Service Business	8,093	7,812	6,971	1,161	1,279	1,157	14.3	16.4	16.6
Car Business	27,913	28,335	23,616	823	938	477	2.9	3.3	2.0
Fuel Business	1,305	1,252	1,093	21	37	29	1.6	3.0	2.7
Parent Company, other	-1,966	-1,890	-1,512	-99	-112	-70	—	—	—
Total	35,345	35,509	30,168	1,906	2,142	1,593	5.4	6.0	5.3

The Service Business includes workshop services, spare parts and accessories. The Car Business includes sales of new and used cars plus supplementary services.

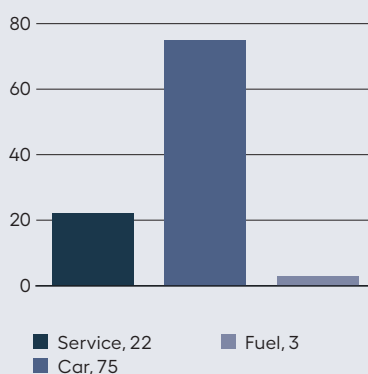
¹⁾ Net turnover does not include eliminations for internal sales regarding the segments.

► THE GROUP DIVIDED INTO EMPLOYEES AND NET TURNOVER

SHARE OF EMPLOYEES, %

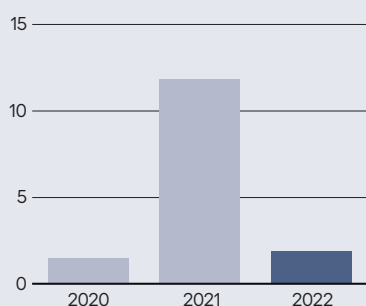


SHARE OF NET TURNOVER, %

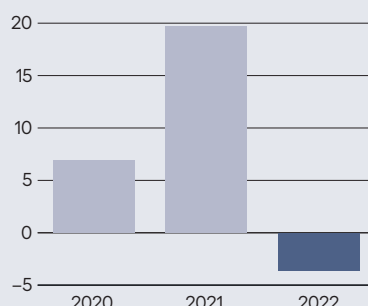


► GROWTH IN LOCAL CURRENCY DIVIDED INTO BUSINESS AREAS

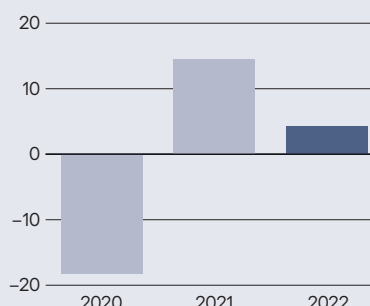
SERVICE, %



CAR, %



FUEL, %



► THE GROUP

	Net turnover, SEK M			Operational earnings, SEK M			Margin, %		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Sweden	20,902	20,542	18,313	1,304	1,418	1,178	6.2	6.9	6.4
Norway	11,368	11,250	8,013	547	757	444	4.8	6.7	5.5
Western Europe	3,046	3,689	3,816	154	79	41	5.0	2.1	1.1
Parent Company, other	29	28	26	-99	-112	-70	—	—	—
Total	35,345	35,509	30,168	1,906	2,142	1,593	5.4	6.0	5.3

► Statistics Service and Car Business

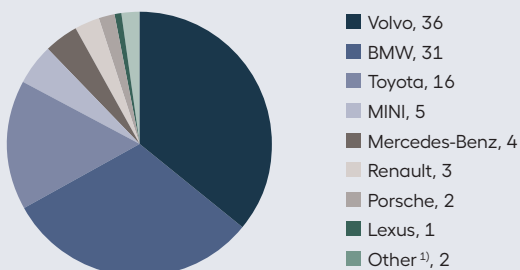
Growth in the Service Business, %	Sweden			Norway			Western Europe		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Reported growth	5.4	13.1	1.3	4.0	16.5	4.2	-14.7	-8.9	-25.9
Underlying growth	3.5	0.3	0.3	-0.6	4.3	14.6	7.6	0.2	-25.2
Calendar effect	0.0	-0.4	-0.8	-0.4	0.0	-1.2	0.5	-0.4	-1.1
Organic growth	3.5	-0.1	-0.5	-1.0	4.3	13.4	8.1	0.2	-26.3

Number of cars	Deliveries, new cars ¹⁾			Deliveries, used cars ¹⁾			Order backlog, new cars		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Sweden	28,029	28 387	29,065	27,901	33,391	31,851	15,980	12,451	7,051
Norway	10,039	12 777	8,399	11,828	13,267	11,668	6,707	7,836	4,545
Western Europe	4,247	5 769	5,844	2,849	5,148	5,505	3,638	2,488	1,862
Total	42,315	46 933	43,308	42,578	51,806	49,024	26,325	22,775	13,458

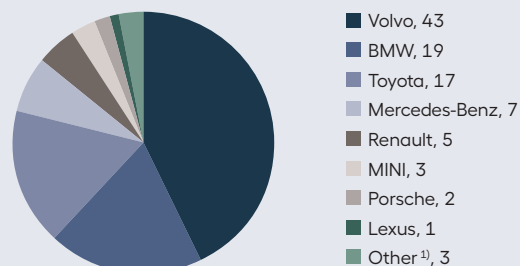
¹⁾ 2021 (new cars) and 2020 (used cars) have been recalculated for comparability.

► BILIA'S DELIVERIES OF NEW CARS BROKEN DOWN BY BRAND, %

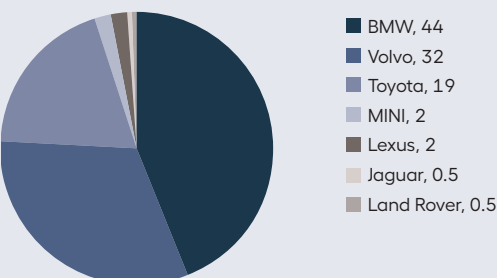
THE GROUP



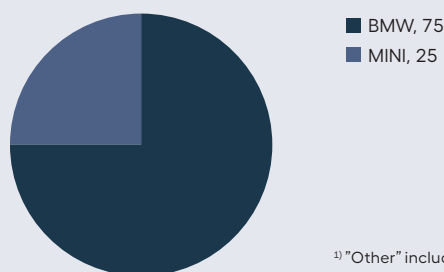
SWEDEN



NORWAY



WESTERN EUROPE



¹⁾ "Other" includes Dacia, Nissan, Alpine, Citroën, Jaguar and Land Rover.

► BILIA'S SHARE OF EACH BRAND'S SALES, %

	Volvo		BMW		Toyota		Renault		MINI		Lexus		Dacia	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Sweden	24	26	29	29	19	20	20	28	23	22	30	39	14	14
Norway	23	40	29	36	13	12	—	—	29	36	14	17	—	—
Western Europe	—	—	1	2	—	—	—	—	2	3	—	—	—	—

	Alpine		Porsche		Mercedes-Benz		Nissan		Jaguar		Land Rover	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Sweden	100	100	21	24	13	12	5	3	—	—	—	—
Norway	—	—	—	—	—	—	—	—	13	—	23	—
Western Europe	—	—	—	—	—	—	—	—	—	—	—	—

Calculated on official statistics for the number of registered cars per country and brand.

SERVICE, CAR AND FUEL

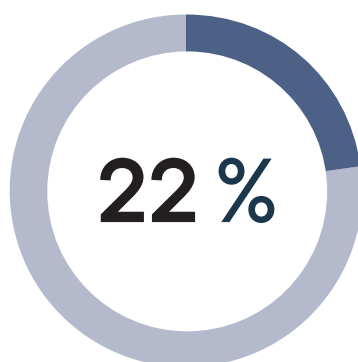
This is Bilia's business areas

Service Business

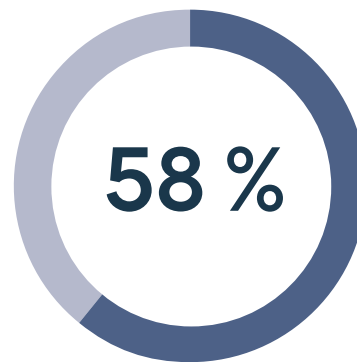
► READ MORE ON PAGE 22–23

- Service centres
- Damage centres
- New and used spare parts
- Stores and e-commerce
- Tyre centres
- Tyre hotel
- Glass centres
- Accessory services
- Car dismantling

SHARE OF BILIA'S
NET TURNOVER 2022



SHARE OF BILIA'S OPERATIONAL
EARNINGS 2022



SERVICE BUSINESS DIVIDED INTO GEOGRAPHIC MARKET

	Net turnover, SEK M ¹⁾		Operational earnings, SEK M		Margin, %	
	2022	2021	2022	2021	2022	2021
Sweden	5,363	5,087	879	915	16.4	18.0
Norway	2,254	2,168	227	310	10.1	14.3
Western Europe	476	557	55	54	11.5	9.7
Total	8,093	7,812	1,161	1,279	14.3	16.4

¹⁾ Net turnover includes internal deliveries.

Car Business

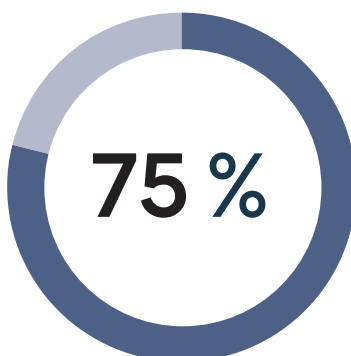
► READ MORE ON PAGE 24–25

- Sales of new and used cars
- Financing and insurance
- Car rental
- Sales of accessories

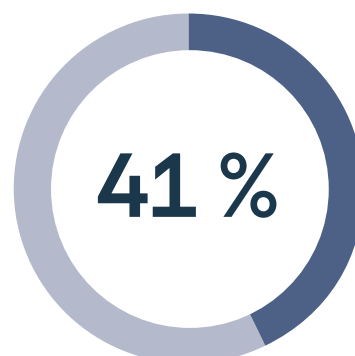
OUR BRANDS

- Volvo
- BMW
- Toyota
- Renault
- MINI
- Lexus
- Porsche
- Mercedes-Benz
- Nissan
- Dacia
- Jaguar
- Land Rover
- XPENG
- Alpine
- Volkswagen
- Audi
- Skoda
- Seat
- Cupra

SHARE OF BILIA'S NET TURNOVER 2022



SHARE OF BILIA'S OPERATIONAL EARNINGS 2022



CAR BUSINESS DIVIDED INTO GEOGRAPHIC MARKET

	Net turnover, SEK M ¹⁾		Operational earnings, SEK M		Margin, %	
	2022	2021	2022	2021	2022	2021
Sweden	15,442	15,419	404	466	2.6	3.0
Norway	9,815	9,691	320	447	3.3	4.6
Western Europe	2,656	3,225	99	25	3.7	0.8
Total	27,913	28,335	823	938	2.9	3.3

¹⁾ Net turnover does not include eliminations for internal sales.

Fuel Business

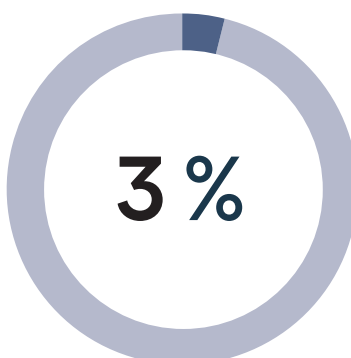
► READ MORE ON PAGE 26–27

- Fuel sales
- Car washes

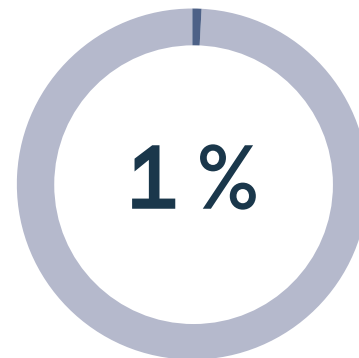
OUR BRANDS

- Tanka
- Tvätta
- OKQ8

SHARE OF BILIA'S NET TURNOVER 2022



SHARE OF BILIA'S OPERATIONAL EARNINGS 2022



FUEL BUSINESS

	Net turnover, SEK M ¹⁾		Operational earnings, SEK M		Margin, %	
	2022	2021	2022	2021	2022	2021
Total	1,305	1,252	21	37	1.6	3.0

¹⁾ Net turnover does not include eliminations for internal sales.

Organic growth and continued stable result

The Service Business includes services and concepts that simplify car ownership throughout a car's life cycle. These encompass workshop services, spare parts, wheel storage, tyres sales, rim repair, car dismantling, store sales and e-commerce.

Market and business environment

The high new car sales in recent years has created a large overall stock of cars, with a high and stable demand for services that is affected to a low degree by economic fluctuations. During 2022, newly acquired operations have contributed to a larger Service Business, but at the same time divested Volvo operations in Sweden and Norway have reduced our Service Business. Adjusted for acquired and divested operations, turnover for the Group increased organically by 3 per cent compared to the previous year, mainly attributable to Sweden, which increased by 4 per cent.

Service subscriptions simplify car ownership for the customer and give Bilia a long-term relationship with the customers. The number of service subscriptions amounted to 106,000 and was, adjusted for operations divested during the year, on a par with previous year. The number of service subscriptions sold for used cars increased as a result of Bilia's strategic used car sales initiative via Bilia Outlet in Sweden and Norway. The aim is to reach 130,000 service subscriptions.

The number of stored wheels amounted to 393,000. Adjusted for operations divested during the year, the number of stored wheels increased by approximately 40,000 wheels. The long-term target is to store 1,000,000 wheels.

Events during the year

The acquisition of the car dismantling company Bil1Din in Norway was part of our sustainability investment to be part of the car's entire life cycle and enable the use of used parts in our Service Business. Bilia thus became the first car dealer in Norway to include car dismantling as part of the operation.

The strategic investment in tyre operations and sustainability through the rim repair operations continues. During the year, a smaller tyre operation was acquired and expansion of tyre hotel operations in Sweden and Norway continued through decisions on construction of new facilities.

Result development

Result development for the Service Business, taking into account divested operations, remained stable in 2022 and operational earnings amounted to SEK 1,161 M (1,279) with a margin of 14.3 per cent (16.4). Adjusted for divested operations, the result was on a par with the previous year.

Challenges and opportunities

The operations acquired in recent years will make a positive contribution to the development of the Service Business and partly compensate for the operations divested in 2022. The new operational areas, trucks and Mobility Care, will create opportunities to expand in the Service Business. A continued high stock of cars on the roads means high demand for servicing and repairs. The proportion of electric cars is increasing rapidly in the countries where we operate, which means partly lower servicing turnover compared with cars that run on fossil fuels. New services are, however, increasing and to date the rising stock of electric cars has not had an adverse impact on the Service Business's profitability. We will gradually adapt our services and business in line with the composition of the stock of cars.



The organic growth in the Service Business in Sweden was 4 per cent and the operational earnings amounted to SEK 879 M (915). Adjusted for divested operations, the result was higher than the previous year.

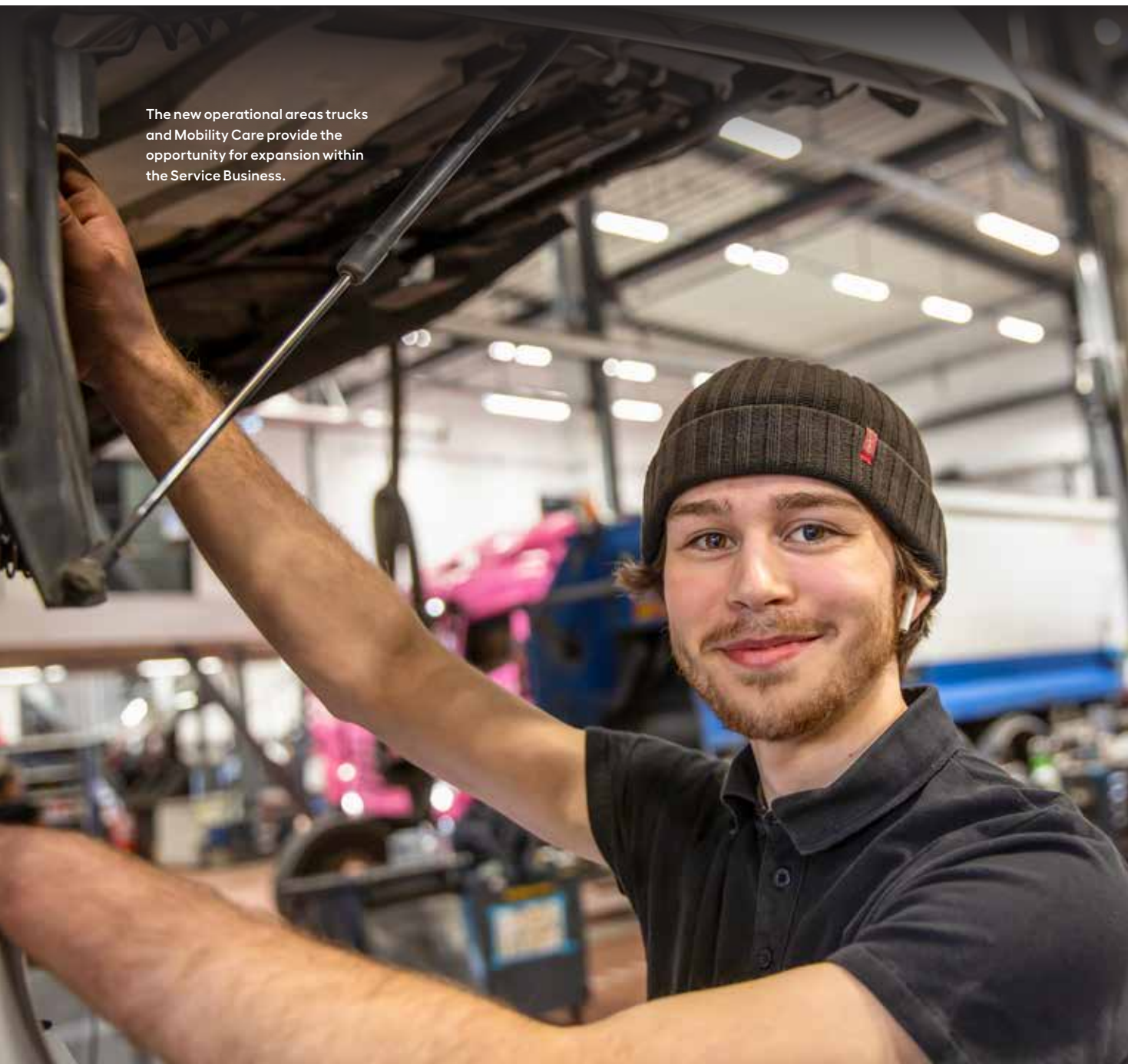


The organic growth in the Service Business in Norway was negative with 1 per cent. Operational earnings amounted to SEK 227 M (310).



The organic growth in the Service Business in Western Europe was 8 per cent. The operational earnings was on a par with last year and amounted to SEK 55 M (54).

The new operational areas trucks and Mobility Care provide the opportunity for expansion within the Service Business.



SERVICE BUSINESS

	2022	2021
Net turnover, SEK M ¹⁾	8,093	7,812
Share of net turnover, % ¹⁾	22	21
Growth, local currency, %	1.9	11.8
Operational earnings, SEK M	1,161	1,279
Margin, %	14.3	16.4
Number of employees	3,526	3,690
Number of facilities	128	130
Number of service subscriptions	106,000	125,000
Number of wheels in storage	393,000	406,000

¹⁾ Net turnover includes internal deliveries.



Strong result despite shortage of cars

In the Car Business, Bilia sells 19 attractive brands of new and used cars, transport vehicles and trucks. A sale often leads on to financing, insurance, servicing, wheel storage and other services during the car ownership.

Market and business environment

In Sweden and Norway, the number of registered new cars decreased by 4 and 1 per cent, respectively, compared to the previous year. Disruptions in distribution chains during the year meant a shortage of cars, although supply improved in the latter part of the year. The Car Business' deliveries of new cars, transport vehicles and trucks, adjusted for acquired and divested operations, decreased by 9 per cent. Deliveries of used cars decreased by 16 per cent compared to the previous year. For the third year in a row, Bilia sold more used cars than new cars.

Demand for new and used cars varied during the year and was adversely affected by the geopolitical and economic uncertainty in the latter part of the year. The order intake for new cars, adjusted for acquired and divested operations, decreased by 16 per cent. The order backlog was the highest ever at a year-end, amounting to 26,325 cars, compared to 22,775 cars in the previous year. The increase can partly be attributed to a shortage of new cars from car manufacturers.

In Sweden and Norway, demand for rechargeable cars continued to increase, primarily explained by tax systems to achieve the UN's 17 global Sustainable Development Goals.

Events during the year

During the year, Bilia acquired Kokstad Autosenter in Norway as part of its strategic focus on sales of all brands of used cars.

Eight attractive car brands were added to the existing brand portfolio during the year through acquisitions. The new car brands are Volkswagen, Audi, Skoda, Seat, Cupra, Land Rover, Jaguar and XPENG.

During the year, four facilities were divested in Germany, three in Norway and a total of 11 in Sweden. The facilities in Germany conducted sales of new cars, used cars and servicing for BMW and MINI. The facilities in Norway and Sweden conducted corresponding operations for Volvo, and in Sweden also for Renault. During the year we were notified that Renault would be terminating its dealer agreements in Sweden. The notice period is one year and runs until October 2023. We do not expect this to have a material impact on the Group's result and financial position.

Result development

Turnover for the Car Business amounted to SEK 27,913 M (28,335) which was 2 per cent lower compared to last year.

Operational earnings for the Car Business totalled SEK 823 M (938). The result from sales of used cars amounted to SEK 412 M (573). The lower result was attributable to divested operations but also lower turnover and more normalised gross profit margins. The result from sales of new cars amounted to SEK 411 M (365). The higher result was attributable to higher turnover.

Challenges and opportunities

Sales of new cars are impacted by tax regulations. Sales of used cars tend to increase when sales of new cars decrease. The new car brands acquired in recent years will partly compensate for operations divested in 2022. The historically high order backlog will translate into sales during 2023. Our focus areas moving forward are growth together with our car brands.



The Car Business in Sweden reported an operational earnings of SEK 404 M (466). The

lower result was attributable to divested operations and lower turnover attributable to shortage of new and used cars. The result from the sale of used cars amounted to SEK 289 M (344). The continued strong result was mainly attributable to a good gross profit margin.



The Car Business in Norway reported an operational earnings of SEK 320 M (447). The

lower result was attributable to divested operations and a lower gross profit margin in sales of used cars. The result from sale of used cars amounted to SEK 97 M (205).



The Car Business in Western Europe reported an operational earnings of SEK 99 M (25). The

higher result was attributable to higher gross profit margin in sales of new cars. The result from the sale of used cars amounted to SEK 25 M (24).

For the third year in a row, Bilja sold more used cars than new cars. The profit from the sale of used cars amounted to SEK 412 M.

CAR BUSINESS

	2022	2021
Net turnover, SEK M ¹⁾	27,913	28,335
Share of net turnover, % ¹⁾	75	75
Growth, local currency, %	-3.6	19.7
Operational earnings, SEK M	823	938
Margin, %	2.9	3.3
New cars delivered ²⁾	42,315	47,784
Used cars delivered	42,578	51,806
Number of employees	1,001	1,041
Number of facilities	104	107

¹⁾ Net turnover does not include eliminations for internal sales.

²⁾ 2021 has been recalculated.



High prices increased turnover

Bilia wants to follow the customer throughout their car ownership, including washing and refuelling. Fuel sales and car washes operate in Sweden under the brand names Tanka, OKQ8 and Tvätta.

Market and business environment

The geopolitical uncertainty and the historically high fuel prices during the year have affected people's movement patterns and the use of the car has decreased compared to previous years.

All fuel suppliers must reduce greenhouse gas emissions. We are achieving this by gradually increasing the content of biofuel: HVO for diesel and ethanol for petrol. Adding AdBlue in newer diesel cars reduces the environmental impact by converting hazardous nitrogen compounds (NOx) in exhaust emissions into water vapour and nitrogen gas.

Events during the year

During the year, seven Tanka stations were divested as part of the divestment of Volvo operations in Sweden.

Bilia has continued its efforts to renew the Tanka concept, make the service stations attractive, safe and accessible to customers. At all our Tanka stations in Sweden, customers can now pay using the CarPay mobile app. The work on introducing HVO at our Tanka stations is ongoing and now Neste My (HVO100) is offered at five stations and as an additive in the diesel sold at all our stations.

Result development

The Fuel Business is concentrated to Sweden and the operational earnings amounted to SEK 21 M (37). The result was negatively affected by the divestment of operations. Turnover was positively affected by higher fuel prices, while the volume of fuels sold decreased by approximately 20 per cent. Bilia's customers did approximately 97,000 car washes during the year.

Challenges and opportunities

It's a challenge getting approval for new locations so as to extend service and replace facilities that have been closed. The focus for the Tanka operations is to increase the share of renewable fuels in order to contribute to a more sustainable society. The increasing number of rechargeable cars could affect fuel sales in the longer term, but could also present an opportunity to open our own charging stations in the future. The market for automated service stations for car washes is growing and we believe that the future car owners will want to wash their car in automatic car washes rather than washing the car at home.



Fuel sales and car washes operate in Sweden under the brand names Tanka, OKQ8 and Tvätta.

Risks and opportunities

ANALYSIS. Risks and risk takings are a natural part of Bilia's business operations. A good understanding of the risks together with an efficient way of identifying, evaluating and managing the risks are important for Bilia's short-term and long-term success. Properly handled risks can add value and business benefits.

► Bilia has a formal process on Group level to identify and managing identified risks in the business. During the year, there is an ongoing dialogue in both management, the Audit Committee and the Board regarding risk identification and management based on changes that occur in the market, with competitors, suppliers and customers. Some of the identified risks Bilia can influence while others are beyond the Group's control.

The following pages include a description of the risks that have been identified within the framework of Bilia's risk manage-

ment process together with a short description of the opportunities associated with the risk area and the measures taken to manage these risks. The description and analysis of risks, opportunities and management for Bilia is based on information available as of today and there may be aspects that are not possible to predict or assess based on current information.

► For financial risks see Note 26 "Financial risks and risk management".

RISK	RISK DESCRIPTION	OPPORTUNITIES AND MANAGEMENT	ANALYSIS
Risks related to the market's development	Demand for Bilia's products and services are influenced by fluctuations in the business cycle and the Car Business is the part of the operations that are influenced most by changes in the business cycle. In a recession, some customers can postpone or refrain the car purchase. Factors that are significant include, among others, interest rate levels, the labor market situation, stock market, opportunities for customers to obtain financing and fuel prices. Reduced demand for cars may also affect the value of cars in inventory and cars sold with guaranteed residual values. Also events such as wars, pandemics and natural disasters can have significant direct or indirect consequences for Bilia's market and turnover, such as government lock down and product shortage.	The Service and Fuel Businesses are less impacted by changes in the business cycle since cars require service, repairs and fuel regardless of the state of the economy. Sales of used cars are less affected by changes in the business cycle as customers choose a used car over a new car in these situations. However, a deep recession could also affect the Service Business and sales of used cars. Events such as wars, pandemics and natural disasters are managed in line with government rules and recommendations, the aim being to continue with business as usual as far as possible.	Probability ● Impact ● Change ➔
Risks related to authorisation agreements and termination of these by the general agent	Bilia's core business consists of distribution and servicing of cars, transport vehicles and trucks in four countries. For new car sales, Bilia needs the approval from the respective general agent, as there are no special rules governing competition for new car sales in the EU. A car manufacturer and/or general agent can unilaterally recall a sales authorisation and terminate the sales agreements with Bilia. Volvo, BMW, Toyota, Mercedes-Benz and Volkswagen are the largest car manufacturers/general agents for Bilia why a recall or termination, a changed content and/or balance between the manufacturer/general agent and Bilia could have significant negative impact on Bilia's operations.	Bilia is not dependent on one single manufacturer/general agent, but has several business partners, which reduces the risk compared to being dependent on just one manufacturer/general agent. Sales of used cars and the Service Business are not subject to the approval from the general agents for establishment and expansion of business. Bilia is working on finding new business partners and growth opportunities, in line with the prevailing growth strategy. Good relations with car manufacturers/general agents are a focus area to enable expansion and reduce the risk of sales authorisation for new cars being recalled. Bilia is constantly working to enhance and develop its customer relations with the aim of maintaining a strong position on the market.	Probability ● Impact ● Change ➔

● Low ● Medium ● High ➔ Increased risk ➔ Unchanged risk ➔ Reduced risk

RISK	RISK DESCRIPTION	OPPORTUNITIES AND MANAGEMENT	ANALYSIS
Risks related to government decisions and public opinion	Regulatory decisions that lead to changes in taxes, charges, subsidies and restrictions on the products Bilja sells can influence both demand for and the valuation of cars in inventory and cars sold with guaranteed residual values. Tax rules regarding green cars have changed frequently in recent years for our countries. Bilja's operations can be effected by public opinion and government decisions mainly regarding queries on the car's part in the society in relation to climate and environmental issues. Government decisions that restrict the freedom of movement of individuals, such as during a pandemic, may affect Bilja's ability to conduct business in both the Car and the Service Business.	New regulatory decisions and changes in opinion can result in higher or lower demand for Bilja's products and services. Tax rules regarding green cars lead to increased demand for the cars that meet the set requirements. Adapting operations to changes in laws and regulations is an ongoing process, and is achieved by monitoring relevant regulatory changes and analysing possible measures. Products and services are adapted continuously based on public opinion. Restrictions introduced to reduce the risk of infection in a pandemic can vary in nature, and can partly be managed by adapting the operation.	Probability  Impact  Change 
Risks related to new sales channels, new business models and new players	Bilja currently sells cars and services from facilities, but also has digital sales channels for used cars and accessories. Change initiatives are underway regarding digital business channels and business models for sale of new cars. If all the car manufacturers/general agents that Bilja works with should move, fully or partly, to their own sales channels, this could have an adverse impact on Bilja's business. New players, mainly for car sharing and fossil-free cars, are interested in establishing operations in our countries.	Bilja follows the development of new business models and new sales channels and will adapt its business to market conditions as necessary. New business models can make a positive contribution to Bilja's financial position regarding risk and capital tied up. Bilja continuously works on strengthening and developing its customer relationship to maintain a strong position on the market. Bilja follows the development of new players in our operating countries and continuously evaluates future possible partners.	Probability  Impact  Change 
Risks related to competitiveness of products and technological development of fossil-free cars	Bilja is dependent on the ability of the Group's business partners to develop competitive products that incorporate the technological advances. One example is development of car models to meet the UN's 17 global SDGs. The tax systems on green cars, especially in Sweden and Norway, impact the demand on car models that fulfills these requirements. Rechargeable cars can have a negative effect on Bilja's Service Business, as the need for service for fossil-free cars is believed to be lower than for cars powered by fossil fuels.	Bilja's business partners are well established businesses with financial resources to assure the competitiveness and technological development of the products. Bilja's business partners currently offer several fossil-free cars and assesses to be well equipped to follow the technological development to meet the UN's 17 global SDGs by 2030 as well as the current tax systems from the governments. Investments in equipment in our workshops are made as well as training for our mechanics. New services are developed to meet the needs of fossil-free cars in the Service Business.	Probability  Impact  Change 
Risks related to key persons and employees	There is a future risk that Bilja will not be successful in recruiting or keeping the competent people to the extent that is requested. Both management and employees contribute with knowledge about the business and the operation and actively participate in developing own concepts and services. People with a vehicle technical competence is a scarce resource, which may influence future growth within the Service Business negatively.	Bilja has strong results in the annual employee survey compared to other companies. Bilja focus on keeping and further improve the environment for our key persons and employees to keep being an attractive employer. Bilja works actively together with schools to contribute to make the vehicle technician profession more attractive and to contribute to a good quality on the education that is offered.	Probability  Impact  Change 

RISK	RISK DESCRIPTION	OPPORTUNITIES AND MANAGEMENT	ANALYSIS
Risks related to facilities, environment and climate impact	Bilia leases most of the facilities for the operations. As a tenant, Bilia may become dismissed from the lease at the end of the rental period, which would mean that Bilia would lose strategic business locations. Bilia can be negatively affected by climate-related risks, such as floods and landslides, when climate change occurs. If contamination should be confirmed at any of Bilia's facilities, there is a risk that Bilia may be held responsible for decontamination of the facility. Such decontamination may be associated with considerable costs.	To lease facilities give Bilia flexibility to adjust the number of facilities. Bilia works to future-proof the business for climate change and assesses that the current risk is limited. Bilia works, as an integrated part of its operations, to minimise the negative effect on the environment. Most of our facilities in Sweden and Norway are certified according to ISO 14001 and are yearly reviewed by external certification body. Bilia has routines and processes to ensure that laws and regulations are followed.	Probability  Impact  Change →
Risks related to acquisitions	As part of realising Bilia's strategic growth target, businesses are acquired. If the status of the acquired operations were to differ significantly from what was known before the acquisition, or if the integration of the operations would fail, it could influence Bilia negatively.	Through acquisitions, Bilia improves its operations from a strategic and financial perspective. New operations are continuously integrated and follow-up versus expected performance is made during the integration period to early identify and act on any deviations.	Probability  Impact  Change ➔
Risks related to IT-environment	Bilia's operations are dependent on a well working IT-environment. A centralised and coordinated IT-environment gives the Group advantages but at the same time mean higher sensitivity for disturbances such as for example downtime of significant operational systems. Further, there is a risk for external attacks on the IT-environment through viruses, hacking, trespassing and information theft.	A centralised and coordinated IT-environment gives advantages such as ensuring a security level, centralised competence for development work and lower costs. Actions have been taken to minimise effects of downtime and external attacks on the IT-environment. Bilia works continuously to update the processes to manage external attacks on the IT-environment and analyses existing and new risks and threats.	Probability  Impact  Change ➔
Risks related to compliance of laws and rules	A number of laws and rules regulates Bilia's operation. Bilia's ability to comply with laws and rules and deliver high quality in all customer relations is crucial for the customer confidence. An inability to comply with laws and rules and deliver high quality to customers may result in legal or regulatory penalties, financial losses and a negative impact on the customer confidence in the Bilia brand.	To comply with laws and rules and to minimise the risk exposure Bilia has developed a framework, which includes the Bilia Code of Conduct for employees and suppliers, Competition code, Group policies and steering documents in order to ensure a high quality in all customer relations to protect Bilia's brand. For certain areas such as competition and integrity protection there are special compliance programs with training for the Group's employees. Bilia has routines and processes certified to ISO 14001 to ensure that laws and regulations are followed.	Probability  Impact  Change →

 Low
  Medium
  High
 ➔ Increased risk
 ➔ Unchanged risk
 ➔ Reduced risk



Bilia has a formal process on Group level to identify and managing identified risks in the business.

Guidelines for remuneration to senior officers

Remuneration decided by the Annual General Meeting (AGM) is paid to the Chairman and members of the Board. The AGM 2020 has decided on the following guidelines for compensation to the management to apply, no longer than, up until the AGM 2024. For detailed information, see the minutes of the AGM at the company's website, bilias.com.

Remuneration to the Managing Director (MD) and other members of the Group Management consists of basic salary, variable remuneration, other benefits and pension. By "other members of the Group Management" is meant the Deputy MD, CFO, CIO, HR and Sustainability, Investor Relations and M&A and Business Development and Communication, the MD of Bilia Personbilar AB and the MD of Bilia Norge AS. For the composition of the Group Management and remuneration, see Note 8, "Employees, personnel costs and remunerations for senior officers".

The distribution between basic salary and variable salary should be commensurate with the Group Management's powers and responsibilities. The variable remuneration paid to the MD and other members of the Group Management may not exceed 55 per cent of the individual's basic salary. The variable remuneration is based on performance goals and individual goals.

Premium-based pension benefits and other benefits for the MD and Deputy MD are payable as a part of the total remuneration.

In the event of significant changes in the company's ownership structure that affect the conditions or content of their jobs, the Deputy MD of Bilia AB and one top executive in a subsidiary are entitled to terminate their own employment and receive 24 months' salary, less any salary received from other service during the last 12 months. Bilia's bank, service and distribution agreements all contain clauses to the effect that the agreement may be terminated if the company is transferred to a new owner.

Holding of own shares

The 2022 AGM gave the Board of Directors a new authorisation to buy back the company's own shares. During 2022 a total of 3,792,419 shares were repurchased to a total price of SEK 525 M, which amounts to an average price per share of SEK 138.43. During 2022, 6,500,000 own shares were withdrawn, after which the remaining holdings of own shares on 31 December 2022 amounted to 4,315,709. These own shares have been acquired at an average price per share of SEK 123.69.

When acquiring operations in 2021, 309,202 own shares were used, valued to SEK 45 M.

Parent Company

Bilia AB is responsible for the Group's management, strategic planning, legal, purchasing, public relations, business development, marketing, HR, sustainability, real estate activities, accounting and financing. The Parent Company's operating result amounted to SEK -101 M (-113) and was positively affected by SEK 15 M in the revaluation of endowment insurances for pensions compared with the previous year.

Future outlook

Industry analysts predict that the car market in Sweden and Norway for 2023 will be lower than 2022. However, the uncertainty is great based on the general economic situation and shortage of components. The service markets, where Bilia is represented, are expected to remain at the same level in 2023 as they were in 2022. Owing to the fact that Bilia's earnings are affected by various factors beyond the company's control, no earnings forecast is made. A review of the most important earnings-impacting factors is provided in the sensitivity analysis in Note 26, "Financial risks and risk management".

Proposed treatment of unappropriated earnings

The Board of Directors proposes that the earnings available for distribution, SEK 1,109,158,821, be disposed of as follows:

Cash dividend, SEK 8.80 per share ¹⁾	809,461,338
To be carried forward, SEK	299,697,483
Total, SEK	1,109,158,821

¹⁾ Based on the number of shares outstanding at 31 December 2022, 91,984,243 (excluding holdings of own shares of 4,315,709).

Statement of Board of Directors regarding proposed distribution of profits

The Group's equity has been calculated according to the accounting rules set forth in the International Financial Reporting Standards (IFRS). The Parent Company's equity has been calculated in accordance with the Swedish Financial Reporting Board's recommendation RFR 2, "Accounting for Legal Entities".

The proposed dividend consists of a cash dividend of SEK 8.80 per share, an increase of 10 per cent compared with last year. Total dividend amounts to SEK 809 M and will be paid out on four occasions.

The proposed cash dividend is consistent with Bilia's target, which is that at least 50 per cent of the net profit per share for the year should be distributed to the shareholders, and that Bilia should have an optimal capital structure at any given time.

It is the judgment of the Board of Directors that the company's and the Group's equity after the proposed dividend will be sufficiently large in relation to the nature, scope and risks of the business and the terms of the lenders. The Board has also taken into account the Group's history, liquidity and investment plans, as well as the general economic situation.

Approval of the financial statements

The financial statements were approved for publication by the Parent Company's Board of Directors on 4 April 2023.

For further details concerning the company's results and financial position, please refer to the following Consolidated Statement of Income and Other Comprehensive Income and the Consolidated Statement of Financial Position with accompanying comments.





TIMES ARE CHANGING – AND SO ARE WE

Sustainability Report

This Sustainability Report is a summary of how Bilja works with sustainability in the operation. The Sustainability Report is prepared to meet the requirements according to the Annual Accounts Act. Sustainability aspects that are integrated into the business are described in other parts of the Annual Report.

► The automotive and transport industry is facing major challenges, for instance with the transition to non fossil-dependent vehicles. In order to reduce the impact on the climate and achieve the sustainability goals, all of society needs to help out: politicians, companies, organisations and individuals. We all have a responsibility. As a company, we have a responsibility to reduce our own impact on the climate and the planet's resources, and to help customers reduce theirs.

Business strategy

Vision: To be the best service company in the business through consideration for customers, colleagues and the world we live in.

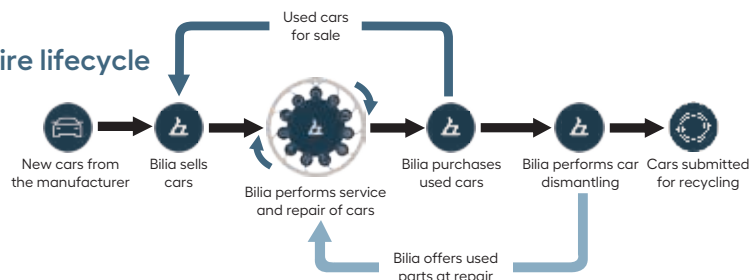
Business idea: Bilja will create a sustainable business through consideration and pride by offering attractive and innovative solutions for the mobile human being.

Circular business model – a sustainable way of doing business

Bilja is a full-service supplier that offers services and products for owning a car during the car's entire life cycle. The circular business model offers the customer help with everything from buying a new or used car, insurance, accessories, servicing, damage repair and rental car, to dismantling and recycling of spare parts. In recent years the focus has been on developing new services relating to reuse and renovation of spare parts. As part of this strategy, we have acquired car dismantling company Bil1Din and rim repair company Felgteknikk in Norway. There is a growing market need for rim repairs, as larger, more expensive aluminium rims are more common on new cars today. In addition to car dismantling and reuse of spare parts, dismantled parts are also recycled. One example of this is our number plate holders, which are made from recycled plastic bumpers.

Circular business model

We follow the car during its entire lifecycle



Sustainability targets and sustainability reporting

During the year we launched our sustainability targets. Bilia has previously worked with environmental targets and extended this further to include sustainability targets. This means that we have included areas such as business, environment, working environment and quality in a single action plan. We have five sustainability targets. Satisfied customers and proud employees have been a target for us for many years. During the year we added three new targets relating to used spare parts, the proportion of women in our sales operation, and helping our customers reduce their climate impact. For a description of the sustainability targets and how we monitor them, see page 14.

In 2022, we have worked on improving and visualising our sustainability reporting. Based on GRI 2021, we have created Bilia's sustainability index on pages 123-127. The sustainability work is described in the interim reports and communicated internally to employees during the year.

Follow-up

Bilia's sustainability work is followed-up via internal audits, supplier assessments, systematic health and safety work, annual performance appraisals and case management.

Bilia has an annual process for identifying and managing risks in the operation, see pages 28-30.

Organisation

The Group's CEO is ultimately responsible for the Group's sustainability work, targets, action plans and performance measures. In the business planning process, responsibility for target achievement and action plans is delegated to the MD of each company. It is vital that all employees within Bilia contribute, because all of our employees are key parts of our sustainability work and make a difference in their day-to-day work.

The sustainability department is striving to publicise, coordinate, guide and develop efforts to generate more business that is more sustainable.

"We know that our employees know the operation best and know what needs to be done. The sustainability department is here to facilitate them do the right thing. Together we can become more efficient and develop the operation in a sustain-

able direction, thereby creating new business opportunities", says Malin Möller, Sustainability.

The sustainability department has two elements: sustainable operational development, and environmental and occupational safety.

The sustainable operational development function works on assignments from the Group Management. It works to develop Bilia's overall sustainability work, target setting, monitoring and reporting.

The environmental and occupational safety function works on assignments from the subsidiary companies' MDs and comprises experts, and environmental and work environment coaches. The function coordinates, supports and provides advice for Bilia in areas such as work environment, fire safety, chemicals, water and waste, and hazardous goods management. The department ensures that Bilia complies with legislation, rules, requirements and procedures, and coaches more sustainable work on a day-to-day basis.

Governance

Bilia works according to the UN's global Sustainable Development Goals, in the 2030 Agenda. We use an integrated management system, certified under ISO 9001 and ISO 14001, which means we work systematically with quality and environmental issues. Bilia should be a company for everybody, which is why work based on the company's Code of Conduct and policy on equality of treatment is important. Bilia's Code of Conduct is published at bilia.com.

What's happening in 2023?

In 2023, we will develop our circular business model by integrating sustainability further into our business strategy, targets, action plans and activities. We will continue to communicate our sustainability work to employees, customers and investors. Work to develop sustainable services, such as sustainable servicing, and increase the number of reused spare parts in our service operation, is ongoing. We will identify our climate impact and this will subsequently form the basis for our long-term climate targets.

Comments on Bilia's Sustainability activities from Carl Fredrik Ewetz, Investor Relations and M&A, and Malin Möller, Sustainability:

► How do Bilia's sustainability targets contribute to its vision and business idea?

Carl Fredrik: The sustainability targets concretise the targets the operation works towards, which means that we clarify to all of our employees, customers and investors where we are headed and why. Establishing sustainability targets means that we continuously measure and evaluate what we are doing to ensure that it has a positive impact on the operation.



Malin: Within Bilia, we do this together. It's when everyone contributes in their day-to-day work that we develop a more sustainable Bilia. I am proud of the dedication in our organisation to contributing to Bilia's vision and business idea through our circular business model.

► What is happening in the year ahead?

Malin: We will carry on working in line with our action plan on activities that support our sustainability targets. We will work intensively on our target of helping customers to reduce their climate impact in the year ahead. It's clear that our input here can make a big difference.

Carl Fredrik: We are actively working to integrate sustainability into our business operation and want to be proud of our contribution. We want to be innovative and always ask ourselves what we can do even better in order to seize opportunities to future-proof our operation.

► Bilia's sustainability targets are presented on page 14 of the Annual Report.

Human rights and anti-corruption

Bilia works for sustainable businesses and sustainable employees and therefore supports internationally recognised human rights, as well as norms and initiatives for good business ethics.

Competition on equal terms

► Bilia has a good knowledge of the rules governing competition on equal terms and operates in a way that is compatible with competition laws in all of the countries in which we operate. Bilia has formulated and implemented a Competition Code by which all employees are bound. Managers are undergoing training continuously to ensure compliance with this Competition Code.

Zero tolerance of bribery and corruption

► Bilia has zero tolerance of bribery and corruption. Through the Code of Conduct we clearly denounces bribery and corruption and work for sustainable businesses. Via formal attestation rules, the Code of Conduct, internal audits and its whistle-blowing system, Bilia has implemented procedures for counteracting and preventing bribery and corruption. No cases of corruption or bribery have been discovered in the business.

Setting requirements in the supply chain

► Bilia has introduced a Group-wide Code of Conduct for suppliers that covers human rights and anti-corruption. The Code of Conduct enables us to ensure compliance through audits. The code is published on bilia.com. Bilia also has a Group-wide procurement policy to highlight the sustainability aspects when signing both central and local agreements.

Whistle-blowing system

► Anyone can anonymously report violations of the Code of Conduct or other misconduct in an external digital whistle-blowing system. The system is available via bilia.com. Notifications during the year have been handled in accordance with the policy and the quantity is deemed to be at a normal level for comparable companies.

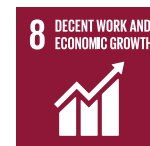
Nine goals in focus for Agenda 2030

► The 2030 Agenda and the UN's global Sustainable Development Goals are produced to end poverty, combat climate change and ensure a peaceful, inclusive world. We all need to do our part and strive to ease the transition to more sustainable environmental, social and economic development.

Bilia has reviewed the 17 goals and the 169 targets in the 2030 Agenda, and has identified the ones where Bilia can make a difference. Bilia focuses its sustainability work on the areas of sustainable growth, circular economy, protecting humans, fossil-free mobility, and protecting lives.

Based on these areas, Bilia has identified nine key SDGs that we are working towards.

- GOAL 3. Good Health and Well-Being.
- GOAL 5. Gender Equality
- GOAL 6. Clean Water and Sanitation
- GOAL 7. Affordable and Clean Energy
- GOAL 8. Decent Work and Economic Growth
- GOAL 11. Sustainable Cities and Communities
- GOAL 12. Responsible Consumption and Production
- GOAL 16. Peace, Justice and Strong Institutions
- GOAL 17. Partnerships for the Goals



How are we working with the Agenda 2030?

► Achieving the UN's Sustainable Development Goals calls for long-term collaboration and a common understanding between member states' authorities and the business community, with input from civil society, where new technology will play a central role. On the following pages is a description of the nine SDGs from Agenda 2030 selected by Bilia, and Bilia's activities.



Goal 3. Good Health and Well-Being

Feeling good and enjoying good health is crucial to many other things, such as the ability to work and earn a living or attend school. The basis for how we feel is influenced by our living conditions, the circumstances in which we live and grow up. Good health is linked to welfare and a fair society.



3.6 Halve the number of deaths from road traffic accidents

We contribute to traffic safety by servicing and repairing customers' cars. We communicate with customers about essential servicing and repair through a communication tool (Fleetback) in order to visualise for the customer what action is needed. Fleetback is used for additional jobs in the workshops, i.e. work that the customer needs to have carried out but has not booked. The technicians film any issues they see and recommend solutions. The customer then decides whether they want to have the issue dealt with straight away or at a later date.



3.9 Reduce the number of deaths and illnesses from hazardous chemicals and pollution

We always strive to replace hazardous chemicals with less hazardous substances or to change our working methods so that the product is no longer required. Up-to-date safety data sheets are essential for having the right information about the chemical product. Anyone who uses chemicals in their work needs to access information about hazardous properties, risks and the best way of protecting him or herself and the environment. Our system support continuously provides us with information if the dangerousness of a chemical product is updated. We continuously evaluates whether there are better alternatives.



Goal 5. Gender Equality

Strengthening women's and girls' rights is an effective way of combating poverty and laying the foundation for peaceful communities. Goal 5 aims to pave the way for women's participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. At present, for example, only around 20 per cent of the world's parliamentarians are women.



5.1 End discrimination against women and girls

Bilia's HR department has central responsibility for gender equality issues, and among other things this includes work on pay monitoring and the gender equality plan.



5.5 Ensure women's full participation in leadership and decision-making

The goal is for 30 per cent of all employees in the sales operation to be women. Bilia's recruitment policy for these professional groups is that women with the right expertise shall always be called for an interview. If qualified women are in the process, one final candidate must always be a woman. If the candidates have the same expertise, the woman will be selected.



Goal 6. Clean Water and Sanitation

Access to clean water is fundamental to good human health and a prerequisite for all living things on earth. To improve water quality, we need to review wastewater treatment, reduce emissions of hazardous chemicals from facilities, restrict which chemicals are used, and control how waste is dealt with more clearly. We also need to reduce our water consumption.



6.3 Improve water quality and wastewater treatment, and increase reuse

A project is being carried out to help reduce the negative impact on water quality by developing a standard for treatment facilities for our service workshops. We will choose a pilot treatment facility that fulfils a number of pre-determined requirements and test it at a facility. The aim of the project is to meet current requirements and also to look forward and ensure that we meet future environmental requirements.



Goal 7. Affordable and Clean Energy

Access to affordable, reliable and sustainable energy is an important goal in order for society to function. Work to improve access to modern renewable energy and energy efficiency is an environmental measure that also contributes to social and economic development. In 2018, Sweden's Parliament decided on a goal of 100 per cent renewable electricity production by 2040. The aim is also for energy use to be 50 per cent more efficient in 2030 compared with 2005.



7.2 Increase the share of renewable energy in the global mix

Bilia can contribute by increasing energy efficiency and increasing the share of renewable energy on the market. One project that has begun, but which is still under development, is the installation of solar cells on the roof of Bilia's new facility in Luxembourg which sells BMWs and MINIs. Phase 1 of the installation began during construction of the facility and entailed the installation of 555 solar-cell panels. These panels are expected to generate 205,000 kWh of electricity a year. During the second phase of the project, scheduled for 2024, the installation will be completed with a further 318 solar panels to achieve a total estimated production of approximately 325,000 kWh a year.

Circular business model

Reuse of used parts



Bilia and Bil1Din will establish a new facility in Røyken, Norway with the aim of contribute to triple Norwegian workshops' use of used car parts.

Norway currently uses the lowest share of used spare parts out of the Scandinavian countries; only around 3 per cent of the cost of all insurance and damage repairs. Bilia will establish a facility where car dismantling and repair take place in the same location, which is expected to increase the use of used parts in repairs. The aim is to sell used spare parts to the whole Norwegian car workshop market.

"When Bilia integrates work in its car dismantling and repair workshops, we make it easier to choose used spare parts and thereby create a positive environmental impact," says Bjarne Brøndbo, founder of Bil1Din.

Other examples of the circular economy within Bilia include our number plate holders, which are made from recycled plastic bumpers in a collaboration between Jönköpings Bildemontering and Formac.

Climate care

Environmental targets led to business

During the year, Solar – a European leader in electricity, heating, sanitation and wastewater, ventilation, and climate and energy solutions – ordered 87 new electric cars from BMW.

"When Solar set tougher new environmental goals this opened up new opportunities for us to become their supplier again," says Johan Sjöholm, Key Account Manager at Bilia BMW Mölndal.

Solar used to be a customer of Bilia BMW but Volvo has been its main supplier for a number of years. BMW's wide range of electric cars in various sizes was a deciding factor in the choice of supplier.

"When Solar set new environmental goals for its business, which included that all of its company cars must be CO2 energy class A or B and fully electric, new opportunities were created"

Investing in renewable energy



When Bilia in Luxembourg with 140 employees moved into a brand new ultramodern facility in October, it not only became one of the biggest BMW and MINI dealers in Europe and one of the first to operate in line with BMW's new market concept, it also became partially self-sufficient in electricity. The five-storey building with a total area of 24,400 m² is fitted with solar panels that will supply some of the operation's electricity.

Together, the employee and their manager arrive at a plan to promote personal development, job satisfaction and efficiency in the day-to-day work.



The new facility for car dismantling and repair in Røyken, Norway also has solar cells covering its 2,500 m² roof. They will generate over 400,000 kWh a year and help reduce both the facility's climate footprint and its energy costs. Jon Finne, Head of Property at Bilja Norway, is focusing on energy efficiency in buildings so as to reduce consumption and demand for energy.

"Our goal is not only to reduce our total energy consumption by at least 10 per cent, we also want to have 20 per cent renewable energy by 2025. This is a step in the right direction for a more sustainable operation in Bilja," says Jon Finne.

Human care

Ladies' night at Mercedes – a whole evening about electric cars



Bilja's Head of Sustainability, Malin Möller, talked about our sustainability work and how we work with recycling of spare parts, among other things, within Bilja Reuse. Lisa Wulkan, Key Account Manager Mercedes-Benz Sweden, was also there to talk about what it's

like to drive an electric car and the best way of charging and looking after the battery.

"We really picked the right theme for the evening, as was shown by all the questions we were asked. It was clear that a lot of women wanted to find out more about electric cars, the range of the battery, servicing and much more," says Lena Gustavsson, Key Account Manager at Bilja.

Full day for female customers during Nordea Open

During the women's week of the tournament in Båstad, we took the opportunity to arrange a full day for female customers of Porsche Center Malmö and Helsingborg to raise the issue of how we must develop to attract more women into the industry. Rhetorician Elaine Eksvård was invited to speak at the event.

"Being here this week, as world-class women's tennis is being played, and raising the issue of how we must develop to attract more women into the automotive industry is a perfect match," says Anna Wedin, Marketing Manager for Bilja.

We make everyday life easier for each other

Ylva Andersson, Workshop Manager at BMW in Segeltorp and Anna Trygg, Workshop Manager at Mercedes-Benz in Södertälje

How can we achieve more gender equality in the automotive industry?

Elin Delvert, HR Director at Bilja:



Greater gender equality in the industry creates better conditions for us to progress into the future. So how can we encourage more women to apply to the automotive industry?

Operators in the business community have a big and important responsibility to drive and prioritise issues that can help society move in the right direction. One such issue is greater gender equality in the automotive industry. We want to increase the proportion of women in our operation and in the industry as a whole. Bilja's first interim goal is for women to account for more than 30 per cent of employees in the sales operation.

Statistics from the Swedish Association for Motor Retail Trades and Repairs (Motorbranschens Riksförbund) show that women account for just 9 per cent of employees in the Swedish automotive industry. In other words, it is undeniable that we all have a lot of work to do here. As a major operator in the industry, we have a tremendous opportunity to make a difference. We want to be a driving force in increasing the proportion of women in the automotive industry, a long-term goal



Elin Delvert, HR Director at Bilja.

we have been working on for a long time.

Bilja is currently above the industry average with 16 per cent women in the sales operations, but we are far from satisfied. Having gender equality in the organisation, whereby men and women alike are represented in all professional categories, is an obvious vision.

To achieve this we need to work widely and on many fronts. We must ensure that women too can see how interesting and stimulating it is to work in the automotive industry. This requires us to be seen and be proactive in contexts that demonstrate our ambition, and that we actively discuss the issue and take steps to invite and include.

We are actively working on the leadership culture in order to bring about genuine change. Everyone with management responsibility for employees is responsible for actively working on inclusion and gender equality, seeing any problems and taking immediate action to help promote the company's core values. This way, we won't only be a workplace where people thrive, but also a role model for the industry. We want to dispel the outdated view that selling cars is a man's job. It is a case of expertise, not gender.

One relatively common misconception is that women do not want to apply for sales roles with variable pay. In the estate agency sector, however, women account for 46 per cent of estate agents, which demonstrates the opposite. Another misconception is that selling cars is purely about technology and products, whereas it is more about lifestyle and emotion, as is selling homes, for example. At Bilja, as in the rest of the industry, we have an important responsibility to dispel these false perceptions and actively work to spread other values.

"Together we must help each other in efforts to attract more women. Not least, we must have the courage to employ women who come from other industries. There is a lot of potential talent out there that we can invite into our exciting industry. But we must broaden our horizons and be seen in more contexts."



We have a circular business model that gives us the opportunity to influence the car's entire life cycle from new car to dismantled car.

have met once a month to share their experiences of developing the workshops. They have a lot in common, they are female managers of workshops and face the same challenges, regardless of the car brand.

"The aim is partly to give each other support but also to inspire more women to join the automotive industry going forward. We exchange thoughts and ideas and there's no hierarchy," says Anna.

A weekend packed with movement and teamwork

One weekend in November, Parasport Sverige organised a two-day event in Malmö where children, young people and adults with disabilities got to try a variety of sports. Bilia Toyota supported the mobility partner for the event and contributed with seven vehicles for transport purposes.

"It's wonderful to be able to help support this kind of initiative that enables more people to try different sports," says Christian Niehqvist, Marketing Manager, Region South, Bilia Toyota.

We gave all of the participants an insight into our business and how we work internally to achieve our vision, "To be the best service company in the business through consideration for customers, colleagues and the world we live in". We then talked about our car models and how all of them can be adapted so that we can help everyone with their individual needs.

"Seeing the person, meeting their needs and providing peace of mind is important when we interact with our guests. In order to include everyone, sometimes we have to stop, rethink and do things slightly differently."

Help for OperationAid



OperationAid works with foundations, local organisations, authorities and private individuals, all of whom want one thing: to bring people in war-torn Ukraine to safety quickly, and meet their basic

needs regarding food and shelter.

To help their important work, Bilia's Board Chairman, Mats Qviberg, decided to donate a minibus.

"OperationAid is doing excellent work that I want to support," says Mats Qviberg.

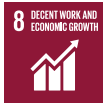
Knowledge that can save lives



Following a start-up pilot in Region West in 2021, bespoke first aid training and CPR training were provided in all regions during 2022. More than a hundred colleagues were given an opportunity to refresh their knowledge or acquire new learning in how to treat injuries, intervene in the event of sudden illness and save lives.

"The aim of the training is to offer employees knowledge about how to respond to a cardiac arrest, which increases the chance of survival," says Annika Mark, Environmental and Occupational Safety Coach, Sweden.

Proud and considerate employees



Proud, considerate employees are vital to Bilia's continued success and long-term sustainability. With this in mind, Bilia actively and systematically strives to be a responsible employer and a good corporate citizen. Bilia's employeeship is an important success factor, see pages 6–7.

Zero tolerance of discrimination and harassment

For Bilia, it is important to have an including work environment. All employees, regardless of background, should be included in the operation, feel involved and work on equal terms. Key to this is a set of Bilia core values that are well-established among all employees, along with a good work environment with clear, transparent structures for dealing with any challenges or conflicts.

Based on the equal opportunities policy and Code of Conduct, Bilia works actively with zero tolerance of discrimina-

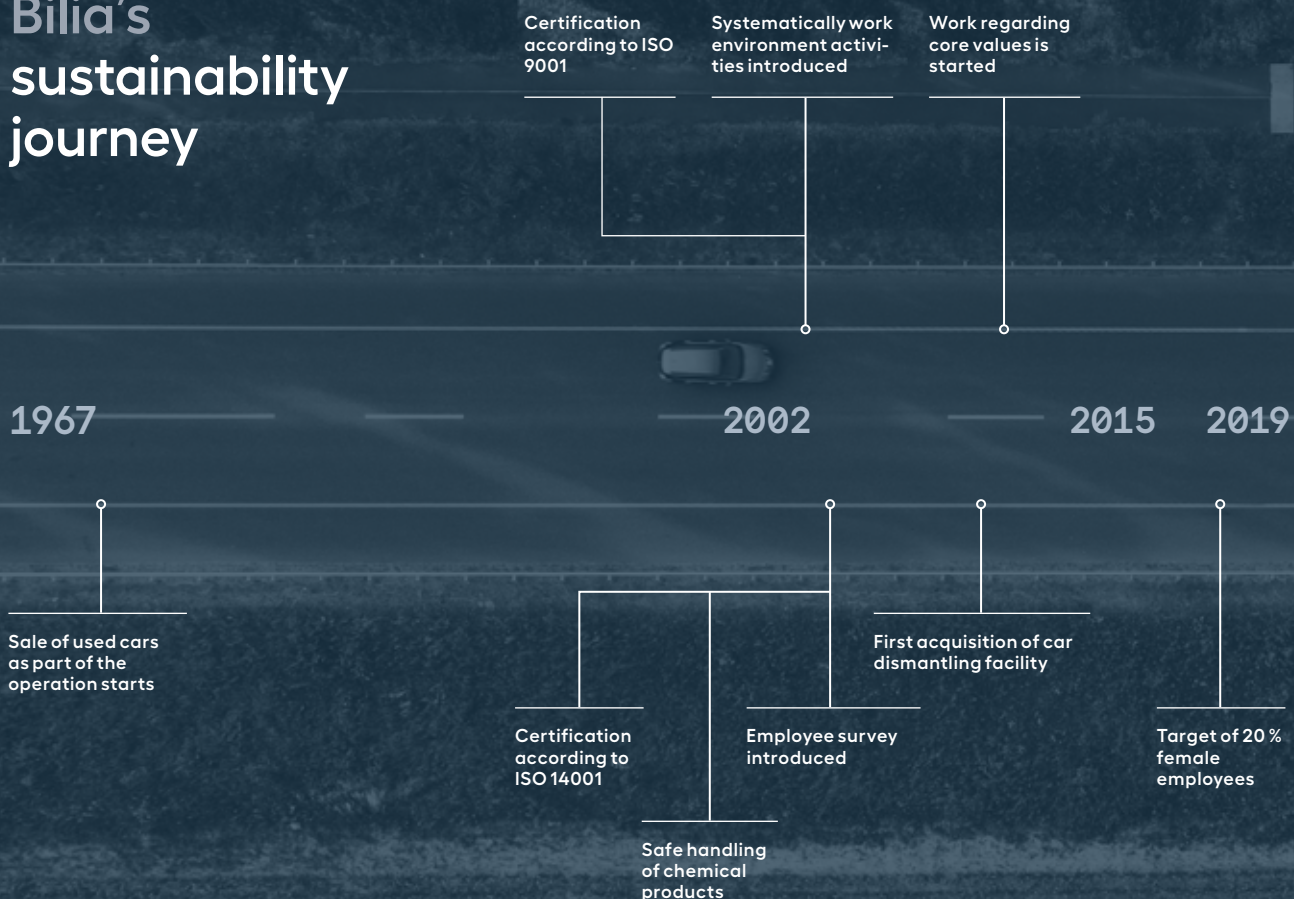
tion, for instance using equal opportunities plans and salary mapping. Bullying and harassment are not permitted at Bilia, whatever form these may take. There is zero tolerance of all forms of discrimination and harassment and any cases of this are dealt with immediately in accordance with this policy. Questions regarding discrimination, respect and conflicts are put to personnel in the annual employee survey, and negative results are addressed.

Bilia also works actively with the corporate culture which starts from Bilia's core values: Dedication, Competence, Genuine and Respect. The values set the tone for all attitudes and interactions, and are fundamental to creating an inclusive work environment.

Bilia also has clearly defined leadership expectations which include, for example, active work on diversity and acting in line with our values, even where this is difficult or where disrespectful behaviour is witnessed.

Bilia's procedures for the organisational and social work en-

Bilia's sustainability journey



vironment include setting annual targets and targeted safety inspections, as well as risk assessments where appropriate. The psychosocial work environment is measured in the annual employee survey and is well above the benchmarks.

Gender equality enriches

Bilia strives for gender equality in its organisation, whereby men and women alike are represented in all professional categories.

We are convinced that a more even gender distribution has positive effects on both the work environment and profitability, but there is a shortage of women in the industry. Bilia is therefore running a raft of initiatives to increase the proportion of women, such as a stronger recruitment policy and regular follow-up.

Bilia's recruitment policy is to always call women with the right qualifications for an interview, at least one woman should be included as a final candidate in the process, and in the event of equal skills to employ the woman candidate.

“Proud, considerate employees are vital to Bilia’s continued success and long-term sustainability”

Rim repair
Battery-storing
starts

New sustainability
strategy

Transition to
green electricity

Bilia has identified nine of UN's global Sustainable Development Goals in Agenda 2030, see page 35. The UN's SDGs must be achieved by 2030.

2020

2022

2025

2030

First installation
of solar panels

Head of
Sustainability
starts

New sustainability
targets

New climate
targets aligned
with the Paris
Agreement

Professional development for all

All employees should have opportunities for professional development in their role. All our employees have regular performance appraisals with their immediate managers. The appraisals are opportunities for employees to discuss their role in the company, request changes, and put forward thoughts and ideas on how the individual can take on greater responsibility or other kinds of work tasks. Together, the employee and their manager arrive at a plan to promote personal development, job satisfaction and efficiency in the day-to-day work.

Bilia provides ongoing customised training courses aimed at target groups with different positions and training requirements. In addition, there is specially tailored training for technicians and sales personnel at several levels. Bilia has recurring and specific training courses, and there is also Group-wide leader training at all levels through Bilia Academy. Swedish employees can apply for grants from special personnel funds for professional development, which does not have to be directly related to Bilia or their job.

Bilia works actively to recruit people from different backgrounds and language skills. At the same time, it is hugely important for Bilia that all employees understand and benefit from our work environment structure and safety/security

guidelines. Moreover, we are convinced that being able to communicate with each other in the workplace makes for a better working climate and greater commitment. Bilia's delivery quality to customers, as well as personnel's employability both internally and externally, increases if employees can understand and speak the national language.

Collaboration with schools

One challenge faced by Bilia is securing professional skills in the future. In light of this, Bilia pursues joint projects with Swedish automotive engineering schools, and offers students work experience and apprenticeships.

Bilia's vision is to offer the best student programme in the business, and these programmes accepted 400 students in Sweden and Norway during 2022.

Life balance

For work to function, all of life has to function. At Bilia, we want to have a sustainable long-term relationship with our employees. We therefore strive to be receptive, and to work with the individual employee to find solutions that help both them and the company.

A photograph showing a woman with blonde hair, wearing a pink sweater, smiling and looking towards a man whose back is to the camera. They are in a car workshop, with a red car visible in the background.

To reduce work environment risks, Bilia carries out work environment-related measurements and risk assessments with the help of consultants who are experts in various fields.

EU's green taxonomy

► The EU green taxonomy, EU 2020/852 (Taxonomy) entered into force in July 2020 and is a joint classification system and a tool to help investors identify and compare environmentally sustainable investments to achieve the EU's climate goals and objectives within the EU's green growth strategy. The taxonomy is a framework for deciding which economic activities are to be considered environmentally sustainable.

Bilia's operations consist of sales of cars and accessories as well as service and maintenance of these products. Bilia's sales of products are not covered by the activities classified as part of the Taxonomy, but the scope is limited to Bilia's Service Business with additions to Bilia's car rental business that is part of Bilia's Car Business. For a description of Bilia's Service Business and Car Business, see pages 20–25. The activities that are considered to be covered by the Taxonomy Annex 1 fall under section 3.3 Manufacture of low-carbon technologies for transport (Manufacture, repair, maintenance, retro fitting, repurposing and upgrade of low carbon transport vehicles, rolling stock and vessels) and section 6.5 Transport by motorbikes, passenger cars and commercial vehicles (Purchase, financing, leasing, rental and operation of vehicles designated as category M1, N1 both falling under the scope of Regulation (EC) No 715/2007, or L (2- and 3-wheel vehicles and quadricycles)). The identified activities are organised and followed up as separate profit areas, which is why turnover, operating costs and investments in fixed assets are available for

these activities in the operational financial reporting. None of the activities is therefore considered to be double-counted in the production of the financial information. Turnover are the part of net turnover that relates to products or services, see Note 2 on page 64. Operating expenditures reported based on the Taxonomy's definition, i.e. direct non-capitalised costs attributable to renovation of buildings, maintenance and repairs and direct costs attributable to current maintenance of assets. Capital expenditures are purchases of intangible assets and property, plant and equipment during the year, see Note 14 pages 79–82 and Note 15 pages 83–85. Investments through acquisitions of operations are included, see Note 5 pages 68–70. Investments in goodwill are not included. For complete Taxonomy reporting see Sustainability Notes page 119–128.

	All operations Bilia, SEK M	Percentage of operations covered by the taxonomy	Percentage of taxonomy aligned operations
2022			
Net turnover	35,345	23	4
Operating expenditures	50	42	6
Capital expenditures	2,349	31	5

► Climate data

Tonnes CO ₂ e	2022	2021	2020
Scope 1			
Internal consumption of vehicle fuel	5,257	6,322	6,975
Fuel for paint boxes	480	196	48
Fuel for own production of heat	776	1,188	2,291
Refrigerant, refilled	0	0	0
Total	6,513	7,706	9,314
Scope 2			
Consumption of electricity, market based ¹⁾	2,456	15,832	15,274
Consumption of district heating ¹⁾	1,761	1,933	1,838
Total	4,217	17,765	17,112
Scope 3 ²⁾			
Purchased goods and services	43,003		
Fuel and energy related activities	2,297		
Purchased goods transport	2,028		
Waste	5,400		
Business trips (means of transport and hotel)	374		
Use of sold or leased goods (fuel and refrigerant)	149,564		
Total	202,666		
Total Scope 1-3	213,396		

¹⁾ The lower emissions attributable to the consumption of electricity for 2022 compared to 2021 was explained by the transition to green electricity. The lower consumption of district heating for 2022 compared to 2021 is explained by operations divested during 2022.

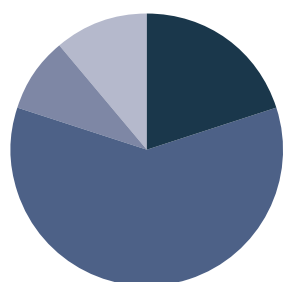
²⁾ Scope 3 was introduced in the Sustainability Report for 2022, which is why comparative figures for previous years are not reported. Scope 3 does not include the manufacture of purchased vehicles and the use of sold vehicles by our customers.

► Climate data

Tonnes CO ₂ e	2022		2021		2020	
	Location based	Market based	Location based	Market based	Location based	Market based
Scope 2						
Electricity	1,888	2,456	2,524	15,832	2,965	15,274
District heating	1,761	1,761	1,933	1,933	1,838	1,838
Total	3,649	4,217	4,457	17,765	4,803	17,112

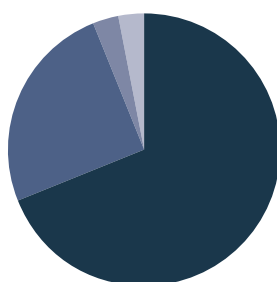
► Performance measures employees

DISTRIBUTION OF EMPLOYEES
BY FUNCTION, %



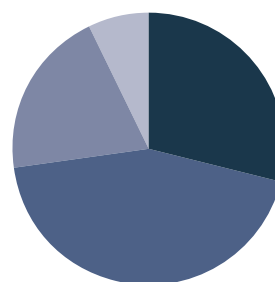
■ Sales, 20 %
■ Workshop, 60 %
■ Spare parts, 9 %
■ Administration, 11 %
■ Fuel, 0 %

DISTRIBUTION OF EMPLOYEES
BY COUNTRY, %



■ Sweden 69 %
■ Norway, 25 %
■ Luxembourg, 3 %
■ Belgium, 3 %

AGE STRUCTURE, EMPLOYEES, %



■ ≤29 yrs, 29 %
■ 30-49 yrs, 44 %
■ 50-60 yrs, 20 %
■ ≥61 yrs, 7 %

► Performance measures

	2022	2021	2020
Average number of employees	4,195	4,385	4,097
Turnover per employee, KSEK	8,426	8,098	7,363
Value added per employee, KSEK	1,316	1,302	1,142
Profit before tax per employee, KSEK	477	417	308
Average age, years	40	40	40

Corporate Governance Statement

CORPORATE GOVERNANCE. Bilia AB (publ) is a Swedish public limited liability company listed on Nasdaq Stockholm, Large Cap. The company applies the Swedish Corporate Governance Code and hereby submits its Corporate Governance Report for the year 2022.

► The Group's corporate governance is, in addition to what is set out in Swedish law, based on the Swedish Corporate Governance Code (the Code), Nasdaq Stockholm AB's Rules for Issuers and the Swedish Securities Council's rulings on what constitutes good practice on the Swedish stock market. This report summarises how the corporate governance is structured and how it has been managed and developed within the Group during the 2022 financial year. Bilia complies with the rules of the Code and there were no deviations from the Code's rules in 2022.

Corporate governance at Bilia

Good corporate governance is about ensuring on behalf of the shareholders that Bilia is managed in a sustainable and responsible way, and as efficiently as possible. Bilia strives for a clear division of responsibilities, for transparency towards the owners and the market as well as for efficient governance and control of the Group's operations to ensure that the Group fulfils its commitments towards shareholders, customers, employees, suppliers, credit providers and society. It also endeavours to ensure that the operations follow set goals, applicable legislation and other regulatory frameworks, both external and internal. External regulatory frameworks include the Swedish Companies Act, the Swedish Annual Accounts Act and other relevant laws, Nasdaq Stockholm's Rules for Issuers and the Code. Internal regulatory frameworks include the Articles of Association adopted at the Annual General Meeting, the rules of procedure for the Board of Directors and the instructions for the Managing Director, including instructions on financial reporting, and instructions for the Board Committees, policies and guidelines, and Bilia's Code of Conduct.

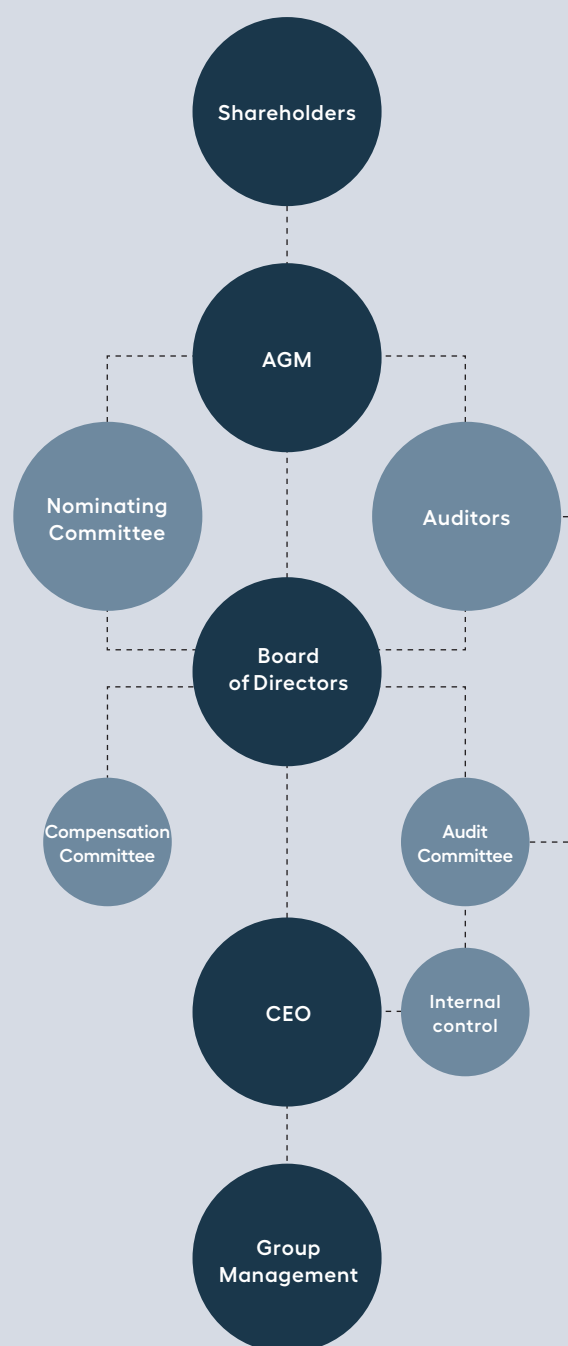
Shareholders

At the end of 2022 Bilia had 38,313 shareholders. Bilia's largest shareholder is Mats Qviberg and family, whose holding amounted to 13.7 per cent on 31 December 2022. The next-largest shareholders at year-end were Investment AB Öresund, State Street Bank and Trust Co, W9 and Anna Engbretsen and family whose holdings amounted to 10.2, 8.8 and 5.4 per cent respectively. The proportion of institutional ownership amounted to 8.9 per cent (7.6) and the proportion of foreign ownership was 28.3 per cent (30.9).

General meeting of shareholders

Shareholders' influence is exercised at the Annual General Meeting (AGM) and, where applicable, at Extraordinary General Meetings, which are Bilia's highest decision-making bodies. All shareholders who are registered in the share register at the record date before the meeting and who have registered their participation in the meeting before the deadline set out in the notice are entitled to participate in the meeting with full voting rights. Shareholders who are unable to attend in

► BILIA'S CORPORATE GOVERNANCE



person may be represented through a proxy. Any shareholder who would like an issue to be dealt with at a general meeting of shareholders must submit a written proposal to the Board in sufficient time so that the proposal can be included in the notice to attend the meeting.

The 2022 AGM

The 2022 AGM was held on 7 April 2022. To reduce the risk of spreading COVID-19, Bilia decided to conduct the meeting with no physical attendance of shareholders, proxies or outside parties, so that voting rights could only be exercised by voting in advance, known as postal voting. A total of 202 shareholders were represented at the meeting, who jointly represented 53.1 per cent of the number of shares and votes in the company.

The Chairman of the Board, Mats Qviberg, was elected chairman of the AGM. The minutes from the AGM can be found on Bilia's website, bilias.com. The AGM passed resolutions on the following, among other matters:

- adoption of the Parent Company and consolidated income statements and balance sheets for the 2021 financial year in the Annual Report,
- dividend in accordance with the Board proposal of SEK 8 per share for the 2021 financial year, allocated across four disbursements,
- granting discharge from liability for the Board's members and the Managing Director for the 2021 financial year,
- re-election of all Board members except Eva Eriksson and Mats Holgersson who declined re-election and new election of Caroline af Ugglas,
- re-election of Mats Qviberg and Jan Pettersson as Chairman of the Board and Deputy Chairman respectively,
- determining remuneration for the Board and auditors,
- re-election of PricewaterhouseCoopers AB as the company's auditor for the period up until the end of the 2023 AGM,
- approval of the Board's remuneration report,
- reduction of the share capital through withdrawal of own shares and increase of the share capital through bonus issue,
- authorisation for the Board to decide on acquisitions or transfers of the company's own shares on one or more occasions during the period up until the next AGM, but the shares may not correspond to more than 10 per cent of the total number of shares in the company.

Nominating Committee

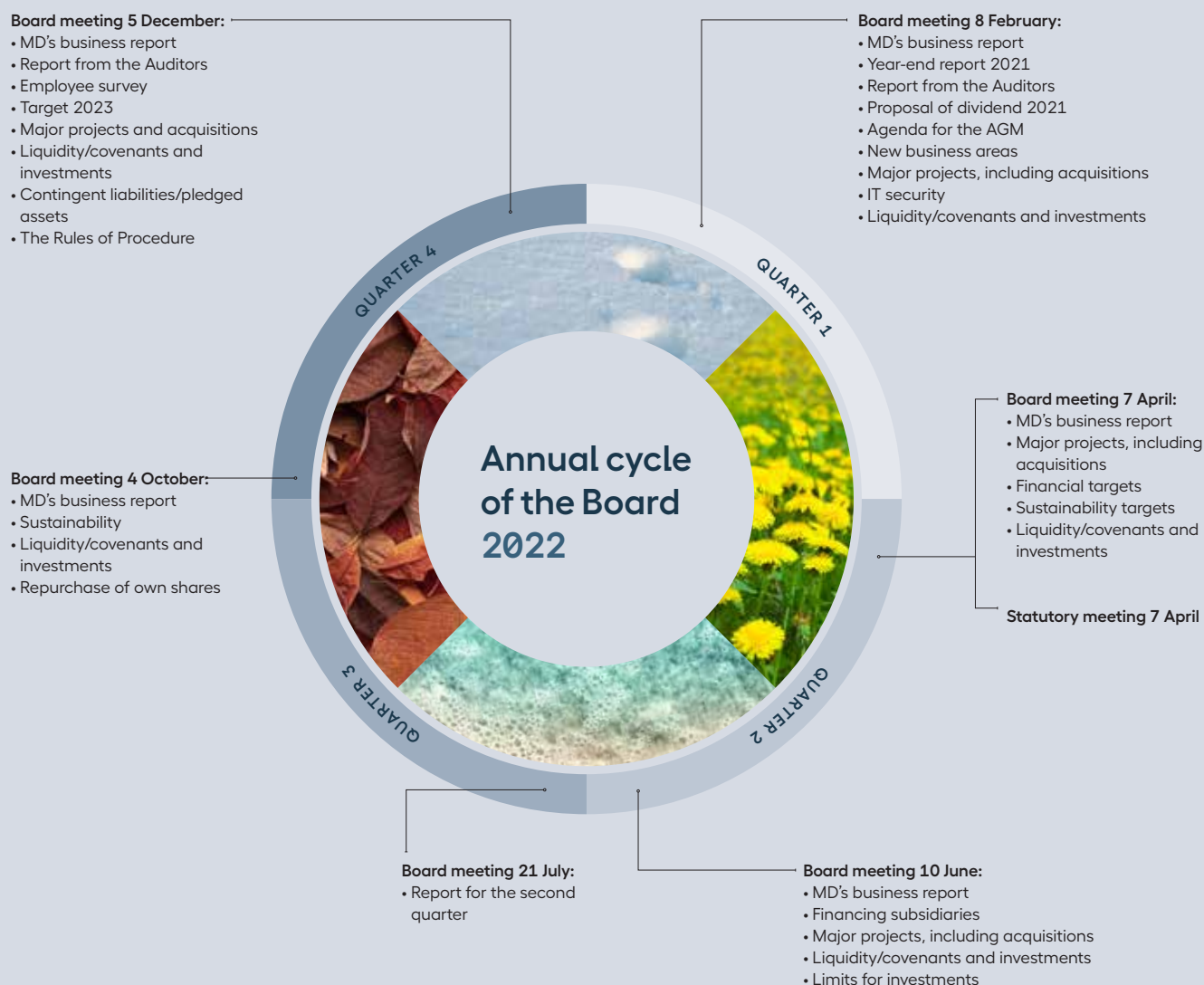
The Nominating Committee is tasked with submitting proposals ahead of the AGM on resolutions regarding the election of the Chairman at the AGM, the election of the Chairman and other members of the Board, remuneration for committee work, the election of auditors (where applicable), fees for auditors and changes in the procedure for appointing the Nominating Committee. In accordance with a resolution at Bilia's 2016 AGM, the Nominating Committee shall comprise Bilia's Chairman of the Board along with representatives of the two to four largest shareholders at the turn of the month before the Committee is appointed. Prior to the 2022 AGM, Bilia's Nominating Committee comprised Tim Floderus (Chairman of the Nominating Committee), representative of Investment AB Öresund, Mats Qviberg, representative of the Qviberg family and in his capacity as Chairman of the Board of Bilia AB, Sofia Olsson, representative of Anna Engebretsen with family, Katarina Hammar, representative of Nordea Investment Funds, and Emilie Westholm, representative of Folksam.

Every year the Nominating Committee evaluates the Board and its work. The Committee then prepares a proposal for a new Board and proposals for remuneration for the Board, proposals that are submitted in connection with the notice to attend the upcoming AGM. The Nominating Committee's motivating statement ahead of the 2022 AGM states that it applied rule 4.1 of the Code about diversity policy when drawing up its proposal for the Board. The aim of the policy is to ensure that the Board has a composition appropriate to the company's operations, phase of development and general circumstances that is characterised by diversity and breadth with regard to expertise, experience and background, in addition to which an even gender distribution should be striven for. The 2022 AGM decided to appoint Board members in accordance with the Nominating Committee's proposals, which means that eight members were elected, comprising three women and five men.

Bilia's Nominating Committee, prior to the 2023 AGM, comprises Tim Floderus (Chairman of the Nominating Committee), representative of Investment AB Öresund, Mats Qviberg, in his capacity as Chairman of the Board of Bilia AB, Sofia Steinwall, representative of Anna Engebretsen with family, and Emilie Westholm, representative of Folksam.

► BOARD OF DIRECTORS

Board members	Attendance at Board meetings, %	Attendance at Committee meetings, %	Independent in relation to the company and the Group Management	Independent in relation to the company's major shareholders	Number of shares
Elected board members					
Mats Qviberg, Chairman	100	—	Yes	No	13,219,389
Jan Pettersson, Deputy Chairman	100	—	Yes	Yes	1,200,000
Ingrid Jonasson Blank	100	—	Yes	Yes	40,000
Gunnar Blomkvist	100	100	Yes	Yes	75,598
Anna Engebretsen	100	100	Yes	No	5,170,360
Nicklas Paulson	100	100	Yes	No	2,000
Jon Risfelt	100	100	Yes	Yes	26,790
Caroline af Ugglas	100	100	Yes	Yes	3,000
Employee representation					
Patrik Nordvall	100	—	Employee		504
Dragan Mitrasinovic	86	—	Employee		28
Anders Bejmar	100	—	Employee		100
Isak Ekblom	86	—	Employee		—



Auditors

Bilia's auditors are elected by the AGM. The auditor audits the annual accounts, accounting records and consolidated accounts as well as the Board of Director and Managing Director's administration in accordance with generally accepted auditing standards. After each financial year, the auditor submits an auditor's report for the Parent Company and an auditor's report for the Group to the AGM. At the 2022 AGM, the registered public audit firm PricewaterhouseCoopers AB was re-elected as the company's auditor, with Authorised Public Accountant Fredrik Göransson as the auditor in charge. The current mandate period runs up to the end of the 2023 AGM. The auditors report the findings of their audit to the Audit Committee and the Board. In addition to regular auditing assignment, PricewaterhouseCoopers AB assists with advisory and investigatory assignments. Such assignments are submitted in accordance with the rules decided by the Audit Committee for approving the nature and scope of the services as well as remuneration. The assignments conducted are not deemed to cause a conflict of interest. See Note 9 "Fees and cost reimbursement to auditors" for information on remuneration for auditors.

Board of Directors

The Board of Directors' main duty is to be responsible for the company's organisation and the management of the company's business. The Board has to consider the interests of all shareholders in carrying out its duties. The Board is also responsible for ensuring that this Corporate Governance Report is prepared. The Articles of Association stipulate that the Board shall comprise at least seven and at most ten members. The Board members are elected annually at the AGM for the period up until the end of the next AGM. Employees are entitled to appoint two representatives and two deputies to the Board. In 2022, Bilia's Board comprised eight members elected by the AGM. The Managing Director and the CFO participate in the Board meetings, the latter also as secretary. Furthermore, other senior officers take part as required.

The Board of Directors' work is mainly governed by the Swedish Companies' Act, the Code and the Board's rules of procedure. The members of the committees are established annually at the Statutory meeting and The Rules of Procedure are established annually at the Board meeting in December. The current rules of procedure state that the Board should have at least five ordinary meetings between each AGM, including the Statutory meeting. The rules of procedure also set out the division of work and responsibilities

between the Board of Directors, Chairman of the Board, the Board Committees and the Managing Director.

Mats Qviberg was re-elected Chairman of the Board at the 2022 AGM. The Chairman of the Board is responsible for managing and assigning the Board's work and for ensuring that this is done in an efficient, well-organised way. This entails, for example, ensuring that the Board fulfils its obligations, monitoring the operation's development and making sure that the Board always has the information it requires so that it can carry out its work while maintaining quality standards in accordance with the applicable rules and regulations. The Chairman of the Board does not take part in the operational management of the company.

The Code states that a majority of the members of the Board elected at the AGM must be independent of the company and its management, and at least two of these members must also be independent of the company's major shareholders. The Nominating Committee has judged that the Board composition of Bilia meets the requirements on independence set out in the Code. Individual Board members' share holdings, their independence in relation to the company, the executive management and the company's major shareholders are shown in the table on page 46. Other assignments in other companies are shown in the presentation of Board members on pages 50–51.

The work of the Board in 2022

The Board of Directors held its Board meeting following election on 7 April 2022 and a total of seven Board meetings, including the statutory meeting, were held during the year. The Board dealt with standing items at its regular meetings that follow from the Board's rules of procedure, such as business situation, budget, annual accounts and interim reports. In addition, the Board dealt with overarching issues relating to corporate acquisitions and other investments, disposals, long-term strategies, financial issues, quality issues, compliance, internal control and risk management, organisation and structure. During the year, the Board devoted significant time to discussing trends and events in the industry, such as new players and car brands, changing sales channels and business models, new technology and electrification and its impact on Bilia's operations today and in the future. The work of the Board was conducted in accordance with the illustration on page 47. In addition to the ordinary meetings the Board made five decisions per capsulam.

Board subcommittees

Compensation Committee

In 2022, Bilia's Compensation Committee comprised the Board members Nicklas Paulson (Chairman), Anna Engebretsen and Gunnar Blomkvist. The Compensation Committee's members are independent in relation to the company and the executive management.

The Committee held five minuted meetings in 2022 and also had ongoing informal contact. The members' attendance at committee meetings is reported in the table on page 46. The Compensation Committee, which follows written instructions, is charged with drafting matters concerning remuneration principles as well as remuneration and other terms of employment for the Managing Director and other members of the Group Management. The Committee also prepares the Board's proposed guidelines on remuneration for senior officers, which the Board presents for a resolution at the general meeting of shareholders at least every four years. In addition, the Committee shall monitor and evaluate ongoing programmes and programmes completed during the year regarding variable remuneration for the Group Management and the application of the guidelines on remuneration for senior officers decided on at the AGM.

Audit Committee

In 2022, Bilia's Audit Committee comprised the Board members Jon Risfelt (Chairman), Caroline af Ugglas and Gunnar Blomkvist. The Committee held five minuted meetings and also had informal contact between the meetings as necessary in 2022. The members' attendance at committee meetings is reported in the table on page 46. The company's auditors took part in all of the Audit Committee's meetings. The Committee and the auditors discussed and established the scope for the audit. The Audit Committee is a drafting body in contacts between the Board and the auditors, and continuously submits reports to the Board regarding its work. The Audit Committee follows written instructions and shall through its operations meet the requirements set out in the Swedish Companies Act and the EU's Audit Regulation. The Committee's duties include:

- monitoring the company's financial reporting and the effectiveness of the company's internal control and risk management, and ensuring that the Group's nine-month report and annual accounts are reviewed by the Group's auditors,
- staying informed about the audit of the annual accounts and consolidated accounts, and examining and monitoring the auditor's impartiality and independence,
- assisting with the preparation of proposals to the AGM on decisions on the election of auditors and fees regarding the audit.

The following matters were also discussed in 2022, among others: risk analysis for the Group's operations, insurance issues, IT security, impairment testing of intangible assets, acquisition of new operations, guaranteed residual values, buy-back of own shares, financing, internal control issues and observations from the external auditor's audit of Bilia.

Property Committee

Bilia's property committee has been disbanded and the committee's issues now form part of the Audit Committee.

Evaluating the work of the Board

The Board's work is evaluated annually using a model that covers the following main areas:

- Board of Directors (roles, planning, functions)
- Board meetings
- Board material, information and reports
- Members of the Board
- Chairman of the Board
- Managing Director

The evaluation is performed by having the members carry out an anonymous assessment of the work of the Board by rating a number of areas/aspects, after which the results are compiled. This year's evaluation painted a positive overall picture of the work of the Board. The Board also evaluates the work of the Committees each year and other members remain satisfied with how the Committees manage their respective areas of responsibility. The result of the evaluation has been presented to and discussed in the Board and reported to the Nominating Committee by the Chairman of the Board. The evaluation forms the basis for the Nominating Committee's various proposals regarding the Board.

Group Management

Per Avander is the Managing Director and CEO of Bilia and he leads Bilia's day-to-day operations. The Managing Director is responsible for implementing and ensuring implementation of the strategies, business plans and operational goals decided by the Board of Directors. The Managing Director is also responsible for



Bilia's control environment is based on communicating clear guidelines to all subsidiaries to ensure that the same rules and policies are applied in the Group's companies.

ensuring that the Board of Directors is given information and the necessary data to make decisions, for presenting reports at the Board meetings and for continuously informing the Board of Directors and Chairman of the Group and company's financial position and development.

The Managing Director is assisted by the Group Management, which comprises managers of business areas and functions. At the end of 2022 the Group Management comprised, in addition to the MD and CEO: Stefan Nordström (Deputy MD), Elin Delvert (HR and Sustainability), Kristina Franzén (CFO), Frode Hebnes (MD, Bilia Norge AS), Carl-Fredrik Ewetz (Investor Relations and M&A) Mathias Nilsson (MD, Bilia Personbilar AB) and Anders Rydheimer (Business Development and Communication). The following changes have taken place in the Group Management: Magnus Karlsson (former CIO and CEO Motorit AB), left the Group Management on 1 December 2022 and was replaced by Anna Höglund (new CIO and CEO Motorit AB) on 27 January 2023. The Group Management held seven meetings in 2022. The meetings mainly focused on the Group's strategic and operational development as well as on results follow-up and quality issues.

Central functions

There are central functions within Bilia for coordinating finance, HR, IT, legal, marketing and communication. These functions are responsible for developing applicable Group-wide strategies, priorities and action plans in their respective areas of responsibility and for driving, supporting and controlling development in the organisation on the basis of their respective expertise.

The Board's report on internal control

It is limited to internal control and risk management relating to financial reporting and encompasses the entire Group. The

Board bears ultimate responsibility for ensuring that Bilia's internal control works satisfactorily and that adequate financial reports are presented. Under the Swedish Companies Act, the Board is responsible for Bilia's organisation and management. The Board is responsible for ensuring that Bilia's accounting, fund management and financial situation in general includes satisfactory controls. This responsibility cannot be delegated, rather it always rests ultimately with the Board.

Bilia's control environment is based on communicating clear guidelines to all subsidiaries to ensure that the same rules and policies are applied in the Group's companies and business areas and that the subsidiaries have the necessary tools to report back to Bilia AB in an accurate and uniform manner. The management performs a risk analysis which, following discussions in the Audit Committee and Board, determines, along with other considerations, the focus of the internal control.

Internal control work

As a complement to managerial responsibility and other control procedures, Bilia has a function for risk management that includes internal control and internal audit work. The result of the audit is reported directly to Bilia's CFO and the Audit Committee. The audit plan is approved by the Audit Committee. The plan's effectiveness is assessed continuously throughout the year and any changes are approved by the Audit Committee.

The work to secure internal control is an ongoing process that is subject to constant review, follow-up and improvement.

Bilia's Code of Conduct applies to all employees of the Group and the Board members. The Code of Conduct can be found at bilias.com.

Board of Directors



Mats Qviberg

► Born 1953. Chairman.
Elected 2003.

Education: M.Sc. in Business Administration from the Stockholm School of Economics.

Work experience: SEB, Carnegie.

Posts 2022: Chairman of Investment AB Öresund.

Number of shares: 13,219,389 ¹⁾.



Jan Pettersson

► Born 1949. Deputy Chairman.
Elected 2003.

Education: Degree in economics from Stockholm University 1973.

Work experience: Active in the automotive industry, Kinnevik Group, MD of Toyota and Svenska Motor AB, MD and CEO, Bilja AB.

Posts 2022: Chairman of Active Driving AB and Trosta Park AB.

Number of shares: 1,200,000 ²⁾.

¹⁾ With family.

²⁾ 1,020,000 shares are endowment insurance and 180,000 are directly registered, with family.

A total of seven Board meetings were held during 2022; one statutory meeting, six ordinary meetings and five decisions made per capsulam.

Composition of the Board of Directors and all holdings in Bilja AB as of 31 December 2022. See also Group Note 8 "Employees, personnel costs and remunerations for senior officers".

Auditors

PricewaterhouseCoopers AB was elected as the Group's public audit firm by the 2022 AGM for the period up until the 2023 AGM.

Fredrik Göransson, born 1973, Authorised Public Accountant. Auditor in charge at Bilja since 2021.



Jon Risfelt

► Born 1961. Board member.
Chairman of the Audit Committee.
Elected 2003.

Education: CM.Eng. in Chemical Engineering, Royal Institute of Technology.

Work experience: Ericsson, SAS, American Express, Nyman & Shultz, Europolitan and Gambro Renal.

Posts 2022: Chairman of Knowit AB, CAB Group AB and Axentia Group Holding AB and SOS International AS. Member of the boards of Boule Diagnostics AB and Projektengagemang AB.

Number of shares: 26,790.



Caroline af Ugglas

► Born 1958. Board member.
Member of the Audit Committee.
Elected 2022.

Education: Economic degree from Stockholm University.

Work experience: Deputy Managing Director at Svenskt Näringsliv and before that Head of Equities and Corporate Governance at Skandia Liv.

Posts 2022: Member of the board of ACQ Bure AB, Beijer Alma AB, Lifco AB (publ), Investment AB Spiltan and Trapets AB.

Number of shares: 3,000.



Ingrid Jonasson Blank

► Born 1962. Board member. Elected 2006.

Education: M.Sc. in Business Administration from the School of Business, Economics and Law in Gothenburg.

Work experience: Active in the ICA Group, most recently as deputy MD of ICA Sverige AB.

Posts 2022: Member of the board of Musti Group Oy, Kjell Group AB, Haypp Group Oy, Forenom Group Oy, Aim Apparel AB, Citygross AB, MEDS AB and Astrid Lindgren AB.

Number of shares: 40,000.



Gunnar Blomkvist

► Born 1955. Board member. Member of the Compensation and Audit Committees. Elected 2017.

Education: M.Sc. in Business Administration from the School of Business, Economics and Law in Gothenburg.

Work experience: Employed by Bilja AB, most recently as CFO.

Posts 2022: —

Number of shares: 75,598.



Anna Engebretsen

► Born 1982. Board member. Elected 2010.

Education: M.Sc. in Business and Economics, Norwegian School of Management in Oslo.

Work experience: OMD (Omnicom Media Group) and Skistar AB.

Posts 2022: Member of the boards of Investment AB Öresund and MQ MarQet AB.

Number of shares: 5,170,360 ¹⁾.



Nicklas Paulson

► Born 1970. Board member. Chairman of the Compensation Committee. Elected 2018.

Education: M.Sc. in Business Administration from the Stockholm University.

Work experience: Carnegie, Alfred Berg, ABN AMRO and Swedbank.

Posts 2022: MD of Investment AB Öresund. Member of the board of Ovzon AB.

Number of shares: 2,000.



Dragan Mitrasinovic

► Born 1958. Employee representative. Elected 2005. Appointed by the LO (Swedish Trade Union Confederation) locals in the Bilja Group.

Education: Vocational training in automotive technology.

Work experience: Employed by Bilja AB.

Posts 2022: Shop steward of Bilja's local branch in Stockholm and car mechanic.

Number of shares: 28.



Patrik Nordvall

► Born 1967. Employee representative. Elected 2004. Appointed by the PTK (Federation of Salaried Employees in Industry and Services) locals in the Bilja Group.

Education: Process engineering studies and IHM Business School Senior.

Work experience: Employed by Bilja AB.

Posts 2022: Shop steward for Unionen at Bilja and Property management developer.

Number of shares: 504.



Anders Beijmar

► Born 1960. Deputy employee representative. Elected 2016. Appointed by the PTK locals in the Bilja Group.

Education: —

Work experience: Employed by Bilja AB. Eneqvist Bil AB.

Posts 2022: Shop steward for Ledarna at Bilja Personbilar AB, as well as Ledarna lokala klubben Stockholm. Member of the board of Teknik & Motor Öst and the main board of Teknik & Motor.

Number of shares: 100.



Isak Ekblom

► Born 1988. Deputy employee representative. Elected 2016. Appointed by the LO locals in the Bilja Group.

Education: Auto body technician, Motorbranschens Tekniska Gymnasium.

Work experience: Employed by Bilja AB. Position of trust at IF Metall.

Posts 2022: Shop Steward for IF Metall Gothenburg. Member of the board of ABF Sydvästra Götaland.

Number of shares: —



Per Avander

► Born 1961. MD and CEO, Bilja AB.

Education: School of economics graduate.
Work experience: Active in banking 1981–83, automotive industry since 1983. MD of Din Bil Göteborg AB 1995–99, MD of Din Bil Stockholm Norr 1999–2001. Employed by Bilja since 2001. MD of Bilja AB since 2011.
External posts 2022: Member of the board of Volvofinans Bank AB.
Number of shares: 70,000.



Stefan Nordström

► Born 1966. Deputy MD, Bilja AB.

Education: School of economics graduate, IFL.
Work experience: Employed by Bilja AB since 1986. Deputy MD of Bilja AB since 2016
External posts 2022: —
Number of shares: 29,500.



Elin Delvert

► Born 1971. HR and Sustainability, Bilja AB.

Education: MBA from Uppsala University, HR studies at Stockholm University and University of Maryland.
Work experience: Senior HR positions at L-Soft 1999–2005, Newell Brands 2005–2006, Unibet 2006–2011, Telia Company 2011–2016, Stanley Black & Decker 2016–2018. Employed by Bilja as HR Director since 2018.
External posts 2022: Member of the board of MAF.
Number of shares: 4,500.



Carl Fredrik Ewetz

► Born 1976. Investor Relations and M&A, Bilja AB.

Education: BI Norwegian Business School graduate, law studies Lund University.
Work experience: Handelsbanken Equities UK 2002–2008, Handelsbanken Capital Markets UK 2009–2020, Employed by Bilja since 2022.
External posts 2022: —
Number of shares: 1,000.



Kristina Franzén

► Born 1966. CFO, Bilja AB.

Education: M.Sc. in Business Administration from Högskolan i Växjö. Executive MBA from the School of Business, Economics and Law in Gothenburg.
Work experience: PriceWaterhouse 1989–1993, Arthur Andersen 1993–1996, AB SKF 1996–2017. Employed by Bilja as CFO since 2017.
External posts 2022: —
Number of shares: 11,500.



Frode Hebnes

► Born 1972. MD, Bilja Norge AS, Norway.

Education: Graduate of Norwegian School of Marketing.
Work experience: Volvo Personbiler Norge 1997–2001, Volvo Car Corporation Göteborg 2001–2004, Volvo Personbiler Norge AS 2004–2006. Employed by Bilja Norge AS since 2006. MD since December 2008.
External posts 2022: Member of the boards of Expon AS, Expon Holding AS and My Private Label AS and Norges Bilbransjeforbund.
Number of shares: 8,000.



Mathias Nilsson

► Born 1971. MD, Bilja Personbilar AB.

Education: High school vehicle engineering, management training.
Work experience: Various positions at Din Bil 1989–2007, MD Möller Bil 2007–2011, senior regional and corporate management positions at Bilja since 2011. MD of Bilja Personbilar AB since 2016.
External posts 2022: —
Number of shares: 2,600.



Anders Rydheimer

► Born 1976. Business Development and Communication, Bilja AB.

Education: MSc Technology Management and BSc Strategy and Management Control Systems, Lund University Faculty of Engineering and School of Economics and Management.
Work experience: International Management Trainee at Bilja 2002–2004, various management positions in the Bilja Group. Director of Marketing, Communication and Digital since 2010. Director of Business Development since 2020.
External posts 2022: Member of the boards of Newsh AB, Rulla Mobilitet AB, VH System AB and Dahlqvist Bil AB.
Number of shares: 7,000.

The Group Management 31 December 2022 consisted of 25 per cent women and 75 per cent men. The Group Management's composition, external posts and holdings of shares are as of 31 December 2022. Changes in the Group Management: Magnus Karlsson, former CIO and CEO Motorit AB, left the Group Management on 1 December 2022 and was replaced by Anna Höglund, new CIO and CEO Motorit AB, on 27 January 2023.

Contents

Financial information			Page
Consolidated Statement of Income and Other Comprehensive Income			54
Consolidated Statement of Financial Position			56
Consolidated Statement of Changes in Equity			58
Consolidated Statement of Cash Flows			60
Note	Bilia Group	IFRS standard	Page
1	Key accounting principles		62
2	Revenue	IFRS 15 Revenue from Contracts with Customers	64
3	Income from supplementary services in the Car Business		65
4	Operating segments	IFRS 8 Operating Segments	65
5	Business combinations and divestments	IFRS 3 Business Combinations	68
6	Other operating income		71
7	Other operating expenses		71
8	Employees, personnel costs and remunerations for senior officers	IAS 19 Employee Benefits IFRS 2 Share-based payment	71
9	Fees and cost reimbursement to auditors		75
10	Operating expenses classified by nature of expense		75
11	Net financial items	IAS 21 The Effects of Changes in Foreign Exchange Rates IAS 23 Borrowing Costs IAS 28 Investments in Associates and Joint Ventures IAS 37 Provisions, Contingent Liabilities and Contingent Assets IFRS 9 Financial Instruments IFRS 16 Leases	75
12	Taxes	IAS 12 Income Taxes	76
13	Earnings per share	IAS 33 Earnings Per Share	78
14	Intangible assets	IAS 38 Intangible Assets	79
15	Property, plant and equipment	IAS 16 Property, Plant and Equipment	83
16	Right-of-use assets	IFRS 16 Leases	86
17	Interests in associated companies	IAS 28 Investments in Associates and Joint Ventures	86
18	Inventories	IAS 2 Inventories	87
19	Prepaid expenses and accrued income		87
20	Interest-bearing liabilities	IFRS 9 Financial Instruments IFRS 16 Leases	88
21	Pensions	IAS 19 Employee Benefits	88
22	Provisions	IAS 37 Provisions, Contingent Liabilities and Contingent Assets	89
23	Other liabilities		90
24	Accrued expenses and deferred income		90
25	Financial instruments	IAS 32 Financial Instruments: Presentation IFRS 7 Financial Instruments: Disclosures IFRS 9 Financial Instruments IFRS 13 Fair Value Measurement IFRS 16 Leases	90
26	Financial risks and risk management	IFRS 7 Financial Instruments: Disclosures IFRS 13 Fair Value Measurement	92
27	Leases	IFRS 16 Leases	96
28	Capital commitments		96
29	Pledged assets and contingent liabilities	IAS 37 Provisions, Contingent Liabilities and Contingent Assets	96
30	Related parties	IAS 24 Related Party Disclosures	97
31	Cash and cash equivalents and specifications for cash flows	IAS 7 Statement of Cash Flows	97
32	Events after the balance sheet date	IAS 10 Events After the Reporting Period	98
33	Information about the Parent Company		98
Income Statement for Parent Company			99
Balance Sheet for Parent Company			100
Statement of Changes in Equity for Parent Company			102
Cash Flow Statement for Parent Company			103
Notes to the Parent Company Financial Statements			104

Consolidated Statement of Income and Other Comprehensive Income

SEK M	Note	2022	2021
Net turnover	2, 3, 4, 5	35,345	35,509
Cost of goods sold	3, 5, 10, 18	-29,287	-29,499
Gross profit		6,058	6,010
Other operating income	6	415	39
Selling expenses	10	-3,580	-3,368
Administrative expenses	9, 10	-748	-692
Other operating expenses	7, 10	-43	-64
Operating profit	4, 8, 27	2,102	1,925
Financial income		4	5
Financial expenses		-193	-155
Profit from shares in associated companies	17	89	55
Net financial items	11	-100	-95
Profit before tax		2,002	1,830
Tax	12	-380	-373
Net profit for the year		1,622	1,457
Other comprehensive income			
<i>Items that can be reclassified to profit or loss</i>			
Translation differences attributable to foreign operations		90	77
Change in fair value of cash flow hedges		62	—
Tax effect on change in fair value of cash flow hedges		-13	—
Other comprehensive income after tax		139	77
Comprehensive income for the year		1,761	1,534
Net profit for the year attributable to:			
- Parent Company's shareholders		1,622	1,457
- Non-controlling interests		0	—
Comprehensive income for the year attributable to:			
- Parent Company's shareholders		1,761	1,534
- Non-controlling interests		0	—
Basic earnings per share, SEK	13	17.43	14.90
Diluted earnings per share, SEK	13	17.41	14.90

Comments on Consolidated Statement of Income and Other Comprehensive Income

Net turnover

Net turnover amounted to SEK 35,345 M (35,509). Adjusted for comparable operations and exchange rate fluctuations, net turnover was unchanged compared with last year. Net turnover was positively impacted from exchange rate fluctuations by SEK 700 M, mainly Norwegian kroner.

Net turnover in the Service Business increased by 4 per cent and amounted to SEK 8,093 M (7,812). The organic growth was 3 per cent. In Norway the organic growth was somewhat negative while Sweden's was positive by 4 per cent and Western Europe's by a full 8 per cent.

Net turnover in the Car Business decreased by 1 per cent to a total of SEK 27,913 M (28,335). Net turnover, for comparable operations and exchange rates, decreased by 2 per cent. In Sweden adjusted turnover decreased by 3 per cent, in Norway by 1 per cent and in Western Europe by 4 per cent. Income from cars sold under leasing with repurchase agreements amounted to SEK 353 M (395) and revenues from finance companies for the mediation of financing amounted to SEK 261 M (292).

Net turnover in the Fuel Business increased by 4 per cent to a total of SEK 1,305 M (1,252). The entire increase was attributable to Sweden.

Operating profit

Operating profit for the Group increased by SEK 177 M or 9 per cent compared to previous year and amounted to SEK 2,102 M (1,925). The margin amounted to 5.9 per cent (5.4). The operating profit was positively affected by gains from divestment of operations of SEK 368 M.

Operational earnings decreased by 11 per cent to total SEK 1,906 M (2,142), the margin amounted to 5.4 per cent (6.0). The lower result is mainly explained by operations divested during the year.

Results analysis, SEK M	2022	2021
Operational earnings	1,906	2,142
Result from sale of operations	368	—
Structural costs etc.	-9	-39
Acquisition-related costs and value adjustments	-5	-12
Amortisation/impairment losses of surplus values	-158	-166
Operating profit	2,102	1,925

Result from sale of operations refers to divestment of Volvo and Renault facilities in Sweden and Norway. Structural costs

during 2021 were attributable to costs for the sale of the remaining four facilities in Germany and costs for staff reductions. Acquisition-related expenses and value adjustments relate to costs for acquiring operations. Amortisation and impairment losses of surplus values in 2021 includes a write-down of intangible assets in Norway amounting to SEK 35 M.

Operational earnings in the Swedish operation totalled SEK 1,304 M (1,418) with a margin of 6.2 per cent (6.9). In Norway earnings amounted to SEK 547 M (757) with a margin of 4.8 per cent (6.7). In Western Europe earnings increased to SEK 154 M (79) with a margin of 5.0 per cent (2.1).

Operating profit for the Parent Company totalled SEK -101 M (-113) and was positively affected by approximately SEK 15 M in the revaluation of endowment insurances for pensions compared with the previous year.

Operational earnings for the Service Business amounted to SEK 1,161 M (1,279), an decrease of 9 per cent and was mainly attributable to divested operations. The margin for the Service Business amounted to 14.3 per cent (16.4).

Operational earnings for the Car Business amounted to SEK 823 M (938). The profit from sales of new cars amounted to SEK 411 M (365) and used cars amounted to SEK 412 M (573).

The Car Business' margin was 2.9 per cent (3.3). Deliveries of new cars for comparable units decreased by 9 per cent and deliveries for used cars decreased by 15 per cent. Order intake for new cars adjusted for acquired and divested operations decreased by 16 per cent. The order backlog for new cars amounted to 26,325 cars (22,775) at year-end. Adjusted for acquired and divested operations the order backlog was about 5,500 cars higher compared to last year.

Operational earnings for the Fuel Business totalled SEK 21 M (37). The lower result can be explained operations divested during the year and lower volumes of fuels sold.

Net financial items

Net financial items amounted to SEK -100 M (-95). Result from shares in associated companies increased with SEK 34 M attributable to an one-off item.

Tax for the year

Tax for the year amounted to SEK -380 M (-373), and the effective tax rate was 19 per cent (20).

Profit for the year

Profit for the year totalled SEK 1,622 M (1,457). This equates to earnings per share of SEK 17.34 (14.90) based on the average number of outstanding shares. The profit margin was 4.6 per cent (4.1).

Consolidated Statement of Financial Position

SEK M	Note	31/12/22	31/12/21
Assets	5, 25, 28		
Non-current assets			
Intangible assets	14		
Intellectual property		1,157	1,003
Goodwill		1,520	1,175
Total intangible assets		2,677	2,178
Property, plant and equipment	15		
Land and buildings		1,135	1,010
Construction in progress		53	26
Equipment, tools, fixtures and fittings		596	610
Leased vehicles		2,390	2,851
Right-of-use assets	16	3,855	3,686
Total property, plant and equipment		8,029	8,183
Interests in associated companies	17	590	524
Non-current interest-bearing assets	25	71	—
Other financial assets		39	9
Deferred tax assets	12	172	171
Total non-current assets		11,578	11,065
Current assets			
Current interest-bearing assets	25	28	—
Inventories	18	5,247	3,781
Current tax assets	12	104	53
Trade receivables	26	1,777	1,077
Prepaid expenses and accrued income	19	510	297
Other receivables	26	301	173
Cash and cash equivalents	26, 31	456	754
Total current assets		8,423	6,135
Total assets	4	20,001	17,200

Consolidated Statement of Financial Position

SEK M	Note	31/12/22	31/12/21
Equity and liabilities	5, 25, 28		
Equity			
Share capital		257	257
Other contributed capital		167	167
Reserves		147	8
Retained earnings including net profit for the year		4,316	3,985
Equity attributable to parent company share holders		4,887	4,417
Equity attributable to non-controlling interests		0	—
Total equity		4,887	4,417
Non-current liabilities			
Bond issue	20, 26	498	1,296
Non-current interest-bearing liabilities	20, 26	3,576	3,298
Other non-current liabilities	23	1,369	1,663
Other provisions	22	181	287
Deferred tax liabilities	12	722	606
Total non-current liabilities		6,346	7,150
Current liabilities			
Bond issue	20, 26	800	—
Current interest-bearing liabilities	20, 26	2,065	932
Trade payables	26	2,511	1,435
Current tax liabilities		218	275
Other liabilities	23, 26	1,337	1,635
Accrued expenses and deferred income	24	1,712	1,351
Other provisions	22	125	5
Total current liabilities		8,768	5,633
Total liabilities		15,114	12,783
Total equity and liabilities	4	20,001	17,200

Pledged assets and contingent liabilities for the Group, see Note 29.

Comments on the Consolidated Statement of Financial Position

Financial position

The consolidated balance sheet total increased by SEK 2,801 M and amounted to SEK 20,001 M (17,200). The increase was mainly attributable to inventories and trade receivables.

Financing

Net debt increased during the year by SEK 1,514 M and amounted to SEK 5,766 M (4,252). Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 1,786 M, an increase of SEK 1,204 M since December 2021. The ratio of net debt to EBITDA excluding IFRS 16 was 0.8 times compared with 0.2 times previous year.

At year-end 2022, Bilja utilised SEK 644 M (balance SEK 550 M) of the available credit of SEK 1,500 M with the banks (Nordea and DNB).

Equity

Equity increased by SEK 470 M during the year and amounted to SEK 4,887 M. Dividend in 2022 amounted to SEK 740 M, of which SEK 556 M was paid to the shareholders in 2022 and SEK 184 M at the beginning of January 2023. During the year, 3,792,419 shares were bought back for a total purchase price of SEK 525 M. During the year, 6,500,000 of the company's own shares were withdrawn. The total number of own shares on 31 December 2022 was 4,315,709.

Details of changes in equity are referred to the Consolidated Statement of Changes in Equity.

Performance measures

Return on capital employed amounted to 21.5 per cent (20.5). Return on equity amounted to 36.2 per cent (33.8). The equity/assets ratio amounted to 24.4 per cent (25.7). Equity per share before dilution amounted to SEK 53 (46) based on 91,981,243 outstanding shares (95,776,662).

Consolidated Statement of Changes in Equity

SEK M	Attributable to parent company shareholders						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings incl. net profit for the year	Total			
Opening equity 1 Jan. 2021	257	167	-69	3,613	3,968	—	3,968	
Comprehensive income for the year								
Net profit for the year	—	—	—	1,457	1,457	—	1,457	
Other comprehensive income/loss after tax	—	—	77	—	77	—	77	
Comprehensive income for the year	—	—	77	1,457	1,534	—	1,534	
Transactions with the Group's owners								
Incentive program	—	—	—	4	4	—	4	
Buy-back of own shares	—	—	—	-517	-517	—	-517	
Revaluation of put option	—	—	—	-30	-30	—	-30	
Use of shares in own custody as payment for acquisition of operations	—	—	—	45	45	—	45	
Dividend (SEK 6:00 per share)	—	—	—	-587	-587	—	-587	
Total transactions with the Group's owners	—	—	—	-1,085	-1,085	—	-1,085	
Closing equity 31 Dec. 2021	257	167	8	3,985	4,417	—	4,417	

Opening equity 1 Jan. 2022	257	167	8	3,985	4,417	—	4,417	
Comprehensive income/loss for the year								
Net profit for the year	—	—	—	1,622	1,622	0	1,622	
Other comprehensive income/loss after tax	—	—	139	—	139	0	139	
Comprehensive income/loss for the year	—	—	139	1,622	1,761	0	1,761	
Transactions with the Group's owners								
Incentive	—	—	—	6	6	—	6	
Buy-back of own shares	—	—	—	-525	-525	—	-525	
Revaluation of put option	—	—	—	-32	-32	—	-32	
Dividend (SEK 8:00 per share)	—	—	—	-740	-740	—	-740	
Total transactions with the Group's owners	—	—	—	-1,291	-1,291	—	-1,291	
Closing equity 31 Dec. 2022	257	167	147	4,316	4,887	0	4,887	

Comments on the Consolidated Statement of Changes in Equity

Share capital

The number of issued shares amounts to 96,299,952. During the year, 3,792,419 shares were bought back for a total purchase price of SEK 525 M. During the year, 6,500,000 of the company's own shares were withdrawn. The total holding of own shares as of 31 December 2022 was 4,315,709 shares.

Other contributed capital

When shares are issued at a premium, i.e. when the price paid for the shares is more than their quotient value, an amount corresponding to the amount obtained in excess of the shares' quotient value shall be posted to "Other contributed capital".

Reserves

Translation reserve includes all translation differences that arise when translating the financial statements of foreign entities that have prepared their financial statements in another currency than the currency in which the consolidated financial statements are presented. Hedging reserve refers to amounts relating to cash flow hedges.

Retained earnings including net profit for the year

Retained earnings including net profit for the year includes earnings in the Parent Company and its subsidiaries.

Buy-back of own shares

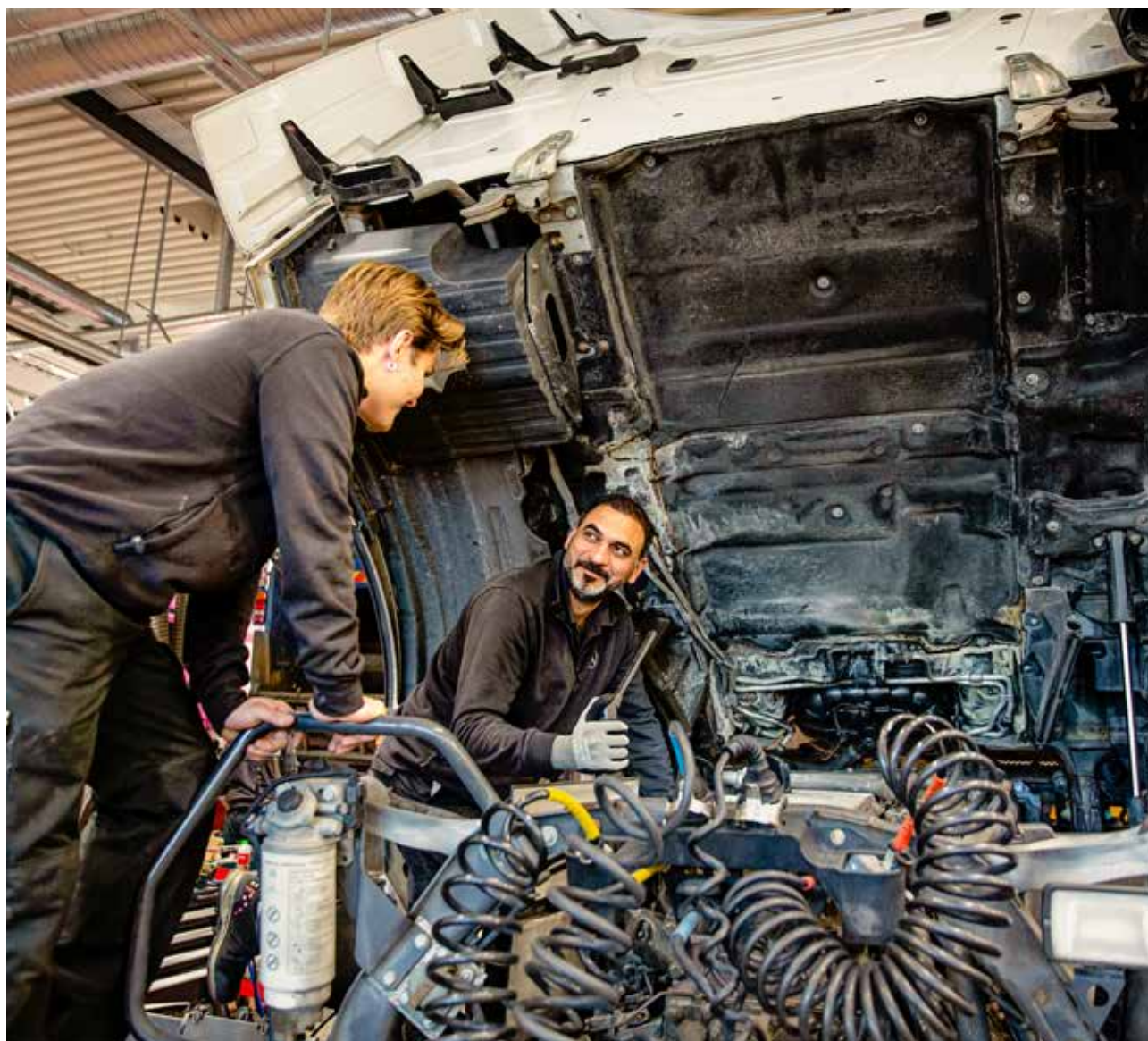
Acquisition of own shares is recognised as a deduction from equity. Any transaction costs are recognised directly in equity.

Revaluation of put option

Put options issued for shares held by parties without a controlling interest are recognised as a financial liability equivalent to the present value of the estimated exercise price. The exercise price is set at current exchange rate and earnings per share.

Dividends

Dividends are recognised as a liability after the AGM has approved the dividend.



Consolidated Statement of Cash Flows

SEK M	Note	2022	2021
Operating activities	31		
Profit before tax		2,002	1,830
Depreciation/amortisation and impairment losses		1,353	1,365
Other items not affecting cash		-492	-197
Tax paid		-491	-309
Cash flow from operating activities before change in working capital		2,372	2,689
Change in inventories		-1,350	378
Change in operating receivables		-658	443
Change in operating liabilities		312	-1,523
Cash flow from operating activities		676	1,987
Investing activities			
Acquisition of non-current assets (intangible and tangible)		-390	-285
Disposal of non-current assets (intangible and tangible)		19	75
Acquisition of leased vehicles		-1,148	-972
Disposal of leased vehicles		1,188	1,009
Operating cash flow		345	1,814
Investment in financial assets		-1	-2
Disposal of financial assets		3	2
Acquisition of operations		-811	-1,075
Disposal of operations		797	—
Cash flow from investing activities		-343	-1,248
Financing activities			
Borrowings		1,137	247
Repayment of loans		-91	-648
Repayment of lease liabilities		-618	-543
Buy-back of own shares		-525	-517
Dividend paid to Parent Company's shareholders		-556	-587
Cash flow from financing activities		-653	-2,048
Change in cash and cash equivalents, excluding translation differences		-320	-1,309
Exchange difference in cash and cash equivalents		22	0
Change in cash and cash equivalents		-298	-1,309
Cash and cash equivalents at start of the year		754	2,063
Cash and cash equivalents at year-end		456	754

Comments on the Consolidated Statement of Cash Flows

Operating activities

Cash flow from operating activities amounted to SEK 676 M (1,987). The change was mainly attributable to higher operating capital, mainly inventories and trade receivables, which contributed negatively to the cash flow with SEK –2,008 M. Profit before tax increased by SEK 172 M and depreciation/ amortisation decreased by SEK 12 M.

Investing activities

Acquisitions and disposals of non-current assets and lease vehicles increased by SEK 158 M to SEK –331 M (–173) net. Acquisition of operation amounted to SEK –811 M (–1,075) and disposal of operation to SEK 797 M (—).

Operating cash flow

Operating cash flow amounted to SEK 345 M (1,814).

Financing activities

Cash flow from financing activities amounted to SEK –653 M (–2,048). Net borrowing and repayment of loans totalled SEK 1,046 M (–401). Repayment of leasing liabilities totalled SEK –618 M (–543). Buy-back of own shares totalled SEK –525 M (–517). Dividend paid to shareholders amounted to SEK –556 M (587).

Net debt

Net debt increased by SEK 1,514 M, amounting to SEK 5,766 M (4,252). Net debt, excluding IFRS 16 increased by SEK 1,204 M and amounted to SEK 1,786 M (582).

At year-end, SEK 644 M of Bilja's credit with the banks (Nordea and DNB) was utilised (balance SEK 550 M). The credit limit with Nordea and DNB was at the end of 2022 SEK 1,500 M and has during February 2023 been extended by SEK 800 M to SEK 2,300 M. The extended credit of SEK 800 M is a back-up credit for SEK 800 M of bond loans that mature in October 2023. The original maturity date for the credit limit in March 2025 also applies to the additional credit of SEK 800 M.

Specification of interest-bearing net debt/receivable:

SEK M	2022	2021
Current interest-bearing liabilities	2,261	366
Non-current interest-bearing liabilities	700	1,494
Lease liabilities IFRS 16	3,980	3,670
Cash and cash equivalents	–456	–754
Interest-bearing assets	–129	—
Interests in associated companies	–590	–524
Net debt at end of year	5,766	4,252
Net debt at end of year, excluding IFRS 16	1,786	582

Ratio of net debt to EBITDA:

SEK M	2022	2021
Operating profit	2,102	1,925
Result from sale of operations, structural costs, acquisition costs and impairment losses	–353	87
Total depreciation and amortisation	1,311	1,270
– depreciation of leased vehicles with repurchase agreements	–301	–340
EBITDA	2,759	2,942
Net debt to EBITDA ratio, times	2.1	1.4
Operating profit excluding IFRS 16	2,031	1,864
Result from sale of operations, structural costs, acquisition costs and impairment losses	–353	87
Total depreciation and amortisation	1,311	1,270
– depreciation of leased vehicles with repurchase agreements	–301	–340
– depreciation of right-of-use assets	–531	–494
EBITDA excluding IFRS 16	2,157	2,387
Net debt to EBITDA ratio, excluding IFRS 16, times	0.8	0.2

Notes to the Consolidated Financial Statements

Amounts in SEK M unless otherwise stated.

Note 1 Key accounting principles

The consolidated accounts for the financial year 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Group accounting policies have been consistently applied to all periods presented in the consolidated financial statements, unless otherwise stated below.

The annual accounts and consolidated accounts were approved for publication by the Board of Directors and Managing Director on 4 April 2023. The Consolidated Statement of Income and Other Comprehensive Income and the Parent Company's Income Statement and Balance Sheet will be subject to adoption at the AGM on 26 April 2023.

Bilia describes the accounting policies in connection with each note for the purpose of providing a better understanding of the accounting area in question. Bilia focuses on describing the accounting choices that have been made within the framework of the applicable IFRS policy and avoids repeating the text of the standard unless it is considered particularly important for an understanding of the content of the note.

Valuation criteria applied in the preparation of Parent Company and consolidated financial statements

Assets and liabilities are recognised at cost, except for certain financial assets and liabilities, which are measured at fair value. Financial assets and liabilities that are measured at fair value consist of derivative instruments measured at fair value. Changes in fair value are accounted for in other comprehensive income when the derivatives fulfil the requirements for hedge accounting.

Functional currency and presentation currency

The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish kronor.

Revised accounting policies

There are no revised accounting policies from 1 January 2022. New or revised standards that has not yet come into effect are not expected to have any material effect on the Group's financial statements.

Alternative performance measures

Bilia applies the guidelines from the European Securities and Markets Authority (ESMA) concerning alternative performance measures (APMs). Even though these performance measures are not defined or specified by IFRS, Bilia believes that they provide valuable information to investors but also for Bilia's management as a complement to IFRS for better assessing Bilia's performance. Definitions and performance measures in this report are shown on page 134. Reconciliation of

performance measures can be found at bilia.com/investors/financial-information.

Classification

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

Consolidation principles

The consolidated accounts have been prepared according to the principles in IFRS 10 Consolidated Financial Statements. Intra-Group transactions and profits from transactions with associated companies are eliminated. The consolidated accounts include the Parent Company, subsidiaries and associated companies.

"Subsidiaries" refers to companies in which Bilia owns more than 50 per cent of the voting power or over which it otherwise exercises a controlling influence.

"Associated companies" refers to companies over which Bilia has a significant influence, usually when Bilia's holding corresponds to more than 20 per cent but less than 50 per cent of the voting power. Holdings in associated companies are reported according to the equity method.

In cases where the subsidiaries' and the associated companies' accounting policies do not agree with the Group's accounting policies, adjustments have been made to the Group's accounting policies.

Transactions eliminated on consolidation

Intra-Group receivables and liabilities, revenue or expenses and unrealised profits or losses arising from intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated accounts.

Financial statements of foreign operations

IAS 21 "The Effects of Changes in Foreign Exchange Rates" is applied when translating the financial statements of foreign operations.

Assets and liabilities in foreign operations, including goodwill and other fair value adjustments on consolidation, are translated to Swedish kronor at the rate in effect on the balance sheet date. Income and expenses in foreign operations are translated into Swedish kronor at an average rate which is an approximation of the rates in effect at the time of each transaction. Translation differences that arise when translating the accounts of foreign operations are recognised in other comprehensive income and accumulated in reserves within equity, called the translation reserve.

On disposal of a foreign operation, the accumulated translation differences attributable to the operation are realised, whereby they are reclassified from the translation reserve in equity to profit or loss for the year.

Transactions in foreign currencies

Monetary assets and liabilities in foreign currencies are translated to the functional currency at the rate in effect on the balance sheet date. Exchange rate differences arising from translations are recognised in profit or loss for the year. Non-monetary assets and liabilities recognised at cost are translated at the exchange rate in effect at the time of the transaction.

Assessments and estimates in the financial statements

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates as well as assumptions that influence the application of the accounting policies and the carrying amounts of assets, liabilities,

income and expenses. Actual outcomes may differ from these estimates and assessments.

The estimates and assumptions are regularly reviewed. Changes in estimates are recognised in the period in which the change is made if the change affects only that period, or in the period in which the change is made and in future periods if the change affects both the current and future periods.

Assessments made by management in the application of IFRS that have a significant impact on the financial statements and estimates made, may also entail significant adjustments in subsequent years' financial statements. The table below shows in which notes management's assessments and estimates are presented.

Source of uncertainty	Note	
Revenue from cars sold with repurchase agreements	2, 15, 23	Revenue, Property, plant and equipment, Other liabilities
Customer relations	14	Intangible assets
Goodwill	14	Intangible assets
Leases	15, 16, 23, 24, 27	Property, plant and equipment, Right-of-use-assets, Other liabilities, Accrued expenses and deferred income, Leases
Valuation of used cars	18	Inventories
Pensions	21	Pensions
Changed conditions	22	Provisions
Service subscriptions	23	Other liabilities



Note 2 Revenue

► Accounting principle

Bilia applies IFRS 15 Revenue from Contracts with Customers

Revenues in the normal course of the business consists of sale of goods or services. Service revenues are defined as business activities that do not include physical products or where the content of physical products is minor compared to the total business activity. Products that are not included in a service agreement are reported as separate performance obligations and classified as revenues from products. Revenue from the sale of goods is recognised at a point in time when the control has been transferred to the purchaser.

Sale of goods

Revenue from the sale of goods is recognised at a point in time when the control over goods or a service has been transferred to the customer. The revenue is recognised at the fair value of what has been received or is expected to be received. Revenue is not recognised if it is probable that the economic benefits will not flow to the Group.

In cases where the sale of a product involves that the control of goods remains with Bilia and is combined with a future repurchase commitment at a beforehand guaranteed residual value (repurchase agreement), the transaction is reported as an operating lease. The revenue from the transaction is not recognised at the time of sale, but is allocated on a straight-line basis from the time of sale to the time of repurchase. Up until the time of repurchase, this sale is recognised as other liabilities, "liability pertaining to cars sold with repurchase agreements", and the gross profit is recognised as deferred income.

In some cases, Bilia acts as an agent when selling new cars, which means that invoicing to the end customer is done directly by the importer and that Bilia receives a commission for the brokered transaction.

Sale of services

Revenue from services is recognised as a service revenue either at a point in time or over time. In those agreements where the service is delivered to the customer over time, the revenue is accounted for over the duration of the contract. Revenue is not recognised if it is probable that the economic benefits will not flow to the Group. Revenue from the rendering of services is recognised in profit or loss for the year based on the stage of completion on the balance sheet date. The stage of completion is determined by an assessment of services rendered and material employed at the balance sheet date. Rendering of services mainly include service subscriptions and tyre hotels.

Revenue from finance brokering

Revenue from finance brokering is recognised on a straight-line basis during the lease period, since the service is received over the lease period.

Leasing of cars

Revenue from leased vehicles is recognised on a straight-line basis during the lease period.

Contract liabilities

Revenue pertaining to cars sold with repurchase agreements, service subscriptions and tyre hotels are recognised as contract liabilities until the control of the service has been transferred to the customer. See Note 24 "Accrued expenses and deferred income". Based on active service subscriptions, future estimated turnover during the contract period of 36 months is around SEK 400 M.

Customer loyalty programme

Bilia's customers can participate in a customer loyalty programme. The customer receives vouchers for future purchases based on purchases made during previous periods. Not all issued vouchers are redeemed, however.

Important accounting estimates and judgements

Revenue from cars sold with repurchase agreements

When a car is sold with a repurchase agreement, Bilia undertakes to take back the car at a pre-guaranteed residual value. These agreements are recognised as operating leases. The agreements entail that Bilia has a residual value risk and that Bilia may in the future be forced to dispose of used cars at a loss if the net realisable value of these cars is lower than had been foreseen when the agreement was entered into. Estimates are made regularly of a future net realisable value for these vehicles. If the residual value is higher than the net realisable value, this is adjusted by impairment of the value of the assets to the extent the shortfall cannot be offset by future unrealised revenue. These vehicles are recognised as leased vehicles, see Note 15 "Property, plant and equipment," and as liability, see Note 23 "Other liabilities". Future unrealised gross profit pertaining to cars sold with repurchasing agreements amounted at year-end to SEK 75 M (70), see Note 24 "Accrued expenses and deferred income".

Net turnover ¹⁾	2022	2021
Workshop	3,360	3,287
Spare parts	4,174	4,115
Car dismantling and other	559	410
Total Service Business	8,093	7,812
Sale of goods	26,964	27,399
Revenue from cars sold with repurchase agreements and rental cars	557	596
Revenue as agent in car business	131	48
Revenue from finance brokering	261	292
Total Car Business	27,913	28,335
Fuel	1,305	1,252
Total Fuel Business	1,305	1,252
Rental income	458	422
IT and training services	225	205
Eliminations	-2,649	-2,517
Total	35,345	35,509

¹⁾ Net turnover for Workshop, Revenue from cars sold with repurchase agreements, Revenue from finance brokering and Rental income include revenue that is recognised over time.

Note 3 Income from supplementary services in the Car Business

Income from supplementary services in the Car Business consists of finance brokering and cars sold with repurchase agreements.

Finance brokering consists of long-term leases, hire-purchase contracts, current net return on financial contracts and revenue from finance brokering that have been transferred to finance companies. This financing is aimed at Bilja's customers.

	2022	2021
Revenue for cars sold with repurchase agreements	353	395
Revenue from finance brokering	261	292
Amortisation on cars sold with repurchase agreements	-300	-340
Impairment on cars sold with repurchase agreements	0	0
Other	-13	-15
Total	301	332
Of which:		
Income from finance brokering and other	248	277
Income from cars sold with repurchase agreements	53	55
Total	301	332

Note 4 Operating segments

► Accounting principle

Bilja applies IFRS 8 Operating Segments in accounting for operating segments.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. An operating segment's operating results are regularly reviewed by the company's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

The Group's operations are organised in such a manner that the Group Management can review the operational earnings generated by the Group's different products and services. Each operating segment has a manager who is responsible for its day-to-day operations and who regularly reports the outcome of the segment's performance and its need of resources to the country manager, who is in turn a member of the Group Management. Since the Group Management reviews the operating results and makes decisions about resource allocation based on the products and services provided by the Group, these products and services constitute the Group's operating segments.

The Group's internal reporting is structured so that the Group Management can review the performance and earnings of all products and services. It is on the basis of this internal reporting that the Group's segments have been identified. The identified operating segments coincide with the reportable segments.

The following seven operating segments have been identified:

Service

- Sweden
- Norway
- Western Europe

Service includes products and services within workshop and spare parts as well as store sales.

Car

- Sweden
- Norway
- Western Europe

Car includes sales of new and used cars, transport vehicles and trucks as well as supplementary services such as financing and insurance.

Fuel

Fuel includes sales of petrol, diesel, ethanol, compressed gas and car washes. The Fuel Business is monitored for the Group as a whole.

The Parent Company Bilja AB is responsible for the Group's management, strategic planning, legal, purchasing, public relations, business development, marketing, HR, real estate activities, accounting and financing, mainly for companies in the Group. The Parent Company is accounted for under "Segment reconciliation".

Intra-Group transactions consist primarily of lending, interest, property and IT activities. Other transactions between Group companies are of a marginal scope. Internal prices between the different segments of the Group are set based on the assumption of arm's length transactions between parties that are independent of each other, knowledgeable and willing to execute transactions. Interest rates are based on Bilja AB's borrowing rate at any given time plus a small margin.

The segment's operational earnings include directly attributable items and items that can be allocated among the segments in a reasonable and reliable manner. Segment reconciliation consists of general administrative expenses where all items are attributable to the Parent Company.

The segments' investments in property, plant and equipment and intangible assets include all investments except investments in expendable equipment and equipment of minor value.

Note 4 cont'd.

Group's operating segments

	Service		Car		Fuel		Segment reconciliation		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net turnover										
External sales	6,098	5,894	27,913	28,335	1,305	1,252	29	28	35,345	35,509
Internal sales	1,995	1,918	—	—	—	—	-1,995	-1,918	—	—
Total net turnover	8,093	7,812	27,913	28,335	1,305	1,252	-1,966	-1,890	35,345	35,509
Depreciation/amortisation	-502	-457	-738	-740	-5	-5	-66	-68	-1,311	-1,270
Operational earnings/Operating profit	1,161	1,279	823	938	21	37	97	-329	2,102	1,925
Interest income									4	5
Interest expenses									-193	-155
Profit from shares in associated companies	—	—	89	55	—	—	—	—	89	55
Profit before tax									2,002	1,830
Tax expense for the year									-380	-373
Net profit for the year									1,622	1,457
Revenue and cost items that affect the comparability of the Group's operating profit:										
- Result from sale of operations	103	—	215	—	50	—	—	—	368	—
- Structural costs etc.	-8	-26	1	-10	—	-2	-2	-1	-9	-39
- Acquisition-related costs and value adjustments	-4	-8	-1	-4	—	—	—	—	-5	-12
- Amortisation/impairment losses of surplus values	-78	-83	-80	-83	—	—	—	—	-158	-166
Total	13	-117	135	-97	50	-2	-2	-1	196	-217
Assets										
Interests in associated companies	—	—	590	524	—	—	—	—	590	524
Deferred tax assets									172	171
Other assets									19,239	16,505
Total assets	—	—	590	524	—	—	—	—	20,001	17,200
Investments in non-current assets	240	124	1,209	1,042	3	5	86	86	1,538	1,257
Liabilities										
Equity									4,887	4,417
Liabilities									15,114	12,783
Total liabilities and equity									20,001	17,200

	Revenue from external customers		Non-current assets	
	2022	2021	2022	2021
Geographical segments				
Sweden	20,931	20,570	8,352	8,053
Norway	11,368	11,250	2,131	2,307
Germany	61	761	8	62
Luxembourg	1,272	1,385	654	196
Belgium	1,713	1,543	261	276
Total	35,345	35,509	11,406	10,894

	Service							
	Sweden		Norway		Western Europe		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Net turnover								
External sales	4,155	3,871	1,553	1,559	390	464	6,098	5,894
Internal sales	1,208	1,216	701	609	86	93	1,995	1,918
Total net turnover	5,363	5,087	2,254	2,168	476	557	8,093	7,812
Depreciation/amortisation	-306	-272	-146	-132	-50	-53	-502	-457
Operational earnings	879	915	227	310	55	54	1,161	1,279
Revenue and cost items that affect the comparability of the Group's operating profit:								
– Result from sale of operations	55	—	48	—	—	—	103	—
– Structural costs etc.	-12	-7	5	-19	-1	—	-8	-26
– Acquisition-related costs and value adjustments	-2	-5	-2	-4	—	1	-4	-8
– Amortisation/impairment losses of surplus values	-36	-26	-19	-35	-23	-22	-78	-83
Total	5	-38	32	-58	-24	-21	13	-117
Investments in non-current assets	61	97	147	18	32	9	240	124

	Car							
	Sweden		Norway		Western Europe		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Net turnover								
External sales	15,442	15,419	9,815	9,691	2,656	3,225	27,913	28,335
Internal sales	—	—	—	—	—	—	—	—
Total net turnover	15,442	15,419	9,815	9,691	2,656	3,225	27,913	28,335
Depreciation/amortisation	-502	-535	-187	-149	-49	-56	-738	-740
Operational earnings	404	466	320	447	99	25	823	938
Profit from shares in associated companies	89	55	—	—	—	—	89	55
Revenue and cost items that affect the comparability of the Group's operating profit:								
– Result from sale of operations	167	—	48	—	—	—	215	—
– Structural costs etc.	-3	61	4	-37	—	-34	1	-10
– Acquisition-related costs and value adjustments	-1	-3	-1	-2	1	1	-1	-4
– Amortisation/impairment losses of surplus values	-37	-25	-20	-35	-23	-23	-80	-83
Total	126	33	31	-74	-22	-56	135	-97
Assets								
Interests in associated companies	590	524	—	—	—	—	590	524
Investments in non-current assets	977	893	170	108	61	41	1,209	1,042

Note 5 Business combinations and divestments

► Accounting principle

Bilia applies IFRS 3 Business Combinations in accounting for acquisitions.

All acquisitions are accounted for by the acquisition method. The acquisition method entails that acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis establishes the acquisition-date fair value of acquired identifiable assets and assumed liabilities as well as any non-controlling interests. Transaction costs that arise are recognised directly in profit or loss for the year.

In business combinations where the purchase consideration exceeds the fair value of net identifiable assets acquired and liabilities assumed that are accounted for separately, any surplus values are allocated to acquired assets and liabilities based on fair value. If there is a remaining value it is called goodwill. When the value is negative, the resulting gain is recognised as a bargain purchase directly in profit or loss for the year.

The consideration transferred for the acquisition of a subsidiary does not include amounts related to the settlement of pre-existing business relationships. Such amounts are recognised in profit or loss.

Contingent considerations are recognised at acquisition-date fair value and are re-measured at each report date and the change is recognised in profit or loss for the year.

Non-controlling interests in the Group's total equity are recognised in an amount equivalent to the minority shareholders' share of the identifiable net assets in concerned subsidiaries, i.e. excluding goodwill. In certain acquisitions, non-controlling interests are instead recognised initially at fair value, i.e. including goodwill, according to the Full Goodwill Method. Put options issued for shares held by parties without a controlling interest are recognised as a financial liability equivalent to the present value of the estimated exercise price. Bilia has opted to apply the principles of the Anticipated Acquisition Method when recognising the liability. Under this method, a non-controlling interest is not recognised in the Group's total equity, but is instead replaced by a liability to the holder of the non-controlling interest equivalent to the present value of the estimated exercise price for the shares according to the put option.

The financial statements of subsidiaries are included in the consolidated accounts as from the acquisition date until the date when control no longer exists.

Effects of acquisitions in 2022

AS Insignia

On 1 June Bilia acquired AS Insignia in Norway, which conducts sales and service operations for the car brands Jaguar, Land Rover and Morgan.

The acquired operation had a turnover of approximately NOK 450 M for 2021 and reported an operating loss of NOK 5 M. During 2022 the operation contributed with around NOK 170 M in turnover and with around NOK 5 M in operating loss. The number of employees is 43 people.

Acquisition-related expenses attributable to the acquisition amounted to NOK 1 M and relate to fees to consultants in connection with due diligence and have been reported as other operating expenses. Acquired customer relations and distribution rights of NOK 13 M respectively NOK 22 M are reported as intangible assets and are amortised over 10 respectively 5 years.

Bil1Din Holding AS

On 1 July Bilia acquired 50.1 per cent of Bil1Din Holding AS in Norway which conducts car dismantling operations. Bilia has committed to buy another 49.9 per cent of the shares. The obligation is recognised as a financial liability, which replaces the item Non-controlling interests within equity.

The business acquired reported a turnover of about NOK 55 M for 2021, with an operating margin of 1.7 per cent. During 2022 the operation contributed with around NOK 32 M in turnover and with around NOK 1 M in operating loss. The number of employees is about 30 people.

Acquisition-related expenses attributable to the acquisition amounted to NOK 1 M and relate to fees to consultants in connection with due diligence and have been reported as other operating expenses. Reported goodwill amounts to NOK 49 M.

M Bilar Group AB

On 1 November Bilia acquired M Bilar Group AB, which conducts sales and service operations for the car brands BMW and MINI.

The acquired operation had a turnover of approximately SEK 1,3 Bn for 2021 with an average operating margin for the past three years of 4.5 per cent. During 2022 the operation contributed with around SEK 250 M in turnover and with around SEK 10 M in operating profit. The number of employees was 101 people by the end of 2021.

Acquisition-related expenses attributable to the acquisition amounted to SEK 1 M and relate to fees to consultants in connection with due diligence and have been reported as other operating expenses. Acquired customer relations of SEK 141 M are reported as intangible assets and are amortised over 10 years. Acquired goodwill amounts to SEK 147 M.

Söderbergs Personbilar i Norrköping AB

On 15 December Bilia acquired Söderbergs Personbilar i Norrköping AB, which conducts sales and service operations for the car brands Volkswagen, Audi, Skoda, Seat and Cupra cars as well as Volkswagen transport vehicles.

The acquired operation had a turnover of approximately SEK 1 Bn for 2021 and reported an operating margin of 3.3 per cent. The operation did not contribute with any turnover or operating result in 2022. The number of employees was 210 people by the end of 2021.

Acquisition-related expenses attributable to the acquisition amounted to SEK 1 M and relate to fees to consultants in connection with due diligence and have been reported as other operating expenses. Acquired customer relations and distribution rights of SEK 52 M respectively SEK 37 M are reported as intangible assets and are amortised over 10 respectively 5 years. Acquired goodwill amounts to SEK 86 M.

Other acquisitions during the year

The acquisitions of LB's Lastbilar AB and Kokstad Autosenter AS, DäckAtt AB, Hellgrens Lastvagnsservice AB, Skellefteå Billackering AB and Holmgrens Truck-Motor AB have not had any significant impact on the Group's financial position.

All acquisition analyses are preliminary pending final completion of the financial statements for the day of taking possession.

The combined net assets of the acquired operations at the time of acquisition:

Intangible assets including customer relations and distribution rights	290
Property, plant and equipment	570
Financial assets	91
Deferred tax asset	3
Inventories	450
Trade receivables and other receivables	324
Cash and cash equivalents	33
Interest-bearing liabilities	-448
Trade payables and other liabilities	-685
Deferred tax liability	-100
Net identifiable assets and liabilities	528
Consolidated goodwill	315
Net identifiable assets and liabilities, including goodwill	843
Purchase consideration paid	-843
Less: Cash and cash equivalents in acquired operation	32
Net effect on cash and cash equivalents	-811

Effects of divestments 2022

During the year, eleven facilities in Sweden that conduct sales of new cars, used cars and service operations for Volvo and Renault, as well as three facilities in Norway that conduct sales of new cars, used cars and service operations for Volvo, were divested. On 1 February, four facilities in Skaraborg were sold to Bröderna Brandt Personbilar AB. On 1 May, five facilities in Bergslagen were sold to Bilkompagniet i Dalarna AB. On 1 June, a facility in Stenungsund was sold to Stendahls Bil AB. On 30 September, a facility in Uppsala was sold to Bilbolaget Invest Sundsvall AB. On 1 July, three facilities in Oslo were sold to Volvo Car Stor-Oslo AS. The divested operations have reported a turnover in the region of SEK 4 Bn and an operating profit of approximately SEK 325 M yearly for the past two years. The divestments resulted in a profit of SEK 368 M, which is reported as "Other operating income".

On 1 February, Bilja sold the remaining four BMW and MINI facilities in Germany to Autohaus Krah + Enders GmbH & Co. KG. The operation that was divested in Germany has reported a turnover of approximately SEK 800 M and an operational loss of approximately SEK 30 M yearly for the past two years. The sale resulted in a loss of approximately SEK 30 M, which was reported in 2021 as an impairment of net assets when the transfer agreement was entered into.

The combined net assets in the divested operations at the time of the divestment

Intangible assets	9
Property, plant and equipment	472
Inventories	393
Trade receivables and other receivables	23
Interest-bearing liabilities	-196
Trade payables and other liabilities	-277
Net identifiable assets and liabilities	424
Purchase consideration	804
Less: Purchase consideration not yet received	-7
Net effect on cash and cash equivalents	797

Effects of acquisitions in 2021

Funnemark AS and Funnemark Sandefjord AS

On 30 April Bilja acquired Funnemark AS and Funnemark Sandefjord AS in Norway. The companies are authorised Toyota dealers who have conducted sales and service operations for Toyota cars in Norway.

The operations taken over by Bilja had a turnover of approximately SEK 1,2 Bn per year and reported for 2020 an operating margin of approximately 5 per cent. During 2021 the operation contributed with around SEK 750 M in turnover and with around SEK 30 M in operating profit. The purchase consideration amounted to SEK 351 M and was paid in cash. There is no contingent purchase consideration. The number of employees amounted to approximately 150 people and the business will continue to be conducted from current facilities. Acquisition-related expenses attributable to the acquisition amounted to SEK 5 M and relates to fees to consultants for due diligence and have been recognised as "Other operating expenses".

Acquired customer relations totalling SEK 182 M are recognised as intangible assets and amortised over 10 years. Reported goodwill amounts to SEK 108 M.

Ferdinand Holding AB

On 3 May Bilja acquired Ferdinand Holding AB along with associated operations and two real estate companies. Ferdinand Holding AB is an authorised Porsche dealer that conducts sales and service operations for Porsche cars at two facilities in southern Sweden.

The operations had a turnover of approximately SEK 1 Bn per year and reported an operating margin of approximately 6 per cent for 2020. During 2021 the operation contributed with around SEK 650 M in turnover and with around SEK 25 M in operating profit. The purchase consideration amounted to SEK 466 M, of which SEK 421 M was paid in cash and SEK 45 M was paid in the form of Bilja shares in own custody. There is no contingent purchase consideration. The number of employees amounted to approximately 40 people and the business will continue to be conducted from current facilities. Acquisition-related expenses attributable to the acquisition was a small amount related to fees to consultants for due diligence and have been recognised as "Other operating expenses".

Acquired customer relations and distribution rights totalling SEK 131 M and SEK 39 M, respectively, are recognised as intangible assets and amortised over 10 and 5 years, respectively. Reported goodwill amounts to SEK 150 M.

Upplands Motor Stockholm AB

On 1 July Bilja acquired Upplands Motor Stockholm AB in Sweden. The company is an authorised Mercedes-Benz dealer, and offers sales and servicing of cars, transport vehicles and trucks in Stockholm, Sweden.

The operation acquired by Bilja has a turnover of approximately SEK 1,2 Bn per year, and had an operating profit of SEK 48 M in 2020. During 2021 the operation contributed with around SEK 600 M in turnover and with around SEK 30 M in operating profit. The purchase price amounted to SEK 259 M and was paid in cash. In connection with the acquisition a loan amounting to SEK 105 M was repaid. There was no contingent consideration. The number of employees totalled approximately 250 people, and operations will be conducted from the current facilities also moving forward. Acquisition-related expenses linked to the acquisition amounted to SEK 4 M and relates to fees to consultants for due diligence and have been recognised as "Other operating expenses".

Acquired customer relations of SEK 112 M and distribution rights of SEK 33 M are recognised as intangible assets and are amortised over 10 and 5 years, respectively. Reported goodwill amounts to SEK 85 M.

Bil Dahl AB

On 1 July Bilja acquired Bil Dahl AB. The company is an authorised dealer mainly of Mercedes-Benz, but also Nissan and Citroën. The company offers sales and servicing of cars, transport vehicles and trucks in Sweden.

The operation acquired by Bilja had a turnover of approximately SEK 570 M in 2020, and reported an operating profit of SEK 18 M. During 2021 the operation contributed with around SEK 315 M in turnover and with around SEK 7 M in operating profit. The purchase price amounted to SEK 117 M and was paid in cash. There was no contingent consideration. The number of employees totalled approximately 150 people, and operations will be conducted from the current facilities also moving forward.

Acquired customer relations of SEK 45 M is recognised as intangible assets and is amortised over 10 years. Reported goodwill amounts to SEK 5 M.

Other acquisitions and divestments during the year

The acquisitions of Felgteknikk Norge AS and City Däck Öresund AB have not had a significant impact on the Group's financial position. No divestment took place during 2021.

The combined net assets of the acquired operations at the time of acquisition:

Intangible assets including customer relations and distribution rights	573
Property, plant and equipment	1,308
Deferred tax asset	10
Inventories	354
Trade receivables and other receivables	283
Cash and cash equivalents	251
Interest-bearing liabilities	-698
Trade payables and other liabilities	-930
Deferred tax liability	-143
Net identifiable assets and liabilities	1,008
Consolidated goodwill	363
Net identifiable assets and liabilities, including goodwill	1,371
Purchase consideration paid, own shares	-45
Purchase consideration paid and repaid loan, cash	-1,326
Less: Cash and cash equivalents in acquired operation	251
Net effect on cash and cash equivalents	-1,075

All acquisition analyses regarding the acquisitions made in 2021 are now definitive.

Note 6 Other operating income

	2022	2021
Gain on disposal of non-current assets	13	—
Gain from sale of operation, other	368	—
Reimbursement of previously paid health insurance	10	35
Other	24	4
Total	415	39

Profit from the sale of operations refers to the disposal of Volvo and Renault facilities in Sweden and Norway.

Note 7 Other operating expenses

	2022	2021
Structural costs	-9	-39
Acquisition-related costs and value adjustments	-5	-9
Other	-29	-16
Total	-43	-64

Structural costs 2021 refers to costs for the sale of the remaining four facilities in Germany and costs for staff reductions.

Note 8 Employees, personnel costs and remunerations for senior officers

Accounting principle

Bilia applies IAS 19 Employee Benefits in accounting for benefits to employees and IFRS 2 Share-based payment.

Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognised as a cost when the related services have been rendered.

A provision is recognised for the expected cost of profit-sharing and bonus payments when the Group has a present legal or constructive obligation to make such payments as a result of the fact that services have been rendered by employees and a reliable estimate of the obligation can be made.

Termination benefits

A cost for benefits in conjunction with termination of personnel is only recognised if the company is demonstrably committed by a formal detailed plan to terminate an employment before the normal retirement date, without a realistic possibility of withdrawal. When benefits are paid as an offer to encourage voluntary retirement, a cost is recognised if it is probable that the offer will be accepted and the number of employees that will accept the offer can be reliably estimated.

Share-based payment

Recognition of share-based payment programmes paid through equity instruments entails the fair value of the instrument at the dividend date being recognised in the income statement as a cost over the vesting period, with a corresponding adjustment of equity. At the end of each vesting period, an estimate is made of the expected number of allocated shares and the effect of any change in previous estimates are recognised in the income statement with a corresponding adjustment of equity. In addition, during the term of the programme, a provision is made for estimated social security costs relating to the share programme. Estimates of social security costs are based on the value of the shares at the estimation date. Final social security costs are calculated at the allocation date. The share price at the allocation date is used as the basis for the valuation of the shares allotted the participants in the programme.

Note 8 cont'd.

Costs for remunerations to employees	2022	2021
Wages, salaries and other remunerations	2,674	2,608
Pension costs ¹⁾	230	294
Social security contributions	709	666
Total	3,613	3,568

¹⁾ For further information see Note 21 Pensions.

	2022			2021		
Average number of employees	Women	Men	Total	Women	Men	Total
Parent Company						
Sweden	163	90	253	150	87	237
Total in Parent Company	163	90	253	150	87	237
Subsidiaries						
Sweden	245	2,227	2,472	227	2,220	2,447
Norway	148	1,023	1,171	129	1,112	1,241
Germany	1	0	1	33	117	150
Luxembourg	21	130	151	21	131	152
Belgium	27	120	147	31	127	158
Total in subsidiaries	442	3,500	3,942	441	3,707	4,148
Group total	605	3,590	4,195	591	3,794	4,385

The Group Management consists of two women (two) and six men (six), 25 per cent women.

The Board of Directors consists of three women (three) and five men (six), 38 per cent women, who are elected by the AGM. In addition there are 4 employee representatives, all men, two of whom are deputies.

Wages, salaries and other remunerations broken down between senior officers and other employees, plus social security contributions in the Parent Company

	2022			2021		
Parent Company	Senior officers (17 persons)	Other employees	Total	Senior officers (18 persons)	Other employees	Total
Wages, salaries and other remunerations	33	145	178	33	133	166
(of which bonus etc.)	(8)	(5)	(13)	(6)	(6)	(12)
(of which incentive program)	(4)	(0)	(4)	(4)	(0)	(4)
Social security contributions	15	62	77	35	63	98
(of which pension costs)	(-3)	(24)	(21)	(27)	(24)	(51)

Senior officers includes Bilia AB's Board of Directors, 12 persons, including two deputies, MD, Deputy MD, CFO, Investor Relations and M&A, HR and Sustainability and Business Development and Communication. Pension costs include the effect of revaluations of endowment insurance.

Wages, salaries and other remunerations, pension costs and pension obligations for senior officers in the Group

	2022	2021
	Senior officers (20 persons)	Senior officers (21 persons)
Wages, salaries and other remunerations	40	40
(of which bonus etc.)	(9)	(9)
(of which share related remunerations from incentive programme)	(6)	(6)
Pension costs	-1	29
Pension obligations	262	303

Senior officers includes Bilia AB's Board of Directors, 12 persons, including two deputies, together with Group Management consisting of eight persons. Pension costs include the effect of revaluations of endowment insurance. Pension obligations also includes former senior officers.

Remuneration to senior officers

The Annual General Meeting approved the payment of fees to the Board of Directors and subcommittee members. Fees are payable to the chairman and members of the Audit Committee and Compensation Committee for 2022. The AGM further decides on guidelines for remuneration to senior officers.

The Board of Directors has appointed the Compensation Committee to propose compensation terms for the MD and

other senior officers in the Group Management. By "other members of the Group Management" is meant the Deputy MD, CFO, CIO, Investor Relations and M&A (from 1 December 2022), HR and Sustainability and Business Development and Communication of Bilia AB, MD of Bilia Personbilar AB, and MD of Bilia Norge AS.

Wages, salaries and other remunerations to senior officers, SEK '000

Parent Company 2022	Director's fee/ Basic salary (excl. social sec. contr.)	Bonus	Pension costs	Share related remunera- tions	Other benefits	Total	Pension obligations
Chairman (Mats Qviberg)	440	—	—	—	—	440	—
Board members (7) ¹⁾	2,060	—	—	—	—	2,060	—
Audit and Compensation Committee (5)	400	—	—	—	—	400	—
<i>Employee representatives:</i>							
Appointed (2)	76	—	—	—	—	76	—
Deputies (2)	46	—	—	—	—	46	—
MD, Per Avander	5,975	3,135	3,056	—	197	12,363	22,788
Other senior officers (4)	8,993	3,672	3,757	—	475	16,897	7,257
Former senior officers	—	—	—	—	—	—	224,169
Total	17,990	6,807	6,813	—	672	32,282	254,214

¹⁾ Anna Engebretsen, Caroline af Ugglas, Eva Eriksson, Gunnar Blomkvist, Jon Risfelt, Jan Pettersson and Nicklas Paulson. Five of the members are also members of the Audit and Compensation Committees.

Pension costs include the effect of revaluations of endowment insurance.

Wages, salaries and other remunerations to senior officers, SEK '000

Parent Company 2021	Director's fee/ Basic salary (excl. social sec. contr.)	Bonus	Pension costs	Share related remunera- tions	Other benefits	Total	Pension obligations
Chairman (Mats Qviberg)	400	—	—	—	—	400	—
Board members (8) ¹⁾	2,150	—	—	—	—	2,150	—
Audit, Compensation and Property Committee (5)	360	—	—	—	—	360	—
<i>Employee representatives:</i>							
Appointed (2)	76	—	—	—	—	76	—
Deputies (2)	46	—	—	—	—	46	—
MD, Per Avander	5,548	2,926	3,956	1,413	132	13,975	22,920
Other senior officers (4)	8,735	3,570	4,566	2,933	447	20,251	6,234
Former senior officers	—	—	—	—	—	—	269,254
Total	17,315	6,496	8,522	4,346	579	37,258	298,408

¹⁾ Anna Engebretsen, Ingrid Jonasson Blank, Eva Eriksson, Gunnar Blomkvist, Jon Risfelt, Mats Holgersson, Jan Pettersson and Nicklas Paulson. Five of the members are also members of the Audit, Compensation and Property Committees.

Pension costs include the effect of revaluations of endowment insurance. Share related remunerations refers to allocated shares from the share savings plan from 2018 due in 2021.

The Chairman of the Board has not received any other remuneration aside from his director's fee. A fee of SEK 270,000 (250,000) was paid to each of the other Board members, except for the Deputy Chairman, who received SEK 440,000 (400,000). Altogether, fees totalling SEK 2,500,000 (2,150,000) were paid to the Board members elected by the AGM, in accordance with the decision of the 2022 AGM. The AGM further decided that Audit Committee Chairman Jon Risfelt should receive a fee of SEK 150,000 (120,000) and that other members of the Audit Committee (Caroline af Ugglas and Gunnar Blomkvist) should receive SEK 75,000 each, for a total of SEK 150,000 (120,000). It was decided that the chairman of the Compensation Committee (Nicklas Paulson) should receive SEK 50,000 (25,000), while the other members of the Compensation Committee (Anna Engebretsen and Gunnar Blomkvist) should receive SEK 25,000 each, for a total of SEK 50,000 (20,000). Fees totalling SEK 122,000 (122,000) were paid to the employee representatives on the Board. Altogether, the total fees paid to the Board members amounted to SEK 3,022,000 (3,032,000).

Bonus for the MD, CFO and CIO was based on the Group's profit and customer satisfaction and for CFO also on turnover on equity employed. Bonus for the Deputy MD was based on the Group's profit, customer satisfaction and turnover of operating capital. Bonus for the HR Director and Director of Business Development and Communication was based on the Group's profit, the profit of the Swedish operation and customer satisfaction. Bonus for the MD of Bilja Norge AS was based on Group's profit, profit of the Norwegian operation, customer satisfaction and turnover of operating capital. Bonus for the MD of Bilja Personbilar AB was based on Group's profit, profit of the Swedish operation, customer satisfaction, turnover of operating capital and used cars. The bonus for 2022 for the MD and other senior officers was maximised at 60 and 50 per cent respectively of the individual's basic salary.

Other benefits pertained mainly to share-related payments from long-term incentive programmes and company cars.

Incentive programme

The AGM 2021 resolved to establish a long-term incentive programme in the form of a share savings plan. The programme was aimed at some 60 officers and other key persons in the Bilja Group. In order to participate in the programme, the participant must have made a private investment by acquiring shares in Bilja AB (publ), savings shares equivalent to 7–14 per cent of the participant's gross basic salary and at least SEK 25,000. For each savings share held within the framework of the programme, the participant can receive at most three performance shares gratuitously from Bilja if the goal established by the Board of Directors regarding total yield on Bilja's shares and increased earnings per share is met. In order to be allotted performance shares, the participant must retain his/her original savings shares from the start of the programme up until 31 March 2024 and must still be employed by the Bilja Group at this point in time. The maximum number of performance shares as in the programme start can be allotted to the participants in the programme amounts to 150,000.

The share savings plan from 2018 expired during 2021 and resulted in a full allotment, meaning that 106,557 shares were transferred to the participants in the programme.

Pensions

The MD's occupational pension consists of a defined-premium pension, which means that Bilja undertakes to pay premiums to an insurance company and that the employee can determine how the insurance is designed and managed. Pension becomes payable at the age of 65 years. The pension agreement states that the employee's pension premium shall amount to 35 per cent of his pensionable salary. The pensionable salary consists of the monthly salary multiplied by 12.2 plus the bonus paid for the previous year. Pension is payable in an amount corresponding to the value of the insurance. An increase in value increases the employee's pension while a decrease in value reduces the employee's pension. The above premiums will be paid as long as Per Avander is employed as MD of the company.

The Deputy MD's occupational pension consists of a defined-premium pension, which means that Bilja undertakes to pay premiums to an insurance company and that the employee can determine how the insurance is designed and managed. Pension becomes payable at the age of 65 years. The pension agreement states that the employee's pension premium shall amount to 32 per cent of his pensionable salary. The pensionable salary consists of the monthly salary multiplied by 12.2 plus the bonus paid for the previous year. Pension is payable in an amount corresponding to the value of the insurance. An increase in value increases the employee's pension while a decrease in value reduces the employee's pension.

The CFO and other senior officers in Sweden follow the ITP plan and have a supplementary old-age pension. Pension premium for supplementary old-age pension is paid in an amount corresponding to 20 per cent of the pensionable salary in excess of 30 income base amounts. The pensionable salary consists of the monthly salary multiplied by 12.2 plus an average of the past three years' bonuses.

A pension premium amounting to 6.9 per cent of the pensionable salary is paid for the MD of the Norwegian company Bilja Norge AS.

Board members Jan Pettersson and Gunnar Blomkvist hold an accrued pension that is reported as a pension obligation to former senior officers in the tables above. These pension obligations have been secured through an endowment insurance.

Severance pay

The employment contracts of the MD and other members of the Group Management contain special rules governing termination by the company. MD is entitled to 12 months' salary, less any salary received by the employee from other service. Two members in the Group Management are entitled to 24 months' salary, less any salary received by the employee from other service during the last 12 months. These two are, in the event of significant changes in the company's ownership structure that affect the premises or content of their jobs, also entitled to terminate their own employment with the right to 24 months' salary, less any salary received by the employee from other service during the last 12 months.

For information on post-employment employee benefits and share-based employee benefits, see Note 21 "Pensions" and Note 30 "Related parties".

Note 9 Fees and cost reimbursement to auditors

	2022	2021
PwC		
Audit assignment	-8	-6
Audit activities other than the auditing assignment	0	0
Tax advice	—	—
Other assignments	—	—
	2022	2021
KPMG		
Audit assignment	—	-2
Audit activities other than the auditing assignment	—	-1
Tax advice	—	0
Other assignments	—	-3

During the financial year 2022 SEK 4 M (3) was paid in fees to the audit company PricewaterhouseCoopers AB for the audit assignment and SEK 0 M (0) for other services.

By audit assignment is meant statutory audit of the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director, plus auditing and other examination as agreed-on or contracted. This includes other tasks that are incumbent upon the company's auditor to perform plus advice or other assistance arising from observations in connection with such auditing or performance of such other tasks. All else is classified as Audit activities other than the auditing assignment, Tax advice and Other assignments.

Note 10 Operating expenses classified by nature of expense

	2022	2021
Merchandise	-28,585	-28,603
Other external expenses	-126	-164
Personnel costs	-3,546	-3,427
Depreciation/amortisation	-1,311	-1,270
Impairment losses	-42	-95
Other operating expenses	-48	-64
Total	-33,658	-33,623

Note 11 Net financial items

Accounting principle

Bilia applies IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 23 Borrowing Costs, IAS 28 Investments in Associates and Joint Ventures, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IFRS 9 Financial Instruments in accounting for financial income and expenses and IFRS 16 Leases.

Financial income consists of interest income on invested funds, dividend income, gain on disposal of available-for-sale financial assets plus realised and unrealised gains on hedging instruments.

Interest income on financial instruments is recognised according to the effective interest method. Dividend income is recognised when the right to receive dividend has been established. The gain or loss from sale of a financial instrument is recognised when the economic risks and rewards incidental to ownership have been transferred to the purchaser and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans and financial lease liabilities, the effect of reversal of present value calculation of provisions, impairment of financial assets plus realised and unrealised losses on hedging instruments. Borrowing costs are recognised in profit or loss with application of the effective interest method, except to the extent they are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, in which case they are included in the cost of the assets.

Exchange gains and losses are offset.

The effective interest rate is the rate that discounts the estimated future receipts and payments through the expected life of a financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received by the contracting parties that are a part of the effective interest, transaction costs and all other premiums or discounts.

	2022	2021
Interest income	4	2
Exchange gains	0	3
Financial income	4	5
Interest expenses	-68	-58
Interest expenses IFRS 16	-107	-97
Exchange losses	-18	0
Financial expenses	-193	-155
Profit from shares in associated companies	89	55
Net financial items	-100	-95

Note 12 Taxes

► Accounting principle

Bilia applies IAS 12 Income Taxes in accounting for taxes.

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss for the year except when the underlying transaction is recognised directly in other comprehensive income or in equity, whereby the associated tax effect is recognised in other comprehensive income or equity.

Current tax is tax to be paid or received with respect to the current year, with the application of tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax also includes adjustments of current tax attributable to earlier periods.

Deferred tax is calculated in accordance with the balance sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. Temporary differences are not taken into account in goodwill

on consolidation, nor are differences that arise on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit. Furthermore, temporary differences attributable to interests in subsidiary and associated companies that are not expected to be reversed within the foreseeable future are not taken into account either. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates and tax rules that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets pertaining to deductible temporary differences and tax-loss carryforwards are only recognised to the extent that it is likely that they will be able to be utilised. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised.

Recognised in the Statement of Income and Other Comprehensive Income

	2022	2021
Current tax expense (-)/tax income (+)		
Tax expense/income for the year	-380	-387
Adjustment of tax attributable to previous years	0	1
Total current tax	-380	-386
Deferred tax expense (-)/tax income (+)		
Deferred tax pertaining to temporary differences	37	59
Deferred tax pertaining to appropriations	-37	-46
Total deferred tax	0	13
Total tax expense recognised	-380	-373

	2022		2021	
	Amount	%	Amount	%
Reconciliation of effective tax				
Profit before tax	2,002		1,830	
Tax according to tax rate applicable to Parent Company	-413	20.6	-377	20.6
Effect of foreign tax rates	-12	0.6	-2	0.1
Tax effect of non-deductible expenses	-27	1.4	-29	1.6
Tax effect of non-taxable revenues	68	-3.4	36	-2.0
Tax effect of changed tax rate	-2	0.1	0	0.0
Tax effect from acquired equipment	6	-0.3	—	—
Increase deficit deduction without capitalisation	-2	0.1	-1	0.1
Standard interest on tax allocation reserve	-1	0.1	-2	0.1
Direct deduction, buildings	4	-0.2	2	-0.1
Effective tax recognised	-380	19.0	-373	20.4

Current tax assets amount to SEK 104 M (53) and represent the recoverable amount of current tax on the net profit for the year.

	2022			2021		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Tax attributable to Other Comprehensive Income						
Translation differences attributable to foreign operations	90	—	90	77	—	77
Change in fair value of cash flow hedges	62	-13	49	—	—	—
Other comprehensive income/loss	152	-13	139	77	—	77

Recognised in Statement of Financial Position

	Deferred tax asset		Deferred tax liability		Net	
	2022	2021	2022	2021	2022	2021
Deferred tax assets and liabilities						
Deferred tax assets and liabilities recognised						
<i>Deferred tax assets and liabilities are attributable to the following:</i>						
Right-of-use assets net	29	20	—	—	29	20
Other non-current assets	10	6	315	293	-305	-287
Inventories	24	12	8	-1	16	13
Operating receivables	1	1	13	0	-12	1
Untaxed reserves	—	—	388	320	-388	-320
Pension provisions	68	80	—	—	68	80
Other provisions	35	41	—	-3	35	44
Operating liabilities	4	10	-2	-3	6	13
Tax-loss carryforwards	1	1	—	—	1	1
Tax assets/liabilities	172	171	722	606	-550	-435

	Balance as per 1 Jan. 2022	Recognised in profit or loss for the year	Recognised in equity	Acquisition/ disposal of operations	Balance as per 31 Dec. 2022
Change in deferred tax					
Right-of-use assets net	20	9	—	—	29
Other non-current assets	-287	45	—	-63	-305
Inventories	13	3	—	—	16
Operating receivables	1	0	-13	—	-12
Untaxed reserves	-320	-37	—	-31	-388
Pension provisions	80	-12	—	—	68
Other provisions	44	-1	—	-8	35
Operating liabilities	13	-7	—	—	6
Tax-loss carryforwards	1	0	—	—	1
Translation difference for the year	0	0	0	—	0
Tax assets/liabilities	-435	0	-13	-100	-550

Note 12 cont'd.

Change in deferred tax	Balance as per 1 Jan. 2021	Recognised in profit or loss for the year	Recognised in equity	Acquisition/ disposal of operations	Balance as per 31 Dec. 2021
Right-of-use assets net	12	8	—	—	20
Other non-current assets	-179	29	—	-137	-287
Inventories	8	2	—	3	13
Operating receivables	1	0	—	—	1
Untaxed reserves	-260	-46	—	-14	-320
Pension provisions	59	21	—	—	80
Other provisions	44	-3	—	3	44
Operating liabilities	-1	2	—	12	13
Tax-loss carryforwards	1	0	—	—	1
Translation difference for the year	0	0	0	—	0
Tax assets/liabilities	-315	13	0	-133	-435

Note 13 Earnings per share

► Accounting principle

Bilia applies IAS 33 Earnings Per Share in accounting for earnings per share.

Calculation of earnings per share is based on the consolidated net profit for the year attributable to the Parent Company's owners and on the weighted average number of shares outstanding during the year. In the calculation of diluted earnings per share, the earnings figure and the average number of shares are adjusted to take into account the diluting effects of potential ordinary shares.

The calculation of earnings per share for 2022 is based on the net profit for the year attributable to the Parent Company's ordinary shareholders, amounting to SEK 1,622 M (1,457), and on a weighted average number of shares outstanding.

During 2022, the weighted average number of shares was 93,017,114 (97,743,061) and the effect of outstanding incentive programmes amounted to 109,134 shares (63,732).

	2022	2021
Basic earnings per share, SEK	17.43	14.90
Diluted earnings per share, SEK	17.41	14.90
Net profit for the year attributable to the parent company's ordinary shareholder, SEK M	1,622	1,457
Weighted average number of outstanding ordinary shares, thousands	93,017	97,743
Effect of outstanding incentive programme, thousands	109	64
Weighted average number of outstanding ordinary shares after dilution, thousands	93,126	97,807

Note 14 Intangible assets

► Accounting principle

Bilia applies IAS 38 Intangible Assets in accounting for intangible assets.

Software

Internally developed

Expenditures for development of software and improved business management systems are recognised as an asset in the Statement of Financial Position if the software is technically useful, and if Bilia has sufficient resources to complete development and thereafter intends to use the intangible asset. The carrying amount includes costs for materials, direct costs for salaries, and overheads that can be attributed to the asset on a reasonable and consistent basis. Other expenditures for development are recognised in profit or loss as expense when they are incurred. Expenditures for development of software recognised in the Statement of Financial Position are stated at cost less accumulated depreciation and any impairment losses.

Business Combinations

Software acquired via business combinations is recognised at fair value, which is equivalent to estimated replacement cost at the acquisition date less accumulated depreciation and any impairment losses.

Other acquisitions

Other investments in software are recognised at cost less accumulated amortisation and any impairment losses. The cost includes the purchase price plus costs directly attributable to the asset for bringing the asset to its location and to working condition for its intended use.

Customer relations

Customer relations that have been acquired via business combinations are recognised at fair value, which is equivalent to the cost calculated by cash flow valuation at the acquisition date. Carrying amount consists of acquisition value less accumulated amortisation and any impairment losses.

Distribution rights

Distribution rights that have been acquired through business combinations are recognised at fair value, which is equivalent to the cost calculated by cash flow valuation at the acquisition date. Carrying amount consist if acquisition value less accumulated amortisation and any impairment losses.

Goodwill

Goodwill represents the difference between the cost of the business combination and the fair value of identifiable assets, assumed liabilities and contingent liabilities. Goodwill includes expected future profits from existing operations and expected synergies resulting from the acquisition.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is subjected annually to impairment testing.

In the case of business combinations where the cost is less than the net value of identifiable assets, assumed liabilities and contingent liabilities, the difference is recognised directly in profit or loss.

Subsequent expenditures

Subsequent expenditures for capitalised intangible assets are only recognised as an asset in the Statement of Financial Position when they increase the future economic benefits for the specific asset to which they are attributable. All other expenditures are recognised as expenses when they are incurred.

Amortisation

Amortisation is recognised in profit or loss for the year on a straight-line basis over the calculated useful lives of intangible assets, unless these useful lives are indefinite. Goodwill with an indefinite useful life is impairment tested annually or as soon as there are indications that the asset in question has declined in value. Amortisable intangible assets are amortised from the date they are available for use. Amortisation period is based on expected useful life considering historic experience and valid agreement.

Estimated useful lives:

- Software 3–10 years
- Customer relations 10 years
- Distribution rights 5–10 years

Impairment testing of intangible assets

Bilia applies IAS 36 Impairment of Assets in accounting for impairment.

The carrying amounts are tested at every balance sheet date for any indication of impairment. If such an indication exists, the asset's recoverable amount is calculated.

In the case of goodwill and other intangible assets that are not yet ready for use, the recoverable amount is calculated at least annually. An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. An impairment loss is recognised in profit or loss for the year.

Impairment of assets attributable to a cash-generating unit is first allocated to goodwill. Then a pro rata impairment loss is recognised for the other assets included in the unit.

The recoverable amount is the higher of an asset's fair value less selling costs and its value in use. When calculating the value in use, future cash flows are discounted by a discount rate that takes into account the risk-free interest rate and the risk associated with the specific asset.

An impairment loss is reversed if there is an indication that the impairment no longer exists and there has been a change in the estimates used to determine the recoverable amount. Impairment losses relating to goodwill are never reversed, however. An impairment loss is only reversed to the extent the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less amortisation where applicable, if no impairment loss had been recognised.

Important accounting estimates and judgements

Impairment testing of goodwill

Goodwill is impairment tested at least annually. Impairment testing is based on 3-year forecasts for the cash-generating units in question. For important assumptions per cash-generating unit, see the following pages.

Note 14 cont'd.

	Software, internally developed		Software, acquired		Customer relations	
	2022	2021	2022	2021	2022	2021
Accumulated costs						
At start of year	37	31	140	115	1,380	871
Business combinations	—	2	—	—	230	483
Purchases	—	3	22	26	—	—
Disposals and retirements	-4	—	-23	-1	—	—
Reclassifications	-2	1	2	—	5	1
Translation differences for the year	—	—	—	—	52	25
	31	37	141	140	1,667	1,380
Accumulated amortisation and impairment losses						
At start of year	-29	-20	-101	-84	-499	-369
Business combinations	—	0	—	—	—	—
Disposals and retirements	4	—	19	0	—	—
Reclassifications	2	—	-2	—	-5	-1
Amortisation for the year	-5	-8	-17	-17	-138	-119
Translation differences for the year	—	-1	—	0	-27	-10
	-28	-29	-101	-101	-669	-499
Carrying amount at year-end	3	8	40	39	998	881

Amortisation and impairment losses

Amortisation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Software, internally developed		Software, acquired		Customer relations	
	2022	2021	2022	2021	2022	2021
Cost of goods sold	-5	-8	-17	-17	-138	-119

No impairment losses have been made during the year.

	Distribution rights		Total intellectual property		Goodwill	
	2022	2021	2022	2021	2022	2021
Accumulated costs						
At start of year	103	28	1,660	1,045	1,213	814
Business combinations	60	73	290	558	316	377
Purchases	—	—	22	29	—	—
Disposals and retirements	—	—	-27	-1	-46	—
Reclassifications	—	—	5	2	—	—
Translation differences for the year	1	2	53	27	40	22
	164	103	2,003	1,660	1,523	1,213
Accumulated amortisation and impairment losses						
At start of year	-28	-15	-657	-488	-38	-2
Business combinations	—	—	—	0	—	—
Disposals and retirements	—	—	23	0	37	—
Reclassifications	—	—	-5	-1	—	—
Amortisation for the year	-20	-11	-180	-155	—	—
Impairment for the year	—	—	—	—	—	-35
Translation differences for the year	—	-2	-27	-13	-2	-1
	-48	-28	-846	-657	-3	-38
Carrying amount at year-end	116	75	1,157	1,003	1,520	1,175

Amortisation and impairment losses

Amortisation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Distribution rights		Total intellectual property		Goodwill	
	2022	2021	2022	2021	2022	2021
Cost of goods sold	-20	-11	-180	-155	—	—

Impairment losses are included on the following lines in the Statement of Income and Other Comprehensive Income:

	Distribution rights		Total intellectual property		Goodwill	
	2022	2021	2022	2021	2022	2021
Cost of goods sold	—	—	—	—	—	-35

Impairment tests for cash-generating units containing assets with an indeterminate useful life (goodwill)

The following cash-generating units have carrying amounts for goodwill:

	2022	2021
Bilia Personbilar AB	63	72
Bilia BMU AB	78	78
Bilia Center AB	43	43
Bilia Center Metro AB	84	84
Allbildelar Försäljning i Huddinge AB	8	8
Bilia Center Auto AB	118	104
Bilia Ferdinand Holding AB	150	150
City Däck Öresund AB	15	15
M Bilar Group AB	147	—
Söderbergs Personbilar i Norrköping AB	86	—
Total Sweden	792	554
Bilia Norge AS	95	92
Toyota Bilia AS	204	198
Kokstad Autosenter AS	17	—
Bil1Din Holding AS	52	—
Total Norway	368	290
Bilia Emond Luxembourg	155	143
S. A. Bilia Emond Belgium	104	95
Bilia Holding Flanders NV	94	86
Bilia Holding S.à r.l.	7	7
Total Western Europe	360	331
Total the Group	1,520	1,175

Sweden

Impairment testing for operations in Sweden was based on calculation of the value in use.

The important assumptions in the 3-year forecast and the methods used to estimate values are as follows:

Market share and growth

Demand for new cars has historically followed the business cycle, while demand for service and repair work has been more stable. The market for new cars was assumed to be on the same level compared with 2022. The forecast agrees with previous experiences and external information sources.

Prices

Prices have been assumed to increase in accordance with long-term inflation targets.

Personnel costs

The forecast for personnel costs is based on some increase in real wages and planned efficiency improvements in the operations. The forecast agrees with previous experiences and external information sources.

Assumptions for estimating values:

Per cent	Annual growth		Discount rate before tax	
	2022	2021	2022	2021
Bilia Personbilar AB	2.0	2.0	8.34	6.44
Bilia BMU AB	2.0	2.0	8.34	6.45
Bilia Center AB	2.0	2.0	8.40	6.50
Bilia Center Metro AB	2.0	2.0	8.36	6.44
Allbildelar Försäljning i Huddinge AB	2.0	2.0	8.47	6.51
Bilia Center Auto AB	2.0	2.0	8.36	6.44
Bilia Ferdinand Holding AB	2.0	2.0	8.43	6.53
City Däck Öresund AB	2.0	2.0	8.37	6.45
M Bilar Group AB	2.0	—	8.34	—
Söderbergs Personbilar i Norrköping AB	2.0	—	8.36	—

The recoverable amount for all operations in Sweden exceeds the carrying amount by a good margin.

Management judges that plausible changes in margins in car sales, demand for service and repair work and the discount rate would not have such great effects that they would reduce the recoverable amount to a value lower than the carrying amount.

Norway

Impairment testing for operations in Norway was based on calculation of the value in use.

The important assumptions in the 3-year forecast and the methods used to estimate values are as follows:

Market share and growth

Demand for new cars has historically followed the business cycle, while demand for service and repair work has been more stable. The market for new cars was assumed to be on the same level compared with 2022. The forecast agrees with previous experiences and external information sources.

Prices

Prices have been assumed to increase in accordance with long-term inflation targets.

Personnel costs

The forecast for personnel costs is based on some increase in real wages and planned efficiency improvements in the operations. The forecast agrees with previous experiences and external information sources.

Assumptions for estimating values:

Per cent	Annual growth		Discount rate before tax	
	2022	2021	2022	2021
Bilia Norge AS	2.0	2.0	9.20	7.24
Toyota Bilia AS	2.0	2.0	9.14	6.48
Kokstad Autosenter AS	2.0	—	9.22	—
Bil1Din Holding AB	2.0	—	9.12	—

The recoverable amount for all operations in Norway exceeds the carrying amount by a good margin.

Management judges that plausible changes in margins in car sales, demand for service and repair work and the discount rate would not have such great effects that they would reduce the recoverable amount to a value lower than the carrying amount. The impairments of goodwill of SEK 35 M made during 2021 was attributable to divestments in 2022.

Western Europe

Impairment testing for operations in Western Europe was based on calculation of the value in use.

The important assumptions in the 3-year forecast and the methods used to estimate values are as follows:

Market share and growth

Demand for new cars has historically followed the business cycle, while demand for service and repair work has been more stable. The market for new cars was assumed to be on the same level compared with 2022. The forecast agrees with previous experiences and external information sources.

Prices

Prices have been assumed to increase in accordance with long-term inflation targets.

Personnel costs

The forecast for personnel costs is based on some increase in real wages and planned efficiency improvements in the operations. The forecast agrees with previous experiences and external information sources.

Assumptions for estimating values:

Per cent	Annual growth		Discount rate before tax	
	2022	2021	2022	2021
Bilia Emond Luxembourg	2.0	2.0	8.97	6.48
S.A. Bilia Emond Belgium	2.0	2.0	8.97	6.15
Bilia Holding Flanders NV	2.0	2.0	9.00	6.19

The recoverable amount for operations in Luxembourg and Belgium exceeds the carrying amount by a good margin.

Management judges that plausible changes in margins in car sales, demand for service and repair work and the discount rate would not have such great effects that they would reduce the recoverable amount for operations in Luxembourg and Belgium to a value lower than the carrying amount.

Note 15 Property, plant and equipment

► Accounting principle

Bilia applies IAS 16 Property, Plant and Equipment in accounting for property, plant and equipment.

Owned assets

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses. The cost includes the purchase price plus expenses directly attributable to the asset for bringing the asset to its location and to working condition for its intended use.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of the qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Primarily, borrowing costs that have arisen on loans that are specific to the qualifying asset are capitalised. Secondly, borrowing costs that have arisen on general loans that are not specific to any qualifying asset are capitalised.

Leased assets

Lessor

Assets that are leased out under operating leases are recognised as property, plant and equipment. These assets consist of owned and rented cars that are leased out under operating leases, as well as cars sold combined with a future repurchase commitment at a guaranteed residual value. These assets are classified as Leased vehicles. See Note 2 "Revenue", Revenue from cars sold with repurchase agreements.

Subsequent expenditures

Subsequent expenditures are added to the cost only if it is probable that the future economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. All other subsequent expenditures are recognised as expense in the period they are incurred.

A subsequent expenditure is added to the cost if the expenditure relates to replacements of identified components or parts thereof. The expenditure is also added to the cost in cases when a new component has been created. Any undepreciated carrying amounts on replaced components, or parts of components, are retired and recognised as expenses in conjunction with their replacement. Repairs are recognised as expenses when they occur.

Principles of depreciation

Depreciation is straight-line over the estimated useful life of the asset. Land is not depreciated.

Estimated useful lives:

- | | |
|---|-------------------------|
| • Equipment for IT operations | 3 years |
| • Land and buildings | 5–50 years |
| • Equipment, tools, fixtures and fittings | 3–10 years |
| • Leased vehicles | 1–4 years ¹⁾ |

An annual assessment is made of an asset's residual value and useful life.

¹⁾ Leased vehicles are written down to an expected residual value at the end of the lease period.

Impairment losses

For an explanation of the accounting principle for impairment losses, see Note 14 "Intangible assets".

Important accounting estimates and judgements

See Note 2 "Revenue" from cars sold with repurchase agreements.

	Land and buildings		Construction in progress	
	2022	2021	2022	2021
Accumulated costs				
At start of year	1,590	1,367	26	48
Business combinations	55	159	—	4
Purchases	184	17	64	26
Divestment of operations	-126	—	—	—
Disposals and retirements	-8	-12	-12	-3
Reclassifications	20	44	-25	-48
Translation differences for the year	36	15	0	-1
	1,751	1,590	53	26
Accumulated depreciation				
At start of year	-580	-467	—	—
Business combinations	-38	-23	—	—
Divestment of operations	80	—	—	—
Disposals and retirements	7	8	—	—
Reclassifications	2	-7	—	—
Depreciation for the year	-74	-75	—	—
Amortisation for the year	—	-9	—	—
Translation differences for the year	-14	-7	—	—
	-616	-580	—	—
Carrying amount at year-end	1,135	1,010	53	26

Depreciation and impairment losses

Depreciation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Land and buildings		Construction in progress	
	2022	2021	2022	2021
Cost of goods sold	-28	-28	—	—
Selling expenses	-44	-45	—	—
Administrative expenses	-2	-2	—	—
Total	-74	-75	—	—

Impairment losses are included on the following lines in the Statement of Income and Other Comprehensive Income:

	Land and buildings		Construction in progress	
	2022	2021	2022	2021
Other expenses	—	-9	—	—

	Equipment, tools, fixtures and fittings		Leased vehicles	
	2022	2021	2022	2021
Accumulated costs				
At start of year	1,669	1,392	3,526	3,351
Business combinations	110	140	177	489
Purchases	120	210	1,145	972
Divestment of operations	-149	—	-276	—
Disposals and retirements	-138	-123	-1,490	-1,327
Reclassifications	-1	13	2	-9
Translation differences for the year	25	37	33	50
	1,635	1,669	3,117	3,526
Accumulated depreciation				
At start of year	-1,050	-909	-669	-554
Business combinations	-93	-72	-18	-9
Divestment of operations	103	—	92	—
Disposals and retirements	136	78	268	316
Depreciation for the year	-140	-127	-388	-419
Reclassifications	19	4	0	2
Translation differences for the year	-15	-24	-6	-5
	-1,040	-1,050	-721	-669
Accumulated impairment losses				
At start of year	-9	0	-6	-16
Disposals and retirements	9	—	—	10
Impairment losses for the year	—	-9	—	—
	—	-9	-6	-6
Carrying amount at year-end	596	610	2,390	2,851

Depreciation and impairment losses

Depreciation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	Equipment, tools, fixtures and fittings		Leased vehicles	
	2022	2021	2022	2021
Cost of goods sold	-56	-51	-388	-419
Selling expenses	-34	-41	—	—
Administrative expenses	-50	-35	—	—
Total	-140	-127	-388	-419

Impairment losses are included on the following lines in the Statement of Income and Other Comprehensive Income:

	Equipment, tools, fixtures and fittings		Leased vehicles	
	2022	2021	2022	2021
Other expenses	—	-9	—	—

Note 16 Right-of-use assets

► Accounting principle

Bilia applies IFRS 16 Leases in accounting for right-of-use assets.

Calculation of right-of-use assets

Right-of-use assets and lease liabilities have been accounted for based on the present value of all future lease fees for leases with a longer lease period than 12 months. The leases relates primarily to rental agreements for buildings and a smaller amount for company cars.

Simplification rules are applied which mean that the Group has;

- Applied the same discount rate for leases with similar conditions and
- Excluded leases with low value or a lease period shorter than 12 months

Extension options are only considered when a decision has been made on the exercise of the option and has been formally exercised.

The contracts that are linked to consumer price index are recalculated when the adjustment to the lease payments takes effect.

Principles of depreciation

Depreciations is straight-line over the lease period for the right-of-use assets and are reported as a cost of goods sold, selling expenses and administrative expenses in the Statement of Income and Other Comprehensive Income. The average depreciation period was 8 years.

Purchases and disposals and retirements

Purchases includes the discounted present value of lease fee for new lease during the year and additional amounts for right-of-use assets related to current lease due to an assessment of utilisation of extension options. Disposals include during the year terminated leases.

Important accounting estimates and judgements

Assessments and judgments for exercise of extension option of leases can have a significant impact on the amount of the asset.

Other

Other includes for example changes of the right-of-use assets related to index upgrades etc.

For a description of lease liabilities related to the right-of-use assets see Note 20 "Interest bearing liabilities" and Note 27 "Leases".

Right-of-use assets

	2022	2021
Accumulated costs		
At start of year	5,068	3,513
Business combinations	377	616
Purchases	392	842
Disposals	-549	0
Terminated contracts	-160	0
Other	135	14
Translation differences for the year	73	83
	5,336	5,068
Accumulated depreciation		
At start of year	-1,382	-864
Depreciation of the year	-531	-494
Disposals	354	0
Terminated contracts	103	0
Translation differences for the year	-25	-24
	-1,481	-1,382
Carrying amount at year-end	3,855	3,686

Depreciation and impairment losses

Depreciation is included on the following lines in the Statement of Income and Other Comprehensive Income:

	2022	2021
Right-of-use assets		
Cost of goods sold	-203	-187
Selling expenses	-315	-292
Administrative expenses	-13	-15
Total	-531	-494

No impairment losses have been recognised.

Note 17 Interests in associated companies

► Accounting principle

Bilia applies IAS 28 Investments in Associates and Joint Ventures in accounting for interests in associated companies.

Associated companies are those companies in which the Group has a significant, but not a controlling, influence. This is normally acquired through share holdings giving them between 20 and 50 per cent of the votes. As from the point in time when the significant influence is exercised, interests in associated companies are recognised in the consolidated accounts in accordance with the equity method. The equity method entails that the value of the shares in the associated companies reported in the consolidated accounts is equivalent to the Group's share of the associated companies' equity plus goodwill on consolidation and any other remaining surplus or deficit values on consolidation. The Group's share in the associated companies' profit or loss after tax is recognised in the net profit for the year as "Profit from shares in associated companies". This share in profits, less dividends received from associated companies, comprises the principal change in the carrying amount of interests in associated companies.

The equity method is applied until such time as the significant influence ceases to exist.

	2022	2021
Carrying amount at start of year	524	468
Profit from shares in associated companies	89	55
Dividend received from associated companies	-23	—
Carrying amount at year-end	590	524

Bilia has less than a 20 per cent stake in the company, but because Bilia has owner representation on the Board of Directors and participates in the work with strategic matters, and because significant connections exist with the operations of this company, significant influence is judged to exist, so the holding is classified as an associated company. Bilia's direct and indirect holdings in AB Volverkinvest amount to 20.6 per cent (20.6). AB Volverkinvest owns 50 per cent of Volvofinans Bank AB. The main function of AB Volverkinvest is to own and manage shares in Volvofinans Bank AB on behalf of the Volvo dealers.

The associated company's revenue, profit, assets and liabilities are specified below.

	Volvofinans Bank AB ¹⁾	
	2022	2021
Operating revenue	7,108	6,509
Profit/loss before appropriations and tax	717	626
Current assets	1,060	785
Lending	23,128	22,238
Non-current assets	20,861	22,034
Current liabilities	3,313	3,965
Borrowing	35,189	35,113
Non-current liabilities	947	1,109
Net assets	5,600	4,870
Dividend to AB Volverkinvest	131	—
Total net assets before dividend ²⁾	5,731	4,870

¹⁾ The data for the associate relate to the accounting period from 1 October 2021 to 30 September 2022 (1 October 2020 to 30 September 2021). Later information about the associate is not available in the preparation of the Bilia Group's financial statements. This year's dividend from Volvofinans Bank AB to AB Volverkinvest, not yet distributed to Bilia, has been included in the calculation of group values.

²⁾ The amount refers to equity including equity in untaxed reserves.

Note 18 Inventories

► Accounting principle

Bilia applies IAS 2 Inventories in accounting for inventories.

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is calculated by applying the first-in, first-out (FIFO) method and includes expenditures incurred in purchasing the inventory assets and bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The company can reduce its risks and tied-up capital by purchasing cars on commission or consignment from certain of Bilia's main suppliers. These cars are not recognised in inventories. In cases where a new car cannot be sold, Bilia can return it to the supplier, and a charge is paid to the supplier during the time the car is kept at Bilia.

Important accounting estimates and judgements

Valuation of used cars

Used cars are valued at the lower of their cost and net realisable value. Net realisable value is determined on the basis of the estimated selling price less direct selling expenses. Used cars are included in the line item "Inventories".

The cost of goods sold, in the Consolidated Statement of Income and Other Comprehensive Income, includes write-down of new cars by SEK 1 M (13) used cars by SEK 24 M (13) and spare parts by SEK 1 M (4).

The item "Inventories" consists of:

	2022	2021
New cars	1,667	1,062
Used cars	2,194	1,472
Demonstration cars	890	870
Spare parts	476	360
Other	20	17
Total	5,247	3,781

Of which impairment of inventories in the Consolidated Statement of Financial Position:

	2022	2021
New cars	11	23
Used cars	89	41
Spare parts	17	19
Total	117	83

Not 19 Prepaid expenses and accrued income

	2022	2021
Bonus to be received from suppliers	178	100
Prepaid expenses	203	127
Accrued income	129	70
Total	510	297

Note 20 Interest-bearing liabilities

► Accounting principle

Bilia applies IFRS 9 Financial Instruments in accounting for financial instruments. Bilia applies IFRS 16 Leases. For an explanation of the accounting principle, see Note 25 "Financial instruments".

The note contains information on Bilia's contractual terms regarding interest-bearing liabilities. For more information on Bilia's exposure to interest rate risk and risk of exchange rate changes, see Note 26 "Financial risks and risk management".

	2022	2021
Non-current liabilities		
Bank loans	28	15
Bond issue ¹⁾	498	1,296
Personnel fund	5	5
Lease liabilities	3,529	3,263
Other loans	14	15
	4,074	4,594
Current liabilities		
Bond issue ¹⁾	800	—
Current portion of bank loans	1,328	253
Current portion of lease liabilities	737	679
	2,865	932
Total	6,939	5,526

¹⁾ In the Consolidated Statement of Financial Position, the bond issue amounts to SEK 1,298 M (1,296), calculated according to the effective interest method. In calculating key figures, SEK 1,300 M (1,300) is used without the net effect of the effective interest rate, which amounts to SEK -2 M (-4).

Note 21 Pensions

► Accounting principle

Bilia applies IAS 19 Employee Benefits in accounting for pensions.

Defined-contribution pension plans

In 2016 all defined-contribution pension plans within the Group were closed and since then only defined contribution pension plans exist. Pension plans classified as defined-contribution plans are those where the company's obligation is limited to the contributions the company has undertaken to pay. In such cases, the size of the employee's pension is dependent on the contributions paid by the company to the plan or to an insurance company and the return on capital yielded by the contributions. Consequently, it is the employee who bears the actuarial risk (that the pension payment will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected payments). The company's obligations with regard to payments to defined-contribution plans are recognised as a cost in profit or loss for the year as they are earned by the employee's performance of services for the company during a period.

Sweden

Obligations for old-age pension and family pension for salaried employees are secured by insurance in Alecta.

According to a statement by the Swedish Financial Reporting Board, UFR 10, insurance via Alecta is a multi-employer defined-benefit plan. Bilia has not had access to information that makes it possible to account for this plan as a defined-benefit plan. The ITP pension plan that is secured via insurance in Alecta is therefore accounted for as a defined-contribution plan, but with supplementary information.

Norway

The employees are covered by defined-contribution pension plans.

Germany

In Germany, all employees are covered solely by defined-contribution pension plans.

Luxembourg and Belgium

The employees are not covered by any pension plan.

Financing

Obligations for old-age pension and family pension for salaried employees in Sweden are secured by insurance in Alecta. According to a statement by the Swedish Financial Reporting Board UFR 10, this is a multi-employer defined-benefit plan. For financial year 2022, Bilia has not had access to information that makes it possible to account for this plan as a defined-benefit plan. The ITP pension plan that is secured via insurance in Alecta is therefore accounted for as a defined-contribution plan. The premium for the defined-benefit old-age and family pension is individually calculated and is dependent on such factors as salary, accrued pension and expected remaining working life.

The collective funding ratio is the market value of Alecta's assets as a percentage of their insurance obligations calculated according to Alecta's actuarial methods and assumptions, which do not agree with IAS 19. The collective funding ratio should normally be permitted to vary between 125 and 155 per cent. If Alecta's collective funding ratio falls short of 125 per cent or exceeds 155 per cent, measures shall be adopted so that the collective funding ratio returns to the normal range. When the funding ratio is low, one possible measure is to raise the agreed-on price for new policies and benefit increases. When the funding ratio is high, one possible measure is to reduce premiums. At year-end 2022, Alecta's surplus in the form of the collective funding ratio ¹⁾ amounted to 172 per cent (172).

¹⁾ Alecta publishes figures on its collective funding ratio on its website.

Defined-contribution plans

In Sweden the Group has defined-contribution pension plans for workers that are paid for entirely by Bilia.

In other countries there are defined-contribution plans that are paid for in part by Bilia and in part by contributions paid by the employees. Payments are made to these plans on a regular basis in accordance with the rules in each plan.

	2022	2021
Costs for the year for defined-contribution plans ²⁾	224	263

²⁾ Of which SEK 71 M (76) pertaining to ITP plan funded in Alecta.

Costs for defined-contribution plans in 2023 are SEK 209 M, of which Alecta SEK 70 M.

Note 22 Provisions

► Accounting principle

Bilia applies IAS 37 Provisions, Contingent Liabilities and Contingent Assets in accounting for provisions.

A provision differs from other liabilities in that uncertainty exists regarding the timing of the cash outflow or the size of the amount to settle the provision. A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event and it is probable (more likely than not) that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made in the amount that is the best estimate of the expenditure required to settle the present obligation on the balance sheet date.

When the effect of the timing of cash outflows is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, where applicable, the risks specific to the liability.

Warranty obligations

A provision for warranties is recognised when the underlying products or services have been sold. The provision is based on historical data on warranties and the weighing of all possible outcomes in relation to their associated probabilities.

Restoration costs

A provision for restoration costs regarding Bilia's fuelling stations is recognised when the Group estimates that it is more likely than not that a fuelling station will require site remediation.

A provision of SEK 1 M per fuelling station has been made for a total provision of SEK 19 M (9). During 2021 an extra provision of SEK 9 M was made regarding the need for remediation that had arisen and was carried out in 2022.

Put option

Pertains to the acquisitions of Philippe Emond SA, Belgium and Bil1Din Holding AS, Norway, where Bilia has liabilities calculated on the future exercise price in the issued put option held by non-controlling interests. The put options are recognised as financial liabilities, according to IAS 32, but are classified as provisions in the Consolidated Statement of Financial Position. Valuation is made in accordance with IFRS 3 and IFRS 9 and is reported in equity. The carrying amount is deemed to reflect fair value. The issued put options corresponds to a 10 per cent ownership in Bilia Holding S.à r.l., Luxembourg and a 49 per cent ownership in Bil1Din Holding AS, Norway.

Structural cost

Provisions are made when there is a formal or informal obligation regarding the restructuring of the business and when it's possible to estimate the costs.

Important estimates and assessments

Assessment regarding provisions is made based on currently available information. If other assumptions are made or the conditions should change, the actual outcome may differ from the assessment made, which could have a significant impact on Bilia's results and financial position.

	Non-current		Current	
	2022	2021	2022	2021
Structural costs	—	57	11	3
Warranty obligations	43	47	6	1
Restoration costs	8	18	1	1
Put option	42	52	85	—
Other	88	113	22	0
Total	181	287	125	5

	Structural costs		Warranty obligations		Restoration costs		Put option		Other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Carrying amount at start of year	60	90	48	28	19	9	52	142	113	86	292	355
Business combinations	—	—	5	—	—	—	42	—	8	—	55	—
Provisions made during the year	8	60	0	14	0	10	33	30	4	24	45	138
Amounts utilised during the year	-39	-21	-5	—	-9	—	—	-120	—	—	-53	-141
Unutilised amounts reversed during the year	-20	-70	—	—	-1	—	—	—	-18	—	-39	-70
Translation differences	2	1	1	6	0	0	0	0	3	3	6	10
Carrying amount at year-end	11	60	49	48	9	19	127	52	110	113	306	292

Note 23 Other liabilities

► Accounting principle

For the accounting principle regarding “Liability pertaining to cars sold with repurchase agreements,” see Note 2 “Revenue”.

For the accounting principle regarding “Derivatives,” see Note 25 “Financial instruments”.

Important accounting estimates and judgements

See Note 2 “Revenue” regarding Repurchase agreements and Service subscriptions.

	2022	2021
Other non-current liabilities		
Liability pertaining to cars sold with repurchase agreements	1,369	1,503
Other non-current liabilities, not interest-bearing	—	160
Total	1,369	1,663
Other current liabilities		
Liability pertaining to cars sold with repurchase agreements	654	1,045
Decided but not yet paid dividend	184	—
Other	499	590
Total	1,337	1,635

Note 24 Accrued expenses and deferred income

Important accounting estimates and judgements

See Note 2 “Revenue” regarding Repurchase agreements and Service subscriptions.

	2022	2021
Accrued wages and salaries	523	476
Accrued social security contributions	290	283
Accrued interest	11	6
Future unrealised gross profit pertaining to cars sold with repurchase agreements	75	70
Deferred bonus from suppliers	24	50
Accrual of service subscriptions	119	173
Other accrued expenses	364	251
Other deferred income	306	42
Total	1,712	1,351

Note 25 Financial instruments

► Accounting principle

For the accounting principle regarding financial instruments, Bilja applies IAS 32 Financial Instruments: Presentation, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 13 Fair Value Measurement and IFRS 16 Leases.

Financial instruments that are recognised in the Statement of Financial Position include, on the asset side, cash and cash equivalents, loans receivable, trade receivables, financial investments and derivatives with positive fair value. On the liability side they include trade payables, loans payable and derivatives with negative fair value.

Recognition and derecognition in the Statement of Financial Position

A financial asset or financial liability is recognised in the Statement of Financial Position when Bilja becomes a party to the contractual terms of the instrument. A receivable is recognised when Bilja has performed and there is a contractual obligation for the counterpart to pay, even if no invoice has been sent. Trade receivables are recognised in the Statement of Financial Position when an invoice has been sent. A liability is recognised when the counterpart has performed its contractual obligations and there is a contractual obligation to pay, even if no invoice has been received. Trade liabilities are recognised when an invoice has been received.

A financial asset is derecognised in the Statement of Financial Position when the rights in the contract are realised, mature, or fall outside the control of Bilja. The same applies to part of a financial asset. A financial liability is derecognised in the Statement of Financial Position when the obligation in the contract is discharged or otherwise extinguished. The same applies to part of a financial liability.

A financial asset and a financial liability are offset and the net amount is recognised in the Statement of Financial Position when, and only when, an entity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The purchase or sale of financial assets is recognised on the trade date, which is the day when the company committed itself to purchase or sell the asset.

Classification of financial instruments

All financial instruments are initially measured at their respective fair values plus transaction costs, apart from financial instruments that are measured at fair value through the Statement of Income and Other Comprehensive Income on an ongoing basis. With these assets, transaction costs are recognised as expenses on an ongoing basis.

Interest-bearing financial instruments

The classification and measurement of interest-bearing financial assets depends on the purpose of the financial asset. Interest-bearing financial assets are measured at either:

- Amortised cost.
- Fair value in other comprehensive income.
- Fair value through profit or loss.

This category is comprised of hire-purchase receivables, accounts receivable and other receivables. Assets in this category are measured at amortised cost. All interest-bearing assets are held to obtain ongoing payments in the form of repayments and interest. For this reason, all interest-bearing assets are recognised and measured at their respective amortised cost in accordance with the effective interest rate method. Amortised cost is determined based on the effective interest rate calculated at the time of acquisition. Interest income is recognised in net financial items in the Statement of Income and Other Comprehensive Income. Any capital gains or losses arising when these assets are derecognised are recognised as other income and expenses. Bilja recognises the following interest-bearing assets in its Statement of Financial Position:

- Cash and cash equivalents consist of cash on hand and demand deposits at banks and similar institutions, as well as short-term, highly liquid investments.
- Short-term investments have been classified as cash and cash equivalents based on the fact that they carry a negligible risk of value fluctuations, they can easily be converted to cash and they have a maturity of not more than three months from their date of acquisition.
- Trade receivables.
- Lease receivables, short- and long-term.
- Other long-term receivables.

Assets with a short duration are not discounted. Impairment losses are reversed if the previous reasons for write-down no longer apply and full payment is expected to be received from the customer.

Equity instruments

All equity instruments are entered at their respective fair values in the Statement of Income and Other Comprehensive Income as other income and expenses. Bilja has unlisted shares and tenant-owner agreements that belong to this category of financial assets.

Derivative instruments

Financial derivatives are held only to manage the financial risks to which Bilja is exposed, see Note 26 "Financial risks and risk management". Bilja has financial derivative instruments partly in the form of currency hedging instruments (currency swaps) which are used to secure future currency flows and partly in the form of electricity hedging derivatives which are used to even out price fluctuations in electricity. All the currency hedging derivatives are measured at their respective fair value in financial income or financial costs, while all electricity hedging derivatives are measured at their respective fair value over Other Comprehensive Income. The electricity hedging derivatives qualify for hedge accounting and meet the requirements for effectiveness.

Impairment of financial assets

For all interest-bearing financial instruments, including accounts receivable and lease receivables, a credit risk reserve is booked, and this is based on the future expected losses applicable to the individual assets. For accounts receivable, the credit risk reserve is calculated based on the asset's anticipated loss over the total life of the asset.

Other financial liabilities

Loans, including debenture loans, and other financial liabilities, for example trade payables, belong to this category. The liabilities are measured at amortised cost.

In October 2018 Bilja issued an unsecured bond worth SEK 800 M. The new bond issue carries a variable interest rate of STIBOR (3 months) plus 140 basis points and matures in October 2023.

In October 2020 Bilja issued an unsecured bond worth SEK 500 M. The new bond issue carries a variable interest rate of STIBOR (3 months) plus 170 basis points and matures in October 2025.

The total outstanding amount as of 31 December 2022 amounts to SEK 1,300 M.

Information on how fair value has been determined for the financial instruments that are measured at fair value in the Statement of Financial Position is furnished below. Fair value is determined on the basis of the following three levels:

Level 1: according to prices quoted on an active market for the same instrument.

Level 2: based on directly or indirectly observable market inputs other than those included in level 1.

Level 3: based on inputs that are not observable on the market.

	2022	2021
Level 2		
Asset regarding currency swaps valued through profit and loss	1	1
Asset regarding cash flow hedges valued through comprehensive income	62	—
Level 3		
Debt regarding put option is valued in equity	127	52

Note 25 cont'd.

Fair value and carrying amount for financial instruments and categorisation are presented below:

		2022		2021	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
Assets measured at fair value through profit and loss					
Currency swaps		1	1	1	1
Assets measured at fair value through comprehensive income					
Cash flow hedges		62	62	—	—
Assets measured at amortised cost					
Interest-bearing receivables		99	99		
Trade receivables	26	1,777	1,777	1,077	1,077
Other receivables		218	218	134	134
Cash and cash equivalents	31	456	456	754	754
Financial investments measured at fair value					
Shares and interests		5	5	4	4
Housing cooperative units		5	5	5	5
Debts measured at fair value					
Provision put option	22	127	127	52	52
Debts measured at amortised cost					
Bond issue	20	1,298	1,298	1,296	1,296
Lease liabilities	20	4,266	4,266	3,942	3,942
Non-current interest-bearing liabilities	20	47	47	35	35
Current interest-bearing liabilities	20	1,328	1,328	253	253
Trade payables		2,511	2,511	1,435	1,435
Accrued interest	24	11	11	6	6

Fair Value Measurement

The following summarises the most important methods and assumptions that have been used to establish the fair value of the financial instruments in the above table.

Financial instruments measured at fair value

Currency swaps and cash flow hedges

For currency swaps and cash flow hedges relating to electricity derivatives, the fair value is determined on the basis of market rates. If such rates are not available, the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be obtained on the balance sheet date for the remaining contract period.

Financial investments measured at fair value

Bilia's holdings in this category consist of unlisted share holdings, housing cooperative units and deposits. Based on the limited value of these assets, an assessment has been made that the fair value does not deviate significantly from the acquisition value.

Debts measured at fair value

Bilia reports the issued put option at fair value based on future exercise price.

Financial instruments that are not measured at fair value

Interest-bearing liabilities and lease liabilities

Fair value is largely equivalent to carrying amount, since the interest rate on outstanding liabilities is variable.

Hire-purchase receivables

Fair value essentially corresponds to carrying amount, since the interest rate on outstanding receivables is variable.

Trade receivables and trade payables

In the case of trade receivables and trade payables with a remaining life of less than one year, the carrying amount is deemed to reflect fair value.

Note 26 Financial risks and risk management

► Accounting principle

Bilia applies IFRS 7 Financial Instruments: Disclosures and IFRS 13 Fair Value Measurement in accounting for financial risks and risk management.

General

The main purpose of Bilia is to sell new and used cars, and in conjunction with this also supply workshop services, spare parts, accessories and fuel.

The financing operation in Bilia encompasses the following:

- financing of the Group with loans and other operating liabilities
- analysis, measurement and management of currency risks, interest rate risks and operating risks
- administration of group accounts and internal bank function
- oversight of credit granting by the subsidiaries
- payment procedures and cash management
- control, monitoring and reporting of the outcome of the financing operation.

Goals of the financing operation

The goals of Bilia's financing operation are to:

- ensure that the Group has access to the requisite loan financing
- secure the best possible terms for lending and investing
- ensure that credit risks, interest rate risks, liquidity risks, currency risks and operating risks are always kept within the limits stipulated in Bilia's financing policy.

Organisation and division of responsibilities

The Parent Company

The MD of Bilia AB is responsible for all financial activities in the Group and shall ensure that they are conducted in accordance with the finance policy adopted by the Board of Directors. The CFO is the head of the Finance Department and is responsible for ensuring that financing activities throughout Bilia are conducted in accordance with Bilia's policies, rules and instructions. The parent company's Finance Department has an internal bank function that serve all group companies.

The overall objective of the finance function is to provide cost-effective financing and to minimise the negative effects of currency fluctuations on the Group's earnings.

All investments of temporary excess liquidity must have high liquidity and low credit risk. Investments may be made in instruments and with counterparts approved by the MD of Bilia AB.

Subsidiaries

The MD of each subsidiary is responsible for ensuring that the granting of credit by the company takes place in accordance with a adopted credit policy and that financing activities are otherwise conducted in accordance with the guidelines set forth in special instructions from the parent company.

Financial receivables

The Group's current financial assets consist for the most part of SEK 2,137 M (1,077) in trade receivables.

Capital management

The Group's equity, which is defined as total reported equity, amounted at year-end to SEK 4,887 M (4,417). Return on equity amounted to 36.2 per cent (33.8).

The 2022 AGM gave the Board of Directors a mandate to resolve to acquire Bilia shares equivalent to no more than 10 per cent of the total number of shares.

Bilia's dividend policy prescribes that at least 50 per cent of the net profit for the year be distributed to the shareholders. In 2022 dividend of SEK 8 per share was paid, which corresponded to 54 per cent of earnings for 2021.

Financing agreements

Connected to the financing agreement there are covenants regarding the ratio of EBITDAJ in relation to the net financial items, net debt to EBITDAJ and bank loans in relation to the sum of fixtures and fittings, interests in associated companies, inventories and net trade receivables. The lender is contractually entitled to cancel the lease for renegotiation or termination if the above requirements are not met. As of 31 December 2022, all conditions were met by a good margin.

Financial risks and risk limitation

Bilia is exposed through its business operations to various kinds of financial risks.

By financial risks is meant fluctuations in Bilia's earnings and cash flow as a result of changes in exchange rates, interest rates, electricity prices, refinancing risks and credit risks. Bilia's finance policy for managing financial risks has been formulated by the Board of Directors and comprises a framework of guidelines and rules in the form of risk mandates and limits for the financing activities.

The various financial risks to which Bilia is exposed are described below.

Liquidity risk

By liquidity risk, also called financing risk, is meant the risk that financing cannot be obtained at all, or only at excessively inflated costs, due to disruptions in the financial system. According to Bilia's finance policy at least 50 per cent of the lines of credit shall have a remaining maturity of at least one year. Contracts was signed in March 2020 until March 2025 for lines of credit totalling SEK 1,500 M. Bilia's financial liabilities amounted to SEK 9,686 M (6,967) at year-end, and the maturity structure of the debt is shown in the table Maturity structure – Financial liabilities.

Liquidity reserve	Total amount	Utilised	Available
Credit facilities and loans at DNB and Nordea	1,500	644	856
Available cash and cash equivalents			456
Total			1,312

Maturity structure – Financial liabilities

The following table shows the maturity structure of the financial liabilities on the balance sheet date, undiscounted cash flows.

Financial liabilities	<1 year	1–5 years	>5 years	Total amount
Bond issue	847	536	—	1,383
Leasing liabilities	737	2,173	1,356	4,266
Borrowing debts	1,351	16	14	1,381
Trade payables	2,511	—	—	2,511
Other financial liabilities	1	15	7	23
Total	5,447	2,740	1,377	9,564

Market risk

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate due to changes in market prices. The market risks that affect the Group the most are interest rate risks and currency risks.

Bilia's goal is to manage and control market risks within established parameters while simultaneously optimising the result of the risk-taking within given limits. The parameters are set for the purpose of ensuring that the market risks will, in the short term (6–12 months), have only a marginal effect on Bilia's earnings and position. In the longer term, however, lasting changes in exchange rates and interest rates will have an impact on the consolidated profit.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will vary due to changes in market rates. Interest rate risk can consist of change in fair value and changes in cash flow. A significant factor influencing interest rate risk is the fixed interest rate period.

A short average fixed interest rate period in Bilia's loan portfolio means that large interest rate changes affect earnings almost immediately.

A long fixed interest rate period, on the other hand, means that the financing cost may fall out of step with the general price and inflation trend and therefore deviate significantly from the current cost of financing generally applicable in the sector. Bilia's assets are primarily of a current nature. The goal of the finance policy is to minimise the effects of an interest rate change.

At the balance sheet date, Bilia had the following interest rate profile on its financial instruments:

Carrying amounts with variable interest	2022	2021
Financial assets	456	754
Financial liabilities	6,939	5,530

Sensitivity analysis

As of 31 December 2022, a general increase in the interest rate by 1 percentage point is expected to decrease the Group's profit before tax by SEK 58 M (43).

Currency risk

Bilia is exposed to different types of currency risks. The foremost exposure comes from currency fluctuations on translation of the assets and liabilities of foreign subsidiaries to the parent company's functional currency, called translation exposure.

Derivative instruments such as interest rate swaps and forward exchange contracts are used to control Bilia's currency risk. They may only be used by the parent company's Finance Department or under its control and only to meet the requirements on minimising risk in a cost-effective manner as prescribed by the finance policy.

Subsidiaries

All companies in Bilia are restricted in their sales to their home market and products are purchased in the local currency. Financing in the subsidiaries is in local currency and therefore no currency risk arises at the subsidiary level. In cases where currency risk nevertheless arises, it must be hedged, provided the currency risk on each occasion is not deemed marginal.

Currency swaps are used to eliminate exchange rate risks that arise in conjunction with the offsetting of bank balances in different currencies.

The table below shows outstanding holdings of currency swaps where Bilia has sold currency against SEK.

Currency swaps	2022		2021	
	Currency	SEK	Currency	SEK
NOK	-550	-581	—	—
EUR	-37	-410	-56	-577

Currency swaps fall due mainly within a month of the balance sheet date.

Transaction exposure

Transaction exposure is limited by the fact that all sales and purchases take place in the local currency.

Translation exposure

Foreign net assets in Bilia are denominated in the following currencies:

Currency	2022		2021	
	Amount	%	Amount	%
NOK	1,116	67	1,219	71
EUR	538	33	501	29

Bilia has a policy of not hedging translation exposures in foreign currencies.

Sensitivity analysis

If the Norwegian krone and the euro were strengthened by 10 per cent against the Swedish krona, the pre-tax profit on translation of foreign subsidiaries would be improved by SEK 55 M (72) against the Norwegian krone and SEK 16 M (9) against the Euro.

Price fluctuations in costs for electricity

To hedge electricity costs, Bilia has decided to use electricity derivatives to even out price variations on the electricity market. Bilia hedges gradually up to five years and builds up the volume of electricity contracts for each delivery date.

The hedges meet the requirements for efficiency, which means that all changes due to price changes are reported in other comprehensive income. The futures contracts used to hedge forecasted electricity purchases are classified as cash flow hedges.

The of electricity derivatives at year end amounted to SEK 62 M, of which SEK 33 M matures within 12 months, SEK 17 M matures in 24 months, SEK 8 M matures after 36 months and the remaining thereafter. The fair value of derivatives used for hedging price fluctuations in electricity price amounted net after tax to SEK 48 M. Of this, SEK 33 M is reported in the balance sheet as current receivables and SEK 29 M as other financial receivables.

Credit risk

Financial activities

Financial risk management entails an exposure to credit risks. These are mainly counterpart risks associated with receivables from banks and other counterparties that arise in connection with purchases of derivative instruments.

By counterpart risk is meant the risk that the counterpart to an agreement will default on its financial obligations. Financial agreements may only be entered into with counterparties approved by the MD of Bilja AB.

Trade receivables

The risk that Bilja's customers will default on their obligations, in other words that payment will not be received for

trade receivables before entering a transaction, constitutes a customer credit risk. Credit checks are run on Bilja's customers, whereby information on the customers' financial status is requested from different credit agencies. Bilja has established a credit policy for handling customer credits. The policy stipulates decision levels for different credit limits and how credits and doubtful debts are to be rated.

In this context, credit is equated with liability for customers' solvency that may remain after the credit has been taken over by a credit institution.

The maximum exposure to credit risk is shown by the carrying amount for the financial asset in question in the table below. For concentration of credit risk, see below.

As far as provision for doubtful receivables is concerned, an overall assessment is made of future payments together with credit history experience of losses on similar receivables. Most of the outstanding trade receivables are customers previously known to the Group with good credit ratings.

Trade receivables gross are recognised after taking into account realised bad debt losses, which amounted to SEK 6 M (7). Impairment loss for the year amounts to SEK 12 M (5).

	2022		2021	
	Gross	Impairment	Gross	Impairment
Age analysis, trade receivables				
Trade receivables not due	1,170	—	850	—
Overdue trade receivables 0–30 days	335	—	129	–2
Overdue trade receivables 31–90 days	170	–2	58	–2
Overdue trade receivables 91–180 days	74	–12	30	–5
Overdue trade receivables 181–360 days	38	–4	14	–1
Overdue trade receivables > 360 days	14	–6	11	–5
Total	1,801	–24	1,092	–15

Bilja's hire-purchase receivables amounts SEK 90 M (0). Bilja has reservation of title on cars sold equivalent to the market value, which is judged to be on a level with outstanding hire-purchase receivables.

Recourse liabilities

Bilja has a repurchase commitment if lessees or borrowers default on their payment obligations for cars financed by Volvofinans Bank AB and brokered by Bilja. Bilja receives revenue for cars brokered to Volvofinans Bank AB. The revenue

is received for the most part continuously over the term of the contracts, and unrecognised revenue attributable to financing with recourse liabilities not due amounts to SEK 130 M (165). Credit losses for financing with recourse liabilities have historically been on a very low level.

	2022		2021	
	Gross	Impairment	Gross	Impairment
Age analysis, recourse liabilities				
Recourse liabilities not due	4,664	—	5,886	—
Overdue recourse liabilities 0–30 days	6	—	7	—
Overdue recourse liabilities 31–90 days	1	—	1	—
Total	4,671	—	5,894	—

Concentration of credit risk

The three largest customers account for 16.9 per cent (26.8) of the trade receivables. The customers are primarily finance

companies as Bilja's business model includes brokering leasing agreements. The credit risk among these customers is judged to be low.

	2022		2021	
	Trade receivables	Recourse liabilities	Trade receivables	Recourse liabilities
Allowance for credit risk				
Opening balance	–15	—	–17	—
Reversal of previous impairment losses	3	—	7	—
Impairment losses for the year	–12	—	–5	—
Translation difference	0	—	0	—
Closing balance	–24	—	–15	—

Note 27 Leases

► Accounting principle

Bilia applies IFRS 16 Leases.

Lessee

Leases are accounted for as a right-of-use assets and a lease liability based on the future present value of all lease fees until the lease period comes to an end.

Assets rented under leases are mainly facilities used for sales and service of cars and a smaller amount regarding company cars. In some cases, lease payments are fixed for periods of three months based on STIBOR or CIBOR. In other cases, lease payments are linked to a portion of the consumer price index or similar index. Leases can be extended in most cases. An assessment and judgement about the likelihood of an extension of the lease using an extension option is made when the extensible becomes current.

All lease liabilities are specified as current and non current :

Lease liabilities	2022	2021
Current	737	679
Non current	3,529	3,263
Total	4,266	3,942

The right-of-use assets are depreciated on a straight-line basis over the lease period and is accounted for as cost of goods sold, selling expenses and administrative expenses. An interest expense is calculated based on the lease liability and included as financial expense.

Specification of costs for leases	2022	2021
Depreciation of right-of-use assets	-531	-494
Interest expense on lease liabilities	-116	-104
Income from sublets of right-of-use assets	8	6
Short-term lease and leases of low value	-2	-6
Consolidated statement of Income	-641	-598

Cash flow below includes all leases, both cash flow leases accounted for as lease liabilities and cash flow for short term lease and lease of low value.

Reported Cash Flow	2022	2021
Cash flow related to leases	-685	-631

Lessor

Revenue pertaining to operating leases is recognised in profit or loss for the year on a straight-line basis over the lease period.

Assets that are leased out under operating leases are recognised as property, plant and equipment and classified as Leased vehicles see Note 15 "Property, plant and equipment". These assets consist of:

- owned cars that are leased out under operating leases
- cars rented via finance leases that are leased out under operating leases
- sold cars combined with a future repurchase commitment at a guaranteed residual value

	2022	2021
Lease income for the year	404	453
Total lease income for the year	404	453
Future lease income		
Within one year	343	385
Between one and five years	147	150
Later than five years	0	2
Total	490	537

A cost of SEK 20 M (18) is recognised for repairs and maintenance of leased cars and facilities.

Note 28 Capital commitments

The Group has concluded agreements to acquire SEK 188 M (172) worth of intangible non-current assets and property, plant and equipment. These commitments are mainly expected to be settled during the following financial year.

Note 29 Pledged assets and contingent liabilities

► Accounting principle

Bilia applies IAS 37 Provisions, Contingent Liabilities and Contingent Assets in accounting for pledged assets and contingent liabilities.

A contingent liability is recognised when there exists a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events or when there exists an obligation that is not recognised as a liability or a provision due to the fact that it is not probable that an outflow of resources will be required.

Pledged assets	2022	2021
For own liabilities and provisions		
Floating charges	589	587
Leased vehicles and hire-purchase receivables	362	240
Pledged assets		
– Endowment policies	264	307
– Inventories	814	27
Total	2,029	1,161

Contingent liabilities	2022	2021
Surety	1	12
Pension obligations in addition to those accounted for as liabilities and provisions	264	307
Recourse liabilities	4,671	5,894
Total	4,936	6,213

Recourse liabilities

Bilia has a repurchase commitment if lessees or borrowers default on their payment obligations for cars financed by Volvofinans Bank AB and brokered by Bilia. Bilia receives a commission for cars brokered to Volvofinans Bank AB. The commission is received for the most part continuously over the term of the contract, and non-revenue commission attributable to financing with recourse liabilities not due amounts to SEK 130 M (165). Credit losses for financing with recourse liabilities have historically been on a very low level.

Note 30 Related parties

► Accounting principle

Bilia applies IAS 24 Related Party Disclosures in accounting for related parties.

Key management personnel consist of Board members, the MD and other senior officers. Disclosures regarding wages, salaries, options and other remunerations to key management personnel are presented in Note 8 "Employees, personnel costs and remunerations for senior officers".

Other transactions are reported in the table below.

Board members Mats Qviberg and Anna Engebretsen and their close family members control, directly and indirectly via Investment AB Öresund, approximately 29 per cent (27) of the votes in the company. Board member Nicklas Paulson is MD in Investment AB Öresund.

Related party transactions	2022	2021
Sales of goods and services to associated companies	547	1,336
Purchases of goods and services from associated companies	338	412
Commissions/ interest/ dividend from associated companies	120	120
Outstanding receivables from associated companies	41	80
Outstanding debt to associated companies	31	47
Contingent liabilities for associated companies	4,671	5,894
Sales of goods and services to key persons	0	3
Purchases of goods and services from key persons	0	—

Transactions with key management personnel are priced on market terms.

Note 31 Cash and cash equivalents and specifications for cash flows

► Accounting principle

Bilia applies IAS 7 Statement of Cash Flows in accounting for cash flows.

	2022	2021
The following items are included in cash and cash equivalents		
Cash on hand and demand deposits	439	750
Cash on hand	11	3
Short-term investments, equivalent to cash	6	1
Total according to Statement of Cash Flows	456	754

	2022	2021
Interest paid and received		
Interest received	4	5
Interest paid	-188	-155
Total	-184	-150

	2022	2021
Depreciation/amortisation and impairment losses		
Depreciation/amortisation	1,311	1,270
Impairment losses	42	95
Total	1,353	1,365

	2022	2021
Other items not affecting cash		
Capital gain on sales of property, plant and equipment	-372	—
Profit from shares in associated companies	-67	-55
Other provisions	7	-72
Other	-60	-70
Total	-492	-197

Reconciliation of liabilities deriving from financing activities

	Opening liabilities 2022	Cash Flows	Non-cash adjustments			Closing liabilities 2022
			Acquisition of subsidiaries	Other changes net	Exchange rate differences	
Other loans	283	1,046	72	24	-57	1,368
Personnel fund	5	—	—	—	—	5
Bond issue	1,300	—	—	—	—	1,300
Lease liabilities	3,942	-618	376	644	-78	4,266
Total liabilities deriving from financing activities	5,530	428	448	668	-135	6,939

	Opening liabilities 2021	Cash Flows	Non-cash adjustments			Closing liabilities 2021
			Acquisition of subsidiaries	Other changes net	Exchange rate differences	
Other loans	584	-271	79	-111	2	283
Personnel fund	5	—	—	—	—	5
Bond issue	1,430	-130	—	—	—	1,300
Lease liabilities	2,846	-543	619	1,083	-63	3,942
Total liabilities deriving from financing activities	4,865	-944	698	972	-61	5,530

Note 32 Events after the balance sheet date**► Accounting principle**

Bilia applies IAS 10 Events After the Reporting Period in accounting for events after the balance sheet date.

On 27 January 2023 Bilia signed an agreement with Great Wall Motor to be an importer and dealer in Norway. The establishment of Great Wall Motor includes import operations as well as dealer operations with car sales and aftermarket services. During the first half of 2023, Great Wall Motors' electric car brand ORA will be launched in Norway. The agreement with Bilia enables the future introduction of more car brands from Great Wall Motor in Norway. Great Wall Motor has the ambition that the model range of ORA will grow with a new model every year.

Note 33 Information about the Parent Company

Bilia AB (publ) is a Swedish-registered limited company domiciled in Gothenburg. The Parent Company's shares are registered on Nasdaq Stockholm.

The postal address to the head office is:

Bilia AB (publ)
Box 9003
SE-400 91 Gothenburg, Sweden

Visiting address: Norra Långebergsgatan 3, Västra Frölunda
Telephone: +46 10 497 70 00

bilia.com

Corporate ID No.: 556112-5690

The consolidated accounts for 2022 comprise the Parent Company and its subsidiaries, together called the Group. The Group also includes holding in associated company. Bilia is a car dealer with service workshops located in the operating countries Sweden, Norway, Luxembourg and Belgium.

Income Statement for the Parent Company

SEK M	Note	2022	2021
Net turnover	2	687	655
Administrative expenses	3, 4	-788	-768
Operating result	20	-101	-113
Result from financial items			
Profit from shares in Group companies	5	357	4
Other interest income and similar line items	5	54	38
Interest expenses and similar line items	5	-63	-31
Profit after financial items		247	-102
Appropriations	6	1,048	1,020
Profit before tax		1 295	918
Tax	7	-207	-156
Net profit for the year ¹⁾		1,088	762

¹⁾ Net profit for the year coincides with comprehensive income for the year.

Balance Sheet for the Parent Company

SEK M	Note	31/12/22	31/12/21
Assets	18, 21		
Non-current assets			
Intangible assets	8		
Intellectual property		0	0
Total intangible assets		0	0
Property, plant and equipment	9		
Buildings		142	187
Construction in progress		42	9
Equipment, tools, fixtures and fittings		9	11
Total property, plant and equipment		193	207
Long-term investments			
Shares in Group companies	10	3,136	2,424
Other securities held as non-current assets	11	1	1
Deferred tax asset	7	68	84
Total long-term investments		3,205	2,509
Total non-current assets		3,398	2,716
Current assets			
Current receivables			
Trade receivables		3	1
Receivables from Group companies	23	2,145	1,480
Other receivables		56	47
Prepaid expenses and accrued income		130	109
Total current receivables		2,334	1,637
Cash on hand and demand deposits		65	559
Total current assets		2,399	2,196
Total assets		5,797	4,912

Balance Sheet for the Parent Company

SEK M	Note	31/12/22	31/12/21
Equity and liabilities	18, 21		
Equity	12		
Restricted equity			
Share capital (96,299,952 shares)		257	257
Statutory reserve		47	47
Total equity		304	304
Non-restricted equity			
Share premium reserve		167	167
Retained earnings		-146	349
Net profit for the year		1,088	762
Total non-restricted equity		1,109	1,278
Total equity		1,413	1,582
Untaxed reserves	13	1,418	1,218
Provisions			
Deferred tax liability	7	10	14
Total		10	14
Non-current liabilities			
Bond issue	16, 19	498	1,296
Other liabilities	16, 19	156	165
Total non-current liabilities		654	1,461
Current liabilities			
Trade payables	19	115	16
Bond issue	16, 19	800	—
Short-term interest liabilities	16, 19	703	—
Current tax liability		58	67
Liabilities to Group companies	23	240	376
Other liabilities		191	5
Accrued expenses and deferred income	17	195	173
Total current liabilities		2,302	637
Total equity and liabilities		5,797	4,912

Pledged assets and contingent liabilities for the Parent Company, see Note 22.

Statement of Changes in Equity for the Parent Company

SEK M	Restricted equity		Non-restricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Net profit for the year	
Opening equity 1 Jan. 2021	257	47	167	778	626	1,875
Reposting of last year's profit	—	—	—	626	-626	—
Dividend (SEK 6.00 per share)	—	—	—	-587	—	-587
Buy-back of own shares	—	—	—	-517	—	-517
Use of shares in own custody as payment for acquisition of operations	—	—	—	45	—	45
Incentive programme	—	—	—	4	—	4
Net profit for the year	—	—	—	—	762	762
Closing equity 31 Dec. 2021	257	47	167	349	762	1,582

Opening equity 1 Jan. 2022	257	47	167	349	762	1,582
Reposting of last year's profit	—	—	—	762	-762	—
Dividend (SEK 8.00 per share)	—	—	—	-740	—	-740
Buy-back of own shares	—	—	—	-525	—	-525
Incentive programme	—	—	—	6	—	6
Net profit for the year	—	—	—	—	1,088	1,088
Closing equity 31 Dec. 2022	257	47	167	-146	1,088	1,413

Cash Flow Statement for the Parent Company

SEK M	Note	2022	2021
Operating activities	24		
Profit after financial items		247	-102
Other items not affecting cash		55	38
Tax paid		-203	-163
Cash flow from operating activities before change in working capital		99	-227
Change in operating receivables		-678	128
Change in operating liabilities		-173	-76
Cash flow from operating activities		-752	-175
Investing activities			
Acquisition of non-current assets (intangible and tangible)		-13	-18
Operating cash flow		-765	-193
Investments in financial assets		-7	—
Acquisition of subsidiaries		-726	-857
Cash flow from investing activities		-732	-875
Financing activities			
Borrowings		846	—
Repayment of loans		—	-130
Buy-back of own shares		-525	-517
Dividend paid		-556	-587
Group contributions received		1,224	1,011
Cash flow from financing activities		989	-223
Change in cash and cash equivalents		-494	-1,274
Cash and cash equivalents at start of year		559	1,833
Cash and cash equivalents at year-end		65	559

Notes to the Parent Company Financial Statements

Amounts in SEK M unless otherwise stated.

Note 1 Key accounting principles

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The statements regarding listed companies issued by the Swedish Financial Reporting Board are also applied. Under RFR 2, the Parent Company shall, in preparing the annual accounts for the legal entity, apply all IFRS's and statements adopted by the EU whenever this is possible within the framework of the Annual Accounts Act and the Act on Safeguarding of Pension Obligations, while taking account of the relationship between accounting and taxation. The recommendation stipulates which exceptions and additions shall be made to the IFRSs.

The Parent Company applies the same accounting principles as the Group, except in the cases described below.

The Parent Company's accounting principles have been applied consistently to all periods presented in the Parent Company's financial statements.

Presentation and formats

An Income Statement is presented for the Parent Company where a Consolidated Statement of Income and Other Comprehensive Income is presented for the Group. Furthermore, the designations Balance Sheet and Cash Flow Statement are used for the Parent Company for those statements which in the Group are entitled Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows, respectively. The Income Statement and the Balance Sheet for the Parent Company follow the formats stipulated in the Annual Accounts Act, while the Consolidated Statement of Income and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences in the Parent Company's Income Statement and Balance Sheet, compared with the consolidated statements, consist mainly of reporting of equity and the occurrence of provisions as a separate heading in the Balance Sheet.

Subsidiaries

Interests in subsidiaries are accounted for in the Parent Company according to the cost method. This means that transaction costs are included in the carrying amount of holdings in subsidiaries.

Contingent considerations are measured based on the probability that the purchase consideration will be paid. Any changes in the provision are added to the cost.

Revenue

Rental income

The Parent Company rents most of the properties in the Swedish part of the Group. The rents are further invoiced to the subsidiaries. Rental income and costs are recognised gross in the Parent Company in the period to which they are attributable.

Anticipated dividends

Anticipated dividend from a subsidiary is recognised in cases where the Parent Company alone is entitled to determine the size of the dividend and the Parent Company has made a decision on the size of the dividend before the Parent Company has published its financial statements.

Financial guarantees

The Parent Company's financial guarantee contracts consist mainly of guarantees for the benefit of Group companies. Financial guarantees require the company to reimburse the holder of a debt instrument for losses the latter incurs due to the fact that a stipulated debtor fails to make payment when due under the terms of the contract. In accounting for financial guarantee contracts, the Parent Company applies an exemption rule allowed by the Swedish Financial Reporting Board, compared with the rules in IAS 39. The exemption rule pertains to financial guarantee contracts issued for the benefit of subsidiaries. The Parent Company recognises financial guarantee contracts as provision in the Balance Sheet when the company has an obligation and an outflow of resources will probably be required to settle the obligation.

Financial instruments

The parent company applies the exception rules in IFRS 9, which means that financial instruments are valued at acquisition value. Bilja does not apply hedge accounting in the parent company.

Leased assets

In the Parent Company, all leases are accounted for in accordance with the rules for operating leases.

Taxes

In the Parent Company, in contrast to the Group, untaxed reserves are recognised without being divided into equity and deferred tax liability. In a similar manner, in the Parent Company Income Statement, no reallocation of appropriations is made to deferred tax expense.

Group contributions and shareholders' contributions

Shareholders' contributions paid are capitalised in shares and interests, to the extent impairment loss is not recognised.

Group contributions paid and received are recognised as appropriations.

Note 2 Allocation of revenue

	2022	2021
Net turnover/function		
Rental income	409	384
IT and educational services	8	8
Other	270	263
Total	687	655

Note 3 Employees and personnel costs

Information regarding the Parent Company's employees and personnel costs is furnished in the Group's Note 8 "Employees, personnel costs and remunerations for senior officers."

Note 4 Fees and cost reimbursement to auditors

SEK M	2022	2021
PwC		
Auditing assignment	-1	-1
Auditing activities other than the auditing assignment	0	0
Tax advice	—	—
Other assignments	—	—

By "Auditing assignment" is meant statutory audit of the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director, plus auditing and other examination as agreed-on or contracted. This includes other tasks that are incumbent upon the company's auditor to perform plus advice or other assistance arising from observations in connection with such auditing or performance of such other tasks. All else is classified as "Auditing activities other than the auditing assignment", "Tax advice" and "Other assignments".

Note 5 Net financial items

	2022	2021
Result from investments in Group companies		
Result from shares in Group companies	11	-92
Dividend	368	102
Impairment losses	-22	-6
Total	357	4
Other interest income and similar line items		
Interest income from Group companies	54	36
Exchange gains	—	2
Total	54	38
Interest expenses and similar line items		
Interest expenses	-46	-31
Exchange losses	-17	—
Total	-63	-31

Note 6 Appropriations

	2022	2021
<i>Difference between recognised depreciation/amortisation and depreciation/amortisation according to plan:</i>		
Intellectual property	0	0
Building equipment	0	0
Equipment, tools, fixtures and fittings	1	-9
<i>Tax allocation reserves:</i>		
Reversal of tax allocation reserve, allocated financial year 2015	—	98
Provision to tax allocation reserve, allocated financial year 2021	—	-292
Reversal of tax allocation reserve, allocated financial year 2016	115	—
Provision to tax allocation reserve, allocated financial year 2022	-316	—
<i>Group contributions:</i>		
Group contributions received	1,278	1,224
Group contributions paid	-30	-1
Total	1,048	1,020

Note 7 Taxes

Recognised in the Income Statement

	2022	2021
Current tax expense (-)/tax income (+)		
Tax expense/income for the year	-194	-181
Adjustment of tax attributable to previous years	0	0
Total current tax	-194	-181
Deferred tax expense (-)/tax income (+)		
Deferred tax pertaining to temporary differences	-13	25
Total deferred tax	-13	25
Total tax expense recognised	-207	-156

	2022		2021	
	Amount	%	Amount	%
Reconciliation of effective tax				
Profit before tax	1,295		918	
Tax according to applicable tax rate	-267	20.6	-189	20.6
Tax effect attributable to impairment of group companies	-5	0.4	-1	0.9
Tax effect of non-deductible expenses	-15	1.2	-9	0.1
Tax effect of non-taxable revenues	0	0.0	21	-2.3
Tax effect of non-taxable dividends from group companies	76	-5.9	21	-2.3
Tax effect of changed tax rate	-1	0.1	0	0.0
Tax effect on acquired equipment	2	-0.2	—	—
Standard interest on tax allocation reserve	-1	0.1	-1	0.1
Direct deduction, buildings	4	-0.3	2	-0.2
Effective tax recognised	-207	16.0	-156	16.9

Recognised in the Balance Sheet

	Deferred tax asset		Deferred tax liability		Net	
	2022	2021	2022	2021	2022	2021
Deferred tax assets and liabilities						
Deferred tax assets and liabilities recognised						
<i>Deferred tax assets and liabilities are attributable to the following:</i>						
Building	0	0	10	14	-10	-14
Pension provisions	66	77	—	—	66	77
Restructuring costs	2	7	—	—	2	7
Tax assets/liabilities	68	84	10	14	58	70

The change in the Parent Company between the years has been recognised as deferred tax expense/income in the Income Statement.

Note 8 Intangible assets

	Software, internally developed		Software, acquired		Total intellectual property	
	2022	2021	2022	2021	2022	2021
Accumulated costs						
At start of year	5	5	17	17	22	22
Reclassifications	-2	—	2	—	—	—
Retirements	-2	—	-11	—	-14	—
	1	5	8	17	8	22
Accumulated amortisation						
At start of year	-4	-4	-17	-17	-21	-21
Reclassifications	2	—	-2	—	—	—
Retirements	2	—	11	—	14	—
Amortisation for the year	—	—	—	—	—	—
	0	-4	-8	-17	-7	-21
Accumulated impairment losses						
At start of year	-1	-1	0	0	-1	-1
	-1	-1	0	0	-1	-1
Carrying amount at year-end	0	0	0	0	0	0

Amortisation and impairment losses

Amortisation is included on the following lines in the Income Statement:

	Software, internally developed		Software, acquired		Total intellectual property	
	2022	2021	2022	2021	2022	2021
Administrative expenses	—	—	—	—	—	—

Note 9 Property, plant and equipment

	Buildings		Construction in progress		Equipment, tools, fixtures and fittings	
	2022	2021	2022	2021	2022	2021
Accumulated costs						
At start of year	281	242	9	39	17	8
Purchases	2	4	43	6	0	8
Disposals and retirements	-50	—	-3	—	-3	—
Reclassifications	6	35	-7	-36	1	1
	239	281	42	9	15	17
Accumulated depreciation						
At start of year	-94	-67	—	—	-6	-4
Disposals and retirements	21	—	—	—	2	—
Depreciation for the year	-24	-27	—	—	-2	-2
	-97	-94	—	—	-6	-6
Carrying amount at year-end	142	187	42	9	9	11

Depreciation and impairment losses

Depreciation is included on the following lines in the Income Statement:

	Buildings		Construction in progress		Equipment, tools, fixtures and fittings	
	2022	2021	2022	2021	2022	2021
Administrative expenses	-24	-27	—	—	-2	-2

Note 10 Shares in Group companies

Specification of Bilja AB's and the Group's holdings of shares in Group companies

Subsidiaries	Country	Corporate ID no.	Domicile	Number of shares	Stake in %	Carrying amount	
						2022	2021
Bilja Ferdinand Holding AB	Sweden	559095-6073	Malmö	10,000	100	444	466
M Bilar Group AB	Sweden	556203-5583	Västerås	10,000	100	364	—
Bilja Holding S à r.l.	Luxembourg	B204406	Luxembourg	30,211	90	364	364
.Bilja Emond Luxembourg	Luxembourg	B204743	Luxembourg				
.S.A. Bilja Emond Belgium	Belgium	0412 804 284	Arlon				
Bilja Personbilar AB	Sweden	556063-1086	Gothenburg	1,000,000	100	310	310
.EBD Scandinavia AB	Sweden	559003-6207	Stockholm				
Söderbergs Personbilar i Norrköping AB	Sweden	556150-9224	Norrköping	3,000	100	284	—
Bilja Center Auto AB	Sweden	559082-3851	Stockholm	300,000	100	259	259
.Hellgrens Lastvagnsservice AB	Sweden	556108-3964	Skellefteå				
.Holmgrens Truck-Motor AB	Sweden	556254-0293	Gällivare				
.Skellefteå Billackering AB	Sweden	556551-6837	Skellefteå				
Bilja Norge AS	Norway	976 023 188	Oslo	150,000	100	197	197
.Toyota Bilja AS	Norway	980 648 915	Trondheim				
.Jensen & Scheele Bil AS	Norway	960 968 727	Halden				
.Feltteknikk Norge AS	Norway	999 080 480	Råde				
.AS Insignia	Norway	979 474 075	Oslo				
.Kokstad Autosenter AS	Norway	911 577 313	Bergen				
.Kokstad Autosenter Bilutleie AS	Norway	925 148 253	Bergen				
.Johan Follstadtsvei 19 AS	Norway	921 397 216	Oslo				
.Bil1Din Holding AS	Norway	929 264 924	Skage i Namdalen				
Bilja Center Metro AB	Sweden	556656-0925	Gothenburg	10,000	100	184	184
ECRIS AB	Sweden	556484-6334	Gothenburg	11,000	100	85	85
Bilja Center AB	Sweden	556083-0084	Gothenburg	500	100	85	85
Autohaus Bilja GmbH & Co. KG	Germany	HRA 3167	Nidda	1	100	82	82
.Autohaus Bilja Verwaltungs GmbH	Germany	HRB 6551	Nidda				
Riddersbergs Fastighets AB	Sweden	556902-1479	Gothenburg	500	100	79	79
Fastighetsbolaget Ellipsvägen 4 AB	Sweden	556052-1956	Huddinge	1,000	100	61	61
City Däck Öresund AB	Sweden	556884-0598	Malmö	505	100	56	57
.DäckAtt AB	Sweden	559005-0638	Gothenburg				
Jönköpings Bildemontering AB	Sweden	556144-3614	Gothenburg	2,000	100	54	54
Allbildelar Försäljning i Huddinge AB	Sweden	556355-3378	Gothenburg	3,000	100	40	40
Fastighetsbolaget Brunnsvägen 35 AB	Sweden	556035-5322	Södertälje	2,400	100	35	35
Fastighetsbolaget Returen 3 Norrköping AB	Sweden	556508-0875	Norrköping	2 400	100	32	—
Ferdinand fastigheter i Malmö AB	Sweden	559049-6690	Gothenburg	500	100	29	—
Söderberg Finans AB	Sweden	556898-4602	Norrköping	5 000	100	20	—
Motorit AB	Sweden	556054-6573	Gothenburg	160,000	100	19	19
Fastighetsbolaget Eskilstuna Navaren 7 AB	Sweden	556457-6949	Eskilstuna	4,000	100	17	17
Allbildelar i Huddinge AB	Sweden	556164-2710	Huddinge	1,300	100	12	12
Bastborren Fastighets AB	Sweden	556229-8447	Västerås	1,000	100	9	9
Ferdinand fastigheter i Helsingborg AB	Sweden	559095-4094	Gothenburg	500	100	8	—
Dalskogen fastighets AB i Lysekil	Sweden	556972-6788	Uddevalla	50,000	100	4	4
Fastighets AB Strängnäs Graniten 4	Sweden	559040-7846	Strängnäs	1,000	100	2	2
Bilja BMU AB	Sweden	556046-5659	Gothenburg	10,000	100	2	2
Bilja Holding Flanders NV	Belgium	0700 639 017	Lochristi	2,460	100	1	1
.Bilja Verstraeten NV	Belgium	0448 629 354	Lochristi				
.Gent Store by Bilja Verstraeten BVBA	Belgium	0806 943 493	Gent				
Bilja Outlet AB	Sweden	556059-0803	Gothenburg	1,000	100	0	0
Fastighetsbolaget Uppställningen AB	Sweden	559220-3144	Stockholm	500	100	0	0
Bilja X AB	Sweden	559363-5419	Gothenburg	25,000	100	0	—
Carrying amount						3,136	2,424

Change in holdings of shares in Group companies

	2022	2021
Accumulated costs		
At start of year	4,409	3,507
Acquisitions	734	902
	5,143	4,409
Accumulated impairment losses		
At start of year	-2,375	-2,369
Impairment loss for the year	-22	-6
	-2,397	-2,375
Accumulated revaluation gains		
At start of year	390	390
	390	390
Carrying amount at year-end	3,136	2,424

Based on paragraph 264 b HGB (German Commercial Code) Autohaus Bilia GmbH & Co KG, Nidda, Germany is liberated from the obligation to prepare financial statements and management report based on German accounting rules for limited companies. Additionally, it is not necessary to audit and publish the financial statements according to paragraph 264 b HGB.

Note 11 Other securities held as non-current assets

	2022	2021
Accumulated costs		
At start of year	8	8
	8	8
Accumulated impairment losses		
At start of year	-7	-7
	-7	-7
Carrying amount at year-end	1	1

Note 12 Equity

Share capital and premium

	Ordinary shares	
Thousands of shares	2022	2021
Issued on 1 January	102,800	102,800
Withdrawal of shares	-6,500	—
Issued on 31 December	96,300	102,800

As of 31 December 2022, the registered share capital comprised 96,299,952 ordinary shares (102,799,952).

Holders of ordinary shares are entitled to a dividend that is established from year to year, and their shareholding entitles them to exercise one vote per share at the AGM. All shares have the same right to Bilia's remaining net assets.

Proposed treatment of unappropriated earnings

The Board of Directors proposes that the earnings available for distribution, SEK 1,109,158,821, be disposed of as follows:

Cash dividend, SEK 8.80 per share ¹⁾	809,461,338
To be carried forward, SEK	299,697,483
Total, SEK	1,109,158,821

¹⁾ Based on the number of shares outstanding on 31 December 2022, 91,984,243 (excluding holdings of own shares 4,315,709).

The Board of Directors' dividend proposal will be subject to adoption at the Annual General Meeting on 26 April 2023.

Restricted reserves

Restricted reserves may not be diminished by distribution of profits.

Statutory reserve

The purpose of the statutory reserve is to save some of the net profit for the year that is not used to cover loss brought forward.

Non-restricted equity

Retained earnings

Retained earnings consist of last year's non-restricted equity after distribution of profits (if any). Retained earnings and net profit for the year together comprise non-restricted equity, which is the amount that is available for distribution to the shareholders.

Share premium reserve

When shares are issued at a premium, i.e. when the price paid for the shares is more than their quotient value, an amount corresponding to the amount obtained in excess of the shares' quotient value shall be transferred to the share premium reserve.

Stock split

Existing shares are divided and adjusted retroactively for the years reported.

Note 13 Untaxed reserves

	2022	2021
Tax allocation reserve, year 2016	—	115
Tax allocation reserve, year 2017	134	134
Tax allocation reserve, year 2018	170	170
Tax allocation reserve, year 2019	211	211
Tax allocation reserve, year 2020	253	253
Tax allocation reserve, year 2021	292	292
Tax allocation reserve, year 2022	316	—
Accumulated depreciation in excess of plan	42	43
Total untaxed reserves	1,418	1,218

Note 14 Liabilities to credit institutions

	2022	2021
Current liabilities		
Granted credit	1,500	1,500
Unutilised credit	856	1,500
Utilised credit	644	—

Note 15 Pensions

Net pension obligations

Costs for pensions	2022	2021
<i>Pensions through insurance</i>		
Insurance premiums	25	26
Subtotal	25	26
Special payroll tax on pension costs	—4	25
Pension cost for the year	21	51
Recognised net cost attributable to pensions	21	51

Of the recognised net cost, SEK 21 M (51) is in the operation and SEK 0 M (0) in net financial items. Special payroll tax is partly attributable to defined benefit pension obligations, whereby the cost of payroll tax is not necessarily in relation to the year's insurance premiums and explains why it's reported as an income for 2022.

Defined-contribution plans

The Parent Company has defined-contribution pension plans that are paid for entirely by the company. Payments are made to these plans on a regular basis in accordance with the rules in each plan.

	2022	2021
Costs for the year for defined-contribution plans ¹⁾	25	26

¹⁾ Of which SEK 16 M (16) pertaining to ITP plan funded in Alecta.

The Parent Company estimates that SEK 29 M will be paid in 2023 to the defined-contribution plans, of which Alecta SEK 13 M.

For further information on pensions, share-based payments and benefits to senior officers, see the Group's Note 8 "Employees, personnel costs and remunerations for senior officers" and Note 21 "Pensions".

Note 16 Interest-bearing liabilities

	2022	2021
Non-current liabilities, interest-bearing		
Bond issue	498	1,296
Personnel fund	5	5
Total	503	1,301
Current liabilities, interest-bearing		
Bond issue	800	—
Short-term interest liabilities	703	—
Total	1,503	—

Liabilities that fall due for payment more than five years after the balance sheet date

	2022	2021
Personnel fund	5	5
Total	5	5

Note 17 Accrued expenses and deferred income

	2022	2021
Accrued wages and salaries	44	41
Accrued social security contributions	89	95
Accrued interest	11	6
Other accrued expenses	51	31
Total	195	173

Note 18 Financial instruments

Fair value and carrying amount for financial instruments and categorisation are presented below:

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Assets measured at fair value through the Income Statement</i>				
Currency swaps	1	1	1	1
<i>Interest-bearing assets measured at amortised cost</i>				
Trade receivables	3	3	1	1
Cash and cash equivalents	65	65	559	559
<i>Debts measured at amortised cost</i>				
Personnel fund	5	5	5	5
Trade payables	115	115	16	16
Bond issue	1,298	1,298	1,296	1,296
Short-term interest liabilities	703	703	—	—

The table below furnish information on how fair value has been determined for the financial instruments that are measured at fair value in the Statement of Financial Position. Fair value is determined on the basis of the following three levels:

Level 1: according to prices on an active market for the same instrument.

Level 2: based on directly or indirectly observable market data not included in level 1.

Level 3: based on inputs that are not observable on the market.

Fair Value Measurement

For a summary of the most important methods and assumptions that have been used to establish fair value, see Group Note 25 "Financial instruments".

Level 2	2022	2021
Financial assets measured at fair value through profit or loss/Currency swaps	1	1

Note 19 Financial risks and risk management

Bilia AB

Shares in subsidiaries

The Parent Company's shareholdings in the non-Swedish subsidiaries entail a currency exposure for Bilia. At present, Bilia AB does not hedge its shareholdings in foreign currencies.

For further information see Group Note 26 "Financial risks and risk management".

Maturity structure – Financial liabilities

The following table shows the maturity structure of the financial liabilities on the balance sheet date, undiscounted cash flows.

Lender	2022				2021			
	<1 yr	1–5 yrs	>5 yrs	Total amount	<1 yr	1–5 yrs	>5 yrs	Total amount
Bond issue	847	536	—	1,383	19	1,327	—	1,346
Personnel fund	—	—	5	5	—	—	5	5
Trade payables	115	—	—	115	16	—	—	16
Total	962	536	5	1,503	35	1,327	5	1,367

Note 20 Operating leases

Leases for premises and office equipment

The Parent Company's leases mainly pertain to premises that have been sublet to the Swedish subsidiaries and office equipment. At year-end 2022, the property leases covered about 355,000 square meters (318,000).

In some cases, lease payments are fixed for periods of three months based on STIBOR or CIBOR. In other cases, lease payments are linked to a portion of the consumer price index or similar index. Leases can be extended in most cases.

Leases – lessee

Non-cancellable lease payments amount to:

	2022	2021
Total lease costs for the year	-398	-376
Future lease payments		
Within one year	-437	-347
Between one and five years	-1,517	-1,259
Later than five years	-1,609	-1,596
Total	-3,563	-3,202

Leases – lessor

Assets that are leased out under operating leases are recognised as property, plant and equipment. These assets consist of leasehold improvements. The past year's and future non-cancellable lease payments are as follows:

	2022	2021
Total lease payments for the year	424	406

The contractual annual rent is SEK 424 M and the leases expire between 2023 and 2036.

Note 21 Capital commitments

The Parent Company concluded agreements to invest SEK 170 M (159) in non-current assets. These commitments are mainly expected to be settled during the following financial year.

Note 22 Pledged assets and contingent liabilities

Pledged assets	2022	2021
For own liabilities and provisions		
<i>Pledged assets</i>		
– Endowment policies	254	298
– Promissory note loan	447	447
Total pledged assets	701	745
Contingent liabilities	2022	2021
Rent guarantees ¹⁾	122	99
Guarantee for the benefit of subsidiaries	1,028	657
Total contingent liabilities	1,150	756

¹⁾ The amount pertains to rent guarantees of SEK 122 M (99) pledged for Bilja AB's subsidiaries in Norway and Sweden. The stipulated amount is the annual rent for leases of varying length.

Note 23 Related parties

Bilja AB has a related party relationship with its subsidiaries, see Note 10 "Shares in Group companies".

Key management personnel consist of Board members, the Managing Director and other senior officers. Disclosures regarding wages, salaries and other remuneration to key management personnel are presented in the Group's Note 8 "Employees, personnel costs and remunerations for senior officers". Other transactions are reported in the table below.

Board members Mats Qviberg and Anna Engebretsen and their close family members control, directly and indirectly via Investment AB Öresund, approximately 29 per cent (27) of the votes in the company. Board member Nicklas Paulson is MD of Investment AB Öresund. Board members Jan Pettersson and Gunnar Blomkvist hold an accrued pension that is reported as a pension obligation to former senior officers in the Group's Note 8 "Employees, personnel costs and remunerations for senior officers".

Related party transactions	2022	2021
Sales of goods and services to subsidiaries	678	648
Purchases of goods and services from subsidiaries	24	23
Commissions, interests and dividend from subsidiaries	422	137
Receivables from subsidiaries	2,145	1,480
Liabilities to subsidiaries	240	376
Contingent liabilities for subsidiaries	1,150	756

Transactions with key management personnel are priced on market terms.

Note 24 Cash Flow Statement

Group contributions	2022	2021
Group contribution received	1,224	1,011
Total	1,224	1,011

Adjustment for non-cash items	2022	2021
Depreciation/amortisation	26	28
Impairment losses	22	6
Other line items not affecting liquidity	7	4
Total	55	38

Note 25 Events after the balance sheet date

The financial statements were approved for publication by the company's Board of Directors on 4 April 2023.

No significant events have occurred from the balance sheet date until the signing of this report.

Signatures

The Board of Directors and the Managing Director ensure that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated accounts give a true and fair view of the Parent Company's and the Group's financial position and results of operations.

The Directors' Report for the Parent Company and the Group provides a true and fair summary of the development of the Parent Company's and the Group's activities, financial position and results of operations while describing significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Gothenburg, 4 April 2023

Mats Qviberg
Chairman

Jan Pettersson
Deputy Chairman

Ingrid Jonasson Blank
Board member

Gunnar Blomkvist
Board member

Anna Engebretsen
Board member

Nicklas Paulson
Board member

Jon Risfelt
Board member

Caroline af Ugglas
Board member

Dragan Mitrasinovic
*Board member appointed
by employee organisation*

Patrik Nordvall
*Board member appointed
by employee organisation*

Per Avander
Managing Director

Our Audit Report was submitted on 5 April 2023
PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

As is evident above, the annual accounts and consolidated accounts were approved for publication by the Board of Directors and the Managing Director on 4 April 2023. The Consolidated Statement of Income and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Parent Company Income Statement and the Parent Company Balance Sheet will be subject to adoption at the Annual General Meeting on 26 April 2023.

Auditor's Report

To the general meeting of the shareholders of Bilja AB (publ), corporate identity number 556112-5690

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Bilja AB (publ) for the year 2022 except for the corporate governance statement and the sustainability report on pages 45–52 respective 33–44. The annual accounts and consolidated accounts of the company are included on pages 16–114 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 45–52 and the sustainability report on pages 33–44. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the Group.

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

Basis for Opinions

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

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

Our audit approach

Audit scope

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

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

Materiality

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

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

Key audit matters

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

Key audit matters***Recognition of revenue from cars sold with conditions to repurchase at guaranteed residual values***

During the 2022 financial year, the Group's revenue amounted to SEK 35,345 M, divided between products and services. Note 2 explains the Group's accounting principles for revenue and the accounting estimates that management has to make when applying the accounting principles. Note 2 also describes the Group's accounting principles for revenue from cars sold with repurchase agreements.

The majority of the Group's revenue (approximately 75 per cent) derives from sales of new and used cars. Revenue from the sale of a car is recognised when control of the car has been transferred to the customer, which is normally at a given point in time and usually when the car is delivered to the customer. As part of its business operation, the Group also sells cars with conditions for Bilja to repurchase a sold car at a pre-guaranteed residual value. Revenue from these transactions is not recognised at the time of the sale but allocated on a straight-line basis from the time of the sale until the time of repurchase. The agreements also mean that the Group assumes residual value risks, and that the Group may in future be forced to dispose of used cars at a loss if the net realisable value of these cars is lower than foreseen when the agreement was entered into. As a result, management has to make ongoing accounting estimates regarding the future net realisable values of the cars sold with repurchase agreements. In accordance with the Group's accounting principles, a write-down requirement may arise if future gross profits, including estimated losses on repurchase obligations, are less than the carrying amount of the cars.

How our audit addressed the Key audit matter

The procedures we performed for our audit of the Group's revenue from cars sold with conditions to repurchase at guaranteed residual values include, but are not limited to, the following steps:

- Review of the accounting principles applied by the Group for revenue recognition, including revenue recognition for cars sold with conditions to repurchase at guaranteed residual values, and an assessment of how this complies with IFRS 15 Revenue from Contracts with Customers.
- Conducting an evaluation of the procedures and processes established by management to recognise revenue in accordance with the Group's accounting principles.
- Test of a sample of agreements with customers and assessing whether the contractual terms are reflected in the Group's reporting.
- Evaluated the management's assessment regarding residual value risks and the risk of write-down by testing the assessed net sales value against, among other things, external market data.
- Conducting data analyses to match recognised revenue against sales transactions in underlying business systems, and carrying out sample testing of sales transactions against payment documentation.
- Finally, we also assessed the accuracy of the disclosures provided by the Group regarding revenue recognition.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–15 and 119–136. In addition to other information in this document, the company prepares the Remuneration report 2022, which we expect to have access to after the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

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

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consoli-

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

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

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

Report on other legal and regulatory requirements

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

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bilja AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

The auditor's examination of the Esef report Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Bilja AB (publ) for the financial year 2022.

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

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

Basis for Opinion

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

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

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

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

Auditor's responsibility

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

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

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

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

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

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

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

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for the corporate governance statement on pages 45–52 has been prepared in accordance with the Annual Accounts Act.

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

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

Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report 33–44 and that it has been prepared in accordance with the Annual Accounts Act.

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

A statutory sustainability report has been prepared.

PricewaterhouseCoopers AB, 405 32 was appointed auditor of Bilja AB (publ) by the general meeting of the shareholders on 7 April 2022 and has been the company's auditor since 27 April 2021.

Gothenburg 5 April 2023
PricewaterhouseCoopers AB

Fredrik Göransson
Authorized Public Accountant

Sustainability Notes

► EU's green taxonomy

► The EU green taxonomy, EU 2020/852 (Taxonomy) entered into force in July 2020 and is a joint classification system and a tool to help investors identify and compare environmentally sustainable investments to achieve the EU's climate goals and objectives within the EU's green growth strategy. The taxonomy is a framework for deciding which economic activities are to be considered environmentally sustainable.

Bilia's operations consist of sales of cars and accessories as well as service and maintenance of these products. Bilia's sales of products are not covered by the activities classified as part of the Taxonomy, but the scope is limited to Bilia's Service Business with additions to Bilia's car rental business that is part of Bilia's Car Business. For a description of Bilia's Service Business and Car Business, see pages 20–25. The activities that are considered to be covered by the Taxonomy Annex 1 fall under section 3.3 Manufacture of low-carbon technologies for transport (Manufacture, repair, maintenance, retro fitting, repurposing and upgrade of low carbon transport vehicles, rolling stock and vessels) and section 6.5 Transport by motorbikes, passenger cars and commercial vehicles (Purchase, financing, leasing, rental and operation of vehicles designated as category M1, N1 both falling under the scope of Regulation (EC) No 715/2007, or L (2- and 3-wheel vehicles and quadricycles)).

The identified activities are organised and followed up as separate profit areas, which is why turnover, operating costs and investments in fixed assets are available for these activities in the operational financial reporting. None of the activities is therefore considered to be double-counted in the production of the financial information. Turnover are the part of net turnover that relates to products or services, see Note 2 on page 58. Operating expenditures reported based on the Taxonomy's definition, i.e. direct non-capitalised costs attributable to renovation of buildings, maintenance and repairs and direct costs attributable to current maintenance of assets. Capital expenditures are purchases of intangible assets and property, plant and equipment during the year, see Note 14 pages 79–82 and Note 15 pages 83–85. Investments through acquisitions of operations are included, see Note 5 pages 68–70. Investments in goodwill are not included.

Method for identifying taxonomy-aligned activities

For an economic activity to be judged to be taxonomy-aligned – and hence to qualify as environmentally sustainable – it must contribute substantially to at least one of the EU's six environmental objectives and not cause significant harm to any of the others. It must also be carried out in compliance with certain minimum safeguards relating to the social and governance aspects of sustainability.

Substantial contribution

Bilia satisfies the technical screening criteria for limiting climate change from the servicing and repair of road vehicles which comply with the emission limits for passenger cars and commercial vehicles in section 3.6. Bilia also satisfies the criteria for a substantial contribution from the rental of vehicles that comply with the emission limits in section 6.5.

Do no significant harm

Potentially taxonomy-aligned activities have been assessed against the "Do no significant harm" criteria (DNSH).

In our assessment we found it necessary to make our own interpretations and produce our own screening criteria based on operations that Bilia carries out within potentially taxonomy-aligned economic activities, as there is no clear guidance or reporting practice. The method used to judge alignment will be evaluated as regulatory guidance and general reporting practice evolve. In short, activities reported as taxonomy-aligned are considered to meet all of the DNSH criteria.

Climate change adaptation

In our assessment of alignment with the DNSH criterion, we drew up an inventory based on geographical locations within Sweden. The inventory was compared with the municipal analyses from the Swedish Geotechnical Institute of the impact of economic activity with regard to the risk of erosion, landslides, rockfalls, coastal flooding and flooding along watercourses. According to this analysis, future climate change could mean that the likelihood of any of the risks listed above occurring is higher than average for some of Bilia's facilities near to the coasts and certain facilities with lakeside location. Our view is that there is no immediate need for action.

			Criteria for significant contribution	Criteria for Do No Significant Harm (DNSH)							Taxonomy aligned portion of turnover 2022	Category – enabling (E) or transition (T)
Turnover	Codes	Absolute turnover SEK M	Proportion of turnover %	Climate change mitigation %	Climate change adaptation Yes/No	Water and marine resources Yes/No	Circular economy Yes/No	Pollutions Yes/No	Biodiversity and ecosystems Yes/No	Minimum safeguards Yes/No	%	E/T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A1. Environmentally sustainable activities (taxonomy-aligned)

Manufacturing of low carbon technology for transportation	3.3	1,278	4%	100%	Yes	Yes	Yes	Yes	Yes	Yes	4%	E
Transport by motorbikes, cars and light motor vehicles	6.5	8	0%	100%	Yes	—	Yes	Yes	—	Yes	0%	T
Turnover of taxonomy-aligned (A.1)		1,286	4%								4%	

A2. Taxonomy-eligible (but not taxonomy-aligned activities)

Manufacturing of low carbon technology for transportation	3.3	6,815	19%
Transport by motorbikes, cars and light motor vehicles	6.5	159	0%
Turnover of taxonomy-eligible (but not taxonomy-aligned activities) (A.2)		6,974	20%
Total (A.1 + A.2)		8,260	23%

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of taxonomy non-eligible activities (B)		27,085	77%
Total (A+B)		35,345	100%

Sustainable use and protection of water and marine resources

Most of Bilia's operations use water to wash vehicles. Emissions of water from car washes into the waste water network are regulated by the supervisory authority which has prescribed precautionary measures for our operations. There are requirements for water sampling in every country in which we operate.

In Sweden, Bilia has 15 facilities within water conservation areas, which means that the business is governed by further legislation. We make regular assessments and take action to meet the water criterion.

The transition to a circular economy

Our assessment identified several examples of the way in which Bilia's operations contribute to the transition to a circular economy. They include the application of the waste hierarchy, where Bilia aims to increase the number of waste fractions to facilitate material recovery. If we are to reduce the volume of waste and further improve material recovery, Bilia is dependent on developments in the supply chain. Bilia's

dismantling facilities enable reuse of spare parts and effective recovery of materials. Bilia aims to increase its own use of used spare parts. Bilia also sees opportunities to contribute to effective use of resources in our rim repair business.

Pollution prevention and control

The criteria for preventing and limiting environmental pollution are based on EU law on chemicals. Chemical products and goods that Bilia uses in its own operations or buys and resells to companies and private individuals are also checked and risk-assessed for their constituent materials against national requirements concerning Substances of Very High Concern (SVHC). The risk assessment work is supported by the chemicals handling system.

Protection and restoration of biodiversity and ecosystems

To address the biodiversity criterion for its Swedish operations, Bilia has made use of the Swedish Environmental Protection Agency's database of protected sites. The businesses in other countries have been asked about known requirements or

			Criteria for significant contribution	Criteria for Do No Significant Harm (DNSH)								Taxonomy aligned proportion of capital expenditures 2022	Category – enabling (E) or transition (T)
Capital expenditures													
Codes	Absolute capital expenditures	Proportion of capital expenditures	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollutions	Biodiversity and ecosystems	Minimum safeguards				
	SEK M	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No			%	E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES													
A1. Environmentally sustainable activities (taxonomy-aligned)													
Manufacturing of low carbon technology for transportation	3.3	119	5%	100%	Yes	Yes	Yes	Yes	Yes	Yes	5%	5%	E
Transport by motorbikes, cars and light motor vehicles	6.5	0	0%	100%	Yes	—	Yes	Yes	—	Yes	0%	0%	T
Turnover of taxonomy-aligned (A.1)		119	5%									5%	
A2. Taxonomy-eligible (but not taxonomy-aligned activities)													
Manufacturing of low carbon technology for transportation	3.3	603	26%										
Transport by motorbikes, cars and light motor vehicles	6.5	0	0%										
Turnover of taxonomy-eligible (but not taxonomy-aligned activities) (A.2)		603	26%										
Total (A.1 + A.2)		722	31%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES													
Turnover of taxonomy non-eligible activities (B)		1,627	69%										
Total (A+B)		2,349	100%										

precautionary measures relating to this criterion. Our view is that the Group's operations have no significant direct impact on biodiversity and ecosystems.

Minimum safeguards

The criteria for minimum safeguards have been assessed at Group level. The Group's operations that engage in taxonomy-aligned economic activities are covered by Bilia's Group-wide policies and procedures. Bilia's code of conduct for suppliers, which has to be followed by Bilia and its supply chains, is based on the ten principles from the UN Global Compact and its underlying conventions, declarations and guidelines. The Code of Conduct sets out the minimum requirements that suppliers to Bilia are expected to meet with regard to human and labour rights, the environment and business ethics. Suppliers have a responsibility to ensure compliance with the code in their own operations and supply chains. To do this, the suppliers must have a due diligence process in place in line with the UN Guiding Principles on Business and Human Rights and/or the OECD Guidelines for Multinational Enterprises.

			Criteria for significant contribution	Criteria for Do No Significant Harm (DNSH)								Taxonomy aligned proportion of operating expenditures 2022	Category – enabling (E) or transition (T)
Operating expenditures				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollutions	Biodiversity and ecosystems	Minimum safeguards			
Codes	Absolute operating expenditures	Proportion of operating expenditures		%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%		E/T
	SEK M	%											

A. TAXONOMY-ELIGIBLE ACTIVITIES

A1. Environmentally sustainable activities (taxonomy-aligned)

Manufacturing of low carbon technology for transportation	3.3	3	6%	100%	Yes	Yes	Yes	Yes	Yes	Yes	6%	E
Transport by motorbikes, cars and light motor vehicles	6.5	0	0%	100%	Yes	—	Yes	Yes	—	Yes	0%	T
Turnover of taxonomy-aligned (A.1)		3	6%								6%	

A2. Taxonomy-eligible (but not taxonomy-aligned activities)

Manufacturing of low carbon technology for transportation	3.3	15	30%
Transport by motorbikes, cars and light motor vehicles	6.5	3	6%
Turnover of taxonomy-eligible (but not taxonomy-aligned activities) (A.2)		18	36%
Total (A.1 + A.2)		21	42%

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of taxonomy non-eligible activities (B)		29	58%
Total (A+B)		50	100%

Sustainability Index

In preparing Bilia AB's Sustainability Report, we have used the GRI (Global Reporting Initiatives) reporting principles and some GRI subject-specific standards to report, but the report

has not been prepared completely in accordance with GRI standards.

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
General disclosures			
The organisation and reporting			
Name of the organisation	Annual Report, Corporate Governance Statement		45
Nature of ownership and legal form	Annual Report, Corporate Governance Statement		45
Headquarters	Annual Report, Financial information, Consolidated Note 33		98
Countries of operation	Annual Report, Financial information, Consolidated Note 33		98
Entities included in the organisation's reporting	Bilia AB and its subsidiaries, see Annual Report Parent Company Note 10		108
Reporting period	2022		
Reporting frequency	Annual 1 January – 31 December		
Reporting date	31 December 2022		
Contact point for questions about the report	Kristina Franzén, CFO		
Restatements of sustainability information	Sustainability information in accordance with Scope 3 has been reported for the 2022 reporting period. There have not been any other material changes in reporting of information related to sustainability during the reporting period.		
Activities and employees			
Sectors in which the organisation is active	Car Business, Service Business and Fuel Business.		
Brands, products and services	Annual Report, Business areas		20 f
Supply chain	Our most important suppliers of products and services are the general agents in each country for the car brands for which Bilia is the dealer.		
Customers, customer structure	Approximately 60 per cent of the Group's customers are companies and approximately 40 per cent are private individuals.		
Business relationships	Annual Report, Sustainability Report Our most important business relationships are with the general agents in each country for the car brands for which Bilia is the dealer. In addition, there are business relationships primarily with finance and insurance companies that enable us to offer our customers services related to owning a car.		
Significant changes in the organisation and supply chain	No significant changes in the organisation during the reporting period. During the year, eight new car brands have been added to Bilia and consequently Bilia has started business relationships with three new general agents.		
Employees			
The size of the organisation in number of employees	Annual Report, Financial information, Consolidated Note 8		71
Information on employees	Annual Report, Financial information, Consolidated Note 8		71
Information on workers who are not employees	Temporary staff are hired to assist during seasonal peaks, for example with tyres change in spring and autumn.		
Governance			
The company's governance	Annual Report, Corporate Governance Statement, Sustainability Report		45
Composition and work of the Board	Annual Report, Corporate Governance Statement, Sustainability Report		47 f
Composition and work of the Group Management	Annual Report, Corporate Governance Statement, Sustainability Report		48 f
Delegation of responsibility for managing changes that may impact on the organisation	Sustainability is represented in the Group Management by the person in charge of the department for HR and Sustainability.		
Role of the Board in sustainability reporting	In 2022, the Board reviewed the sustainability information in the interim reports and annual report prior to publication.		
Strategies, policies and practices			
Statements from senior decision-makers	Annual Report, Statement by the Managing Director		4
Policies and commitments	Annual Report, Sustainability Report and bilia.com		33 ff
Implementation of policies	All newly employed are given an introduction to policies and training is provided where it is deemed relevant. The Supplier Code of Conduct is appended to supplier agreements.		

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
Processes and mechanisms for seeking advice, raising and receiving complaints, and tackling negative impacts	The majority of Bilias operations are certified in accordance with ISO 9001 and ISO 14001, which include procedures for managing advice, non-compliance and customer complaints. Non-certified operations work based on equivalent management systems. Internally there is system support for non-compliance management and customer complaints (stakeholders).	Internal matters Customer matters	
Seeking advice and information and systems for raising concerns	Bilia has an externally managed whistleblowing system for employees, customers and suppliers. The system can be accessed via https://www.bilia.com/en/about-us/whistleblowing/	Number of reports	
Compliance with laws and regulations	Fines of SEK 50,000 have been levied for storing cars at a car dismantling site in Sweden. This was identified in 2021 and remedied in 2022. An additional fee of NOK 50,000 was levied for high levels of effluent to water in Norway. This was identified and remedied in 2022.	Number of fines/ additional fees and amounts	
Membership associations	MRF industry organisation (Sweden) MAF/Transportföretagen employers' organisation (Sweden) 'Commissions Paritaires' 112 and 200 (Belgium) NHO employers' organisation (Norway)		
Stakeholder engagement	• Investors • Customers • Employees • Business partners (incl. general agents/suppliers/finance companies/ insurance companies) • Public authorities • The planet Group Management has identified stakeholders and their needs.		
Collective bargaining agreements	Collective bargaining agreements are in place in all of the countries, which means that 100 per cent of employees are covered by collective bargaining agreements.	Percentage of employees covered	
Bilia's material topics			
Process to determine material topics	Sustainability Report		35 ff
List of material topics	Annual Report, Sustainability Report and Sustainability Notes		35 ff 122 ff
Management of material topics	Material topics are managed in Bilia's strategy, targets and activities		35 ff
Financial results			
Direct economic value, created and delivered	Annual Report, Financial information, Income Statement	Turnover Operating profit Earnings per share	54
Financial impact, and other risks and opportunities for the organisation's activities that can be attributed to climate change.	Annual Report, Risks and opportunities		28
Defined-benefit obligations and other pension plans	Annual Report, Financial information, Note 8 and Note 21		74
State support	No significant state support was received during the reporting period		
Anti-corruption			
Operations assessed for risks related to corruption	Risks relating to corruption are deemed to be low taking into account the countries in which Bilia operates.		
Communication and training about anti-corruption policies and procedures	Training is carried out continuously as required.	Number of courses	
Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.	Number of confirmed incidents of corruption	
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal actions were taken during the reporting period		
Environmental impacts			
Materials	Chemicals legislation regulates materials used for the paintwork operation and efforts to substitute materials are ongoing. Consumption amounted to 35,420 kg.	Kg VOC	
Reused parts	Percentage of reused parts used in the repair work-shops amounted to 6 per cent.	Percentage of reused parts	
Energy			
Energy consumption within the organisation	Energy consumption amounted to 127.7 GWh during the reporting period.	GWh	

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
Reduction of energy consumption	Energy consumption decreased by 7.7 per cent.	GWh	
Water and effluents			
Management of water discharge related impacts	Treatment works are installed as necessary and oil separators have been installed at the facilities.		
Water discharge	Water tests are conducted in accordance with the requirements set by the supervisory authorities in the countries where we operate. A total of 127 tests were taken, of which 28 tests were not fully approved.	Number of failed water tests	
Water consumption	Water consumption for Sweden, Belgium and Luxembourg amounted to 98,363 m ³ and the reporting period is the first time this has been reported.	m ³	
Biodiversity			
Facilities owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	In Sweden, Bilja has looked for protected areas designed to protect biodiversity located adjacent or near to our facilities. None of our facilities are located in a protected area, but one of our 113 facilities in Sweden is geographically directly next to a lake area protected by the Birds Directive (SPA) and the Habitats Directive. Two of our 113 facilities in Sweden are 50–100 metres from a protected nature reserve for species of moss and sedge (a grass-like plant). In Norway and Luxembourg there are no facilities located in protected areas. In Belgium, one facility out of a total of five facilities is located adjacent to a protected area.		
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protected areas in Sweden located near to our facilities have habitats for the following red list and national conservation list species: freshwater salmon, slender naiad and otters. The inventory of red list and national conservation list species in protected areas has not begun in Belgium.		
Emissions			
Direct (Scope 1) GHG emissions	Annual Report, Sustainability Report	CO ₂ e	43
Energy indirect (Scope 2) GHG emissions	Annual Report, Sustainability Report	CO ₂ e	43
Other indirect (Scope 3) GHG emissions	Annual Report, Sustainability Report	CO ₂ e	43
Emissions of ozone-depleting sub-stances (ODS)	Annual Report, Sustainability Report	Refill, kg	43
Waste			
Waste generation and significant waste-related impacts	Waste is mainly generated in our Service Business. During the reporting period, 15,897 tonnes of waste was generated. Information is missing from three facilities in Norway	Tonnes	
Waste per type and processing method	79.2 per cent of the waste was recycled, 20.1 per cent of the waste was incinerated and 0.1 per cent of the waste was landfilled.	Percentage distribution	
Employment			
Information on employees			
Employee turnover	Employee turnover is measured monthly per company in each country	Employee turnover	
Parental leave	All employees are entitled to paid parental leave and the level of remuneration is regulated nationally in the countries where we operate.		
Labour/management relations			
Minimum notice periods regarding operational changes	Information is provided in accordance with the periods specified in collective bargaining agreements and law.	Number of days/month	
Occupational health and safety			
Occupational health and safety management system	Systematic health and safety work is integrated into our management system.		
Identification, risk assessment, and incident investigation	There are established procedures in our countries for identifying and assessing risks and investigating incidents related to the health and safety of our employees. Regular health and safety committee meetings and health and safety inspections take place in accordance with national legislation in the countries where we operate.		
Occupational health services	Occupational health services that provide support in the event of illness and take preventive measures are established for all employees in Sweden, Norway and Belgium.		
Worker participation, consultation, and occupational health and safety	In the countries where we operate, there are local health and safety committees and health and safety representatives in accordance with the prevailing regulations in each country. In Sweden there is also a national health and safety council.		
Worker training on occupational health and safety	Employees in Sweden, Norway and Belgium have received training in, for example, first aid, CPR, fire safety and substance abuse problems. In Belgium and Luxembourg, the designated health and safety representatives are given training and certified.		

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
Promotion of health	Employees in Sweden and Norway receive compensation for activities relating to fitness through a set annual amount. In Sweden and Norway, employees receive grants for taking part in fitness activities carried out together with the employees. Employees in Luxembourg have access to a gym at the workplace. Employees in Belgium receive remuneration when they cycle as a means of transport. Employees in Norway receive health insurance.	Use of fitness grants (percentage)	
Work-related injuries and ill health	Injuries and ill health that arise in connection with carrying out work in the operation. The number of reported cases of injuries and ill health during the reporting period amounts to 67 for 5,110 employees.	Number of reported cases of injuries and ill health	
Training and education			
Programmes for upgrading employee skills and transition assistance programmes	Programmes for upgrading skills are part of the annual development review to identify training and education needs for each employee. Training and education linked to work duties takes place continuously via general agents, both under Bilja and through external suppliers. Digital courses regarding the Code of Conduct, competition law, GDPR and IT security are provided for employees. New recruits are given an introduction at the beginning of their employment. Group-wide management training is held regularly.	Number of participants in the courses	
Percentage of employees receiving regular performance and career development reviews	Employees have at least one annual development review and most employees also have regular one-on-one reviews.	Reviews carried out as a percentage of employees asked	
Diversity and equal opportunity			
Diversity of governance bodies and employees	Annual Report, Sustainability Report, Corporate Governance Report, Financial information	Breakdown between women and men in the management	41, 50, 52, 70
Ratio of basic salary and remuneration of women to men	In Sweden and Norway, pay is mapped in accordance with national regulations and measures are taken to adjust for any unreasonable differences. In Belgium and Luxembourg, levels of remuneration between men and women are reviewed in connection with the process for adjusting remuneration.		
Human rights			
Incidents of discrimination and corrective actions taken	The whistleblowing function is available on Bilja's external website for suppliers, employees and customers. All reports of potential discrimination are investigated and action is taken as required. The annual employee survey includes questions about discrimination and sexual harassment.	Number of whistleblowing cases reported and percentage in the annual employee survey	
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Bilja respects freedom of association and collective bargaining with union organisations. This is clarified in the Code of Conduct. The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
Operations and suppliers at significant risk for incidents of child labour	Bilja's Code of Conduct denounces all forms of child labour. The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
Operations and suppliers at significant risk for incidents of forced or compulsory labour	There is no forced or compulsory labour at Bilja. The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
Operations and suppliers that were screened regarding compliance with human rights	There are no breaches of human rights at Bilja. The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		

DISCLOSURE	COMMENTS/RESPONSIBLE	KPI	PAGE
Supplier social assessment			
New suppliers that were screened using social criteria	All new suppliers shall be screened based on the social criteria in our Code of Conduct.	Percentage of new suppliers screened	
New suppliers that were screened using environmental criteria	All new suppliers shall be screened based on the environmental criteria in our Code of Conduct.	Percentage of new suppliers screened	
Negative social impacts in the supply chain and actions taken	The Supplier Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period. Compliance was not followed up during the year.		
Negative environmental impacts in the supply chain and actions taken	The Code of Conduct, with the right to follow up on compliance, was drawn up and introduced during the reporting period.		
Customer health and safety			
Assessment of the health and safety impacts of product and service categories	Annual Report, Sustainability Report		36
Incidents of non-compliance concerning the health and safety impacts of products and services	Two reported incidents of non-compliance with procedures that impacted customer safety.	Number of reported incidents of non-compliance	
Marketing and labelling			
Requirements for product and service information and labelling	Safety procedures for chemical products to wholesale customers developed and implemented during the reporting period. Procedures required for accreditation are continuously followed.		
Incidents of non-compliance concerning product and service information and labelling	No reported incidents	Number of incidents	
Incidents of non-compliance concerning market communications	No reported incidents	Number of incidents	
Customer privacy			
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Complaints concerning breaches of customer privacy and losses of customer data are measured and reported in accordance with the prevailing regulations.	Number of substantiated complaints	

► Significant contributions to the UN's SDGs Agenda 2030

GOAL	TARGET	SIGNIFICANT FOR BILIA STAKEHOLDERS	HOW BILIA CONTRIBUTES OR CAN CONTRIBUTE	CONTRIBUTION*
 3 GOOD HEALTH AND WELL-BEING	3.4	An open and inclusive workplace	Procedures for action plans and improvement measures in cases where the employee survey shows that improvement potential exists.	0
	3.5	Procedures for detecting and implementing preventive measures	Training and support for leaders to identify and prevent drug and alcohol abuse among our employees.	1
	3.6	Safe vehicles	High competence to identify, communicate and carry out service and repair of vehicles to contribute to a safe traffic environment.	2
	3.9	Responsible chemical choices	Management of purchases for risk-assessed chemical products.	2
 4 QUALITY EDUCATION	4.4	Workplace for all	Participation in collaborative projects to facilitate a first employment on the labor market	0
	4.7	Knowledge to contribute to sustainable development	Information about Bilias sustainability work.	0
 5 GENDER EQUALITY	5.1	End discrimination against women and girls	Sustainability goal that 30 per cent of employees in the sales operations must be women.	2
	5.4	Promotion of shared responsibility within the household	Bilia encourages employees to use parental leave.	1
	5.5	Women in leadership and decision-making	Recruitment policy that promotes women entering Bilia.	2

* Contribution -3 - +3, 0 = neutral

GOAL	TARGET	SIGNIFICANT FOR BILIA STAKEHOLDERS	HOW BILIA CONTRIBUTES OR CAN CONTRIBUTE	CONTRIBUTION*
	6.3	No release of polluted water	Water sampling in accordance with applicable legal requirements. Run projects for water purification and water efficiency.	1
	6.4	Responsible water consumption	Water sampling in accordance with applicable legal requirements. Run projects for water purification and water efficiency.	1
	6.6	Protect water-related systems	Water sampling in accordance with applicable legal requirements. Run projects for water purification and water efficiency.	-1
	7.3	Improvement in energy efficiency	Implement energy efficiency measures at our facilities where operations are conducted.	-1
	8.4	Resource efficiency, care for the environment	Use a higher percentage of reused parts in our Service Business as well as repairs/renovation instead of buying new.	1
	8.5	Good employment conditions	Follow national legislation and apply Collective bargaining agreements.	0
	8.6	Invest in the young	Offer internships and mentorship. Supervise students with internships in a caring and professional way so they want to work in the profession..	2 2
	8.7	Sustainable supply chain	Implement code of conduct for suppliers in agreements.	1
	8.8	Secure working environments	Work actively with work environment improvements for employees..	
	9.b	Contribute to sustainable development	Participate in projects with other industries to increase knowledge and share information.	1
	10.2	Workplace for all	Participate in projects for the education and retraining of new arrivals to the country. Increase diversity among safety representatives and other union representatives.	0
	11.2	Available systems for sustainable transport	Sales of rechargeable vehicles and charging equipment.	1
	11.6	Good air quality	Use public transport when on business trips when this is possible.	0
	12.2	Minimal use of natural resources	Use a higher percentage of reused parts in our Service Business as well as repairs/renovation instead of buying new.	1
	12.4	Safe handling of chemicals and waste	Sort operational waste into more fractions to facilitate recycling. Prevent the risk of theft of waste at our facilities.	-1
	12.5	Reduce waste generation	Identify and implement alternative packaging solutions.	-1
	12.6	Sustainable supply chains	Implement Code of Conduct for our suppliers.	0
	12.7	Sustainable supplier	Implement Code of Conduct for our suppliers.	0
	12.8	Support to choose sustainable products and services	Train employees about sustainable products and services Recommend sustainable products and services to customers based on well-founded scientific information.	-1
	13.1	Reduce climate change	Investigate existing and future locations for our facilities from a climate change perspective.	0
	13.3	Increase knowledge about climate change	Inform Bilia's employees about climate change on the Intranet through the article series on Agenda 2030.	0
	15.5	Protect biodiversity	Carry out an inventory of the facilities in the countries of operation to see how they are geographically located to protected areas.	1
	16.5	Transparency and good ethics	Update relevant policies as needed. Implement policy deviation reporting.	0
	17.16	Cooperation that leads to sustainable development	Participate in projects with other industries to increase knowledge and share information to contribute to a sustainable business.	2
	17.17	Efficient partnerships	Membership in relevant industry associations to contribute to a sustainable business.	1

* Contribution -3 - +3, 0 = neutral

Five-year Review

SEK M, unless otherwise stated.

	2022	2021	2020	2019	2018
Consolidated Statement of Income and Other Comprehensive Income					
Net turnover	35,345	35,509	30,168	29,508	28,382
Operational earnings	1,906	2,142	1,593	1,239	1,034
Operating profit	2,102	1,925	1,364	1,125	943
Net financial items	-100	-95	-104	-111	-21
Profit before tax	2,002	1,830	1,260	1,014	922
Tax	-380	-373	-276	-207	-188
Net profit for the year	1,622	1,457	984	807	734
Statement of Financial Position					
Equity	4,887	4,417	3,968	3,186 ¹⁾	2,915
Balance sheet total	20,001	17,200	16,416	16,081 ²⁾	12,071
Capital employed	11,828	9,947	8,833	8,349 ³⁾	5,272
Net debt	5,766	4,252	2,333	4,493 ⁴⁾	1,603
Ratio of net debt to EBITDA, excl. IFRS 16, times	0.8	0.2	-0.2	1.3 ⁵⁾	1.3
Statement of Cash Flows					
Cash flow from operating activities	676	1,987	3,155	1,437	1,127
Investments and disposals in non-current assets, including leased assets	331	173	283	582	585
Operating cash flow	345	1,814	2,872	855	542
Key ratios					
Return on capital employed, %	21.5	20.5	16.7	15.8 ⁶⁾	20.5
Return on equity, %	36.2	33.8	27.5	26.5	26.5
Operational margin, %	5.4	6.0	5.3	4.2 ⁷⁾	3.6
Operating margin, %	5.9	5.4	4.5	3.8	3.3
Equity/assets ratio, %	24.4	25.7	24.2	19.8 ⁸⁾	24.1
Data per share					
Earnings per share, SEK	17.43	14.90	9.85	8.00	7.25
Equity per share, SEK	53.13	46.10	40.05	31.80	28.85
Operating cash flow per share, SEK	3.72	18.55	28.70	8.50	5.35
Dividend per share, SEK	8.80 ⁹⁾	8.00	6.00	—	4.75
Share price at year-end, SEK	114.30	160.20	101.40	106.30	82.85
P/E ratio, times	7	11	10	13	11
Other information					
Wages, salaries and other remunerations	2,674	2,608	2,276	2,374	2,230
Employees, average number	4,195	4,385	4,097	4,298	4,221

¹⁾ Equity decreased by SEK 31 M attributable to IFRS 16.

²⁾ Balance sheet total increased by SEK 2,597 M attributable to IFRS 16.

³⁾ Capital employed increased by SEK 2,589 M attributable to IFRS 16.

⁴⁾ Net debt increased by SEK 2,620 M attributable to IFRS 16.

⁵⁾ The ratio of net debt to EBITDA increased by 1.0 times attributable to IFRS 16 to 2.3 times.

⁶⁾ Return on capital employed, excluding IFRS 16 amounted to 20.8 per cent.

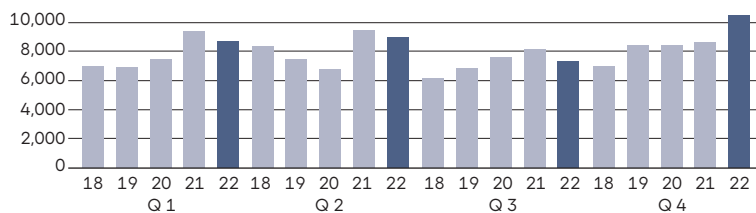
⁷⁾ Operational margin increased by 0.2 percentage points attributable to IFRS 16.

⁸⁾ Equity/assets ratio, excluding IFRS 16, amounted to 23.8 per cent.

⁹⁾ Proposed dividend.

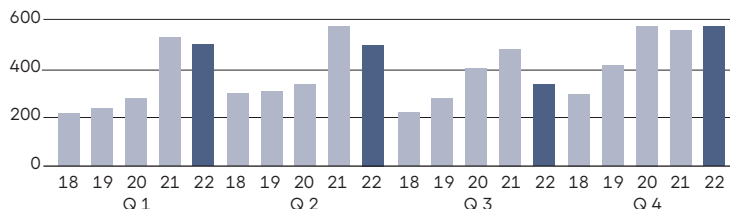
For information on calculations of the number of shares, see "Data per share" under the section headed "The Bilia share". 2019 has been recalculated regarding the classification of IFRS 16 transactions regarding operating cash flow.

Net turnover, SEK M



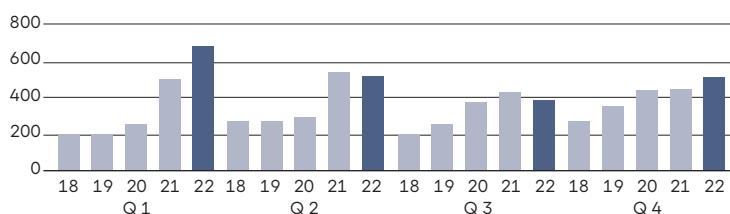
Net turnover for 2022 was on a par with last year. The average increase over the past five years amounted to 5 per cent compared to the target of growth over 5 per cent over a business cycle. During the year operations in Sweden, Norway and Germany were divested and net turnover changed by -1 per cent (20) in the Car Business while net turnover increased by 4 per cent (12) in the Service Business and by 4 per cent (15) in the Fuel Business.

Operational earnings, SEK M



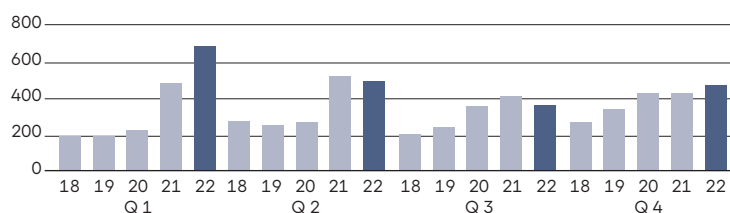
Operational earnings in 2022 amounted to SEK 1,906 M (2,142). The lower result was mainly explained by divested operations in Sweden, Norway and Germany. Despite these operations divested during the year, the results in the first, second and fourth quarters were the second highest ever reported for the respective quarters. The result for the third quarter was the third best ever.

Operating profit, SEK M



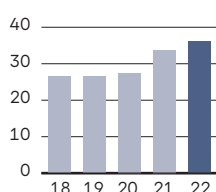
Operating profit for 2022 amounted to SEK 2,102 M (1,925) and included a gain in divestment of operations in Sweden and Norway of SEK 368 M, which is distributed over the first quarter with SEK 222 M, the second quarter with SEK 55 M, the third quarter with SEK 92 M and a loss of SEK 1 M in the fourth quarter.

Profit before tax, SEK M



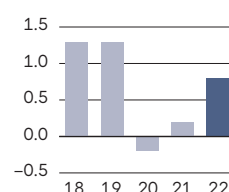
Profit before tax in 2022 amounted to SEK 2,002 M (1,830) and was positively affected, not only by a SEK 368 M gain from divesting operations but also by approximately SEK 30 M attributable to a higher profit than usual from shares in the associated company Volvofinans Bank.

Return on equity, %



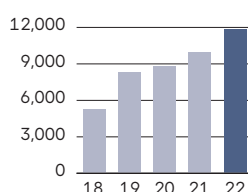
Return on equity increased on last year and amounted to 36.2 per cent (33.8). Over the past five years, return on equity has been 30.1 per cent on average.

Net debt/EBITDA excl. IFRS 16, times



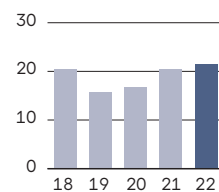
The ratio of net debt to EBITDA, excluding IFRS 16, was 0.8 times (0.2). Over the past five years, the ratio of net debt to EBITDA has been 0.7 times on average. The target for this ratio is to not exceed 2.0 times in the long term.

Capital employed, SEK M



Capital employed increased by SEK 1,881 M and amounted to SEK 11,828 M (9,947). The increase was mainly attributable to higher inventories and accounts receivable due to high deliveries at year-end.

Return on capital employed, %



Return on capital employed increased by 1 percentage points and amounted to 21.5 per cent (20.5). Over the past five years, return on capital employed has been 19.0 per cent on average (not adjusted for IFRS 16 introduction in 2019, which had a negative impact of 5 percentage points).

The Bilia share

The Bilia share has been listed on the Nasdaq Stockholm exchange since 1984. The share is traded under the ticker code BILI A.

At 31 December 2022, the share capital amounted to SEK 257 M (257), divided among 96,299,952 shares, including repurchased own shares of 4,315,709. The quotient value is SEK 2.67 per share. Each share represents one vote. All shares are entitled to an equal share in Bilia's assets and profits.

Total return

The OMX Stockholm Retail PI fell by 22.7 per cent in 2022. The Bilia share decreased from SEK 160.20 to SEK 114.30 during the year. The highest price paid, SEK 164.20, was quoted on 3 January 2022. The lowest price paid, SEK 111.50, was quoted on 7 March 2022.

Bilia's shareholders received a total return of -27 per cent (63) in 2022. The calculation is based on share price performance including received dividend.

Bilia's market capitalisation at year-end was SEK 11,007 M (16,469), based on the total number of shares outstanding. A total of 32.8 million Bilia shares (49.8) were traded in 2022 at a value of SEK 4,393 M (7,266). This turnover represented 36 per cent (51) of the weighted average number of shares.

The P/E ratio based on earnings in 2022 was 7 (11).

Beta coefficient

The volatility of the price of a single share compared with the volatility of the stock market as a whole is known as the beta coefficient, or beta. If the beta is greater than 1, this means that the share price fluctuates more than the average for the exchange. A value lower than 1 indicates that the share is less sensitive than the exchange as a whole.

The Bilia share's beta for 2022 is 0.24. This means that the price fluctuations for the Bilia share have been less than the average price fluctuations on Nasdaq Stockholm.

Number of shareholders

Bilia had 38,313 shareholders at the end of 2022, compared with 37,722 a year earlier. Most shareholders own relatively small lots. Of the shareholders, 87.3 per cent (87.2) owned fewer than 1,000 shares. The proportion of institutional ownership was 8.9 per cent (7.6), while the proportion of foreign ownership was 28.3 per cent (30.9). Bilia's holding of repurchased shares amounted to 4.5 per cent (6.8).

Dividend policy

Over a business cycle, Bilia's dividend should provide the shareholders with a competitive dividend yield in comparison with similar listed companies. Good dividend growth is also striven for, and the dividend should amount to at least 50 per cent of the net profit for the year.

Bilia's earning capacity, cash flow, investment needs and overall financial position are also taken into account when determining the size of the dividend. An effort is also made to ensure that Bilia has an optimal capital structure at any given time.

Proposed dividend SEK 8.80

Bilia's Board of Directors proposes to the Annual General Meeting of 26 April 2023 that an ordinary dividend in the amount of SEK 8.80 per share (8.00) to be paid out on four occasions. The proposed dividend corresponds to 50 per cent (53) of the net profit for the year.

Analyses of Bilia

The Bilia share is analysed above all by Swedish brokerage houses and banks. The following analysts cover Bilia regularly:

- Mats Liss, Kepler Cheuvreux
- Andreas Lundberg, SEB

Shareholder information

Bilia's information to the stock market and its shareholders should be characterised by correctness, relevance, openness and speed. Shareholders wishing to receive the annual report and half-year reports directly through the mail should notify Euroclear Sweden AB.

Bilia's press releases, quarterly reports and annual reports are available at www.bilia.com. Additional information on the company, its financial performance and the Bilia share can also be found there. It is also possible to subscribe to press releases and send queries to Bilia on Bilia's website.

Data per share	2022	2021	2020	2019	2018
Earnings, SEK	17.43	14.90	9.85	8.00	7.25
Equity, SEK	53.13	46.10	40.05	31.80	28.85
Operating cash flow, SEK	3.70	18.55	28.70	5.70	5.35
Share price at year-end, SEK	114.30	160.20	101.40	106.30	82.85
P/E ratio, times	7	11	10	13	11
Price/equity ratio, %	215	348	253	334	287
Dividend yield, %	6.6	5.5	7.0	—	6.2
Total return, %	-27.0	63.1	-5.5	35.4	11.4
Dividend, SEK	8.80 ¹⁾	8.00	6.00	—	4.75
Payout ratio, % ²⁾	50	53	60	—	65
Average number of shares, thousands	93,017	97,743	100,090	98,859	100,951
Number of shares outstanding, thousands	91,984	95,777	98,914	100,134	100,951

¹⁾ Proposed dividend.

²⁾ Calculated after assigned performance shares within the frame of incentive programmes, which gives 92,085,670 number of outstanding shares for 2022, 95,894,148 for 2021, 99,020,299 for 2020, 100,230,974 for 2019 and 101,054,370 for 2018.

Change in share capital

Year	Number of shares	Change Share capital, SEK M	Change, SEK M	Reason
1985	15,000,000	300		
1987	21,000,000	6,000,000	420	120 Bonus issue
1988	21,032,486	32,486	421	1 New issue at conversion
1989	21,046,667	14,181	421	0 New issue at conversion
1990	21,076,925	30,258	422	1 New issue at conversion
1991	31,674,669	10,597,744	634	212 New issue at conversion
2001	28,554,512	-3,120,157	571	-63 Reduction
2002	25,699,061	-2,855,451	514	-57 Reduction
2004 ¹⁾	60,845,603	35,146,542	608	94 Reduction/lowering of par value of share/subordinated shares, Series C
2005	23,129,155	-37,716,448	231	-377 Redemption subordinated shares, Series C
2007	21,459,255	-1,669,900	215	-16 Reduction
2009	25,293,574	3,834,319	253	38 Exercised warrants
2010	24,883,946	-409,628	249	-4 Exercised warrants/reduction
2011	25,080,028	196,082	251	2 Exercised warrants
2012	25,114,099	34,071	251	0 Exercised warrants
2013	25,139,592	25,493	251	0 Exercised warrants
2014	25,174,033	34,441	252	1 Exercised warrants
2015	50,436,052	25,262,019	252	0 Exercised warrants/stock split
2016	51,399,976	963,924	257	5 Exercised warrants/new share issue
2017	102,799,952	51,399,976	257	0 Stock split
2022	96,299,952	-6,500,000	257	0 Withdrawal of shares/bonus issue

¹⁾ Of which subordinated shares, Series C, 37,716,448 shares, SEK 377 M.

Distribution of shares, 31 December 2022

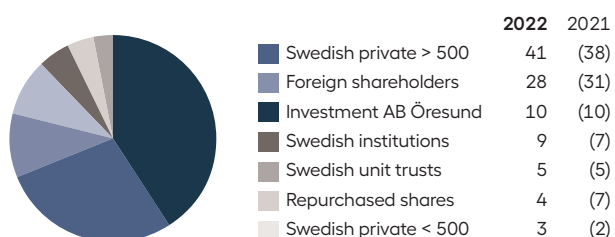
Share holding	Total number of shareholders	Percentage of total no. of shareholders	Combined number of shares owned	Percentage of share capital
1-1,000	33,449	87.3	6,557,484	6.8
1,001-10,000	4,502	11.8	11,537,995	12.0
10,001-100,000	304	0.8	8,228,458	8.5
100,001-	57	0.1	65,660,306	68.2
Total	38,312	100.0	91,984,243	95.5
Repurchased own shares	1	0.0	4,315,709	4.5
Total	38,313	100.0	96,299,952	100.0

The 15 largest shareholders at 31 December 2022

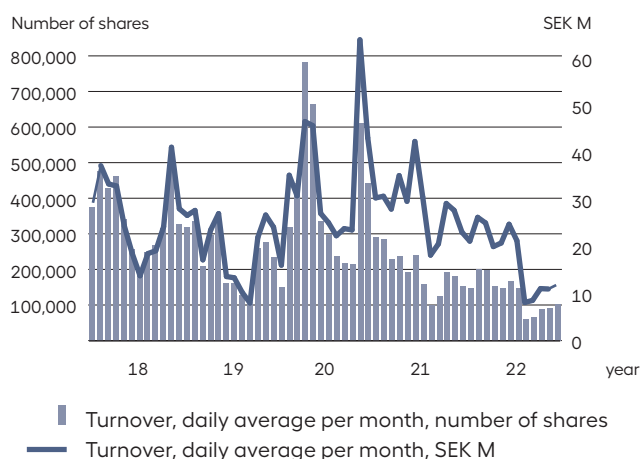
	Total	Stake, per cent
Qviberg family	13,219,389	13.7
Öresund, Investment AB	9,860,000	10.2
State Street Bank and Trust Co, W9	8,438,339	8.8
Engebretsen family	5,170,360	5.4
Bilia repurchased own shares	4,315,709	4.5
BNY Mellon SA/NV (Former BNY), W8IMY	3,412,038	3.5
JP MORGAN CHASE BANK NA	2,443,789	2.5
Morgan Stanley & Co Intl Plc, W8imy	2,126,664	2.2
BNY Mellon Na (Former Mellon), W9	1,922,792	2.0
CBNY-Norges Bank	1,784,223	1.9
Folksam	1,613,007	1.7
Northern Trust Company, London Branch	1,314,082	1.4
Försäkringsaktiebolaget, Avanza Pension	1,260,126	1.3
Dybeck, Sten	1,257,916	1.3
Pettersson, Jan with family ¹⁾	1,200,000	1.2
Total	59,338,434	61.6
Remaining shareholders	36,961,518	38.4
Total	96,299,952	100.0

¹⁾ Includes Bilia shares in an endowment insurance with 1,020,000.

Ownership by categories at 31 December 2022, %

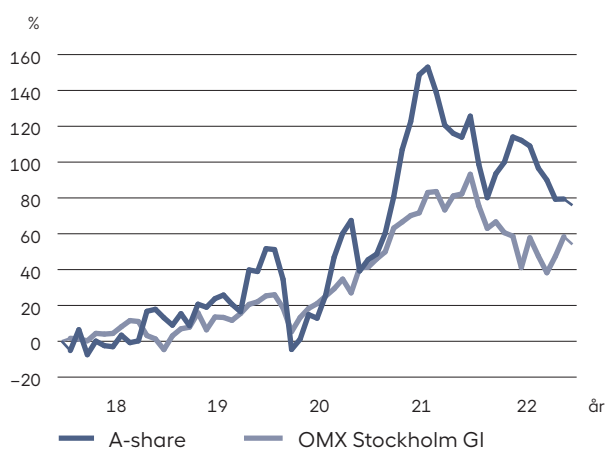


Turnover of Bilia share



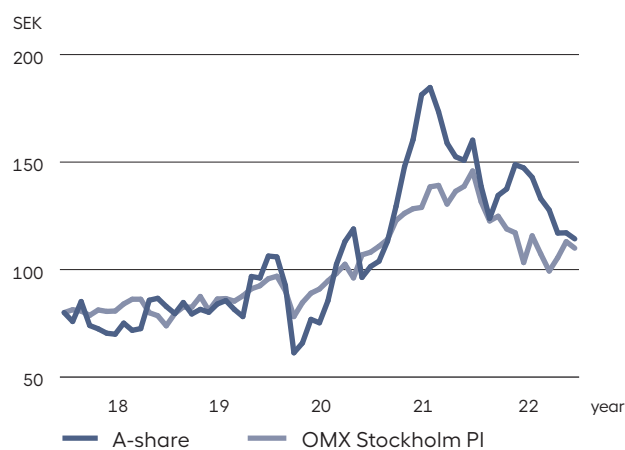
Source: Nasdaq

Total return of Bilia share



Source: Nasdaq

Development of Bilia share



Source: Nasdaq

Definitions and Performance Measures

Acquisition-related costs and value adjustments Pertains to costs for legal consultants and other external costs associated directly with an acquisition, as well as value adjustments regarding acquired inventory assets, which are depreciated during the asset's turnover time.

Adjusted turnover Net turnover is adjusted for operations that have been acquired or disposed of during the year. Adjustment is also made for exchange rate differences and for calendar effect.

Amortisation of surplus values Occurs in connection with acquisitions of operations and is recognised under intangible assets. Normally these surplus values are amortised over a 10-year period.

Average number of employees Paid hours worked in relation to normal annual working hours worked in each country.

Capital employed Balance sheet total less non-interest-bearing current liabilities and provisions as well as deferred tax liability.

Comparable operations Financial information and quantities that are adjusted for operations that have been acquired or disposed of during the year.

Deliveries Cars that have been physically turned over to the customer and invoiced and are included in reported net turnover.

Dividend yield Dividend in relation to the average share price during the year.

EBITDA Operational earnings plus total depreciation/amortisation less amortisation of surplus values and depreciation of leased vehicles with repurchase agreements.

EBITDAJ EBITDA, excluding IFRS 16, reduced by acquisition-related costs and value adjustments.

EBITDAJ/net financial items EBITDAJ in relation to the net of financial income plus dividends received from associated companies and financial expenses.

Equity/assets ratio Equity in relation to balance sheet total.

Excluding IFRS 16 Information excluding the accounting standard IFRS 16 Leases.

Gain from sale of operation Difference between purchase consideration and the operation's consolidated carrying amount, less selling costs.

Growth Increase or decrease of net turnover in relation to the preceding year.

Growth in local currency Growth excluding exchange rate fluctuations.

Liquidity Unutilised credit with the banks, Nordea and DNB, plus cash and cash equivalents.

Net debt Net debt consists of interest-bearing liabilities less cash and cash equivalents, interest-bearing current and long-term receivables, interests in associated companies and leased vehicles, long-term.

Performance measures that include interest-bearing liabilities are calculated excluding the effect of transaction costs and premium calculated according to the effective interest method.

Operating cash flow Cash flow from operating activities plus investments in and disposals of intangible assets and property, plant and equipment.

Operating margin Operating profit in relation to net turnover.

Operational earnings Operating profit, excluding revenues and costs that affect comparability between accounting periods and/or operating segments. They include, but are not limited to, acquisition-related expenses, value adjustments, restructurings and amortisation of surplus values.

Operational margin Operational earnings in relation to net turnover.

Order backlog New cars ordered by the customer but not yet delivered.

Payout ratio Dividend in relation to profit for the year.

Price/Earnings ratio Share price at year-end in relation to earnings per share.

Price/equity ratio Share price at year-end in relation to equity per share.

Return on capital employed Operating profit plus interest expense included in the business and financial income in relation to average capital employed (see definition above).

Return on equity Net profit for the year in relation to average equity.

Structural costs Costs that significantly alter the thrust and/or scope of the operation. Examples of structural costs may be costs for reducing the number of employees and costs for vacating a leased facility before expiration of the lease.

Tax The division of untaxed reserves into deferred tax liability and retained earnings has been done on the basis of current tax rates, in each country.

The ratio of net debt to EBITDA Net debt in relation to EBITDA.

Underlying values Values that are adjusted for operations that have been acquired or disposed of during the year. Adjustment is made for exchange rate differences, where applicable.

Value added Operational earnings plus payroll expenses, including payroll overheads.

Information on Annual General Meeting

Annual General Meeting, 26 April 2023

The AGM of Bilia AB will be held at 14:00 at Haga Norra, Torfredsplatsen 1, Solna. The board has decided that shareholders should be able to exercise their right to vote at the AGM also by postal voting.

Participation

A) Shareholders who wish to participate in the AGM by postal voting shall

- be registered in the share register maintained by Euroclear Sweden AB regarding the conditions on 18 April 2023,
- register by casting your postal vote according to the instructions under the heading Postal voting below so that the postal vote is at the disposal of Computershare AB by 20 April 2023 at the latest.

B) Shareholders who wish to be present in the meeting room in person or by proxy shall

- be registered in the share register maintained by Euroclear Sweden AB regarding the conditions on 18 April 2023,
- register with the company no later than 20 April 2023 at the address Computershare AB, "Bilia AB Annual General Meeting 2023", Box 5267, 102 46 Stockholm, via e-mail to proxy@computershare.se, or by telephone 0771-24 64 00 (weekdays between 09:00 and 16:00). When reporting, which is preferably in writing, the name, address, telephone and social security number, registered shareholding and the number of any assistants are given.

In order to be entitled to participate in the meeting, shareholders who have their shares nominee-registered through a bank or other nominee must, in addition to registering for the meeting by casting their postal vote, temporarily register the shares in their own name so that the shareholder becomes entered in the share register as of 18 April 2023. Such registration may be temporary (so-called voting rights registration) and is requested from the nominee according to the nominee's routines at such a time in advance as the nominee determines. Voting rights registration that has been made by the nominee no later than 20 April 2023 will be taken into account when preparing the share register.

Participation through presence in the meeting room

Anyone who wants to be present in the meeting room in person or by proxy must report this according to B) above. This means that a registration by postal voting alone is not enough for those who want to be present in the room.

If participation is supported by a power of attorney, the power of attorney must be sent to the above address before the AGM. If the power of attorney was issued by a legal person, a copy of the registration certificate or other authorisation document must be attached.

Postal voting

For postal voting, a special form must be used. The postal voting form will be available at Bilia AB's website bilia.com.

The completed and signed form must be received by Bilia AB through Computershare AB no later than 20 April 2023. The form must be sent by post to Computershare AB "Bilia AB Annual General Meeting 2023", Box 5267, 102 46 Stockholm or by e-mail to proxy@computershare.se. Shareholders can also, by verification with BankID, cast their postal vote electronically via Bilia's website, www.bilia.com. If the shareholder postal votes by proxy, a power of attorney must be attached to the form. If the shareholder is a legal person, a certificate of registration or other authorisation document must be attached to the form.

The shareholder may not provide the postal vote with special instructions or conditions. If this happens, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions can be found in the postal voting form.

For questions about the General Meeting or to have the postal voting form sent by post, please contact Computershare AB by phone +46 771-24 64 00.

Dividend

The Board of Directors proposes to the AGM that of the earnings available for distribution, SEK 8.80 per share (8.00) be paid in dividend to the shareholders, for a total of SEK 809 M (766).

Board of Directors

The Nominating Committee has announced that they intend to propose eight ordinary board members without deputies and propose re-election of all current members: Ingrid Jonasson Blank, Gunnar Blomkvist, Anna Engebretsen, Nicklas Paulson, Jan Pettersson, Mats Qviberg, Caroline af Ugglas and Jon Risfeldt. The Nominating Committee's proposal is available at bilia.com.

For complete information on the AGM, see the convening notice.

Articles of Association

Article 1 Name of the company

The name of the company is Bilja AB. The company is a public company (publ).

Article 2 Registered office

The company's Board of Directors has its registered office in Gothenburg, Västra Götaland County.

Article 3 Object of the company

The object of the company is – directly or via subsidiaries – to

- carry on trade and distribution activities with regard to means of transport
- carry on manufacture, trade and distribution in other product areas as well
- carry on sales of service and spare parts associated with the products
- manage real and movable estate, including shares
- carry on financing activities (except that the company shall not carry on such activities as are referred to in Banking Business Act, and that activities subject to the provisions of the Act on Credit Market Companies may only be carried on in subsidiaries), and
- carry on other activities consistent with the above types of business

Article 4 Share capital

The company's share capital shall be no less than two hundred million kronor (SEK 200,000,000) and no more than eight hundred million kronor (SEK 800,000,000).

In conjunction with a new issue of shares or an issue of warrants or convertibles for cash payment, the shareholders have a preferential right to subscribe for new shares in proportion to their stake in the company's share capital.

Article 5 Number of shares

The number of shares shall be no less than ninety million (90,000,000) and no more than three hundred sixty million (360,000,000).

Article 6 Board members

The Board of Directors shall consist of at least seven and at most ten members.

Article 7 Auditors

The company shall have one or two auditors and at most an equal number of deputy auditors or one or two registered public accounting firms.

Article 8 Location for General Meeting of Shareholders

The General Meeting of Shareholders shall be held at one of the following locations as determined by the Board of Directors: Stockholm, Solna, Gothenburg or Malmö.

Article 9 Notice convening a General Meeting of Shareholders

Notice to attend a General Meeting shall be given by advertisement in Post- och Inrikes Tidningar (the official Swedish gazette) and on the company's website. At the same time as notice convening the meeting is given, the company shall advertise in Dagens Industri that such notice has been given.

Article 10 Shareholders' right to attend a General Meeting of Shareholders

Shareholders can only participate in the proceedings at a General Meeting of Shareholders if the shareholder notifies the company by

not later than the date stipulated in the notice convening the meeting. The latter date may not be a Sunday or other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday prior to the meeting.

Article 11 Shareholder's assistant

An assistant may accompany the shareholder at the General Meeting if the shareholder has given notice to this effect in the manner stipulated in the preceding paragraph.

Article 12 Presence of outsider at General Meeting of Shareholders etc.

Someone who is not a shareholder in the company may be entitled, under terms determined by the Board of Directors, to attend or otherwise follow the proceedings at the General Meeting of Shareholders.

The Board may collect powers of attorney in accordance with the procedure specified in Chapter 7, Section 4, second paragraph, of the Swedish Companies Act (2005:551).

Prior to a General Meeting, the Board may decide that the shareholders shall be able to exercise their voting rights by post before the General meeting in accordance with the procedure specified in Chapter 7, Section 4 a of the Swedish Companies Act (2005:551).

Article 13 Annual General Meeting

The following matters shall be dealt with at the Annual General Meeting:

1. Election of Chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons to verify the minutes;
5. Determination of whether the meeting has been duly convened;
6. Presentation of the annual report and the audit report as well as the consolidated accounts and the audit report on the consolidated accounts;
7. Resolutions concerning
 - a) adoption of the Income Statement and the Balance Sheet as well as the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position,
 - b) appropriations of the company's profit or loss according to the adopted Balance Sheet,
 - c) discharge of the members of the Board of Directors and the Managing Director from liability;
8. Determination of the number of members of the Board of Directors as well as auditor and deputy auditor or public accounting firm (at meeting when auditor is elected);
9. Determination of fees to be paid to the Board of Directors and, where applicable, auditors;
10. Election of Board of Directors as well as auditor and deputy auditor or registered public accounting firm (at meeting when auditor is elected).

Other matters incumbent upon the General Meeting under the Companies Act or the Articles of Association.

Article 14 Financial year

The company's financial year shall be the calendar year.

Article 15 CSD clause

The company's shares shall be registered in a Central Securities Depository (CSD) register pursuant to the Financial Instruments Accounts Act (1998:1479).

Adopted at Annual General Meeting, 7 April 2022.



Times are changing. So are we.

We have, since 1929, sold cars
and performed services.
We still do, but today we also
do a lot more.

Bilia is one of Europe's largest full-service supplier, for everything related to car ownership, with a leading position within service and sales of cars, transport vehicles and trucks.

We offer the car owner service and repairs, fuel, car wash, rental cars, tyres and wheels, rim repair, car accessories, car care, paint, glass replacement, car dismantling etcetera. At the end of 2022, Bilia had 160 facilities in Sweden, Norway, Luxembourg and Belgium and two internet based auction sites, one in Sweden and one in Norway.

Bilia's business concept is to offer a sustainable business through consideration and pride by offering attractive and innovative solutions for the mobile human being – in short, a better experience for our customers.

Bilia +46771-400 000
biliasweden.com

