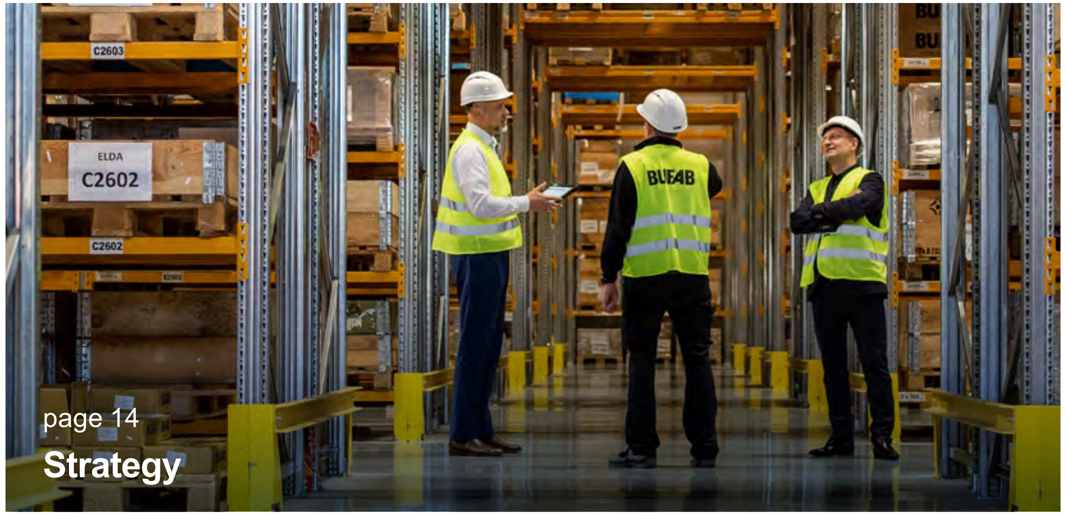
Discovering the next solution

BUFAB

Annual and Sustainability Report 2024


We give our customers peace of mind by creating sustainable and outstanding value.

Contents



About this report

Bufab's Annual and Sustainability Report 2024 comprises all companies in the Group unless otherwise stated. See page 88 for a complete list of our subsidiaries. The sustainability report has been prepared in accordance with the Swedish Annual Accounts Act's sustainability reporting requirements. Bufab's business model is presented on pages 24–26 and a risk description on page 61. See pages 18–19, 29 and 35–37 for environmental disclosures, pages 20 and 38 for social issues and employees, pages 39–40 for human rights, page 40 for anti-corruption and pages 106–109 for EU Taxonomy. Bufab supports the UN Global Compact and its ten principles on page 15.

From a small trading company to a global leader in C-Parts & technical components

Bufab is a leading global supplier of C-parts and technical components. We create customer value through taking over the responsibility of sourcing, sustainability, quality, and supply security so that customers can focus on their core business. Our customers choose us because we provide them with Peace of mind throughout the value chain.

45 years of profitable growth

Bufab is a stable company with historically good returns and profitable growth. Since we began our business in 1977, we have reported operating profit every year. Meanwhile, we continue to grow faster than the market. So far, we have acquired more than 50 companies and we see further acquisitions as an important part of our growth.

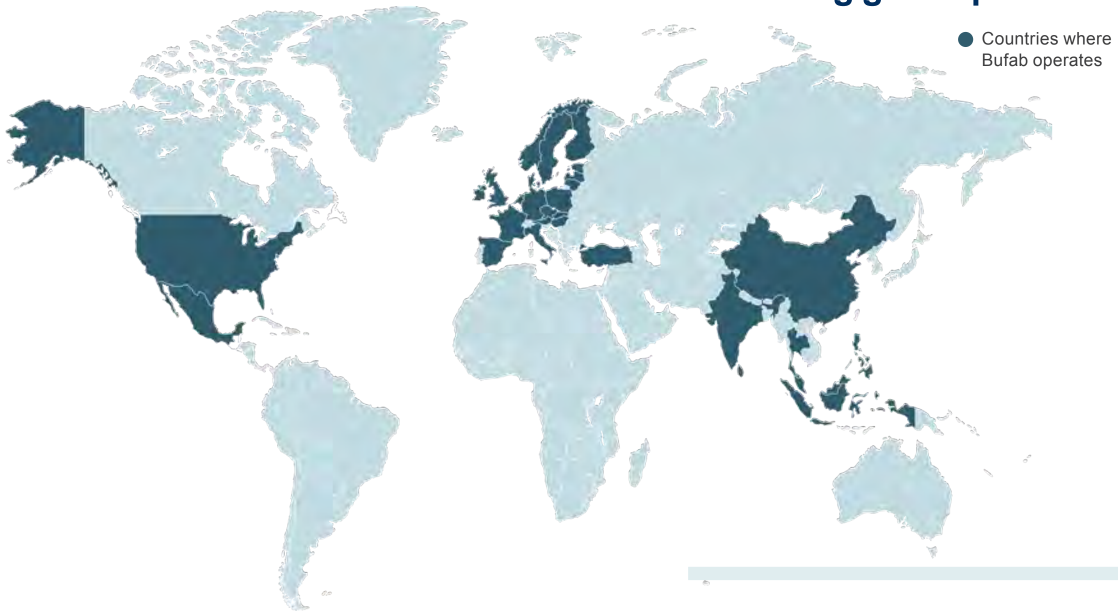
Strong business model with low risk

Low fixed costs mean that our business model is highly resilient to rapid changes in demand. Our operations are spread across thousands of customers and suppliers in several industries and geographical markets, which reduces our dependence on individual customers and suppliers.

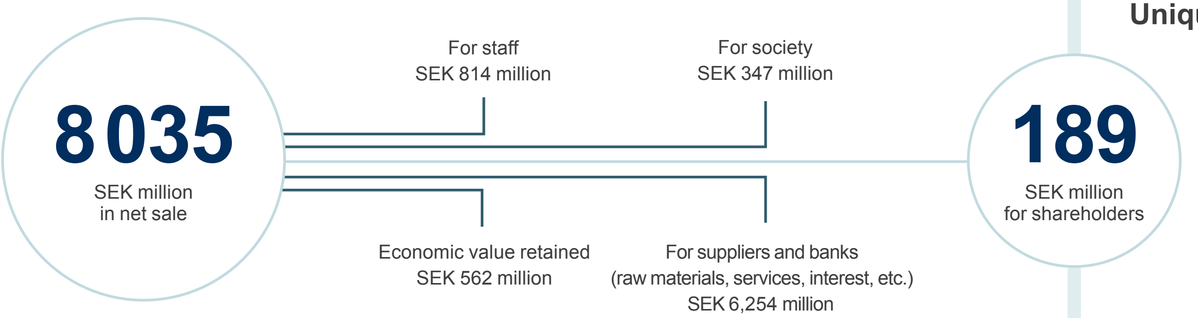
We provide customers with Peace of mind

The global long-term trend among industrial companies is to reduce the complexity of their supplier base and outsource their handling of C-parts to companies like Bufab. This trend has been accelerated by a greater demand for sustainability, increased digitalisation and market challenges. Bufab is one of the leading global suppliers of C-parts, offering customers what we call **Peace of mind** by creating sustainable and outstanding value.

Strong global presence



Economic value generated and distributed



29
Countries

1,800
Solutionists

8,000
Suppliers

20,000
Customers

175,000
Unique C-parts

The year in brief

- Acquisition of VITA, a leading Italian distributor of C-parts with net sales of EUR 48 million.
- Divestment of the manufacturing companies Bufab Lann and Hallborn Metall.
- Net sales decreased by –7.4 percent and the organic growth was –5.4 percent.
- The gross margin increased by 1 percentage point to the highest level ever at 29.7 (28.7) percent.
- Adjusted operating profit (EBITA) amounted to 959 (1,121) MSEK, corresponding to an operating margin of 11.9 (12.9) percent.
- Cash flow from operating activities amounted to 1,101 (1,446) and Net debt/EBITDA to 2.8 (2.6).
- Sustainability efforts were strengthened through preparations to comply with the EU's new legal requirements regarding the Corporate Sustainability Reporting Directive (CSRD).
- Scope 1 and 2 CO_2 emissions decreased by 16 percent compared to 2023 and have decreased by 22 percent since 2021.
- Bufab was recognised as one of the "World's Best Companies in Sustainable Growth 2025" by TIME and Statista.

–7.4%
Sales growth

11.9
Operating margin (EBITA), adjusted

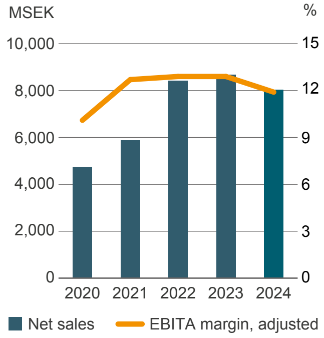
–22%
CO_2e emission reduction since 2021 (Scope 1 and 2)

Key figures

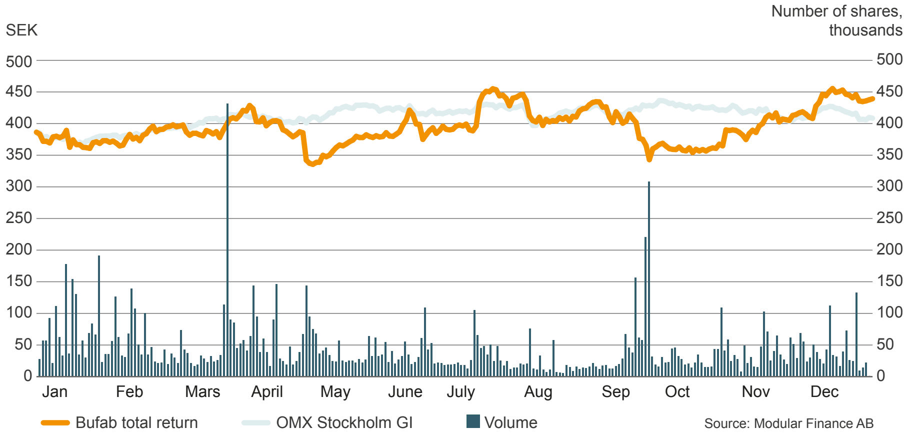
MSEK	2024	2023	Change in percent
Net sales	8,035	8,680	–7.4
Gross profit	2,389	2,494	–4.2
Gross margin (%)	29.7	28.7	
Operating profit (EBITA)	959	1,043	–8.0
Operating margin (EBITA) (%)	11.9	12.0	
Operating profit (EBITA), adjusted	959	1,121	–14.4
Operating margin (EBITA), adjusted (%)	11.9	12.9	
Profit after tax	551	574	–4.0
Earnings per share, SEK	14.57	15.17	–4.0
Dividend per share, SEK	5.25*	5.00	
Cash flow from operating activities	1,101	1,446	–23.8

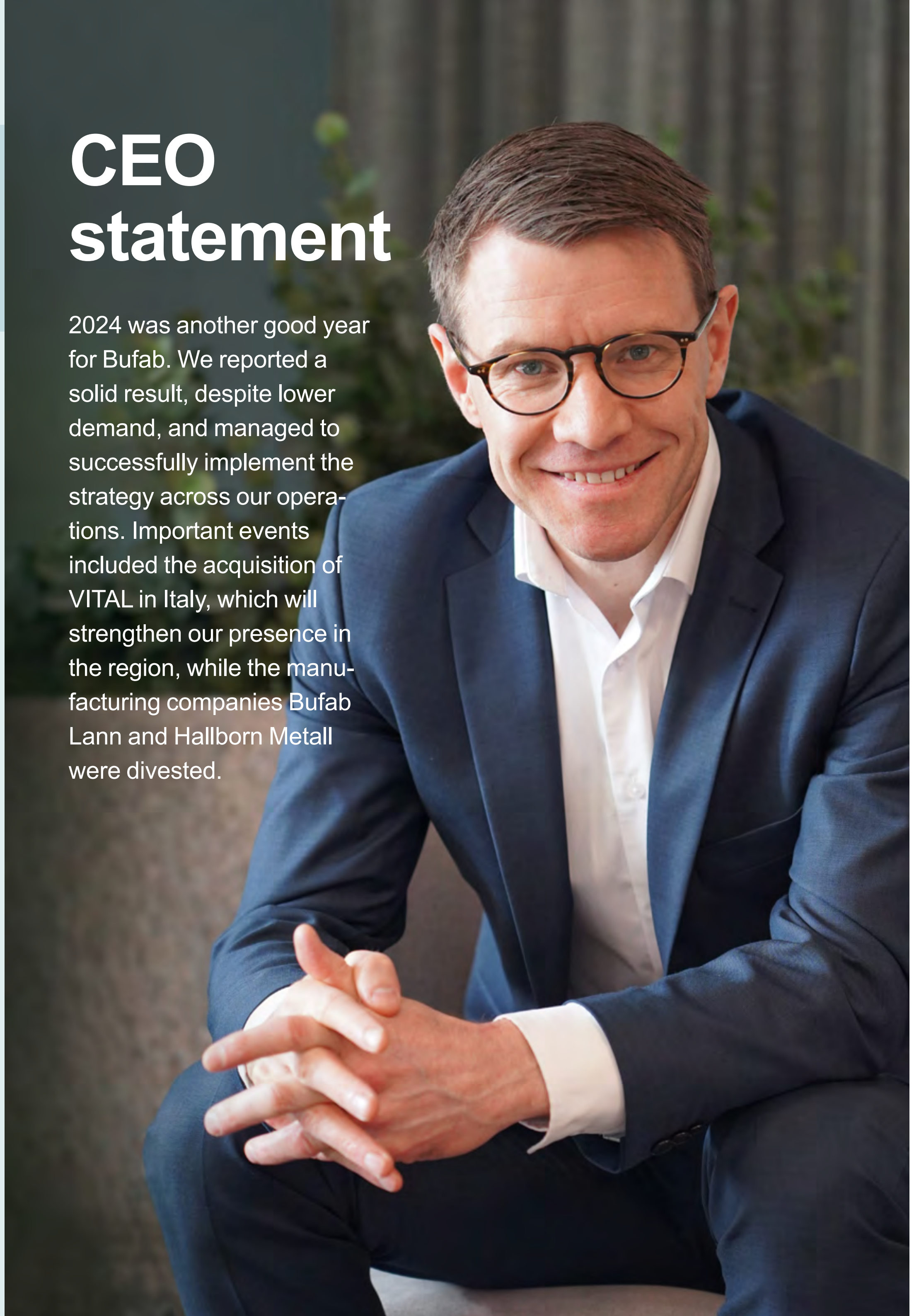
*Proposed by the Board of Directors.

Net sales and adjusted operating margin



Bufab's share price trend in 2024





CEO statement

2024 was another good year for Bufab. We reported a solid result, despite lower demand, and managed to successfully implement the strategy across our operations. Important events included the acquisition of VITAL in Italy, which will strengthen our presence in the region, while the manufacturing companies Bufab Lann and Hallborn Metall were divested.

Throughout the year, we have witnessed increased geopolitical tension, and the global economy continues to be characterised by uncertainty. This affected demand during the year, which remained cautious with large variations between different industries and regions. Organic growth in 2024 amounted to –5.4 percent.

During the year, we worked hard to adapt our operations to the current market situation with the goal of maintaining a good profitability. We also focused on strengthening our customer value proposition through expanding our service and product portfolio. An example of this is the implementation of a record number of new logistic solutions during the year.

Thanks to this, we were able to strengthen the gross margin during the year, which amounted to 29.7 (28.7) percent, the highest level ever for a single year. This improvement is also a result of the long-term work that started in 2023 to improve our customer and product mix and implement purchasing savings.

We continued our strong efforts to reduce costs throughout the organisation, work that will continue in 2025. At the same time, we continue to invest in driving growth and improving profitability in the long term. During the year, this included investing in our customer offering and sales organisation.

We delivered an adjusted operating margin of 11.9 (12.9) percent, which is a stable level given the challenging market situation. Region Asia-Pacific region showed particularly strong profitability and Region West also showed good results. Cash flow from operating activities was also stable and amounted to 1,101 (1,446). Net debt/EBITDA amounted to 2.8 (2.6).

Over the year, we managed to successfully implement the strategy across our operations and are now in a good position to be able to deliver on our profitability target. Our short-term priorities remain; to increase market share, gradually improve our margin, and deliver a strong cash flow.

> "Our focused work on strengthening the gross margin continued during the year and increased to the highest level ever at 29.7 percent."

A focus area for in our strategy is to broaden our customer base and offering to new and adjacent market segments through organic growth and strategic acquisitions. I am very pleased that we were able to finalise the acquisition of VITAL during the year, a leading Italian distributor of C-parts with net sales of EUR 48 million and an operating profit margin above Bufab's 2026 profitability target.

I see VITAL as a great opportunity to strengthen our presence in Italy and increase our service level to the customers we are currently supporting there. VITAL is a stepping stone of a suitable size with a great reputation that in the future can be used as a platform for add-on acquisitions. Despite being a leading player in many markets around the world, our total market share is still well below five percent. In other words, there is a significant potential for growth through acquisitions.

In line with our strategy to strengthen our focus on trading operations and niche companies, we divested the manufacturing companies Bufab Lann and Hallborn Metall during the year. The divestment is an important step towards achieving our profitability target.

As of January 1, 2024, we have a new reporting structure that enables more efficient management of the group. The new structure includes five regions, and a central part is the creation of more profit and loss units (P&L). All of this is aimed at strengthening performance orientation through increased accountability.

Customer engagement and demands in the sustainability area continue to increase, which is why we continue to integrate sustainability throughout the business with the goal of achieving net zero by 2050. It is gratifying that several key indicators are developing in a positive direction. I am also proud that we have been ranked as one of the world's top 500 companies in sustainable growth by TIME and Statista. During the year, we continued to develop our customer offering in sustainability, which will be introduced in 2025. We also prepared to comply with the new CSRD directives.

Within Bufab, there is a unique opportunity to leverage our internal network of companies to share knowledge in key areas. An example from the past year is that we shared best practices in digitalisation and AI, an area which we think that our business could gain a lot from. We developed a strategy for digitalisation and AI and we also launched a pilot project in AI regarding purchasing behaviours, pricing, and logistics flows at one of our sister companies, which we actively follow.

Uncertainty about the general economic situation remains, although we see indications of improved demand from the general industry. Bufab's strengths even in an uncertain market include a well-diversified customer base and product portfolio with a good distribution of risks across different industries and markets, and a strategy well adapted for the future. Meanwhile, an uncertain market can also create opportunities for a strong player like Bufab to gain market share. This puts us in a strong position when the market rebounds and provides a solid platform for continued long-term, sustainable and profitable growth.

Finally, I would like to extend a big thank you to our customers, partners, and shareholders for your continued support and trust, and send a big thank you to our 1,800 "solutionists" worldwide for a great job during 2024.

Erik Lundén
President and CEO

14%

Average annual sales growth (CAGR) since 2014

17%

Average annual adj EBITA growth (CAGR) since 2014

23%

Average yearly total shareholder return since 2014

Bufab as an investment

Bufab is a stable company with historically good returns and profitable growth. Since its start in 1977, the company has recorded full-year operating profits every year. Meanwhile, Bufab continues to grow faster than the market. An important reason is that industrial companies are reducing the complexity of their supplier base by outsourcing their C-parts management to industry leaders like Bufab.

Strong offering creates Customer value

C-parts have low direct but high indirect costs and are demanding to manage. However, thanks to Bufab's global presence and efficient processes, customers can usually expect total cost savings, often by as much as 20 percent. Bufab's aim is to take a leading position when it comes to sustainability within C-parts. This means that we will integrate sustainability into both our internal processes and our external supply chains, which will further increase our competitiveness.

Global trends drive organic growth

The long-term global trend for industrial companies is to reduce the complexity of their supplier base and outsource their C-parts sourcing to companies like Bufab. This trend has been accelerated by greater demand for sustainability across the supply chain, increased digitalisation, more trade barriers and supply chain disruptions. As a result, we see a strong potential for continuing to grow organically faster than the market.

Decentralised organisation

An important success factor for Bufab is our decentralised organisation and strong Solutionist corporate culture, always putting customers and quality first. This culture of personal responsibility and accountability makes entrepreneurs grow, while promoting value creation at every level.

Low-risk business model

As a trading company, Bufab has a limited need for capital-intensive equipment and machinery. Low capital expenditure means that our fixed costs, primarily salaries and rent, can be adapted to demand. In addition, our business is spread over thousands of customers and suppliers in many industries and geographic regions, which reduces our dependence on individual customers. This means that Bufab's business model entails low risk.

Consolidator in a fragmented market

Bufab is one of the few leading players in a highly fragmented market. Increasing demand for sustainable solutions, quality and digitalisation make it difficult for smaller players to increase their market share. C-part suppliers are becoming increasingly important for customers. Our strong position enables us to acquire smaller players that can offer Bufab growth synergies. Our ambition is to be one of our industry's top five global consolidators.

Long-term value creation

We continuously focus on strengthening our customer offering, improving efficiency and investing in our people to generate long-term and sustainable value. Since 2014, we have had an average annual sales growth (CAGR) of 14 percent, combined with historically stable profitability and cash flow. In line with our dividend policy, we have delivered a stable dividend over time, 28 percent of profit after tax since 2014.

Our sixth-largest shareholder

Spiltan Equity Fund Småland is an actively managed fund with about 30 holdings. The fund aims to invest at least 50 percent in companies with ties to Småland in southern Sweden, based on the region's strong manufacturing and industrial culture, entrepreneurial spirit, and history of producing many successful companies.

The analysis and assessment of each company's business idea, management, and long-term prospects are given considerable importance. The strategy has been successful; the fund has delivered returns that have consistently outperformed its benchmark over time.

– Bufab is a great example of how we work. It has been a good investment for us. The company has consistently demonstrated value-based growth, gained market share, and has not posted a loss in any single year, says Pär Andersson.

– We also appreciate Bufab's ambitious strategy and confidence in its operations, as proven by the increase in its operating margin target from 12 to 14 percent. There is also an ambition to move up the value chain, where margins are higher, which is evident in the divestment of its manufacturing operations. My assessment is that Bufab has good potential to reach its goals and continue its growth journey, he continues.

Business supported by outsourcing trend

Although Bufab's business is cyclical and affected by downturns in the economy, it is long-term supported by the strong outsourcing trend, according to Pär Andersson.

– The market is undergoing a structural transformation, where more and more companies are outsourcing the procurement of C-parts, and Bufab can demonstrate that they can save up to 20 percent of costs. This is a key reason why Bufab is growing – and can continue to grow organically.

– But the company also has strong potential to grow through acquisitions, given the highly fragmented C-parts market with many smaller players. Bufab can take advantage of its good local market knowledge. The companies it acquires are often ones that Bufab has been in contact with for a long time, he says.

Sustainability important aspect

According to Pär Andersson, sustainability is an important aspect for Spiltan Funds in the investments they make.

– For companies to remain relevant in the future, they must be able to prove they are operating sustainably. Bufab has taken an important step by establishing sustainability goals. The company also shows a positive trend in its use of renewable energy and sets high standards for its suppliers through its established Supplier Code of Conduct.

"Ambitious company with a strong track record and good growth potential."

– The area where we see potential for improvement is the gender balance in leadership positions, where the goal is a balanced distribution by 2030. It would have been desirable for the company to prioritise this goal and accelerate the increase in the proportion of women in leadership positions, says Pär Andersson.

Pär Andersson believes there is a strong connection between long-term value creation and sustainability. That is why all investments are made without an explicit exit strategy, with the goal of working long-term with the portfolio companies.

– We are long-term in our investments – and we have long-term confidence in Bufab's future prospects, he says.

Spiltan Equity Fund Småland is the sixth-largest shareholder in Bufab, holding approximately 3.5 percent of the shares.

Pär Andersson, manager of Spiltan Equity Fund Småland, long-time shareholder in Bufab

"Important aspects for us when investing in a company is that we understand the product, that it is unique, and that the company can demonstrate value-based growth. Since we first invested in Bufab through our Spiltan Equity Fund Småland in 2014, the investment has proven its worth; the company has generated profitable growth over time, has further increased its ambitions and revised its financial targets upwards," says Pär Andersson, equity and fund manager at Spiltan Funds.

Sustainability at a glance

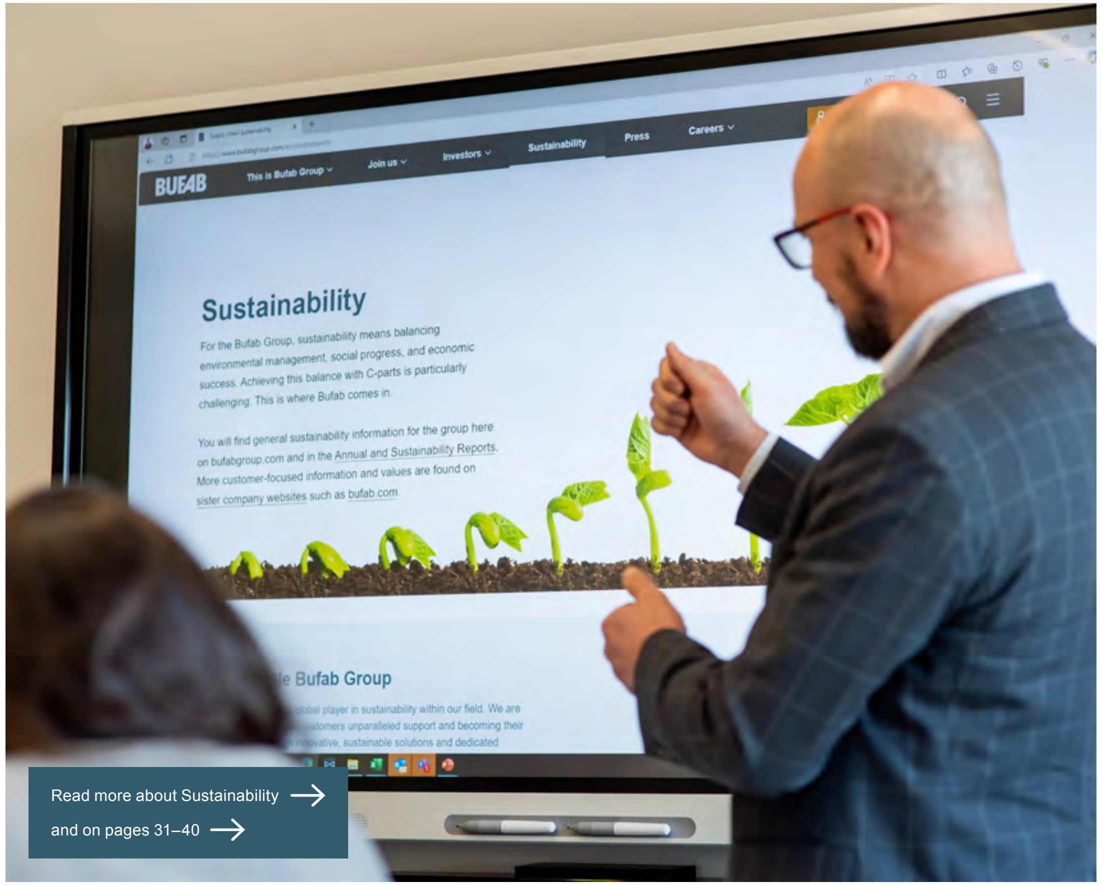
Overall strategy and goals in addition to the sustainability of the supply chain

During the year, we continued to take steps towards becoming a leader in sustainability. Major efforts were made regarding the integration into our supply chain through the Sustainable Supplier Engagement Program (SSEP). The program helps our suppliers with training, guidance and tools to implement carbon reductions and to focus on the sustainability activities that create the most value in our common supply chain. Since Bufab focuses primarily on trading, the largest sustainability efforts are made in the supply chain.

By 2031, Bufab aims to reduce its carbon footprint by 55 percent. As an intermediate goal, we are striving to integrate 70 percent of our purchases and their suppliers to contribute to reductions that are in line with our goals. Currently, 47 percent of our suppliers have agreed to reduce their emissions at the same rate as Bufab.

Within our Sustainable Supplier Engagement Program, we encourage our supply chain to focus on the ESG goals, where they can contribute the most, and to meet the UN's 17 Sustainable Development Goals (SDGs), which Bufab has as a basic prerequisite for doing business with its suppliers. We have clear criteria for supplier selection and assessments, as well as risk-based audits and follow-ups. Our investment in the supply chain enables continued partnerships with both customers and suppliers who have chosen to contribute to common ESG goals and are an enabler for future growth.

By acting responsibly and prioritising sustainable solutions, we ensure that our customers can make environmental friendly choices that support both their needs and our common future.



Read more about Sustainability
and on pages 31–40

2025
70 percent of our sourcing in the Sustainable Supplier Engagement programme.

2026
80 percent of our purchasing sustainability audited.

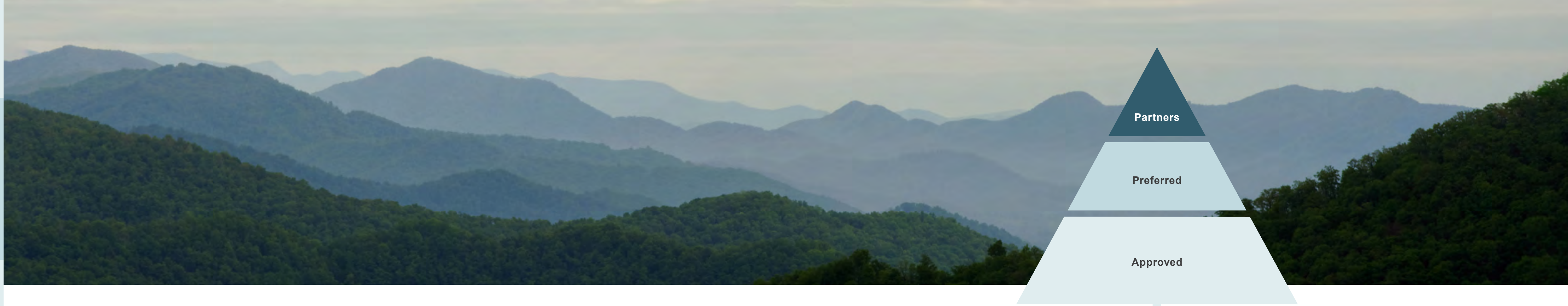
2030
Scope 1 and 2 net zero.

2031
In line with the Science Based Target initiative, reduction of Scope 3 by 55 percent.

2050
Scope 3: Net zero with 100-percent carbon-free solutions for our customers.

By acting responsibly and prioritising sustainable solutions, we ensure...

... that our customers can take advantage of environmentally friendly choices that support both their needs and our common future.



Environmental performance and climate impact:

- This year's carbon footprint (Scope 1, 2 and 3 according to the GHG Protocol) has decreased by 25 percent since the base year 2021. See restatements of acquisitions, divestments and inflation correction on page 36.
- Thanks to the transition to electric and hybrid vehicles, investments in photovoltaic systems and green certificates, Scope 1 and 2 have been reduced by 22 percent compared to 2021. Every Bufab company has a plan for zero emissions by 2030 regarding our internal emissions.
- Within Scope 3, we are seeing progress in the supply chain and positive effects of the Sustainable Supplier Engagement Program. 47 percent of our total purchase volume is supplied by suppliers committed to reducing their emissions.
- Following the sale of Bufab Lann and Hallborn, the use of wastewater has decreased. The other trading companies use small amounts of water. We continue to monitor our water use. Waste management and recycling are part of our circular business model.

Social sustainability and responsibility:

- Our employees are our greatest asset, and we strive to improve employee health, safety and well-being through employee surveys and activity plans. We promote diversity and inclusion in accordance with our gender equality goals.
- In the supply chain, we ensure ethical working conditions and human rights through sustainability audits.
- Many of our companies are involved in their local communities, especially in small towns where the company's presence is important for growth.

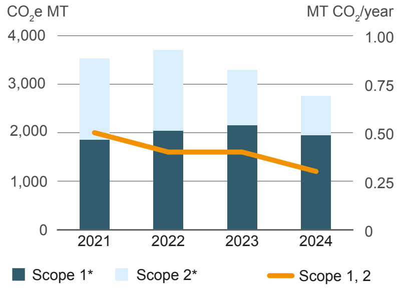
Risk Management and compliance:

- We work with a risk-based approach to identify and manage risks related to environmental, social and governance factors, both internally and in our supply chain.
- Climate-related risks are managed within our Sustainable Supplier Engagement Program, which also includes rules for working conditions.
- Our policies and directives are mandatory for all companies and ensure compliance with laws and international standards.
- At the supply level, our Code of Conduct is fundamental for doing business with Bufab.

Stakeholder dialogue and engagement:

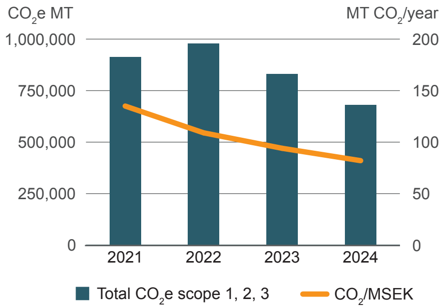
- Bufab cooperates continuously with stakeholders, including customers, suppliers, investors and authorities, to promote sustainability efforts. Continuous dialogue with our stakeholders offers us the opportunity to adapt our sustainability strategy and create Peace of mind for customers, employees and local communities.

CO_2 emissions – Scope 1 and 2



* Recalculated baseyear to reflect current buisness scope (Vital included, Hallborn and Bufab Lann excluded)

Total CO_2 emissions



Improving the sustainability of the value chain

With a large number of suppliers and customers worldwide, Bufab is in a strong position to contribute to improving sustainability in the value chain. Since 2020, all suppliers must sign Bufab's Code of Conduct and live up to our sustainability standards in order to receive new orders. All suppliers in the categories Partners, Preferred and Approved have signed our Code of Conduct.

Partners: Have signed both a sourcing agreement and Bufab's Supplier Code of Conduct. Sustainability audit has been conducted and approved.

Preferred: Have signed both a sourcing agreement and Bufab's Supplier Code of Conduct.

Approved: Have signed Bufab's Supplier Code of Conduct.

Potential: Suppliers that are yet to undergo our approval process.

Blocked: Suppliers we do not work with, or that are being phased out.

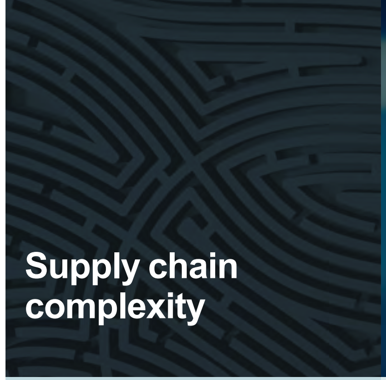
Markets and Strategy

Introduction
Market and Strategy
Market trends
Value creation
Strategic focus areas
Operations
Sustainability report
Board of Directors' report
Financial statements
Corporate Governance
Other

Market trends

Bufab continued to demonstrate the ability to proactively monitor, analyse, and adapt its operations to changing market trends and customer needs. We continuously implement significant global and local adaptations to new conditions in order to strengthen our competitiveness and create profitable growth.

Geopolitical unrest and an unstable macroeconomic situation created uncertainty and challenges in the supply chains. These challenges often increase customers' willingness to outsource their C-parts supply chain to reduce risks, increasing opportunities for companies like Bufab to capture market share.



Supply chain complexity

Everyone is affected by challenges in their supply chains, which are accelerated by protectionism, trade barriers, restrictions, conflicts, wars, and changes in demand. Managing risks in the supply chains of C-parts often requires a disproportionate amount of time and effort relative to their value. This imbalance becomes particularly evident when a company has a large number of smaller suppliers with low purchasing values and weak relationships, which all too often leads to vulnerabilities in supply.

Bufab's Actions

- Bufab stays informed through news monitoring, internal knowledge sharing regarding global information, and close cooperation with suppliers from various geopolitical areas.
- We address our customers' evolving needs in changing situations, such as when regions like China, the EU, and the USA become more self-focused and alter global trade conditions for C-parts.
- We provide tailor-made solutions, taking full responsibility for supply chain management and ensuring secure customer deliveries.

Increased focus on cost

For low-value C-parts, indirect costs can account for as much as 80 percent of the total cost before the item is used. The indirect costs include sourcing, travel, quality assurance, compliance with laws and regulations, replenishment, transportation, inventory costs, internal handling and administration, and costs when things go wrong.

Bufab's Actions

- Bufab can offer significant volume advantages compared with customers and often a more extensive and qualified supplier base, which will result in cost savings.
- The most significant savings are usually achieved when Bufab consolidates the customer's supplier base of C-Parts from a burdensome number to a few or only Bufab.
- Bufab's logistics solutions for replenishment are easy and efficient, maximising the potential for savings and strengthening cooperation.

Supply chain consolidation

Many companies manage a burdensome number of suppliers on their own despite limited and diminishing resources. While price remains an important factor, the trend is towards consolidating to fewer suppliers. This approach aims to achieve streamlined replenishment, assured on-time deliveries, improved strategic supplier relationships, and sustainability benefits.

Bufab's Actions

- Bufab helps its customers to reduce the number of suppliers. This gives the customer a better overview of the flow and reduces the risk of unexpected material shortages, which can cause costly downtime and badwill.
- When Bufab takes over an increasing number of suppliers and simplifies administration, customers can reduce their resources and focus on their core business.
- With Bufab as a partner, the customer gets access to one or more more extensive warehouses than the customer's own. For Bufab it is easier to ensure delivery security with multiple product sources.

Increased needs for sustainability

New regulatory requirements drive change, leading to increased demands for responsibility and transparency from more stakeholders. Science-based climate targets and accountability in the value chain are altering the business landscape.

The perspective of financial materiality means that dependencies on human capital and natural capital are expressed in economic terms, making sustainability risks directly related to the company's business model.

Bufab's Actions

- Bufab adapts its operations to new regulatory requirements for sustainability reporting. We integrate demands for business ethics and environmental and social issues internally and in our requirements for suppliers, making it easy for our customers to meet new requirements.
- We stay updated on innovations, such as making products lighter and more sustainable with lightweight materials. We already offer strong stainless steel bolts from Bumax with low environmental impact and possible dimension downsizing.

Our long-term value creation

Through the responsible use of capital, natural resources, and our employees' skills, we create long-term sustainable value for our customers, the company's other stakeholders, and society at large. Together, we create value!

Resources

HUMAN CAPITAL

1,800
employees in 29 countries

52
sister companies

8,000
suppliers in our global network

NATURAL RESOURCES

40%
renewable energy of total internal energy consumption

96%
proportion of recyclable material

CAPITAL

7,257
SEK million in average capital employed

9,191
SEK million in assets

How we work

OUR MISSION

Giving our customers Peace of mind by creating sustainable and outstanding value

WHAT WE DO

Bufab is a trading company that offers its customers sustainable, comprehensive solutions for procurement, quality assurance, and logistics for C-parts and technical components

OUR STRATEGIC FOCUS AREAS

- Customer Value Creation
- Accelerating Efficiency
- Leader in Sustainability
- World Class Supplier Base
- Drive the Market Consolidation

Created value

CUSTOMERS

20,000
customers in a variety of industries and geographies

8,035
SEK million in net sales

SHAREHOLDERS

5.25
SEK per share in proposed dividend

23%
percent total shareholder return since 2014

EMPLOYEES

814
SEK million in salaries and remuneration

>25,000
completed training hours

Several initiatives to develop competence and improve safety and health

SUPPLIERS

6,058
SEK million in purchases of goods and services

47%
Percentage of spend to suppliers in the Sustainable Supplier Engagement Program

SOCIETY

347
SEK million in income tax and employer's contributions

Contributions to the UN's 17 Sustainable Development Goals

Read more on page 18

Our strategy for value creation

Discovering the next solution

We further developed our strategy in 2023, and in 2024, changes began to take effect. We divested companies that did not strengthen our core business and completed the acquisition of VITALI in Italy. The new regional structure and the clear P&L responsibility in the sister companies give them the opportunity to create even more value for existing and new customers. Focus is on creating value based on the customer's existing situation and future opportunities through solutions that increase their competitiveness. For Bufab, this results in more satisfied customers and profitable growth.

Vision

Our vision is to become the leading player in the industry of C-parts and technical components. We shall achieve this by creating appreciated customer value for an increasing number of customers. We will broaden our customer base and offering to new and adjacent market segments through organic growth and strategic acquisitions within trading and niche companies.

Customer value and success

Our mission drives us with pride: to give our customers Peace of mind by creating sustainable and outstanding value. We primarily trade in items perceived to be of subordinate importance to the customer's end product, yet quality and delivery reliability are crucial. That is why the core of our customer value is taking over the responsibility from sourcing to sustainability, quality, and delivery reliability, allowing our customers to focus on their core business.

Partnership

As the customer entrusts Bufab to manage more and more of their large number of C-parts and technical components, the partnership with Bufab strengthens, and our performance becomes increasingly critical. Therefore, our solutionist culture and our employees' ability to create customer success is the basis of everything we do. We are a family of entrepreneurs who work and deliver as a responsible team, always focusing on the customer.

We use a decentralised operating model with extensive autonomy and accountability to achieve success. This model enables decisions to be made close to the customer and the business, and our committed employees can act quickly and with flexibility, promoting trust and creating significant customer value.

Focus areas

To succeed, we focus on five strategic areas described in more detail on the following pages.

Creating customer value

We constantly strive for improved, cost-effective, and secure delivery of C-parts and technical components to our customers. Our solutionists' many years of experience of our customers' needs is reflected in our customer offering.

Bufab's strength is our ability to meet our customers' different needs with a cost-effective solution that creates customer value.

OUR CUSTOMER OFFERING

Bufab creates Peace of mind

Source

Lower total cost and risk management in a quality-assured supply chain.

Supplier base
With minimal effort, the customer gets access to suitable suppliers that meet their requirements.

Supply chain
Bufab handles supplier reviews, negotiations, environmental and quality inspections, and consolidates freights.

In-house development and production
Access to expertise early in development to optimise product performance and price.

Customer value
A secure supply chain benefits our customers by eliminating production interruptions, reducing costs, and freeing up valuable time to focus on their core business.

Simplify

Lower total cost with reduced manual and administrative work.

Reduction
Consolidating the number of suppliers to one or a few partners reduces the complexity of the supply of goods.

Replenishment
Easy logistics solutions provide a safe and efficient supply chain without shortages and production stops.

One delivery
One or a few planned deliveries instead of many reduces the workload both in the warehouse and for the finance department and reduce greenhouse gas emissions.

Customer value
Fewer suppliers and automated replenishment reduce complexity, workload, environmental impact and costs, allowing the customer to focus on other things.

Improve

Leverage our opportunities to contribute to improvements based on experience and knowledge.

Warehouse and logistics
Analysis and improvement proposals regarding the customer's inventory, item placement, and internal logistics to streamline the flow of C-parts.

Kitting and assembly
We do kitting similar to Ikea's plastic bags with fasteners and pre-assemblies to optimise the customer's production

Engineering
Customers facing a design or construction challenge can always count on our support.

Customer value
Using Bufab as a trusted advisor and partner results in time, space and cost savings that improve customers' production, efficiency and end products.

Secure

We secure deliveries that meet customer quality requirements with an ambitious focus on sustainability.

Sustainability
Bufab secures legal and regulatory aspects of sustainability compliance for C-parts and acts according to the UN´s Global Compact.

Quality
Quality assurance according to the customer's requirements is always decisive for both the customer's and Bufab's success.

On-time delivery
On-time and complete deliveries are a prerequisite for efficient operations.

Customer value
Having Bufab as a partner securing quality, sustainability, and on-time deliveries makes it effortless to be at the forefront.

Bufab's logistics solutions

Bufab's mission is to ensure that our customers have C-parts available when needed, on time, where they are needed, and at the lowest possible total cost. Simply expressed, it is worry-free replenishment and a secure inventory level of C-parts.

Our tailored logistics solutions exemplify how we create appreciated value for our customers through less administration, lower indirect costs and an efficient material supply.

In 2024, we installed a record number of new logistics solutions, strengthening our customer relationships and increasing our growth rate.

The simplest logistics solution
EasyScan is a flexible and easy-to-use solution. The customer scans the empty box with an approved scanner or smartphone, and an order is automatically sent to Bufab.

Automatic ordering by weight limit
Both our fixed and mobile EasyScale systems monitor customer inventory levels 24/7 and provide automatic replenishment.

Digital label with order button
No more manual labelling with Bufab's digital labels. In addition, customers save time and minimise errors by creating orders directly using the label's order button.

An easy way to refill consumables
With RFID solutions, customers have a user-friendly and easy way to replenish their small items. The empty box is placed on the top shelf or in EasyDrop, and an order is automatically generated.

Read more about our logistics solutions →

Accelerating efficiency

What we did yesterday is not enough to remain competitive tomorrow. Staying at the forefront requires continuous improvements of workflows, processes, and system support.

At Bufab, we are process-oriented in order to enable our employees to work effectively and collaborate using their complementary skills. This is made possible through our concept, Bufab Best Practice – our collective knowledge and experience of how we best collaborate structured in routines and processes. Each sister company is responsible for following or challenging these guidelines and driving improvements.

Digitalisation drives efficiency

To further optimise our work, we invest in digitalisation, focusing on integration and automation, which enhances efficiency and reduces manual and administrative work. It is not only about improving what we do but also how we do it. Simplified logistics solutions and fewer suppliers are examples of how we reduce complexity, lower total costs, and contribute to an efficient and reliable supply chain. This also results in fewer shipments, saving time and costs while reducing our environmental impact.

A learning culture is effective

But our efforts to improve does not end there. Every Solutionist is responsible for striving to be a little better every day – in their own work and as a team member. We encourage initiative and welcome new ideas. Failure is seen as part of the path to success, and we support our employees in learning and growing in the process. Together, we strengthen Bufab, our customers and our shared future.

For example, Bufab has increased the level of automation in nearly 20 warehouses by introducing advanced digital tools that improve efficiency and service levels. At the heart of this is a company-wide master data system that enables us to become even more data-driven with intelligent systems that include AI.

Leaders in sustainability

Bufab wants to be an industry leader in sustainability. To maintain and develop this position, we continuously work to integrate sustainability aspects into everything we do.

In 2024, we proactively enhanced our reporting processes to meet upcoming CSRD requirements and prepared for increased due diligence obligations. Our focus on internal initiatives has strengthened our internal competence, ensured employee security during transitions, and identified key improvement areas. Additionally, we have intensified supplier engagement programmes and audits to foster a transparent and sustainable supply chain.

These strategic actions demonstrate our commitment to robust governance and sustainability, positioning us favourably in the market and creating long-term value for our stakeholders.

Emission reduction targets
In November 2022, Bufab adopted science-based climate targets in line with the Paris Agreement. Our targets were approved by the Science Based Targets initiative, which means that the targets are based on a methodology and have been validated. The targets mean that we will have a net-zero emissions operation by 2030 and that scope 3 will be reduced by 55 percent by 2031.

Energy & Climate

Net zero Scope 1 and 2 emissions by 2030. 100 percent renewable energy.

55 percent reduction in Scope 3 carbon intensity by 2031.

70 percent of our purchases will be included in the Sustainable Supplier Engagement Program by 2025.

100 percent of our facilities have undergone biodiversity risk assessments.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 13 CLIMATE ACTION · 17 PARTNERSHIPS FOR THE GOALS

Circularity

We have 100 percent compliance with chemical compliance requirements.

Recyclability rate over 90 percent.

We aim to increase the percentage of recycled input materials.

We are committed to achieving a 20 percent waste reduction and zero landfill by 2030.

3 GOOD HEALTH AND WELL-BEING · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Buisness ethics & social responsibiltiy

We have conducted 100 percent evaluation and review of all suppliers for conflict minerals.

Gender balance among managers by 2030. Zero accidents.

Anti-corruption and code of conduct training for our teams every three years. Annual performance reviews for 100 percent of the workforce.

100 percent of suppliers have signed our code of conduct. 80 percent of our purchases are audited against sustainability criteria.

5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS · 17 PARTNERSHIPS FOR THE GOALS

World-class supplier base

Our dedicated sister companies, decentralised business model, and strategic relationships with competent niche suppliers are key to our success. We aim to always offer products from the optimal manufacturer, for every need.

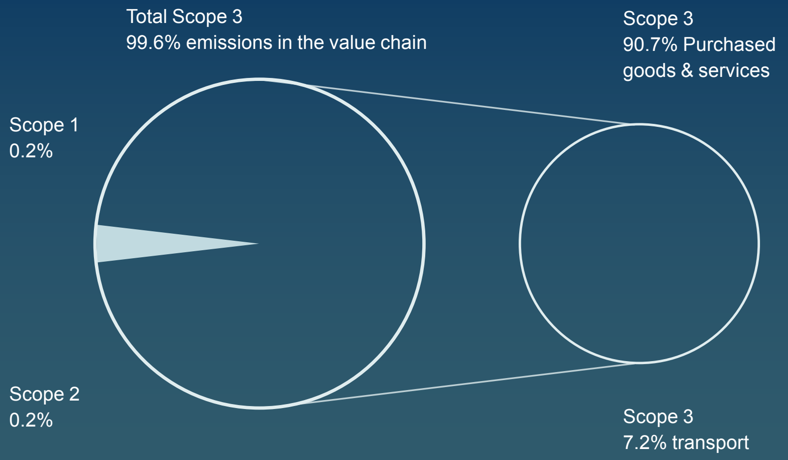
Our dedicated procurement specialists continuously visit and evaluate suppliers, driving improvements that enhance the value we bring to our customers. Bufab handles over 30,000 inquiries annually, leveraging the capabilities of our 8,000 suppliers. Together with our Partnership Suppliers, we boost our customers' productivity, quality, and sustainability.

Since 2022, our Sustainable Supplier Engagement Program has set and monitored clear goals and KPIs. In 2024, we intensified efforts, implementing improvement plans with 47 percent of our suppliers based on their purchase share.

Driving change in the value chain:

- Partnerships with shared goals reduce emissions throughout the value chain and contribute to improved total cost of ownership.
- With multiple sourcing, we provide security for our customers and handle unexpected events that could jeopardize capacity.
- Evaluation and follow-up of suppliers create a sustainable value chain.
- Training, knowledge sharing, and support for improvement work strengthen our suppliers.
- Innovative energy, raw materials, and logistics technology reduce emissions from our suppliers and Bufab.
- Through reliable data, we create transparency and trust.

Total Scope 3



Bufab's Scope 1, 2 & 3 emissions:

Scope 1: Direct emissions from own operations.
Scope 2: Indirect emissions, for example, from the purchase of energy, heating and cooling.
Scope 3: All other direct and indirect emissions. Most of it comes upstream from our suppliers, but a minor part is downstream from transports.

Calculations are made according to the standardised framework for measuring and managing greenhouse gas emissions from the Greenhouse Gas Protocol. Tthe % number is based on the greenhouse gas inventory made for the base year 2021

We engage our suppliers to reduce our emissions

We drive change and reduce emissions through our Sustainable Supplier Engagement Program, where we provide knowledge and guide our suppliers

Prepare

Step 1: Data collection in energy, transport, materials, and waste, as well as providing feedback.

Engage

Step 2: Knowledge building, agreeing on guidelines and action plans, and determining the supplier's base year based on the collected data.

Step 3: Set goals in line with the Paris Agreement and with Bufab's goal of reducing CO_2-eq by 55% by 2031.

Implementer

Step 4: Annual follow-up of the suppliers' activities and that they achieve improvements according to agreements.

17

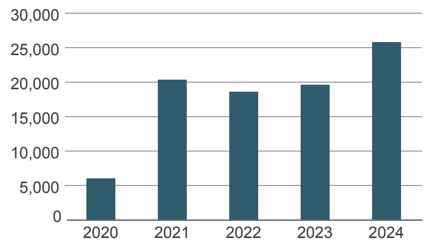
Further improvements in our employee survey

The most attractive employer
At Bufab, we aspire to be the most attractive employer in the industry. We are committed to fostering a positive and engaging work environment that recognises innovative ideas and outstanding results, guarantees health and safety, and enhances overall well-being. We are proud that our employee survey showed further improvements, with our Employee Net Promoter Score (eNPS) increasing from 11 to 14.

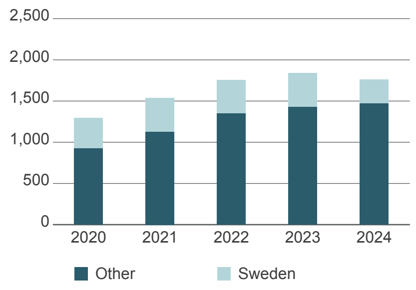
We believe in providing equal opportunities for all employees to develop and reach their full potential. Further enhancements in digital training have made it easier to conduct training, and the number of hours increased during the year. Our philosophy of freedom with responsibility ensures that everyone is empowered to take ownership of their work. We set clear expectations, and each team member has individual goals aligned with our core values and drivers.

Our approach combines the scale and reach of an international group with the customer-first mindset and entrepreneurial spirit of a small family business. This blend allows us to deliver exceptional customer value while fostering a dynamic and supportive workplace.

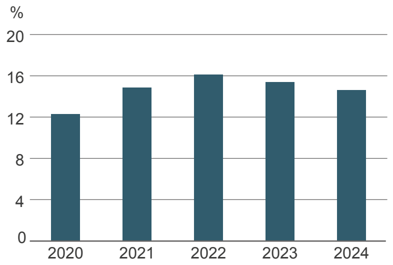
Training hours Bufab employees



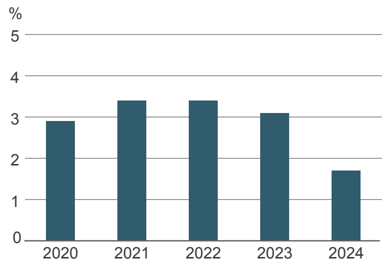
Employees per region



Employee turnover



Absence rate



Driving market consolidation

Having completed more than 50 successful acquisitions over the past 45 years, Bufab has extensive experience of acquiring and integrating companies worldwide. We are proud of the fact that new acquisitions continosly increase their growth rate and/or profitability after becoming part of Bufab.

Using a reliable local partner is becoming increasingly important for customers. Through strategic acquisitions of strong companies, we are expanding our presence in new industries, product segments, and geographical regions while strengthening our current operations. This makes us even more relevant to our customers, who can consolidate their purchases to fewer suppliers, with Bufab as a reliable partner. An interesting fact is, as Bufab grows, our market share appears smaller due to an expanding addressable market. This dynamic creates an inspiring opportunity for growth and more satisfied customers.

Acquisitions as a core business strategy

Acquiring and integrating businesses internationally is a part of our strategy. We seek companies that can contribute with growth synergies, customer relationships, a strong supplier base, and expertise.

Despite being a leading player in many markets, our market share remains below 5 percent, offering excellent growth potential. Companies in the C-part industry are typically entrepreneurial, and those we encounter usually have an encouragingly positive view of our brand and our strategic ambitions.

During the year, VITAL, a leading distributor of C-parts in Italy with annual sales of EUR 48 million, was acquired. The acquisition represents a significant opportunity to build Bufab's presence in Italy and increase our service level to our current and new customers.

Since 2014, we have completed 16 acquisitions, yielding annual sales exceeding SEK 4,000 million. Most of our acquisitions have performed well since becoming part of Bufab and have contributed significantly to our strong earnings performance. This success is attributed to our selective approach, acquiring only well-managed and profitable companies. These acquisitions have significantly increased our presence in new industries, product segments, and geographic markets, making us even more relevant to our customers.

"Pull integration" strategy

Bufab "Pull Integration" strategy allows acquisitions to exploit the benefits of being part of Bufab at their own pace and interest, focusing on growth synergies rather than cost synergies. This approach fosters a shared future and maintains the entrepreneurial spirit of successful companies.

Future acquisitions

Based on our strong financial position, we work meticulously on identifying potential acquisitions. We have observed increasing interest in joining the Bufab group as we grow. We categorise acquisitions as platform or add-ons, and we address both. Platform acquisitions are typically larger companies that add new business in existing, or new, geographies. Add-on acquisitions fit seamlessly into our current business, strengthening us in existing or new geographies.

Integration of new acquisitions in SBTi[1] and SSEP[2]

During the due diligence process, we perform Scope 1, 2, and 3 evaluations to assess the impact of acquired companies and determine necessary climate actions. This evaluation creates a profile of the company and the activities we must implement to comply with our overall target of reducing greenhouse gas emissions in line with the Paris Agreement.

[1] SBTI – Science Based Targets initiative
[2] SSEP – Sustainable Supplier Engagement Program

CASE

"An opportunity to grow while keeping our identity"

What makes the owners decide to sell a successful family business they've been running for generations to Bufab? For leading Italian C-parts distributor VITAL, it was the opportunity to grow and increase its global presence in a sustainable way while also keeping its corporate identity and continuing to manage the business.

VITAL S.p.A. is a C-parts distributor headquartered in Milan, Italy, with two additional branch offices in the Milan area. The company has been family-owned since its foundation in 1975. Today, VITAL is run by the founders' sons. The customer base, which is primarily located in Italy, is well-diversified and active in industries such as electrical, machinery, rail and construction.

VITAL describes themselves as pioneers among European companies as they started building relationships with suppliers in China and Taiwan already in the 1980s.Today, a large majority of the more 150 suppliers are situated in China, Taiwan, Malaysia, Indonesia, Vietnam and the Philippines.

"Good match"

In 2024, the owners of VITAL decided to accept an offer for the business from Bufab. A strong reason for VITAL to sell to Bufab was that Bufab allowed VITAL to maintain its identity while benefiting from the resources and expertise of a leading global supplier of C-parts.

– We felt that Bufab was a very good match for us and the deal came at a good time in our development. By joining forces with Bufab, we believe we can take advantage of their global presence, efficient processes, and strong customer relationships to further enhance our offering and growth. We believe that this will ensure a both stable and promising future for VITAL, says Luca Bernasconi, son of one of the founders.

– We are pleased that we, the previous owners, can continue as managers and we are looking forward to cooperating with Bufab. We have found that their corporate culture strongly resonates with our own values, not least when it comes to commitment to sustainable development. Bufab's knowledge and experience in the area will help our business to reach the new standards required for the future, he continues.

Career opportunities

According to Luca Bernasconi, another strong reason for VITAL to sell the business to Bufab was that it would open significant development opportunities for the company's employees.

– Our team members now have access to diverse career opportunities within the Bufab Group. The company offers international assignments, involvement in global projects, and the chance to explore various professions across different locations. This not only enhances personal growth but also broadens our collective expertise, he says.

Facts VITAL S.p.A

Founded: 1975

Headquarters & production: Milano, Italy

Number of employees: 57

Turnover: EUR 48 million in 2023, with an operating margin above Bufab's target for 2026.

Marketed items: 14,000

Customers: 1,500 active customers and handles approximately 2,000 deliveries and 200,000 order lines per year.

Parts of Bufab's management and the former owners of VITAL

> Bufab's knowledge and experience in the field will help our business meet the new standards that will be required in the future
>
> Luca Bernasconi, former owner and CEO of VITAL

Operations

Bufab inside: leg&go

We grow by creating value in supply chains

Industries

Bufab supplies C-parts to customers in a number of different industries worldwide. We have customers in over 30 industry segments, such as general industry, construction, furniture, energy, defence, automotive, medical technology and pharmaceuticals.

The customers are diversified geographically, with locations in the Nordics, the rest of Europe, Asia and North America. Bufab's customers vary in size, and their sourcing behaviours and needs vary as well. With a well-diversified portfolio, both with regards to customers and geographies, we are resilient while also well equipped for future opportunities.

Products

We work with everything from standardised fasteners to unique products such as customised fasteners, bent, milled, turned, stamped, forged or injected parts. We also offer advanced magnetic solutions, bathroom and kitchen solutions, or personal protective equipment from one of our niche companies.

Our extensive range of fasteners covers all commonly used standards on the market. We stock standard items in a variety of materials and surface treatments. The smallest screw is 1 mm in diameter and 2 mm long, and the heftiest standard bolt is 100 mm in diameter and weighs 36 kg.

In total, we offer approximately 175,000 C-parts from a large number of specialised manufacturers to meet customers' unique requirements for quality, quantity, and logistics.

Services

The customers who get the most value from Bufab benefit greatly from our services in sourcing, quality, smooth replenishment, and sustainability. The largest and most obvious reduction in total cost is achieved when the customer consolidates to significantly fewer suppliers and implements a logistics solution for optimised replenishment.

The more complex the customer's situation, the greater the opportunity for Bufab to create value. As we add value and consolidate the customer's supplier base, room is made for increased margins.

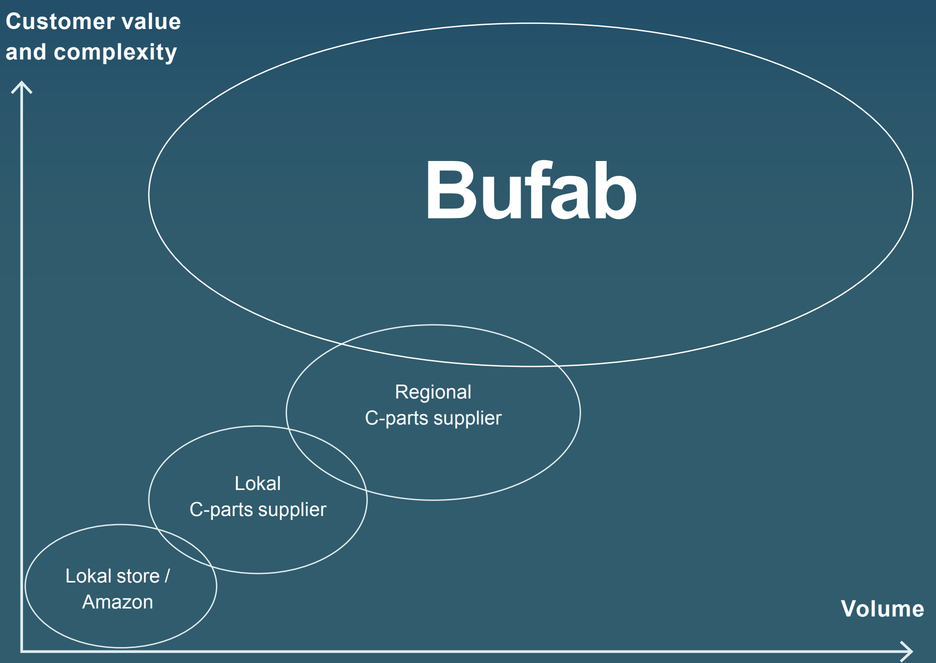
Bufab's goal is always to offer a customised solution that maximises customer benefit and creates joint profitability. Hence, we work continuously to reduce our customers' total costs and give them Peace of mind.

Solutions that give our customers Peace of mind

Bufab is a trading company offering its customers sustainable and comprehensive solutions for procurement, quality assurance, and logistics for C-parts and technical components. How does it work?

We offer flexible solutions for complex needs

Bufabs' opportunities to create appreciated customer value increase with customer complexity and volumes, ranging from quick deliveries to finding the optimal producer for specific needs.



Customers with various needs

Our customer base includes approximately 18,000 customers of various sizes with different needs and purchasing behaviours. We have sister companies in 29 countries, export to additional countries and collaborate with many of the world's leading suppliers of C-parts and technical components.

Our strategy is based on discovering the customer's next solution. We do this by treating each customer based on their specific needs. That is why we have a decentralised organisational structure, featuring local presence with solutionists who create offers and make decisions close to the customer. We believe that this is best for the customer.

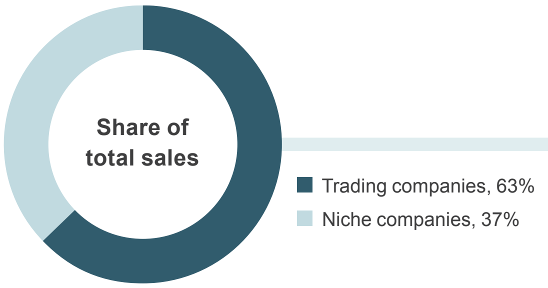
At the same time, we are a global organisation with employees who have impressive knowledge and are eager to satisfy more customers. Analysing a growing customer segment in one geography opens up opportunities to scale up in other geographic areas.

Our working method and capacity mean that the more complex the customer's needs are, the more outstanding value we can create. We do not usually deliver small volumes in broken packaging – but we do deliver to customers with constantly demanding needs and international customers with central agreements.

Bufab's sister companies

We divide our sister companies into trading and niche companies. Traditional trading operations accounted for 63 percent of net sales in 2024.

The niche companies' offering complements the trading operations with a more specialised product range. The relationship developed with the niche companies' customers can also open doors to new relationships with other sister companies.

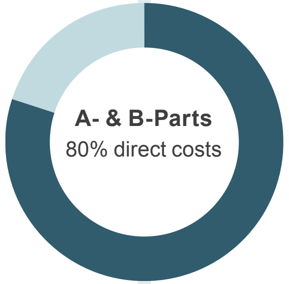


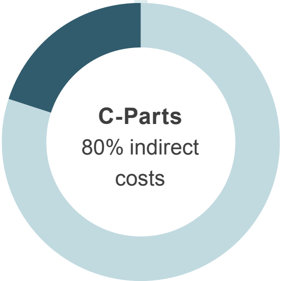
C-parts have a high indirect cost

The manufacturing industry often classifies parts into A-, B-, and C-parts. C-parts are the least strategically important and account for a relatively small portion of a customer's component costs. However, due to high volumes and a large number of suppliers, the indirect costs of managing C-parts are often higher than the direct costs.

The direct cost, which can be as low as 20 percent, is simply the purchase price of the item. The low unit price means many companies do not consider this cost particularly important. The indirect cost is everything else – the cost of sourcing, ordering, shipping, handling, warehousing, administration, and quality defect costs. The more suppliers a company works with, the higher these indirect costs tend to be.

Fortunately, indirect costs can be easily reduced by optimising routines and the purchasing process. With measures such as supplier consolidation, VMI (Vendor-Managed Inventory) solutions, or a simple logistics solution, the customer can reduce indirect costs and make significant cost savings.

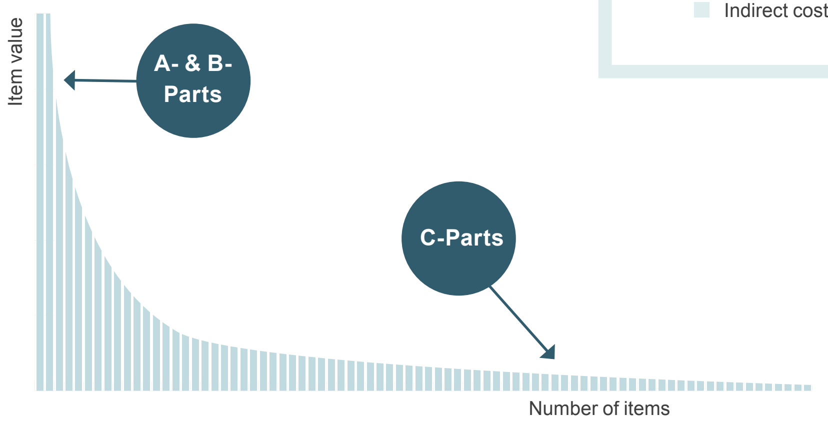




For a low-cost C-part, it is not uncommon for the direct cost of the product itself to be as low as 20 percent of the total cost of ownership and for the total indirect costs to account for 80 percent.

- Direct costs
- Indirect costs

C-Parts – customer perspective



A- and B-Parts

Characteristics of A- and B-Parts:
- Complex products
- High unit price and low volume
- Internal R&D knowledge
- Core business
- Limited number of suppliers

C-Parts

Characteristics for C-Parts:
- Low unit price and high volume
- High procurement cost ↔ product value
- Too many varieties and suppliers
- Challenges regarding sustainability

Examples of C-Parts:
Typical examples of C-parts are fasteners such as bolts, screws, nails, pins, clamps, rivets, nuts and washers. However, they can also be uniquely designed products such as turned, injection-moulded, extruded, stamped, forged, milled or die-cast parts. They are all components with a low value in the final product – but equally important for the manufacturing and function.

Photo: Husqvarna

Bufab key partner when Hiab Ireland streamlines its supply chain

From supplier of low-value C-parts to strategic partner. The relationship between Bufab and Hiab Ireland, manufacturer of the market-leading MOFFETT truck-mounted forklift, has developed significantly over the past 20 years. "Bufab has become a close partner by offering customised logistic solutions and assisting us in streamlining our supply chain," says Sean Wakely, Supply Chain Manager at Hiab Ireland.

Hiab, a global market leader in the forklift truck sector, revolutionised the transport industry in the 1980s with the design of the MOFFETT forklift truck. The company's customers range from owners of one or a few trucks to international vehicle and rental companies in both the private and public sectors. The products are used in a wide range of industries.

In 2014, Bufab began supplying C-parts to Hiab Ireland's Dundalk facility, located between Dublin and Belfast. The assignment was initially handled by Bufab Flos in the Netherlands, but as the collaboration between the two companies grew, it was transferred to Bufab Ireland.

"Over the years, Bufab has developed into a strategic partner in streamlining our supply chain by helping us implement several consolidation projects. As of December 2021, more than 35 suppliers have been integrated into Bufab's VMI program. Every supplier has a cost, so this has really helped us control our supply chain overheads," says Sean Wakely.

"Bufab has become an integral part of our consolidation process. In 2025, we expect a further 15 suppliers to be consolidated by Bufab," he continues.

Daily deliveries

Bufab Ireland's VMI service for its Dundalk operations is based on Bufab's EasyScan logistics solution, which currently ensures that over 4,000 bins are filled with 650 items, equivalent to 16,000 order lines per year. With Bufab's warehouse located just 100 metres from the operations and two full-time employees on-site, Bufab can offer fast response times and high customer service.

Bufab's Vendor Managed Inventory (VMI) system is advanced software that helps Hiab manage inventory levels. This means that the daily control of the targeted inventory levels is smooth and efficient. This is an important part of the company's drive to lower the total cost of ownership.

"This has given us increased flexibility to plan shipping and production dates in advance, which minimizes the risk of stockouts and helps us reduce both administration and costs," says Sean Wakely.

"Together with Bufab, we have created an efficient and seamless operation with short lead times," he continues.

Increasing automation

Hiab Ireland is currently working on the next step in streamlining its Dundalk operations.

"Bufab plays a key role in this process, where inventory management will be largely automated. This will further increase transparency and control, as well as improve our forecasts and shorten lead times," says Sean Wakely.

"We appreciate the level of service and insights we receive from Bufab in this process and look forward to continuing our successful partnership," he continues.

Facts Hiab

Hiab is part of Cargotec Corporation, with an annual turnover of EUR 2.5 billion
Founded: 1944
Headquarters & production: Malmö, Sweden
Turnover: EUR 1.8 billion (2023)
Number of employees: 3,877 (2023)
Products: truck-mounted forklifts, forestry cranes, recycling cranes, container handlers, hook lifts, cable lifts and tail lifts
Production and R&D: 15 sites

Sean Wakely, Supply Chain Manager at Hiab Ireland.

"

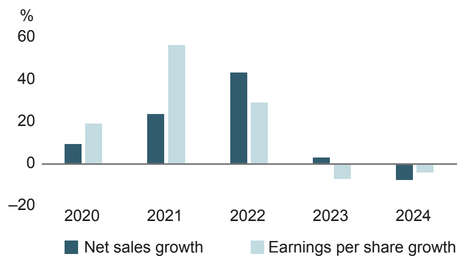
Hiab is a leading provider of smart and sustainable load handling solutions.. Hiab's premium equipment includes loader cranes, truck mounted forklifts, forestry cranes, recycling cranes, skiploaders, hooklifts, roll-off cable hoists and tail lifts under the ZEPRO, DEL and WALTCO brands. As the industry pioneer, Hiab is committed to making load handling smarter, safer and more sustainable to build a better tomorrow.

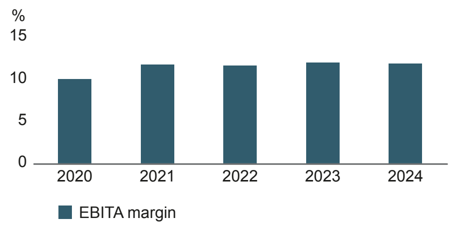
Financial targets

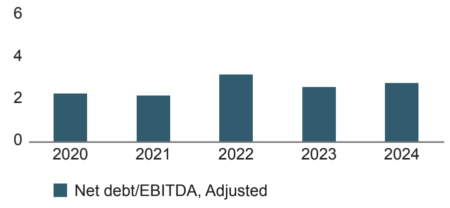
Bufab's financial targets focus on growth, profitability, financial stability, and dividends. In December 2023, we presented our updated strategy and increased the profitability target from 12 to 14 percent by 2026.

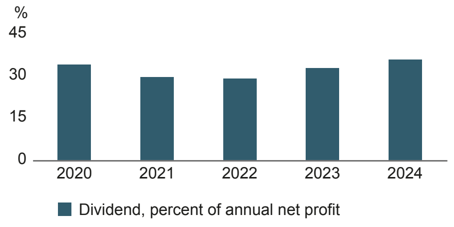
	Profitable growth		Profitability	Financial stability	Dividend policy
Target	**10%** Average annual increase of net sales, through both organic growth and acquisitions	**15%** Average annual increase of earnings per share	**14%** Annual operating profit (EBITA margin) by 2026	**2–3x** Net debt in relation to operating profit before depreciation and amortisation (ND/EBITDA)	**30–60%** Dividend of annual net profit
Outcome 2024	**–7.4%**	**–4.0%**	**11.9%**	**2.8**	**36%**
Comments	Net sales decreased by 7.4 percent in 2024. Of the total growth, –0.4 percent came from currency effects, –1.6 percent from acquisitions/divestments and –5.4 percent from organic growth. Earnings per share decreased by 4.0 percent.		Adjusted operating profit (EBITA) amounted to SEK 959 (1,121) million, corresponding to an operating margin of 11.9 (12.9) percent. The decrease is due to lower volumes, inflationary effects and increased obsolescence reserves.	Net debt/EBITDA, adjusted, amounted to 2.8 at the end of 2024. The increase compared to 2023 is mainly explained by the acquisition of VITAL.	The board has proposed to the 2025 Annual General Meeting a dividend of SEK 5.25 per share, which corresponds to 36 percent of net profit and an increase of SEK 0.25 per share compared to 2023.

Five-year trend







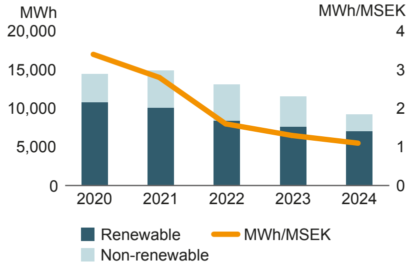


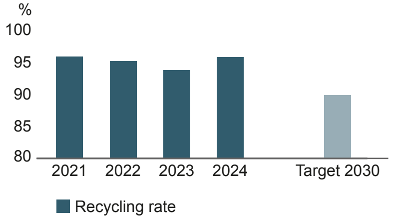
Sustainability targets

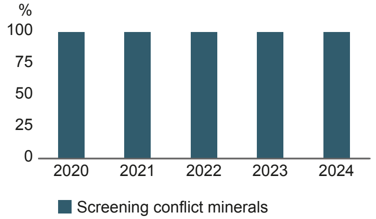
Bufab has set sustainability targets until 2030 with a focus on climate, circularity, and ethics. To monitor our progress, we report a number of key performance indicators for our own operations.

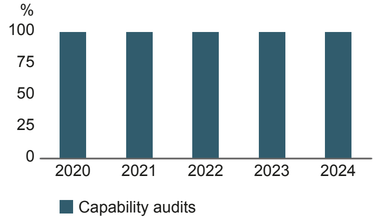
	Carbon neutrality	Recycling rate	Conflict minerals	Capability audits	Logistics partners
Target	**100%** Produce and/or procure 100 percent of our electricity from carbon-neutral sources by 2030	**90%** Rate of recyclable material above 90 percent	**100%** 100 percent of our suppliers are to be evaluated and screened in relation to conflict minerals	**100%** Capability audits performed for each approved supplier	Choosing logistics partners with CSR goals aligned with those of Bufab's, to enable us to actively work towards lowering our emissions
Outcome 2024	**76%**	**96%**	**100%**	**100%**	
Comments	In 2024, the share of renewable electricity increased to 76 percent (66). At the same time, total electricity consumption decreased by 20 percent. Bufab Lann and Hallborn are not included in the consumption figures for 2024, while VITAL is integrated for the whole year.	The majority of the products we buy and sell are recyclable and adapted for material recycling. However, the actual outcome depends on the design of the customer's product and the conditions in the market where the product is placed.	An evaluation and verification of conflict minerals is done on an annual basis to ensure that our suppliers do not use conflict minerals in our articles.	Prior to engaging a new supplier, we evaluate their code of conduct, compliance and how their capabilities meet our internal requirements and customers' needs.	We are gradually working to transition to fossil-free and more efficient transports with a higher fill rate. During the year, several companies contributed to this transition, through measures including increased use of climate neutral maritime transport from Asia and more sustainable land transport, such as trains and vehicles using biofuels.

Five-year trend









Sustainability report

Bufab inside: Respo

General information

Bufab strives to be a leader in sustainability by focusing on responsible growth, sustainable improvements and strategic investments. This means that we adapt our strategy to ensure that every part of our business has a positive impact on people and the environment. By improving processes and systems, we aim to be a trusted partner for our customers and an active employer, while meeting the new EU standards for sustainability reporting in accordance with ESRS.

About this report

Bufab publishes an annual sustainability report for the Group. It aims to strengthen Bufab's commitment to transparency and responsibility, thereby ensuring that our investors, customers and other stakeholders are well informed about our impact, risks and opportunities linked to sustainability and the value generated. In the report, we aim to provide a transparent and balanced account, including material parts of our value chain and operations.

The sustainability report has been prepared in accordance with the Swedish Annual Accounts Act and is inspired by the European Standards for Sustainability Reporting (ESRS) and the Global Reporting Initiative (GRI). All data and information provided in the report relates to the calendar year 2024 and includes all subsidiaries within the Group. In the report, we strive to present a complete and accurate description of our key figures, commitments and impact. In cases where information from one of our companies is missing, we have used estimates to fill these gaps. In cases where extrapolations or estimations have been used, the precautionary principle is applied.

Governance of material matters

The company's materiality assessment is updated annually and covers all steps in the value chain, with special focus on value chains with high purchasing volumes (steel and stainless steel) as well as value chains with known risks (e.g. forest products and conflict minerals).

This evaluation, together with identified risks and opportunities, is presented to the Board of Directors, which decides on and approves further measures. The Board also examines the company's materiality, which is based on impact – how Bufab's operations affect the outside world and vice versa – as well as financial materiality, which reflects a perspective of double materiality. The Board is responsible for the implementation, monitoring and evaluation of the effectiveness of material matters and Bufabs sustainability report.

Group management is responsible for day-to-day operations and strategy execution, monitors the company's performance and makes corrections as necessary. The environmental and sustainability policies established by Group Management serve as guidelines for all Group companies and regions, in accordance with international standards and principles. Goals and standards adopted globally apply to all companies.

Responsibility towards stakeholders

Bufab recognises the importance of good relationships with stakeholders to ensure long-term success. Our success is built on a strong history of efficient sourcing, reliable quality assurance and long-term customer relationships. Our customers choose us because we give them Peace of mind – from delivery to sustainability throughout the supply chain. Specific customer requirements are integrated into contracts or specifications.

In addition, Bufab has a Supplier Code of Conduct that sets general quality and compliance standards, including regulatory compliance. Regular internal and supplier audits are an integral part of their compliance program, ensuring monitoring of these standards. We also keep up to date with regulatory changes to maintain continuous compliance.

Targets

Bufab has adopted KPIs and targets to follow up on results and drive improvements in our operations and value chain. A common training goal has been set for Code of Conduct and Anti-corruption. Group management and local CEOs have a variable STI linked to Bufab's carbon targets. Bufab has a validated target according to SBTi. Read more on pages 18 and 28.

Actions and resources

Material issues are addressed through due diligence measures, including supplier programs, sustainability audits, conflict minerals program and sanctions investigations. Bufab's sustainability strategy combines centralised policies and guidelines with decentralised implementation. Part of the approach is the requirement for all sites to implement an environmental management system (EMS) that complies with ISO 14001 standards, ensuring a consistent and high level of commitment to environmental responsibility across the company. To further strengthen this commitment, Bufab encourages the exchange of best practices and the adoption of local policies through its "sustainability circles," which promote a collaborative approach to sustainability. Bufab is expanding its commitment to sustainability beyond its immediate operations and is investing in a sustainable supplier engagement program (SSEP). This program includes suppliers and partners in Bufab's sustainability journey, ensuring that environmental responsibility is integrated throughout the supply chain. Essentially, Bufab's approach is a nuanced mix of top-down guidance and bottom-up implementation, ensuring consistency in environmental standards while fostering a culture of entrepreneurship and individual responsibility.

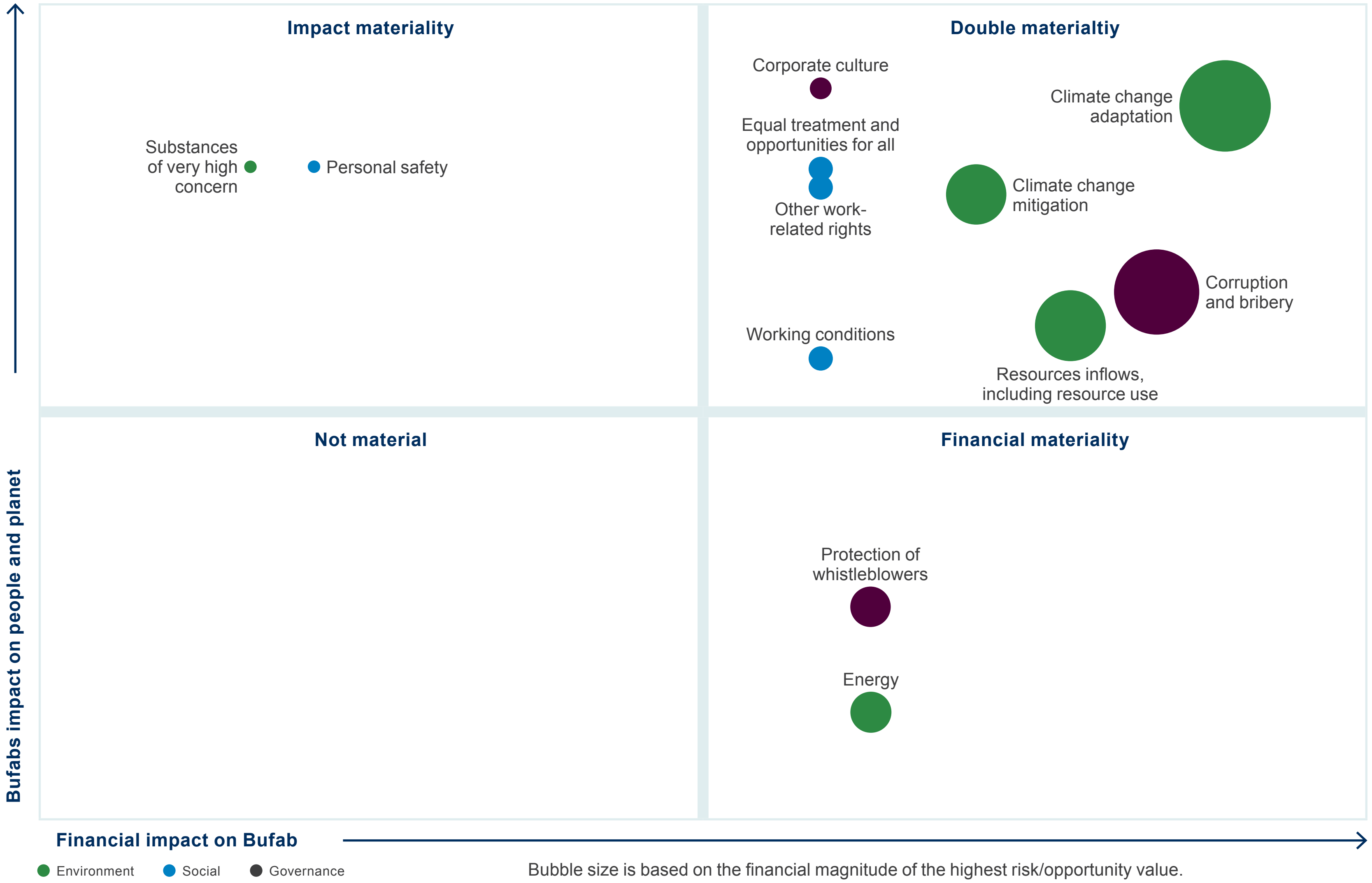
Performance monitoring

KPIs play an important role in Bufab's strategy and enable the company to closely monitor and follow up on sustainability performance. This data-driven approach is supported by a centralised management system that distributes procedures and guidelines, cultivating a culture that is deeply rooted in continuous environmental improvement. This culture is further reinforced through regular internal audits, ensuring that practices are not only maintained but consistently improved.

Despite this centralised framework, Bufab operates according to a decentralised model, which gives each company and business unit the opportunity to conduct operations in line with Bufab's policies, goals, and stakeholder commitments. The model promotes local responsibility and is in line with Bufab's corporate culture, which values personal entrepreneurship and individual responsibility. Bufab recognises the importance of this culture and continues to invest heavily in its employees, as their commitment and development are crucial to achieving the company's ambitious goals.

Double materiality

Effective stakeholder engagement is critical to Bufab's sustainable growth and success. By actively listening to, and addressing, stakeholder needs, Bufab can improve its reputation and build trust. This collaborative approach ensures that business practices align with stakeholder requirements and expectations. In addition, it helps Bufab to identify opportunities for innovation and improvement. Regular communication and feedback loops create a dynamic environment that promote mutual benefit and respect. Ultimately, the goal is to promote long-term, positive relationships with all stakeholders. Through these efforts, Bufab continues to maintain its commitment to transparency, accountability and performance in all aspects of its business. As part of its commitment to meet stakeholder expectations, Bufab conducted a double materiality analysis in preparation for the implementation of ESRS (European Sustainability Reporting Standards) in 2024. This analysis ensures that Bufab evaluates the impact and contribution of the business, not only from an organisational and business perspective, but also from a stakeholder and sustainability impact point of view. This proactive approach underlines Bufab's commitment to aligning with global standards and promoting sustainable practices.



Reporting of subjects covered by ESRS
The sub-topics below were considered non-material .

ENVIRONMENTAL
E2 Pollution
- Air
- Water
- Soil
- Living organisms and food resources
- Substances of concern
- Micro plastics

E3 Water and marine resources
- Water
- Marine resources

E4 Biodiversity and Ecosystems
- Direct impact drivers of biodiversity loss
- Impacts on the state of species
- Impacts on the extent and condition of ecosystems
- Impacts and dependencies on ecosystem services

E5 Resource use and circular economy
- Waste

SOCIAL
S1 Own workforce
- Equal treatment and opportunities for all
- Other work-related rights

S3 Affected Communities
- Communities' economic, social and cultural rights
- Communities' civil and political rights
- Rights of indigenous peoples

S4 Consumers and end-users
- Information-related impacts for consumers and/or end-users
- Social inclusion of consumers and end-users

GOVERNANCE
G1 Business conduct
- Animal welfare
- Political engagement
- Management of relationships with suppliers including payment practices

Value chain and stakeholders

Our analysis of the value chain and our understanding of the stakeholders are vital for identifying how we as a business affect the world around us and how external factors in turn affect us. During the year, Bufab worked to increase our understanding of risks, opportunities and our impact on the world around us.

Collaboration with stakeholders

Bufab maintains regular dialogues with various stakeholders to use their insights in the development and improvement of business practices, as well as to identify and address operational issues. This strategy also enables the company to understand and respond to legitimate stakeholder concerns as well as manage potential risks. The level of collaboration varies depending on each stakeholder's approach, with some preferring to be more involved than others. Finding the right balance creates a foundation for mutual and effective communication.

Stakeholder identification

Bufab has identified the most significant stakeholders through dialogue with Group Management. These are:

- Customers
- Suppliers
- Employees
- Shareholders
- Institutions and municipalities
- Bufab Board of Directors

Stakeholder dialogue

Our stakeholder dialogues help us communicate business decisions, activities and results. By actively listening to stakeholders' opinions and giving them the opportunity to contribute with their views on activities that affect them, the company strengthens its relationships while developing our business operations. This contributes to mutual understanding and creates a foundation for long-term and sustainable relationships. To gather input from stakeholders, different channels are used, where employees act as an important link for information from other stakeholders. For example, customers and suppliers rely on Bufab's employees to pass on their views to relevant colleagues.

Methods of collaboration

Collaboration with stakeholders takes place primarily through physical or virtual meetings, where the dialogue between stakeholders and relevant employees enables the adaptation of working methods according to their needs and expectations.

Materiality analysis

Bufab conducts materiality analyses to provide stakeholders with relevant information on operational, financial, environmental and social performance. Limitations within the subject areas are evaluated with regard to the organisational context, business context and stakeholder perspective. These are also evaluated in terms of our impact and contribution to the UN's Sustainable Development Goals. Through this analysis, Bufab strives to ensure that we share the most relevant information to meet stakeholder expectations and needs.

	Impacts	Risks	Opportunities
Raw materials and suppliers	• Carbon emissions • Pollution • Land use • Water use • Material use and extraction • Resource inflow	• Corruption and bribery • Climate change • Protection of whistleblowers • Working conditions and human rights • Fair and equal treatment and opportunities • SVHC substances • Corporate culture	• Economic development • Sustainable practices • Reduced risks and negative impacts • Corporate culture
Procurement	• Economic development • Standards for sustainable practices	• Corruption • Corporate culture • Assurance of sustainability requirements	• Economic development • Consolidation • Reduced risks and negative impacts • Corporate culture / capacity building
Transport	• Carbon emissions • Pollution	• Carbon emissions • Adaption to climate change • Pollution • Human or labour rights violations	• Economic development • Sustainable practices • Reduced risks and negative impacts • Corporate culture
Operations	• Carbon emissions • Impact on the work environment and conditions of employees	• Injuries • Social or ethical violations • Weak local governance of compliance	• Decarbonisation • EHS management • Employee engagement • Diversity and inclusion • Corporate culture
Sales & marketing		• Corruption and bribery • Greenwashing	• Offering of sustainable solutions • Peace of mind • Financial gain
Customer value	• Product reliability and reparability	• SVHC substances • Product safety • Product quality	• Sustainable solutions • Peace of mind • Financial gain
End of the life cycle	• Carbon emissions • Pollution • Material use and extraction	• SVHC substances • Customer designs	• Circular economy is an opportunity for us to add, retain, and extend the value of our resources and products

Key issues in a stakeholder dialogue

Stakeholder analysis helps us better understand and manage the needs and expectations of our customers and other stakeholders, which in turn leads us to increased success and long-term sustainability.

Stakeholder	Customers	Suppliers	Employees	Shareholders	Institutions and municipalities	Board	Legislators
Approach	Our sales teams are in continuous dialogue with customers on issues related to health, safety, and general customer requirements. In addition, customers regularly conduct audits of Bufab's various companies. Our sustainability team also discusses other issues with customer representatives, such as environmental sustainability and emissions, product sustainability, supply chain ethics, and human rights. These conversations usually take place at the customer's initiative.	Our procurement teams engage in continuous dialogue with our suppliers on issues such as supplier sustainability performance, supplier capability and supply chain assessments. We conduct quarterly partnership meetings with our suppliers to discuss supplier development, cost development, sustainability activities and improvement. In addition, we perform an annual global partnership survey, where the main suppliers are asked questions regarding key areas such as core values, supply chain development, digitalisation, logistics and sustainability.	The Global People Circle (GPC) is a network of Bufab leaders working with HR. The aim is to exchange information and best practices, as well as monitor strategic HR initiatives. The Global People Circle (GPC) conducts an employee engagement survey annually. The GPC, which consists of representatives from several of Bufab's business units, meets every other month. Bufab aims to have an annual performance review with every employee. Bufab has invested in a digital training platform that has made it easier to provide and offer trainings to more people in the organisation. Bufab updated its internal communication platform during the year.	Bufab's Group Management meets shareholders regularly at individual meetings and seminars. Bufab regularly organises Capital Markets Days, during which investors receive a detailed account of Bufab's business operations. Other topics communicated include our strategy and other important strategic decisions.	The Bufab companies are in continuous dialogue with their local municipalities. In addition, Bufab is a member of industry associations, including the European Fasteners Distributor Association. We also collaborate with universities and aim to expand such collaborations. Collaborations take place at a local level and the degree of involvement is adjusted accordingly.	Bufab's Group Management has regular meetings with the Board of Directors to discuss the progress of our strategy for sustainable leadership.	Bufab operates in a global market with customers all over the world. The company is thus affected by both national and regional legislation, both in its own markets and in the customers' markets. The Group is directly and indirectly affected by regulations on reporting and transparency, chemicals legislation, carbon pricing, human rights, working conditions and human rights audits in the supply chain. Currently, the company is particularly affected by legislation such as CBAM (Carbon Border Adjustment Mechanism) and CSRD (Corporate Sustainability Reporting Directive). In addition, local and national regulations play an important role, such as requirements related to due diligence and preventing violations related to the environment, working conditions and human rights in the supply chain. Examples of such regulations include the Corporate Sustainability Due Diligence Directive (CSDDD), the Norwegian Transparency Act and the EU Deforestation Regulation (EUDR).
Key topics raised	• Environmental sustainability and emissions • Essential compliance • Health and safety • Code of Conduct, Ethics and Human Rights	• Supplier capability • Supplier performance • Durability and quality • Supplier Code of Conduct	• Learning management system • Key performance indicators for employees	• Risk management • Environmental sustainability and emissions • Material compliance • Health and safety • Code of Conduct, ethics and human rights	• Attracting employees • Artificial intelligence • Efficiency • The future of work	• Customer value creation • Accelerating efficiency • Sustainable leadership • World class supplier base • Market consolidation	• CBAM / EU ETS • EUDR • CSRD • PFAS • CSDDD

Environment

E1 Climate change

Impacts, risks and opportunities

Bufab's carbon footprint is largely driven by externally sourced goods and services with significant steel and metal use, which makes us exposed to carbon pricing and regulations such as CBAM and the EU ETS.

Customers are increasingly recognising the need for sustainable products and suppliers to achieve long-term success. Bufab sees this shift as an opportunity to position ourselves as a sustainable partner and support our customers' journey towards reduced carbon emissions. As Bufab is primarily a distributor, measures must be implemented at our suppliers. Therefore, the work to reduce carbon dioxide emissions is an essential part of the selection of and in the work with our suppliers.

Scenario analysis

In a rapid transition scenario, Bufab will likely face strict regulations aimed at reducing greenhouse gas emissions, which mainly affects transition risks in the short to medium term. As Bufab is a distributor of C-parts, the transition risks are mainly linked to our supply chain and indirect cost risks. As Bufab invests in being a leader in our industry, we see opportunities in being able to position ourselves advantageously in relation to the cost risks.

In a scenario where the temperature continues to rise, the long-term effects for Bufab would mainly involve increased geopolitical and physical risks. These risks can lead to supply chain disruptions, impacting the company in the long term (as these changes are slow and gradual). This gradual change requires strategic planning and long-term adaptation to strengthen the company's resilience and sustainability. Here, the focus is on building supply chain resilience, ensuring supplier diversification and developing flexibility to deal with unforeseen events.

As regulations and consumer behaviour affect customers, new risks and opportunities arise. As Bufab invests in being a leader in our industry, we see opportunities in being able to position ourselves and add more customer value. However, the availability of materials with a low carbon footprint is a risk in relation to both customer requirements and Bufab's ability to achieve internally set goals in the supply chain.

Transition risks

- Cost risks linked to new/changed climate prices for steel and metal products.
- Cost risks associated with new technologies to reduce emissions in the steel industry.
- Increased transport costs linked to regulations and new technologies.
- Market risks.
- Access to "green" or recycled steel to meet future customer needs.
- Access to green energy to meet customer needs.
- The demand for green products and customers' climate commitments open up new opportunities for differentiation and market positioning.

Physical risks

Disruptions in the supply chain between Asia and Europe/the US as a consequence of extreme weather events.

Plan, measures and goals

Bufab's active work with Scope 3 emissions includes a sustainability program to support suppliers' emission reductions and offer training and tools to follow developments. Above all, emissions are linked to the supplier's energy consumption and material purchases, as well as purchased transports. The Scope 1 and 2 emissions plan focuses on renewable electricity, the transition away from fossil fuels for heating, and the electrification of vehicle fleets. The company's ambition for Scope 3 includes promoting sustainability throughout the supply chain.

In 2021, Bufab signed the international Science Based Targets initiative (SBTi) as part of our continued work to reduce greenhouse gas emissions. SBTi is a collaboration between the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

Bufab signed the agreement to further promote its sustainability work and reduce greenhouse gas emissions throughout the supply chain. In 2022, we were validated and approved. This means that we are committed to setting targets and activities in line with the Paris Agreement, which aims to limit global warming to 1.5°C.

Our ambition is to reduce Scope 1 and 2 emissions to zero by 2030. For our Scope 3, we have set an intensity target linked to net sales. Our goal is to reduce the emission intensity in Scope 3 by 55 percent by 2031 (base year 2021).

Partnerships with customers and key suppliers will be a crucial part of our plans to achieve this goal. We see this as an integral part of our sustainable leadership strategy and a way to further improve our competitiveness with sustainable solutions, products, and activities.

Energy consumption and mix (MWh)	2024	2023
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	6,910	7,096
Fuel consumption from natural gas	1,609	2,414
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	2,641	4,834
Total fossil energy consumption	**11,161**	**14,344**
Consumption from nuclear sources		
Fuel consumption for renewable sources, including biomass	162	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	6,835	9,675
The consumption of self-generated non-fuel renewable energy	444	193
Total renewable energy consumption	**7,441**	**9,868**
Total energy consumption	**18,602**	**24,212**

Note 1: Bufab Lann's and Hallbporn Metal's consumption is not included in 2024's figures. The annual consumption of Vital is included in the report for 2024.
Note 2: Electricity not controlled with any market instruments is reported as non-renewal electricity.

GHG emissions	Base year (2021)	2022	2023	2024	N/N-1	2025	2031	2050	Årligt mål / basår
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions (tCO_2eq)	1,844	2,031	2,147	1,936	90%	N/A	0	NZ	10%
Scope 2 GHG emissions									
Gross location-based Scope 2						N/A	N/A	NZ	N/A
GHG emissions (tCO_2eq)	1,683	1,674	1,145	819	72%	N/A	0	NZ	10%
Gross market-based Scope 2									
GHG emissions (tCO_2eq)	908,615	975,046	825,793	676,240	82%	N/A	N/A	NZ	5.5%
Purchased goods and services								NZ	
Transportation (upstream / downstream)								NZ	
Waste generated in operations								NZ	
Total GHG emissions									
Total gross emissions (location-based) (tCO_2eq)	N/A	N/A	N/A		N/A				
Total gross emissions (market-based) (tCO_2eq)	912,142	978,752	829,086	678,995	82%				

Note 1: All base year emissions recalculated taking into account acquisitions and divestments. From historical scope 3 data, two companies have been excluded that only have intenral sales. The reported figure for 2022 is not fully adjusted for inflation.
Note 2: Target year for carbon neutral emissions on scope 1 and 2 is 2030. Scope 3 emission reduction target is an intensity target related to the companys net sales.
Note: NZ = Net Zero

E2 Pollution

Impacts, risks, opportunities

Bufab's environmental impact comes mainly from purchased goods, services and transport. At the plants, no significant local pollutants have been identified.

As Bufab sells products globally to customers who operate in a number of markets, we are affected by chemical legislation such as REACH, ROHS, POPs and others. Bufab has also noted that more and more customers are showing interest in PFAS.

Bufab uses DEHP in certain plastic products, which is a substance listed as SVHC (Particularly Hazardous Substances). The company has also identified lead, another SVHC substance, in some metal products, where the lead content can sometimes exceed the threshold of 0.1% (w/w).

Policies and measures

Bufab has adopted environmental policies containing chemical commitments. They include a commitment to protect the environment from pollution.

Both environmental and chemical requirements are also included in our Supplier Code of Conduct. The Code of Conduct is mandatory for our suppliers.
In addition to acceptance (signing) of our Code of Conduct, Bufab has a risk-based due diligence process to ensure compliance. During the year, these requirements were updated to meet the needs of our customers.

Bufab also monitors the regulatory context and as a minimum complies with REACH/ROHS and customer requirements, regardless of where the business is conducted.

Metrics and targets

- Number of companies reporting pollution as a significant environmental aspect. Outcome 2024: 3
- Sales volume in % of products containing SVHC substances: Outcome 2024: 2%

E5 Resource use and circular economy

Impacts, risks, opportunities

Bufab's operations and value chain are affected by regulations for efficient use of resources and circular economy, which promotes sustainability and efficient use of resources. Bufab offers products that mainly contain materials such as steel and other metals. By using a high degree of recycled material in its products, Bufab can reduce the need for extraction of natural resources.

Bufab's own operations generate a smaller amount of waste. The impact of waste stems primarily from the supply chain, packaging materials that become waste at the customer's premises and waste management of the customer's end product (end of life). In many markets today, extended producer responsibility (EPR) provisions are in place, which make manufacturers responsible for the entire life cycle of their products, including recycling and disposal. Bufab tries to maintain a high degree of recyclability rate in its products. The actual recycling rate is largely determined by how Bufab's products are integrated into the customer's application (product) and the market in which this product is placed.

Bufab's facilities must also comply with various national and regional waste management regulations. These guidelines affect how Bufab manages waste and resources in its processes. In terms of product specifications, Bufab is influenced by customer requirements and standards regarding durability, repairability and recyclability of products as well as limited use of hazardous substances. Bufab places great emphasis on quality and chemical compliance to meet customer requirements.

Most of Bufab's products are made of steel and other metals, which are easy to recycle if integrated correctly into customer applications. The choice of attachment method is a key factor in circular design, as it allows for separable components and materials, which in turn facilitates repair, upgrading and recycling. With growing interest in circular economy among customers, Bufab has the opportunity to use its commitment to sustainability as an important competitive advantage. This focus on environmentally responsible practices can differentiate Bufab in the market and appeal to the increasing number of customers who prioritise sustainability in their purchasing decisions.

Policies and measures

Bufab has introduced an environmental policy, including the use of resources and waste. The ambition is to achieve zero waste to landfill and to reduce the total waste in its operations. Some companies within Bufab have achieved zero waste to landfill. In 2024, the group carried out training for all regions. Operational waste is part of the environmental management strategy of local businesses, while the inclusion of recycled content is an integral part of the company's sustainability engagement program for suppliers (SSEP).

Requirements regarding waste are included as part of our Code of Conduct towards suppliers. In addition to requirements regarding acceptance of our standard, Bufab has a risk-based due diligence process to ensure compliance.

As Bufab has low influence over where the products are placed and how our customers' products are designed, our main focus is to increase the share of recycled content and strive towards a high degree of recyclability.

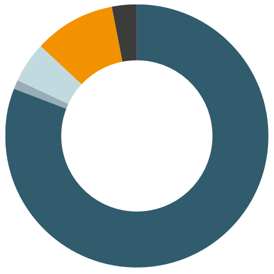
Goals and metrics

- 20% reduction in waste from production and no waste in landfill by 2030 (base year 2021)
- Recyclability of at least 90%
- Map the baseline for recycled materials (See SSEP implementation

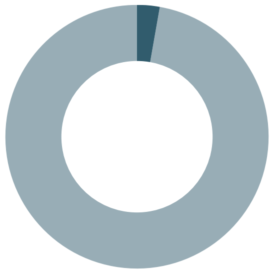
Material consumption and weight (Ton)	2024	2023
Material outflow (weight)	109,815	–
Steel (%)	82	–
Stainless Steel (%)	11	–
Plastics (%)	2,4	–
Aluminium (%)	1,8	–
Brass (%)	0,5	–
Zink (%)	0,5	–
Wood (%)	0,5	–
Other (%)	1,3	–
Material recyclability rate %	96	94
% of SVHC parts registered in SCIP db	100	100
Waste outflow (total weight)	**2,644**	**5,127**
Hazardous waste (total weight)	**90**	**195**
Recycling	82	155
Other recovery operation	1	–
Landfill	4	29
Incineration	2	11
Other disposal operation	1	–
Non-hazardous waste (total weight)	**2,554**	**4,932**
Recycling	2,058	4,214
Other recovery operation	21	24
Landfill	126	313
Incineration	268	382
Other disposal operation	81	0
Total share recovered	**82%**	**86%**
Total share directed to disposal	**18%**	**14%**

Note 1: Material recyclabilty rate is estimated based on purchasing data.
Note 2: Hazardous waste is waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation.
Note 3: Extrapolation is used for companies that currently do not have access to data. Bufab Lann and Hallborn are included with data for it part of 2024 when they were part of the Bufab group

Waste management per treatment



Share of hazardous waste, % generated in the business



Social responsibility

S1 Own Workforce

Impacts, risks, opportunities

The physical and mental well-being of employees is of vital importance, as well as, the need for continuous competence development due to technological developments. Risks include workplace safety and challenges in retaining and satisfying employees. Our actions for success include fostering a diverse and inclusive workforce, investing in employee development, and implementing robust health and safety programs. Effectively managing these areas helps Bufab to create a good work environment, retain talent, and align with broader business and sustainability goals.

Policies and measures

Bufab invests in in its employees and sustainable improvements to maintain a culture of entrepreneurship and individual responsibility, which is vital for the company's success and leadership in sustainability.

Bufab's policies ensure a safe and inclusive workplace where human rights are respected, and the work environment is prioritised with the goal of preventing accidents and work-related diseases. The company has zero tolerance for forced and child labour and promotes a diversity and inclusion-oriented culture, where affirmative action is encouraged when appropriate to support vulnerable groups.

Bufab's efforts include regular training in ethics and fair working conditions through the Code of Conduct, as well as annual performance reviews to ensure that our employees' goals harmonise with the company's overall direction. In addition, Bufab's trainee program and Young Advisory Board provide new perspectives on workplace and sustainability challenges, underscoring the commitment to continuous organisational development.

Our employee survey, which was conducted at the end of the year, showed further improvements and that we increased Employee Net Promoter Score (eNPS) from 14 to 17. The response rate (94 percent) also increased significantly compared to the previous year.

The number of training hours increased during the year. Our digital training platform has made it easier to provide and offer essential trainings to more people in the organisation.

At the beginning of 2024, Bufab implemented its new whistleblower channel. In connection with this, training and information campaigns were carried out. This, in combination and weaknesses linked to the previous channel, has meant that the number of cases has increased significantly. Bufab welcomes the increase and is positive that the channel is now being used.

Goals and metrics

- 100% of all employees should have at least one performance review every year
- No work-related injuries or illnesses
- Gender balance among managers by 2030
- Training in Code of Conduct every three years
- Anti-corruption training every three years

KPI's own workforce	2024	2023
Collective bargin		
% of employees covered by Collective bargin | % of total	44	70
Employees covered by workers' representatives | % of total	58	30
Contract type		
Total number of employees with a permanent contract	1,584	1,637
Total number of employees with a temporary contract	97	161
Total number of employees with non-guaranteed hours	13	1
Total number of full-time employees	1,586	1,700
Total number of part-time employees	96	98
Total number of non-employee workers	46	13
Training [male/female within ()]		
Employees that received training during the period	1,946 (1,403/543)	N/A
Employees that had yearly review / appraisal talks	1,563 (1,080/483)	88%
Total Training hours during the period (Number)	25,768 (17,953/7,815)	19,227
Social protection – Total number of employees financially covered in case of:		
Sickness	1,667	1,757
Unemployment	1,561	1,260
Injury and disability	1,614	1,693
Parental leave	1,634	1,725
Retirement	1,659	1,734
Entitlement family related leave	1,558	1,743
Use of family related leave, male	253	–
Use of family related leave, female	215	–

KPI's own workforce	2024	2023
Health & safety		
Number of deaths	0	0
Number of work related injuries	6	–
Lost time injury rate (lost time injuries per 200 000 hours worked)	0.5	–
Absence frequency rate (%)	1.7	3.1
TO rate | %		
Employee turnover | %	14.6	15.4
Diversity		
Workers with disabilities | %	0.7	3.6
Female % of total | %	32	30
Male % of total | %	68	70
Male % of company management teams | %	69	
Female % of company management teams | %	31	
Age <30 | %	15	15
Age 30 – 50 | %	52	52
Age >50 | %	33	33
Incidents, complaints and severe human rights impacts	0	0
Number of reported incidents of discrimination, including harassment	0	0
The number of complaints filed through channels for people in the company's own workforce to raise concerns	0	0
The total amount of fines, fines and compensation for the incidents and complaints reported above	0	0

Note 1: Lost Time Injury Rate defined as Lost time Injuries per 200,000 h worked.
Note 2: Employees per gender and region / country available in note 6.
Note 3: The number of employees who received training may exceed the number of employees as employees left are included.
Note 4: The table is based on collected head count data as of 31/12 2024.
Note 5: Company management in the above table means members of local management teams for companies within the Bufab group.

S2 Workers in the value chain

Impacts, risks, opportunities

Bufab is a global player with operations in areas such as India, China, Taiwan, Europe and the United States and is affected by various worker-related risks in our value chain, including matters such as working conditions, gender equality, workers' rights and problems linked to the sourcing of minerals. These challenges extend beyond frontline suppliers to deeper layers in the value chain.

Although risks might lie outside our direct business relationship, Bufab has both the responsibility and the opportunity to influence. By including requirements that ethical practices and standards should be passed on, we drive expectations in the value chain. By setting requirements and monitoring compliance, Bufab not only reduces risks, but also makes a positive contribution to local communities through improved working conditions and conditions. This approach strengthens Bufab's role as a responsible social actor.

Policies and measures

Bufab is aware of the importance of sustainable and ethical sourcing processes, and we are constantly working to improve our sustainability performance. Our suppliers – both large and small – are seen as important partners in our efforts to improve our social, environmental and ethical performance.

Bufab has implemented a Code of Conduct for suppliers and a policy regarding sustainable sourcing. The Code of Conduct complies with international standards and labour standards. Bufab's policies are consistent with the ILO's core conventions, the UN Guiding Principles on Human Rights and the OECD Guidelines for Multinational Enterprises. Suppliers must comply with these policies and sign our Supplier Code of Conduct. These requirements particularly support employees in countries with weaker legislation on forced labour, child labour, discrimination, pay, working conditions, safety, working hours and freedom of association, as well as the rights of indigenous peoples.

Bufab also has strict policies to avoid minerals from conflict areas, including tin, tantalum, tungsten and gold from, for example, the Democratic Republic of Congo. Suppliers of products with conflict minerals are being reviewed and measures are being taken regarding potential high-risk smelters.

The company has a risk-based audit and assessment program in line with the UN Guiding Principles and the OECD Guidelines. During audits, suppliers' employees are interviewed to get their views and to identify consequences. Risk analyses are carried out using public sources and risk indices per country. Audits reduce risk and help suppliers improve procedures, strengthen competitiveness and strengthen employee security.

Bufab's supplier program also requires suppliers to actively reduce their carbon footprint. These customer requirements contribute to the development of suppliers, strengthen competitiveness and help future-proof operations.

Goals and metrics

- All our suppliers must sign our Supplier Code of Conduct.
- Sustainability audits are to be carried out on 80% of supplier spend by 2026.
- Zero high-risk smelters and 100% response rate.
- 70% of our expenses will be included in the Sustainable Supplier Engagement Program by 2025, with confirmed emission reductions.

	Outcome 2024
Proportion of suppliers who have signed the Code of Conduct (COC)	100%
Sustainability audits to be conducted on 80% of supplier expenditures by 2026	31%
Response rate for conflict minerals	94,5%
Number of open cases against suppliers (high-risk smelters)	2
Share of supplier spend included in SSEP	47%

Business Ethics

G1 Business Ethics

Impacts, risks and opportunities

Bufab prioritises managing the trust placed on us by our stakeholders. This includes managing the risks associated with business ethics, corruption, whistleblowers and supplier relationships.

The company has identified that there is an increased risk of corruption in sales and purchasing, where targeted training is carried out to strengthen knowledge and awareness. The company operates in a competitive industry with clear business ethics guidelines and main sales to B2B customers. The risk of corruption is generally assessed as low, but the company is also aware of the importance of maintaining strong controls and clear ethical guidelines for preventive purposes. Bufab assesses the probability of incidents as low - but the consequence of incidents as high.

Our subcontractors are an essential part of our business model, and Bufab cares about its suppliers and promotes partnerships. Sustainability risks are mainly linked to social and environmental factors reported under sections E1 and S2.

Policies and measures

Bufab prioritises ethical and sustainable business practices with zero tolerance for corruption. The company's Code of Conduct and policies, including whistleblowing and anti-corruption, govern operations globally. Employees are regularly trained in business ethics (Code of Conduct) and anti-corruption.

Bufab has established a strong anti-corruption policy, with training requirements and a process to handle irregularities. Employees are expected to report potential conflicts of interest and adhere to a policy that prevents nepotism and favouritism. Internal audits are conducted regularly to ensure compliance.

Bufab expects and encourages employees, and others in our value chain, to report on potentially significant problems related to our business. To facilitate this, we have implemented whistleblowing channels and a whistleblowing policy. Part of our policy concerns the protection of whistleblowers from retaliation. Our policy is in accordance with the EU Whistleblower Directive. At the beginning of 2024, Bufab implemented its new whistleblower channel. In connection with this, training and information campaigns were carried out. This, in combination and weaknesses linked to the previous channel, has meant that the number of cases has increased significantly. Bufab welcomes the increase and is positive that the channel is now being spread among stakeholders.

Bufab's Code of Conduct applies to all suppliers and ensures that business relationships are fair and sustainable (ESG). Suppliers are expected to comply with international standards for human rights and environmental considerations. Through risk assessment, audits and requirements for sustainability criteria in the supply chain, Bufab contributes to a positive impact on society and the environment.

Bufab agrees payment terms with its suppliers. Payment time and contracts are adjusted to support supply chain stability. In its financial process, Bufab ensures that payment is made in accordance with the agreement. The company is transparent and reports average payment time and has no ongoing known legal proceedings related to late payments.

The company has adopted policies regarding political neutrality and lobbying that may have a negative impact on people or the environment. The company does not engage in active lobbying, but its subsidiaries are members of industry associations that exchange knowledge and monitor the external context, without active political involvement.

Goals and metrics

- Percentage of suppliers who sign the Code of Conduct
- Percentage of staff who completed CoC training in the last 3 years
- Percentage of purchasing and sales personnel who have completed anti-corruption training in the last 3 years

KPI description	Target	Outcome
Percentage of employees receiving Code of Conduct training in the last three years	100%	52%
Number of purchasing and sales staff NOT receiving anti-corruption training in the last three years	100%	48%
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0
The amount of fines for violation of anti-corruption and anti-bribery laws	0	0
Average payment time to external suppliers (in number of days)	90	50
Number of legal cases related to late payments	0	0

Whistleblowing and other significant deviations	2024	2023	2022
Incident reports received by independent external parties	16	0	0
whistleblowing channel	16	0	0
of which escalated to the Board of Directors	16	0	0
Incidents reported by CEO/CFO to Board of Directors	0	0	1
Other significant deviations reported by CEO/CFO to Board of Directors (i.e. significant policy violations, etc.)	0	0	0

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Bufab AB (publ), corporate identity number 556685-6240

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 13, 15, 18–20, 29, 35–40, 65 and 106–109 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

The scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Gothenburg 25 mars 2025
Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant

Board of Directors’ Report

Board of Directors' Report

The Board of Directors and CEO of Bufab AB (publ) (Bufab), Corporate Registration Number 556685-6240, hereby submit the Annual Report and consolidated accounts for the 2024 financial year.

The business

Bufab is a trading company that offers its customers a full-service solution as a Supply Chain Partner for sourcing, quality control and logistics for C-parts.

Bufab's customers are found in the manufacturing industry, in which components generally are classified as A-parts, B-parts and C-parts. C-parts are the least strategically important components and make up a relatively small portion of the customer's direct component costs. C-parts have a relatively low value, both per component and in total, in combination with high volumes and a large number of suppliers. This means the indirect costs associated with C-parts management are often high in relation to the direct costs. Bufab's customer offering, Global Parts Productivity™, is an integrated full-service solution for sourcing, design, logistics and management, warehousing and quality assurance of C-parts. For the customer, this means more efficient handling, thus reducing the customer's total costs.

Bufab was founded in 1977 in Småland, Sweden and through organic growth and acquisitions, it has grown into a multinational corporation with activities in 29 countries, primarily in Europe, Asia and North America, together with exports to additional countries.

Bufab's customer base is diversified and comprises approximately 18,000 customers in numerous different industries. These customers are diversified geographically, with locations in the Nordics, the rest of Europe, Asia and North America. Bufab's customers vary in size, and their sourcing behaviours and needs vary as well. Bufab offers both flexible solutions at the local level, and global solutions to national and international customers.

Bufab has built up a global network of suppliers and sources a total of 175,000 unique parts from mainly Europe, Asia and North America, which are stocked in about thirty own warehouses around the world for rapid and reliable deliveries. The proportion of specialised fasteners is rising at the expense of standardised fasteners and today accounts for more than half of Bufab's sales. The head office is located in Värnamo, Sweden, and at year-end 2024, Bufab had approximately 1,800 employees around the world. The Bufab share has been listed on Nasdaq Stockholm since 21 February 2014.

Significant events during the financial year

During the fourth quarter, VITAL S.p.A., was acquired, a leading Italian distributor of C-parts. The company has 57 employees and net sales of EUR 48 million in 2023, with an operating margin that surpasses Bufab's 2026 profitability target.

During the second quarter, Bufab AB signed an agreement to divest the manufacturing companies Bufab Lann AB and Hallborn Metall AB to Arbona Industri AB for a purchase price of SEK 230 million on a cash and debt-free basis. The divestment is a result of the strategic review previously communicated by the company and aims to maximise the value for Bufab's shareholders. During the 2023 financial year, the combined net sales for Lann and Hallborn amounted to approximately five percent of the Bufab Group's total net sales. The transaction was finalised in the third quarter.

Events after the end of the financial year

No material events have occurred after the balance-sheet date.

Order intake and net sales

Order intake decreased to SEK 7 814 million (8,602) and was lower than net sales.

Net sales declined by –7.4 percent to SEK 8 035 million (8,680). Of the total growth, –0.4 percent was attributable to currency effects, –1.6 percent to acquisitions/divestments and –5.4 percent to organic growth.

Profit and profitability

The gross margin strengthened compared with the preceding year to 29.7 percent (28.7).

The share of operating expenses increased to 17.8 percent (16.7). The increase compared with last year was mainly due to lower volumes, inflationary effects and higher obsolescence reserves, but also to remeasured additional purchase considerations for the full year, which were SEK +11 million compared with SEK –78 million in the comparison period.

Adjusted operating profit (EBITA) declined to SEK 959 million (1,121), corresponding to an operating margin of 11.9 percent (12.9). Operating profit (EBITA) declined to SEK 959 million (1,043) and the operating margin was 11.9 percent (12.0).

Earnings per share amounted to SEK 14.57 (15.17).

Financial items and tax

The Group's net financial items for 2024 amounted to SEK –196 million (–219), of which exchange-rate differences accounted for SEK -3 million (–3) and interest expense for SEK –191 million (–210). The Group's profit after financial items was SEK 695 million (755) for the full year.

The tax expense for the full-year was SEK –144 million (–181), implying an effective tax rate of 20.7 percent (24.0).

Cash flow, working capital and financial position

Cash flow from operating activities amounted to SEK 1 101 million (1,446), corresponding to a cash conversion ratio of 111 percent (132). Cash flow from operating activities was lower than in 2023, and was a result of lower earnings and increased inventory.

Working capital as a percentage of net sales was 40 percent (36). The decline was due to an increased accumulation of inventory and also to negative currency effects.

As per 31 December 2024, adjusted net debt totalled SEK 2,757 million (2,861) and the debt/equity ratio was 86 percent (99). The lower net debt compared with the preceding year was attributable to the favourable operating cash flow during the year.

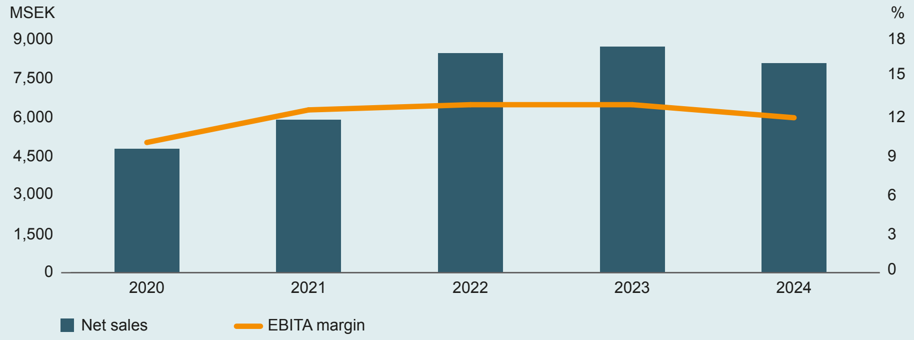
The key figure Net debt/EBITDA, adjusted, was 2.8 (2.6) on 31 December 2024.

Key figures[1)]

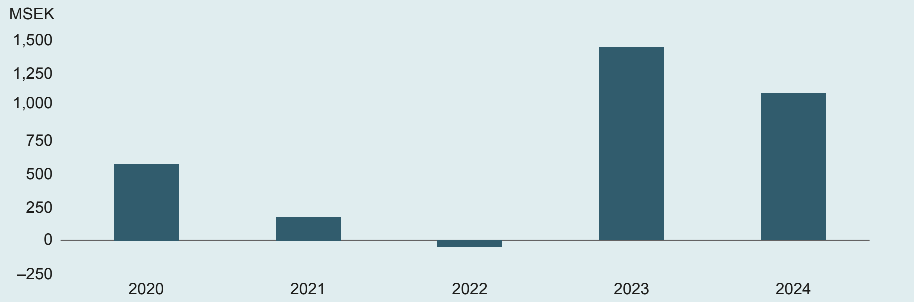
SEK million	2024	2023	2022	2021	2020
Order intake	7,814	8,602	8,453	6,084	4,827
Net sales	8,035	8,680	8,431	5,878	4,756
Gross profit	2,389	2,494	2,389	1,638	1,252
Gross margin (%)	29.7	28.7	28.3	27.9	26.3
Operating expenses	–1,429	–1,451	–1,399	–942	–771
Proportion of sales (%)	*–17.8*	*–16.7*	*–16.6*	*–16.0*	*–16.2*
Operating profit (EBITA)	959	1,043	990	695	482
Operating margin (EBITA) (%)	*11.9*	*12.0*	*11.7*	*11.8*	*10.1*
Operating profit (EBITA), adjusted	959	1,121	*1,084*	*736*	*477*
Operating margin (EBITA), adjusted (%)	11.9	12.9	*12.9*	*12.5*	*10.0*
Profit after tax	551	574	609	470	299
Earnings per share, SEK	14.57	15.17	16.23	12.57	8.04
Dividend per share, SEK	5.25[2)]	5.00	4.75	3.75	2.75
Cash flow from operating activities	1,101	1,446	–47	172	570

[1)] For definitions, see page 111.
[2)] Proposed by the Board of Directors.

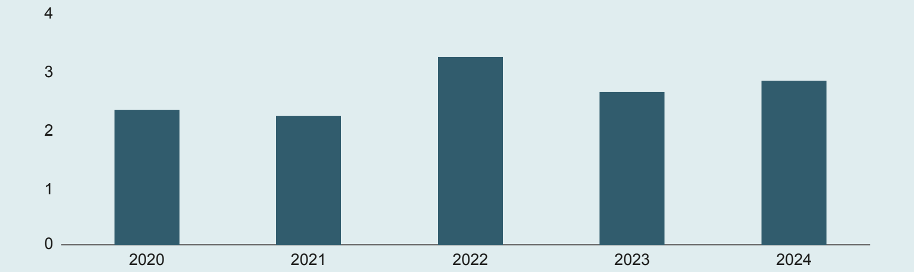
Net sales and adjusted operating margin



Cash flow from operating activities



Net debt/EBITDA, adjusted



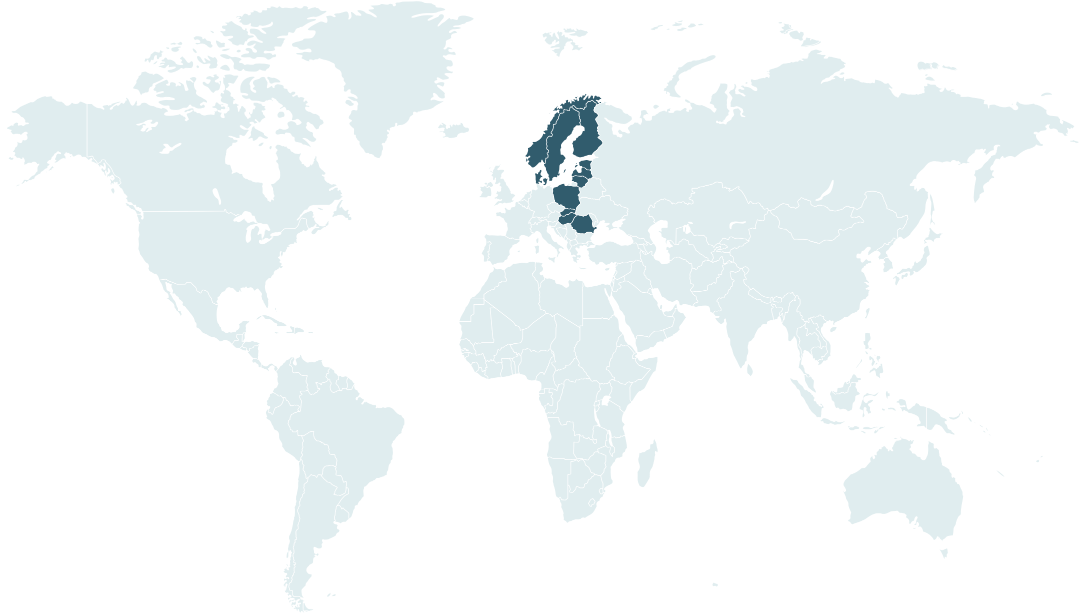
Region Europe North & East

The region consists of Bufab's operations in Sweden, Finland, Norway, Denmark, Poland, Hungary, Romania, the Baltic States and Slovakia.

38%
Share of total sales

–9.5%
Sales growth

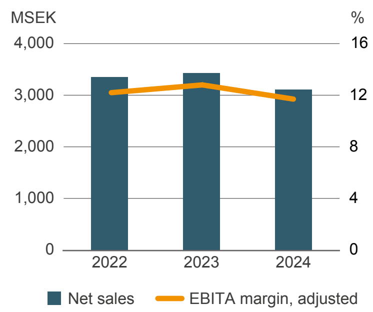
11.7%
Operating margin (EBITA), adjusted



Financial highlights

- Order intake amounted to SEK 2,888 million (3,424) and was somewhat lower than net sales.
- Net sales decreased by 9.5 percent to SEK 3,103 (3,429) million. Organic growth was –4.5 percent.
- The gross margin was 28.6 (26.8) percent. The strengthened gross margin is due to active work on the customer offering, an improved customer and product mix, and purchasing savings in the region.
- The share of operating expenses increased compared to 2023, mainly due to obsolescence reserves, negative currency effects and inflation effects.
- Adjusted operating profit (EBITA) amounted to SEK 362 million (440), resulting in an adjusted operating margin of 11.7 percent (12.8).

Net sales and EBITA margin



Key figures

SEK million	2024	2023*	2022*
Order intake	2,888	3,424	3,311
Net sales	3,103	3,429	3,352
Gross profit	888	920	900
Gross margin (%)	28.6	26.8	26.8
Operating expenses	*–519*	*–480*	*–490*
Share of net sales (%)	*–16.7*	*–14.0*	*–14.6*
Operating profit (EBITA)	368	440	410
Operating margin EBITA (%)	*11.9*	*12.8*	*12.2*
Operating profit (EBITA), adjusted	362	440	410
Operating margin EBITA, (%) adjusted	*11,7*	*12,8*	*12,2*

*Recalculated historical figures according to the new regional structure.

Region Europe West

The region consists of Bufab's operations in France, the Netherlands, Germany, the Czech Republic, Austria, Spain, Türkiye and Italy.

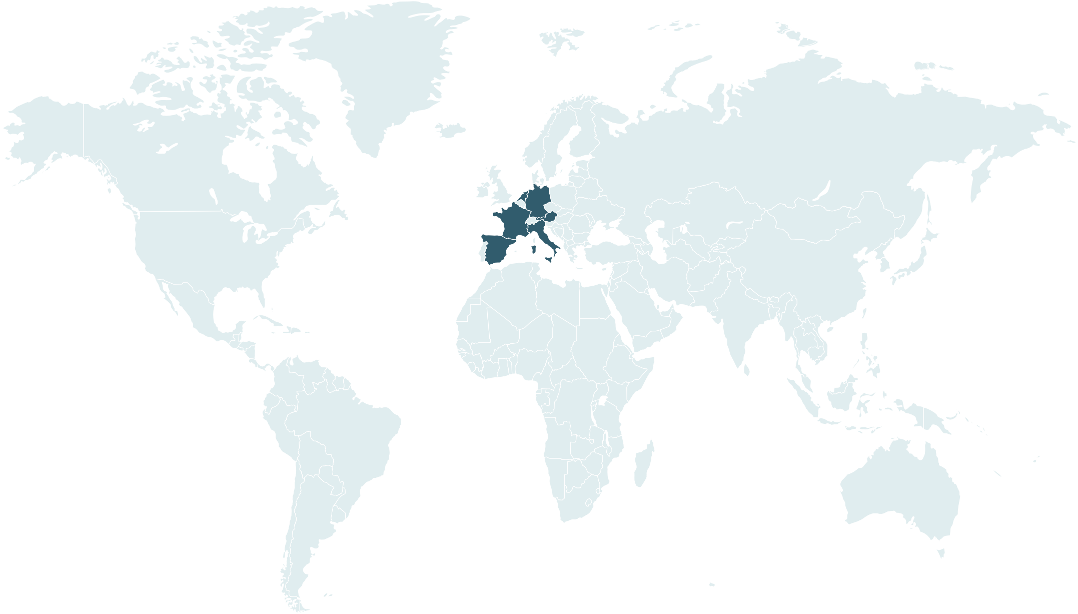
Financial highlights

- Order intake amounted to SEK 1,878 million (1,902) and was higher than net sales.
- Net sales decreased by 4.7 percent to SEK 1,861 million (1,951). Organic growth was –4.4 percent.
- The gross margin increased to 25.0 (24.3) percent due to purchasing savings, price increases and an improved customer mix.
- The share of operating expenses increased compared to 2023, mainly due to the lower volumes and inflationary effects.
- Adjusted operating profit (EBITA) amounted to SEK 234 (245), resulting in an adjusted operating margin of 12.6 percent (12.6).

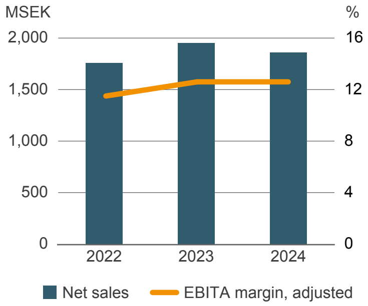
23%
Share of total sales

–4,7%
Sales growth

12.6%
Operating margin (EBITA)



Net sales and EBITA margin



Key figures

SEK million	2024	2023*	2022*
Order intake	1,878	1,902	1,718
Net sales	1,861	1,951	1,757
Gross profit	467	474	430
Gross margin (%)	25.0	24.3	24.5
Operating expenses	*–234*	*–229*	*–228*
Share of net sales (%)	*–12.6*	*–11.7*	*–13.0*
Operating profit (EBITA)	233	245	202
Operating margin EBITA (%)	*12.5*	*12.6*	*11.5*
Operating profit (EBITA), adjusted	234	245	202
Operating margin EBITA, (%) adjusted	*12,6*	*12,6*	*11,5*

*Recalculated historical figures according to the new regional structure.

Region Americas

The region comprises Bufab's operations in the US and Mexico.

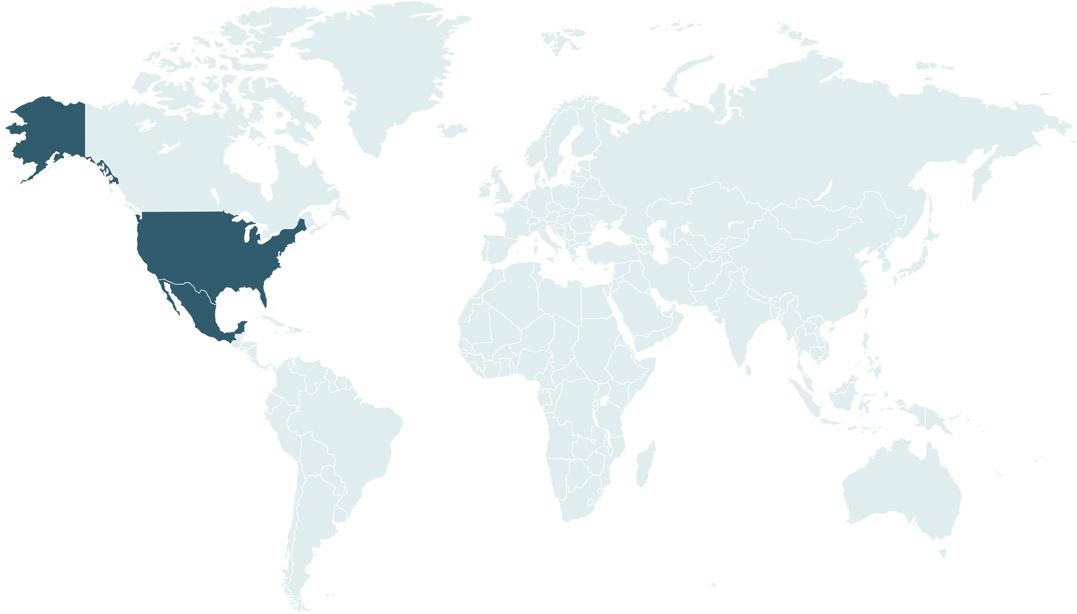
Financial highlights

- Order intake amounted to SEK 1,004 million (1,092) and was lower than net sales.
- Net sales decreased by 13.1 percent to SEK 1,028 (1,182) million. Organic growth was –10.0 percent.
- The gross margin was 35.0 (34.8) percent. The higher gross margin is mainly explained by an improved customer and product mix.
- The share of operating expenses increased compared to 2023. The increase is mainly due to the lower volumes and inflationary effects.
- Adjusted operating profit (EBITA) amounted to SEK 116 (174), resulting in an adjusted operating margin of 11.3 (14.7) percent.

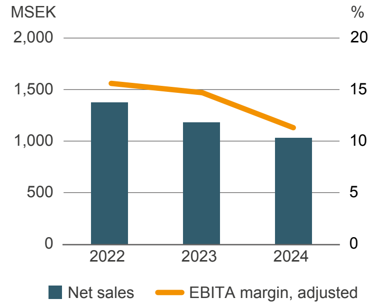
13%
Share of total sales

–13.1%
Sales growth

11.3%
Operating margin (EBITA)



Net sales and EBITA margin



Key figures

SEK million	2024	2023*	2022*
Order intake	1,004	1,092	1,364
Net sales	1,028	1,182	1,373
Gross profit	360	412	442
Gross margin (%)	35.0	34.8	32.2
Operating expenses	*–246*	*–235*	*–464*
Share of net sales (%)	*–23.9*	*–19.8*	*–33.8*
Operating profit (EBITA)	114	177	–19
Operating margin EBITA (%)	*11.1*	*15.0*	*–1.4*
Operating profit (EBITA), adjusted	116	174	214
Operating margin EBITA, (%) adjusted	*11,3*	*14,7*	*15,6*

*Recalculated historical figures according to the new regional structure.

Region UK/Ireland

The region comprises Bufab's operations in the UK and Ireland.

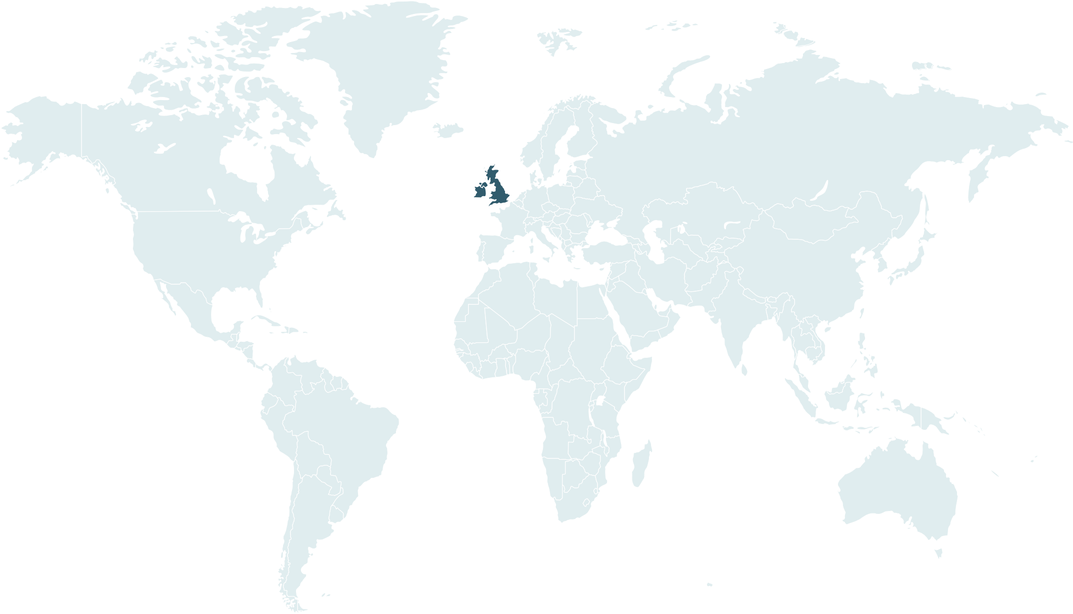
Financial highlights

- Order intake amounted to SEK 1,561 million (1,754) and was slightly lower than net sales.
- Net sales decreased by 5.4 percent to SEK 1,586 (1,676) million. Organic growth was –7.7 percent.
- The gross margin was 32.5 (32.1) percent. The strengthened gross margin is mainly due to an improved customer and product mix.
- The share of operating expenses decreased compared to 2023. The decrease to last year is explained by remeasurement of additional purchase considerations in 2023. Adjusted for these, the share of operating expenses was higher, mainly due to lower volumes, inflationary effects and investments in IT and e-commerce.
- Adjusted operating profit (EBITA) amounted to SEK 185 (214), resulting in an adjusted operating margin of 11.7 (12.8) percent.

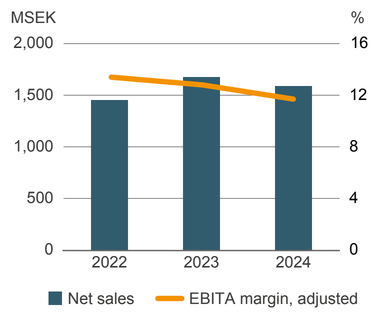
20%
Share of total sales

–5.4%
Sales growth

11.7%
Operating margin (EBITA)



Net sales and EBITA margin



Key figures

SEK million	2024	2023*	2022*
Order intake	1,561	1,754	1,438
Net sales	1,586	1,676	1,452
Gross profit	516	537	447
Gross margin (%)	32.5	32.1	30.8
Operating expenses	*–330*	*–405*	*–105*
Share of net sales (%)	*–20.8*	*–24.1*	*–7.2*
Operating profit (EBITA)	186	133	342
Operating margin EBITA (%)	*11.7*	*7.9*	*23.6*
Operating profit (EBITA), adjusted	185	214	194
Operating margin EBITA, (%) adjusted	*11,7*	*12,8*	*13,4*

*Recalculated historical figures according to the new regional structure.

Region Asia-Pacific

The region consists of Bufab's operations in China, India, Singapore and other countries in Southeast Asia.

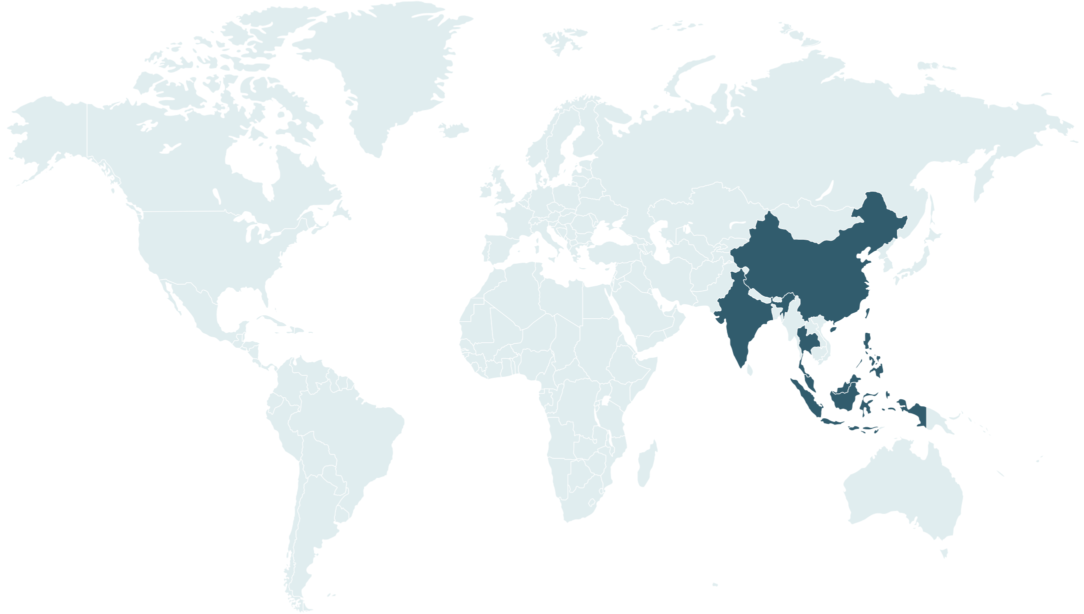
Financial highlights

- Order intake amounted to SEK 482 million (431) and was higher than net sales.
- Net sales increased by 3.1 percent to SEK 457 (443) million. Organic growth was 4.4 percent.
- The gross margin was 31.2 (31.0) percent. The increase is mainly due to purchasing savings combined with a favourable customer and product mix.
- The share of operating expenses increased compared to 2023. The increase is mainly due to inflationary effects and investments in the customer offering.
- Adjusted operating profit (EBITA) amounted to SEK 62 (64), resulting in an adjusted operating margin of 13.6 (14.4) percent.

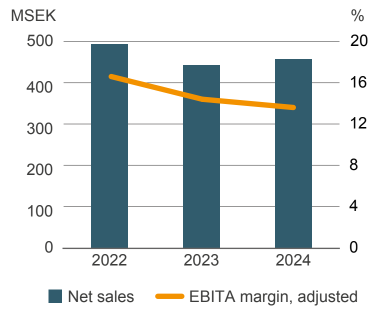
6%
Share of total sales

3.1%
Sales growth

13.6%
Operating margin (EBITA)



Net sales and EBITA margin



Key figures

SEK million	2024	2023*	2022*
Order intake	482	431	508
Net sales	457	443	494
Gross profit	142	137	156
Gross margin (%)	31.2	31.0	31.6
Operating expenses	*–80*	*–74*	*–74*
Share of net sales (%)	*–17.6*	*–16.6*	*–15.0*
Operating profit (EBITA)	62	64	82
Operating margin EBITA (%)	*13.6*	*14.4*	*16.0*
Operating profit (EBITA), adjusted	62	64	82
Operating margin EBITA, (%) adjusted	*13,6*	*14,4*	*16,6*

*Recalculated historical figures according to the new regional structure.

Seasonal variation

Bufab's sales fluctuate over the year, primarily on the basis of the number of customer production days in every quarter.

Risks and uncertainties

Exposure to risk, both operational and financial, is a natural part of business activity, as reflected in Bufab's approach to risk management. The aim is to identify and prevent risks and to limit any loss or damage from these risks. The most significant risks to which the Group is exposed are related to the economy's bearing on customer demand. For further information, see Note 3 in the consolidated financial statements.

Employees

The number of full-time employees in the Group at 31 December 2024 amounted to 1,762 (1,782). The average number of full-time employees in 2024 was 1,724 (1,834). For further information about employees, see Note 6.

Environment

The Group works proactively with environmental issues to reduce its environmental impact.

Bufab owns 52 companies, one of which operate in-house manufacturing in Sweden and is subject to environmental licensing requirements under the Swedish Environmental Code. Environmentally licensed operations account for about three percent of the Group's overall net sales. Environmental licences are required due to the nature of the operations. These companies have been granted licences to conduct environmentally hazardous activities. The Group's other companies conduct trading activities only, which have limited environmental impact. See also Note 3.

Sustainability Report

The Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act's sustainability reporting requirements and reported as a separate document in relation to the annual report. The statutory sustainability report includes the following pages: Bufab's business model is presented on page 13 and a risk description on page 65. See pages 18–19, 29 and 35–37 for environmental disclosures, pages 20 and 38 for social issues and employees, pages 39–40 for human rights, page 40 for anti-corruption and pages 106–109 for EU Taxonomy. Bufab supports the UN Global Compact and its ten principles on page 15.

Guidelines for remuneration of senior executives 2024

At the 2024 Annual General Meeting, guidelines were adopted for remuneration to the CEO and other senior executives in Bufab's Group Management, which will apply until the 2028 Annual General Meeting unless significant changes are to be made before then. The guidelines are presented below and are also available on Bufab's website www.bufabgroup.com.

Bufab is a trading company that offers its customers a full-service solution as Supply Chain Partner for sourcing, quality control and logistics for C-Parts. In short, Bufab's strategy is to create value for its customers by taking a comprehensive global responsibility for their supply of such components. One fundamental component of Bufab's strategy for long-term value creation in the business is Bufab's global organisation of experts within sourcing, logistics, technology and quality, so called "Solutionists". These employees in Bufab's subsidiaries around the world take full responsibility for the distribution to the customers and ensure the sustainability of the customers supply chain. Hence, a prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to attract and retain qualified personnel. To this end, Bufab strives to offer a competitive total remuneration, which is enabled through these guidelines.

Long-term share-related incentive schemes have been implemented in the company. Since the incentive schemes have been resolved by the general meeting, they are excluded from these guidelines. The long-term share-related incentive scheme proposed by the Board of Directors and submitted to the Annual General Meeting 2024 for approval is excluded for the same

reason. The proposed scheme essentially corresponds to existing schemes and includes the CEO, other senior executives and certain other key employees within the Bufab group. The purpose of the incentive schemes is that the participants through their own investments and multi-year holdings of call options regarding the shares in Bufab are to participate in and be motivated to strive for a positive value development for Bufab. The incentive schemes contribute to Bufab offering a competitive total remuneration and thereby enable Bufab to attract and retain qualified employees, and also unite the interests of the shareholders and the participants, which in turn is expected to promote the company's business strategy and long-term interests, including its sustainability.

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

The fixed cash salary shall be on market terms and reflect the responsibilities required by the position. The fixed cash salary shall be revised on an annual basis.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial, with the purpose of promoting the business strategy and long-term interests of Bufab. The criteria shall primarily relate to the company's results and may be individual. Furthermore, the criteria shall relate to the overall progress of the Bufab group, although criteria related to specific business areas may occur. The variable cash remuneration shall amount to a maximum of 75 percent of the total fixed annual cash salary for the CEO and a maximum of 50 percent of the total fixed annual cash salary for the other senior executives.

Senior executives may be offered individual pension solutions. Pensions shall, to the extent possible, be defined contribution plans. If deemed to be on market terms, variable cash remuneration may qualify for pension benefits. The pension premiums may amount to a maximum of 40 percent of the pension qualifying income. Other benefits may include, among other things, health insurance and company car. Such benefits may amount to a maximum of 10 percent of the fixed annual cash salary.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of attracting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Ahead of each measurement period, the Board of Directors shall, based on the work of the Remuneration Committee, establish which criteria that are deemed to be relevant for the variable cash remuneration. The measurement periods can be one or several years. The Board of Directors' evaluations regarding fulfilment of financial targets shall be based on established financial information for the relevant period. Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. The Board of Directors shall have the right to, by general principles of law or agreement, recover wrongful payments of variable cash remuneration in whole or in part.

Senior executives are to be employed until further notice. Between Bufab and senior executives, the notice period shall amount to a maximum of 18 months. If notice of termination of employment is made by Bufab, the remuneration to be paid by Bufab, including remuneration during the notice period, shall amount to a maximum of 18 months of fixed cash salary, variable cash remuneration and other employment benefits. When termination is made by the senior executives, there is no right to severance pay. Additionally, senior executives may be compensated for non-compete undertakings. Such remuneration aim to compensate the senior executive for the difference between the fixed monthly cash salary at the time of termination of the employment and the lower income that can be received, reasonably may be expected to be received or would have been received after reasonable efforts by the senior executive.

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

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

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

Remuneration Report 2024

The Remuneration Report 2024 provides an overview of how the guidelines for remuneration of senior executives, as adopted by the 2024 AGM, were implemented during the year. The Remuneration Report is available on Bufab's website, www.bufabgroup.com.

Long-term share-based incentive programme

The 2024 Annual General Meeting resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 210,000 call options, corresponding to approximately 0.6 percent of the total number of shares in the company.

Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2027–15 November 2027. The purchase price for shares when redeeming call options is to correspond to 115 percent of the volume-weighted average closing price for the company's share on Nasdaq Stockholm during the five trading days occurring prior to the Board's decision on allocation of call options.

A detailed description of this and other share-based incentive programmes can be found in Note 34.

Related-party transactions

During the period, the CEO and senior executives subscribed for call options within the framework of the long-term share-based incentive programme adopted at the AGM under the terms outlined in more detail above. In addition, fees to the Board and remuneration to senior executives have been paid out, which are described in more detail in Note 6 in the consolidated financial statements.

Parent Company

The operations of the Parent Company, Bufab AB (publ), cover the CEO, the consolidated financial reports and the financial management of the Group. Most Group-wide operations pertaining to the remaining members of Group management and administration are managed by the subsidiary Bufab International AB. Accordingly, the Parent Company does not report any sales. The Parent Company reported a profit after financial items of SEK 171 million (142).

Share capital and ownership structure

On 31 December 2024, the Parent Company's share capital amounted to SEK 547,189.10 divided among 38,110,533 ordinary shares. There was no change in share capital during 2024. The largest shareholder on 31 December 2024 was Liljedahl Group AB with just over 29 percent of shares and votes. On 31 December 2024, Bufab had 213,400 repurchased shares held in treasury.

2025 Annual General Meeting

The AGM for Bufab AB (publ) will be held on 24 April 2025 in Värnamo, Sweden.

Notice of the 2025 AGM and other documentation will be available on Bufab's website, www.bufabgroup.com, on 21 March 2025.

Proposed appropriation of profits

	SEK
The following earnings are at the disposal of the AGM:	
Retained earnings	**634,348,727**
The Board of Directors proposes that the earnings be appropriated as follows:	
A dividend of SEK 5.25 per share to be paid to shareholders[1]	198,959,948
To be carried forward	435,388,779
Total	**634,348,727**

[1] The dividend has been based on the numbers of shares outstanding when the annual report was issued.

Financial statements

Consolidated income statement

SEK million	Note	2024	2023
Net sales	2, 5	8 035	8,680
Cost of goods sold	6, 7, 10	–5 646	–6,186
Gross profit		**2 389**	**2,494**
Distribution costs	6, 7, 10	–971	–920
Administrative expenses	6, 7, 10	–590	–552
Other operating income	8	131	56
Other operating expenses	7, 9	–68	–104
Operating profit	2, 3, 4, 5, 6, 7, 8, 9, 10, 13	**891**	**974**
Profit from financial items			
Interest and similar income	11	13	15
Interest and similar expenses	12	–209	–234
Profit after financial items	13	**695**	**755**
Tax on profit for the year	14	–144	–181
PROFIT FOR THE YEAR[1]		**551**	**574**

[1] Profit in its entirety is attributable to Parent Company shareholders

Statement of comprehensive income

SEK million	Note	2024	2023
Profit after tax		**551**	**574**
Other comprehensive income			
Items that will not be reclassified in profit or loss			
Actuarial gains and losses, net after tax		–3	–1
Items that may be reclassified subsequently to profit or loss			
Translation difference, net assets in foreign currency		125	–7
Gain/loss from hedging of net assets in foreign currency		3	–9
Deferred tax on gain from hedging		–1	2
Other comprehensive income after tax		**124**	**–15**
Total comprehensive income		**675**	**559**
Total comprehensive income attributable to:			
Parent Company shareholders		675	559
Earnings per share			
Earnings per share before dilution, SEK	15	14.57	15.17
Weighted number of shares outstanding before dilution, thousands		37,878	37,825
Earnings per share after dilution, SEK	15	14.50	15.03
Weighted number of shares outstanding after dilution, thousands		38,063	38,157

Consolidated balance sheet

SEK million	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	16	3,309	2,842
Other intangible assets	16	408	444
Work in progress and advances for intangible assets	18	7	3
Total intangible assets		**3,724**	**3,289**
Property, plant and equipment			
Land and buildings	17	28	24
Plant and machinery	17	40	107
Equipment, tools and fixtures & fittings	17	125	107
Rights of use	19	583	503
Work in progress and advances for property, plant and equipment	18	7	28
Total property, plant and equipment		**783**	**769**
Financial assets			
Other non-current receivables	20	15	10
Total financial assets		**15**	**10**

MSEK	Not	31 Dec 2024	31 Dec 2023
Deferred tax assets	25	29	22
Total deferred tax assets		**29**	**22**
Total non-current assets		**4,551**	**4,090**
Current assets			
Inventories	2		
Raw materials and consumables		135	155
Products in progress		20	66
Finished goods and merchandise		2,648	2,636
Total inventories		**2,803**	**2,857**
Current receivables			
Trade receivables	21	1,390	1,252
Current tax assets		107	62
Other receivables		50	26
Prepaid expenses and accrued income	22	79	95
Total current receivables		**1,626**	**1,435**
Cash and bank balances		211	218
Total current assets		**4,640**	**4,510**
TOTAL ASSETS		**9,191**	**8,600**

MSEK	Not	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES	23		
Equity			
Share capital		1	1
Other paid-in capital		488	488
Other reserves		315	188
Retained earnings		3095	2,741
Total equity		**3,899**	**3,418**
Non-current liabilities			
Pension obligations, interest-bearing	24	54	35
Deferred tax, non-interest bearing	25	123	135
Lease liabilities	19	451	398
Other interest-bearing liabilities	26, 28	2,761	2,913
Other non-interest-bearing liabilities	27	244	66
Total non-current liabilities		**3,633**	**3,547**
Current interest-bearing liabilities			
Lease liabilities	19	161	140
Liabilities to credit institutions		0	4
Overdraft facilities	28, 29	153	127
Total current interest-bearing liabilities		**314**	**271**
Current non-interest-bearing liabilities			
Trade payables		729	621
Current tax liabilities		116	91
Other liabilities	27	216	364
Accrued expenses and deferred income	30	284	288
Total current non-interest-bearing liabilities		**1,345**	**1,364**
TOTAL EQUITY AND LIABILITIES		**9,191**	**8,600**

Consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings	Total equity
Equity on 1 January 2023	1	488	202	2,345	3,036
Comprehensive income					
Profit after tax	—	—	—	574	574
Other comprehensive income					
Items that will not be reclassified in profit or loss					
Actuarial gain/loss on pension obligations, net after tax	—	—	—	–1	–1
Items that may be reclassified in profit or loss					
Translation difference, net assets in foreign currency	—	—	–7	—	–7
Gain/loss from hedging of net assets in foreign currency	—	—	–9	—	–9
Deferred tax on gain from hedging of net assets in foreign currency	—	—	2	—	2
Total comprehensive income	**—**	**—**	**–14**	**573**	**559**
Transactions with shareholders					
Issued call options	—	—	—	5	5
Redemption of call options	—	—	—	19	19
Repurchase of own shares	—	—	—	–21	–21
Dividend to Parent Company shareholders	—	—	—	–180	–180
Total transactions with shareholders	**0**	**0**	**0**	**–177**	**–177**
Equity on 31 December 2023	**1**	**488**	**188**	**2,741**	**3,418**

Consolidated statement of changes in equity, cont.

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings	Total equity
Equity on 1 January 2024	1	488	188	2,741	3,418
Comprehensive income					
Profit after tax	—	—	—	551	551
Other comprehensive income					
Items that will not be reclassified in profit or loss					
Actuarial gain/loss on pension obligations, net after tax	—	—	—	–3	–3
Items that may be reclassified in profit or loss					
Translation difference, net assets in foreign currency	—	—	125	—	125
Gain/loss from hedging of net assets in foreign currency	—	—	3	—	3
Deferred tax on gain from hedging of net assets in foreign currency	—	—	–1	—	–1
Total comprehensive income	**—**	**—**	**127**	**548**	**675**
Transactions with shareholders					
Issued call options	—	—	—	4	4
Redemption of call options	—	—	—	8	8
Repurchase of own shares	—	—	—	–17	–17
Dividend to Parent Company shareholders	—	—	—	–189	–189
Total transactions with shareholders	**0**	**0**	**0**	**–194**	**–194**
Equity on 31 December 2024	**1**	**488**	**315**	**3,095**	**3,899**

Consolidated cash-flow statement

SEK million	Note	31 Dec 2024	31 Dec 2023
Operating activities			
Profit before financial items		891	974
Depreciation/amortisation and impairment		280	278
Interest and other finance income		9	15
Interest and other finance expenses		–209	–234
Other non-cash items		–72	81
Income tax paid		–182	–178
Cash flow from operating activities before changes in working capital		**717**	**936**
Cash flow from changes in working capital			
Increase (–) / decrease (+) in inventories		215	584
Increase (–) / decrease (+) in operating receivables		–18	110
Increase (+) / decrease (–) in operating liabilities		187	–184
Cash flow from operating activities		**1,101**	**1,446**
Investing activities			
Acquisition of intangible assets		–15	–8
Acquisition of property, plant and equipment		–64	–78
Company acquisitions including additional purchase considerations	33	–525	–648
Divestment of companies		110	—
Cash flow from investing activities		**–494**	–734

SEK million	Note	31 Dec 2024	31 Dec 2023
Financing activities			
Dividend paid		–189	–180
Call options	34	4	5
Redemption call options/sale of own shares		8	19
Repurchase of own shares		–17	–21
Amortisation lease contracts	36	–155	–150
Borrowings, non-current	36	539	553
Loan repayments, non-current	36	–813	–1,039
Cash flow from financing activities		**–623**	**–813**
Cash flow for the year	36	–16	–101
Cash and cash equivalents at beginning of year		218	322
Translation differences		9	–3
Cash and cash equivalents at year-end		**211**	**218**

Notes to the consolidated financial statements

All amounts are in SEK million unless otherwise specified. The figures in brackets indicate the preceding year's values.

NOTE 1 General information

The company, Bufab AB (publ), Corporate Registration Number 556685-6240, operates as a limited liability company, with its registered office in Stockholm, Sweden. The address of the head office is Box 2266, SE-331 02, Värnamo, Sweden.

NOTE 2 Summary of key accounting policies

This Annual Report has been prepared in accordance with IFRS as adopted by the EU, as well as the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The consolidated annual financial statements have been prepared in accordance with the cost method. The Parent Company's accounting policies are consistent with those applied for the Group, unless otherwise specified.

In addition to these standards, both the Swedish Companies Act and the Swedish Annual Accounts Act contain regulations requiring the disclosure of certain additional information. Preparing financial statements in accordance with IFRS requires the use of a number of important accounting estimates. Management is also required to make certain judgements when applying its accounting policies. Information about areas that are complex or involve a high proportion of assumptions and estimates, or about areas where accounting estimates are of key significance to the consolidated financial statements, can be found in Note 4. The estimates and assumptions are reviewed regularly and the effect on the reported amounts is recognised in profit or loss.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED BY THE GROUP

IFRS 18 Presentation and Disclosure in Financial Reports is applicable for fiscal years starting on January 1, 2027, and has not yet been adopted by the EU. IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements aimed at achieving greater comparability in performance reporting for similar companies and providing users with more relevant information and transparency. IFRS 18 introduces, among other things, new requirements for the structure of the income statement and disclosures about certain performance measures. Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, the effects on presentation and disclosures could be extensive, particularly those related to the income statement and management-defined performance measures. Management is currently evaluating the implications of applying the new standard to the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements consist of financial statements for the Parent Company and companies over which the Parent Company exercises a controlling influence. A controlling influence exists if the Parent Company has influence over the investment object, is exposed to or has the right to variable returns from its involvement, and can use its influence over the investment to impact the returns. Shareholdings in Group companies have been eliminated according to the acquisition method, which essentially means the identifiable assets, liabilities and contingent liabilities of the company taken over are valued and recognised in the consolidated financial statements, as if they had been taken over through direct acquisition and not indirectly through the acquisition of shares in the company. The measurement is based on fair value. If the value of net assets is less than the purchase price, goodwill on consolidation arises. If the opposite is true, the difference is recognised directly in profit or loss. Goodwill is determined in local currency and is recognised at cost less any impairment. The Group's equity includes the Parent Company's equity and the share of the subsidiaries' equity earned after the date of acquisition. Acquired and divested companies are consolidated and deconsolidated respectively from the date of acquisition or divestment.

Contingent considerations are measured at fair value on the date of the transaction and remeasured subsequently when the financial statements are being prepared. The effects of the remeasurement are recognised as income or cost in consolidated profit/loss for the year. Transaction charges in connection with the acquisition are expensed. In an acquisition, it is possible to measure non-controlling interests at fair value, which means goodwill is included in non-controlling interests. Alternatively, non-controlling interests' comprise a share of net assets. The choice is made individually for every acquisition.

Intra-Group receivables and liabilities and transactions between companies in the Group and thereby associated unrealised gains are eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains, but only if there is no indication of impairment.

Foreign currency translation

Items in the individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional and reporting currency.

Foreign currency transactions are translated into the functional currency according to the exchange rates prevailing at the date of the transaction. Exchange gains and losses arising from the settlement of such transactions and during translation of foreign currency monetary assets and liabilities at the closing rate are recognised in profit or loss.

The results and financial position of all Group entities are translated into the Group's reporting currency. Assets and liabilities are translated at the closing rate, while income and expenses are translated at the average rate, with all resulting exchange-rate differences recognised as a separate component of equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are reported as assets and liabilities in the Group's balance sheet and are translated at the closing rate. The following exchange rates were used for the translation of foreign operations:

	Average rate		Closing rate	
Currency	**2024**	2023	**2024**	2023
DKK	1,53	1.54	1,54	1.49
EUR	11,43	11.48	11,49	11.10
GBP	13,51	13.20	13,85	12.77
CZK	0,46	0.48	0,46	0.45
HUF	0,03	0.03	0,03	0.03
NOK	0,98	1.01	0,97	0.99
PLN	2,66	2.53	2,69	2.56
CNY	1,47	1.50	1,51	1.41
INR	0,13	0.13	0,13	0.12
TWD	0,33	0.34	0,34	0.33
USD	10,57	10.61	11,00	10.04
RON	2,30	2.31	2,31	2.23
TRY	0,32	0.46	0,31	0.34

Classification
Non-current assets, liabilities and provisions are amounts expected to be recovered or settled more than 12 months after the balance-sheet date. Current assets and liabilities are amounts expected to be recovered or settled no more than 12 months after the balance-sheet date.

INTANGIBLE ASSETS

Goodwill
The amount by which the cost exceeds the acquisition-date fair value of the Group's share of the acquired subsidiary's net identifiable assets is recognised as goodwill. Goodwill on acquisitions of subsidiaries is reported under intangible assets.

Goodwill is not amortised but is tested for impairment annually and is carried at cost less accumulated impairment.

Goodwill is allocated to cash-generating units for impairment testing.

Other intangible assets
The Group's other intangible assets comprise acquired customer and supplier relationships and capitalised expenditure for IT and business systems. The Group's basis for acquisitions is that customer relationships and supplier relationships have a limited useful life and are recognised at cost less any accumulated depreciation. Amortisation is applied on a straight-line basis to distribute the costs of their estimated useful lives.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised as an asset in the balance sheet when, based on available information, it is probable that future economic benefits associated with the ownership will flow to the Group/company and the cost of the asset can be measured reliably.

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

The carrying amount of an item of property, plant and equipment is derecognised from the balance sheet on disposal or divestment, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal of an item of property, plant and equipment is the difference between the selling price and the asset's carrying amount less direct distribution costs. The gain or loss is reported under other operating income/expenses.

LEASES – GROUP AS LESSEE

The Group's costs pertaining to leases are recognised on the following lines in the consolidated income statement:

- Interest expense (included in finance cost).
- Expense relating to short-term leases (included in cost of goods sold and administrative expenses).
- Expense relating to leases of low-value assets that are not short-term leases (included in administrative expenses).
- Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses).

The Group leases offices, warehouse space, machinery, equipment and vehicles. Leases are normally signed for fixed periods up to ten years, though longer maturities may be agreed. Options to extend the contract may exist.

The contract may include both lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease components based on their relative stand-alone prices where the differences are material. For lease payments on properties where the Group is tenant, lease and non-lease components have not been separated and are instead recognised as a single lease component.

Lease terms are normally negotiated on an individual basis and contain a wide range of different terms and conditions. Leases do not impose special terms or restrictions save that the lessor retains the right to pledge lease assets as security. The leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease payments are discounted by the interest rate implicit in the lease. If this rate cannot be readily determined, which is normally the case for the Group's leases, the lessee's incremental borrowing rate is to be used, which is the rate that an individual lessee would have to pay to borrow the funds necessary to purchase an asset of a similar value to the right-of-use asset in a similar economic environment with similar conditions and securities. The Group's incremental borrowing rate varies depending on duration and currency area and amounts to between 1.8 percent (1.7) and 9.6 percent (3.6).

The Group is exposed to any future increases in the variable lease payments that depend on an index or a rate that are not included in the lease liability until they come into effect. When adjustments of lease payments that depend on an index or a rate come into effect, the lease liability is remeasured and adjusted against the right-of-use asset.

Lease payment is allocated between the liability and interest. The finance cost is recognised in profit or loss over the lease period so as to produce a constant periodic rate of interest on the lease liability for each period.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise, for example, IT-equipment and small items of office equipment.

OPTIONS TO TERMINATE AND EXTEND THE LEASE

Extension and termination options are included in a number of property and equipment leases across the Group. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The majority of extension options concerning leases of office premises and vehicles are not included in the lease liability as the Group can replace the assets without significant costs or disruption to operations.

The lease term is reassessed if an option is exercised (or not exercised) or if the Group is obliged to exercise the option (or not exercise it). The assessment of reasonable certainty is only reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

DEPRECIATION POLICIES FOR NON-CURRENT ASSETS

Depreciation according to plan is based on original cost less estimated residual value. Depreciation is applied on a straight-line basis over the useful life of the asset.

The following depreciation periods are applied:

Customer and supplier relationships	10 years
Other intangible assets	3–5 years
Buildings	12–15 years
Plant and machinery	5–10 years
Equipment, tools and fixtures & fittings	3–10 years
Right-of-use assets	3–15 years

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets with an indefinite useful life are not subject to depreciation or amortisation; instead, these assets are tested annually for impairment. For impairment testing, assets are grouped at the lowest levels at which there are separate identifiable cash flows.

BORROWING COSTS

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. 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. An obsolescence risk is also taken into account. At the end of the financial year, the obsolescence reserve was SEK 216 million (203). The cost of the Group's merchandise is calculated as a weighted average purchase price and includes expenses arising from the acquisition of inventories and bringing them to their existing location and condition.

The cost of finished goods and work in progress includes a reasonable proportion of indirect manufacturing costs. Measurement takes into account normal capacity utilisation.

BUSINESS COMBINATION

The purchase consideration for the acquisition of a subsidiary comprises the fair value of identifiable acquired assets, assumed liabilities and assumed contingent liabilities in a business combination that are initially measured, with a few exceptions, at fair value on the date of acquisition. Acquisition-related costs are expensed as they arise.

Conditional purchase consideration is classified either as shareholders' equity or a financial liability. Amounts classified as financial liabilities are remeasured each period at fair value. Any remeasurement gains or losses are recognised in profit or loss.

EMPLOYEE BENEFITS

Group companies have various pension schemes in accordance with local conditions and practices in the countries in which they operate. The most common pension arrangements are defined-contribution pension plans. Under these plans, the company settles its obligations on an ongoing basis through payments to insurance companies or pension funds.

Introduction
Market and Strategy
Operations
Sustainability report
Board of Directors' report
Financial statements
Consolidated financial statements
Notes to the consolidated financial statements
Parent company financial statements
Notes to the Parent Company financial statements
Auditor's report
Corporate Governance
Other

However, the company has a more extensive responsibility in the case of defined-benefit pension plans, which are based on an agreed future pension entitlement. With these plans, the company's recognised cost is affected by factors such as assumptions about the future. The Group's net obligation is calculated separately for each plan by estimating the future benefit that employees have earned through their service in the current and prior periods. The present value of this benefit is determined by discounting the estimated future cash flows. The calculation is performed by a qualified actuary using the projected unit credit method. Actuarial gains and losses are presented in other comprehensive income when they arise.

For salaried professionals in Sweden, the ITP 2 plan's defined-benefit pension obligations for retirement and survivors' pensions are backed by an Alecta insurance policy. According to a statement from the Swedish Financial Reporting Board (UFR 10 Recognition of ITP 2 pension plan financed by an Alecta insurance policy), this is a defined-benefit plan that encompasses several employers. For the 2024 financial year, the company has not had access to enough information to report its proportional share of the plan's obligations, plan assets and costs, and the company was therefore unable to recognise it as a defined-benefit plan.

Accordingly, the ITP 2 pension plan, which is backed by an Alecta insurance policy, was recognised as a defined-contribution plan. The premium for the defined-benefit retirement and survivors' pension is calculated on a case-by-case basis and is determined by such factors as salary, previously vested pension benefits and the expected remaining professional life of the beneficiary.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations calculated using Alecta's actuarial methods and assumptions, which do not correspond with IAS 19. The collective consolidation level is generally permitted to range from 125 to 155 percent. At the end of the financial year, Alecta's surplus in the form of the collective consolidation level was 163 percent (175).

REVENUES

Net sales comprise, in all material respects, revenues from the sale of goods and services. The Group is engaged in trading fastener products and C-parts. Revenue recognition occurs in profit or loss when the products have been delivered to the customer and control and the right of ownership have been transferred. Revenue includes only the gross inflow of economic benefits received and receivable for the company's own account. Revenue from the sale of goods is recognised when the company has transferred control of ownership of the goods and the company does not exercise any effective control over the goods sold. Revenue is recognised at the fair value of the consideration received or receivable, net of discounts. Settlement is made in cash, with revenue comprising the amount of cash received or receivable. A receivable is recognised when the products are delivered, as this is the date when remuneration becomes unconditional (in other words, only the passage of time is needed before payment will take place). The distribution of revenue by segment is presented in Note 5.

The item "other operating income" includes other revenues in the operation that do not stem from the day-to-day business operations, such as capital gains from the sale of non-current assets and exchange-rate gains from operating receivables/liabilities.

Dividends are recognised when the right to receive payment is established.

Intra-group sales are eliminated in the consolidated financial statements.

COSTS

The income statement is classified using the function of expense method. The functions are:

- Cost of goods sold comprises the cost of the good, the cost for material handling and manufacturing costs, including payroll and material costs, purchased services, costs of premises, and depreciation/amortisation and impairment of property, plant and equipment.
- Administrative expenses comprise costs of the companies' own administrative functions and costs relating to boards, management and staff functions.
- Distribution costs comprise costs associated with the sales organisation and inventory obsolescence.
- Other operating income/expenses relates to secondary activities, exchange-rate differences on operating items, the remeasurement of additional purchase considerations for acquired companies and capital gains/losses on the sale of property, plant and equipment.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest income on bank deposits and receivables, interest expense on borrowings, dividend income, bank fees, exchange-rate differences and other financial income and expenses.

The interest component of lease payments (according to IFRS 16) is recognised in profit or loss using the effective interest method, which means that the interest is allocated to each accounting period during the lease term so as to produce a constant periodic rate of interest on the balance of the liability reported during the period.

TAX

Income tax consists of current tax and deferred tax. Taxes are recognised in profit or loss except when the underlying transaction is recognised directly in equity, in which case the related tax effect is also recognised in equity.

The group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Sweden, the jurisdiction in which Bufab Group is incorporated, and will come into effect from 1 January 2024. The group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the group is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. The group has effective tax rates that exceed 15% in all jurisdictions in which it operates, except for in jurisdictions Estonia, Spain and Thailand where the group has operative subsidiaries. The group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment, indicates that, for the subsidiaries operating in jurisdictions mentioned above, the average effective tax rate based on accounting profit is 0% for the annual reporting period ending 31 December 2024. Based on management's assessment, the application of the Pillar Two legislation has increased the group's tax expense by 1 MSEK. The additional tax expense is included in the consolidated income statement.

GOVERNMENT GRANTS

Government support is recognised at fair value when there is reasonable certainty that the grant will be received and that the Group will meet the conditions tied to the grant.

CASH-FLOW STATEMENT

The cash-flow statement is prepared using the indirect method. Recognised cash flows only concern transactions that involve cash inflows and outflows. Cash and bank balances are classified as cash and cash equivalents.

RELATED-PARTY TRANSACTIONS

None of the Parent Company's total purchases charged to operating profit relate to transactions with other companies within the corporate group to which the company belongs. Within the Group, there are some internal sales between its different markets. Related-party transactions are also reported in Note 6 (Employees, personnel expenses and fees paid to directors and auditors) and Note 32 (Related-party transactions). Related-party transactions are made on terms equivalent to commercial transactions.

FINANCIAL INSTRUMENTS

The Group recognises all financial instruments at amortised cost, except for contingent considerations attributable to acquisitions which are measured at fair value.

The Group classifies its financial assets and liabilities depending on the purpose for which the financial asset or liability was acquired. The classification of investments in debt instruments is dependent on the Group's business model for managing financial assets and the contractual rights for an asset's cash flow.

Financial assets at amortised cost

Assets held for the purpose of collecting contractual cash flow and where this cash flow is made up solely of the principal amount and interest are measured at amortised cost. Assets in this category are recognised initially at fair value including transaction costs. After the date of acquisition, these are recognised at cost by applying the effective interest method. The carrying amount of these assets are adjusted by any recognised expected credit losses (see impairment below). Interest income from these financial assets is recognised using the effective interest method and entered in financial income. Assets in this category comprise long-term financial receivables, trade receivables and other current receivables. They are included in current assets unless the settlement date is more than 12 months after the end of the reporting period, in which case they are classified as non-current assets.

Financial liabilities at amortised cost

The Group's other financial liabilities are recognised initially at fair value, net after transaction costs. Financial liabilities are then recognised at amortised cost by applying the effective interest method. Non-current liabilities have an expected maturity beyond 1 year while current liabilities have a maturity shorter than 1 year. This category includes liabilities to credit institutions, trade payables and other current liabilities.

Financial liabilities at fair value
The Group's liabilities for contingent considerations attributable to acquisitions are measured at fair value. These items are recognised at fair value in the balance sheet with changes in value recognised in profit or loss.

Impairment
The Group measures future expected credit losses related to investments in debt instruments recognised at amortised cost and fair value, respectively, with changes through other comprehensive income based on forward-looking information. The impairment methodology applied by the Group depends on whether or not there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach for loss allowances, meaning that the reserve will correspond to the expected loss across the entire lifetime of the trade receivables. The Group makes provisions for trade receivables based on the Group's expected losses based on a historic model of expected losses in each age category.

Hedge accounting
The effective portion of change in value for derivative instruments or other financial instruments that fulfil the requirements of hedge accounting according to the method for cash flow hedging or hedging of net investments in foreign operations is recognised in other comprehensive income. Accumulated change in value from hedging of net investments in foreign operations is reversed from equity to profit or loss when foreign operations are divested in full or in part.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash and bank balances and other current investments with an original maturity of three months or less. Utilised overdraft facilities are reported as borrowings under current liabilities in the balance sheet.

BORROWINGS
Borrowings are recognised initially at fair value and are subsequently measured at amortised cost. Any difference between the amount received and the repayment amount is recognised in profit or loss over the borrowing period using the effective interest method.

NOTE 3 Risks and risk management

OPERATIONAL RISKS
Market and business risks
Customer demand for products and services from Bufab depends on general economic conditions and the level of activity in the manufacturing industry in the countries in which Bufab and its customers operate.

Bufab operates in Sweden, Denmark, Finland, Norway, Germany, France, the Netherlands, Austria, the Czech Republic, Poland, the UK, Ireland, Estonia, Latvia, Hungary, Spain, Slovakia, India, the United States, Taiwan, China, Türkiye, Romania, Singapore, Malaysia, Indonesia, the Philippines, Mexico,Thailand and Italy.

Bufab's customers are found in a wide spectrum of manufacturing industries, including the technology sector, electronics/telecommunications, consumer goods, the offshore and refining industry, the transportation and construction sectors, furniture and the automotive sector. Geographical diversification combined with a vast number of customers spread across many sectors reduces the effects of isolated changes in customer demand.

However, despite this breadth, it can be stated that the company is clearly impacted by customers' underlying demand, which is considered to comprise the company's most tangible operational risk. The company was substantially impacted by reduced customer demand during the sharp global economic downturn in 2009, but also during parts of the pandemic year of 2020.

There is a risk that major customers will choose to bypass the wholesale stage and deal directly with manufacturers. However, Bufab adds value to its customers by providing, for example, technically competent, efficient logistics and a broad base of suppliers, as well as a reliable level of quality. The company believes that this broad range as a logistics partner remains competitive.

Bufab can be negatively impacted when its suppliers experience economic, legal or operational problems, raise prices or when they are unable to deliver on time or at the agreed level of quality. Bufab sources most of its goods from suppliers that are mainly located in Asia and Europe. Bufab works actively with a large number of suppliers from different countries. The company aims to avoid making itself dependent on specific suppliers. These risk-minimising measures contributed to the company performing well despite the strained global supply chains experienced during the pandemic years, which led to delivery and capacity issues for several suppliers, resulting in increased lead times for goods and raw materials.

Inventories constitute a significant share of Bufab's assets and are costly to relocate, store and manage. Accordingly, efficient inventory management is a key element in Bufab's operation. Inefficient inventory management can lead to inventory surpluses or deficits. Inventory surpluses expose Bufab to the risk of having to incur impairment losses on or to dispose of the inventory. Conversely, inventory deficits expose Bufab to the risk of having to source products at higher prices in order to deliver on time, or to incur expensive express delivery costs or penalties.

With its large and complex flow of items combined with a broad base of customers and suppliers, there is a risk that Bufab's customers will not receive their products at the specified time or with the right quality. Bufab may become subject to significant product liability and other claims if the products it sources and produces are defective, cause production stops or personal or property damage, or otherwise do not fulfil the requirements agreed with the customer. Such defects may be caused by mistakes made by Bufab's own personnel or the company's suppliers. If a product is defective, Bufab may also have to recall the product. Furthermore, Bufab may not be able to file or collect a corresponding claim against, for example, its own suppliers in order to receive compensation for damages and related costs. To address this risk, internal and external processes are in place that must be adhered to by employees and external parties. Bufab works continuously to develop these processes and to train employees and external parties.

Bufab could lose business or growth opportunities from existing customers as a result of many factors, including, but not limited to, relocations of the customers' manufacturing operations or customer dissatisfaction, particularly with product quality or service, as well as customers underperforming in, or shutting down, their businesses. In connection with a customer relocating manufacturing operations, for example, to a low-cost country, Bufab may not be requested, or be able, to make deliveries to the new location to the same extent as prior to the relocation, or may not be able to efficiently source all, or any, of its products to the new location. Moreover, should customers relocate outside of Bufab's operating jurisdictions, it may be difficult or burdensome for Bufab to establish new operations and comply with local regulations in such locations. As a consequence, Bufab may lose all, or part of, its business from that manufacturing operation.

Bufab's supply chain (including manufacturing units and some warehouses) and business processes are, to a large extent, automated via hardware and software for robotics and via the Group's IT systems. Bufab is particularly dependent on these systems to purchase, sell and deliver products, to invoice its customers and to manage its production units and certain automated warehouses. It is also an important tool for accounting and financial reporting as well as inventory and net working capital management. Disruptions, as a consequence of, for example, upgrades of existing IT systems, or deficiencies that materialise in the function of its IT systems or hardware could, even in the short term, adversely affect Bufab's business, results of operations and financial condition.

Bufab's strategy covers both organic growth and growth through acquisitions. Acquisitions may expose Bufab to risks, primarily related to integration, such as impairment of relationships with key customers, inability to retain key employees and difficulties and higher costs than anticipated for combining operations. Following some of its past acquisitions, Bufab has experienced such integration difficulties. Moreover, acquisitions may expose Bufab to unknown liabilities.

The geopolitical unrest such as the war in Ukraine and unrest in the Middle East are major factors of uncertainty, especially when it comes to its possible impact on global demand going forward. Since the divestment of the Russian operations in the second quarter of 2022, the Group has no remaining business in Russia or Ukraine.

Bufab manages its operations through operating subsidiaries in a number of countries. The business, including transactions between Group companies, is run according to Bufab's understanding or interpretation of current tax laws, tax treaties, other tax law stipulations and the requirements of the tax authorities concerned. Furthermore, the tax authorities of the countries concerned could make assessments and take decisions which deviate from Bufab's understanding or interpretation of the abovementioned laws, treaties and other regulations. Bufab's tax position, both for previous years and the current year, may change as a result of the decisions of the tax authorities concerned or as a result of changed laws, treaties and other regulations. Such decisions or changes, possibly retroactive, could adversely affect Bufab's business, results of operations and financial condition.

Bufab holds environmental permits for manufacturing at its production facilities. Bufab previously conducted manufacturing at other facilities in Sweden. Bufab has completed environmental inventories and, where required, environmental technical investigations, at all properties where Bufab has historically conducted manufacturing in Sweden. These investigations detected traces of contamination at or in proximity to some of these properties. For more information regarding environmental risks, refer to Note 31.

Bufab has a substantial goodwill item in its consolidated balance sheet, which is regularly tested for impairment requirements; see also Note 16.

Sourcing prices

Bufab is exposed to fluctuations in the market price of certain commodities, particularly steel, stainless steel (which fluctuates with the price of alloy metals) and other metals. Any increase in such prices may impact the price for which Bufab purchases its products, and thereby the cost of goods sold. Energy prices and the price of oil impact manufacturing and freight costs, which significantly affect cost of goods sold. Freight costs could also be affected significantly by fluctuating capacity in the global supply chains. In addition, labour shortages and labour costs in the countries from which Bufab sources its products may increase Bufab's cost of goods sold through its purchasing prices. Moreover, Bufab may not be able to compensate for increased sourcing prices by raising prices for its own customers.

Competition

Bufab acts as a subcontractor to the engineering industry and faces competition in all types of customer segments. Customer requirements concerning price, quality, delivery reliability, etc. are constantly increasing. Since the entry barriers for smaller companies and the investments required to start a competing business are low, Bufab can also lose sales to new companies. The company's continued success is dependent on its ability to respond to these increasing requirements and be more competitive than its competitors in the areas of attractive pricing, delivery reliability, quality, high internal efficiency and broad, secure logistics solutions from all of the countries in which Bufab operates.

Legal risks

Legal risks primarily include legislation and regulation, government decisions, disputes, etc. The fastener industry within Europe and North America has periodically been subject to heavy duties on imports of standard parts from certain geographies, mainly China. Bufab has been forced to find alternative sourcing channels, primarily in Asia, which has worked well considering the volume size. It cannot be ruled out that, for example, the EU or US may introduce increased duties in the future, and there is considerable uncertainty about the extent of such duties.

Bufab's operations face risks related to taxes and the environment. See also Note 31.

Insurance

Bufab insures its assets against property damage and business interruption losses. In addition, there are insurance policies for product liability, product recall, transportation, legal protection, crime against property and business travel. There have been no claims for damages with regard to product liability or product recall that had any material impact on earnings during the last decade.

Risks related to employees

Bufab must have access to competent and motivated employees and ensure access to good leaders as a means of achieving its established strategic and operational targets. Bufab is working in a structured manner to ensure the health and well-being of its employees and that they can find positive challenges in their daily work.

Bufab also has a strong focus on safety efforts in all units. Through strategic manpower planning, Bufab can ensure access to persons with the right qualifications at the right time. Recruitment may take place both externally and internally, where internal recruitment is facilitated as vacant positions are advertised both internally and externally. Salaries and other terms and conditions are in line with market conditions and are connected to each subsidiary's priorities. Bufab is also striving to maintain good relationships with trade union organisations. However, securing a skills supply to each subsidiary is always a challenge, given that the labour market is mobile.

Risks in IT systems

Bufab is dependent on IT systems for its ongoing operations. Disruption or faults in critical systems have a direct impact on deliveries of products and services to customers and other important business processes. Incorrect management of financial systems may affect the company's reporting of results. In addition, the company is exposed to attempts to harm the company through IT-based attacks, such as virus attacks, password and identity theft, or various forms of IT-based fraud or theft. These risks are increasing in an ever-more technically complex and interconnected world. In recent years, Bufab has therefore worked towards more standardised IT processes and an organisation for information security. IT security includes a continuous risk assessment, the implementation of preventive measures and the use of security technologies. Standardised processes exist to implement new systems, to change current systems as well as for daily operations. Large parts of Bufab's system landscape are based on thoroughly tested products, such as the Jeeves business system.

FINANCIAL RISKS

Bufab is exposed to various types of financial risk in the course of its operations. Examples of these are currency, financing, interest rate and counterparty risks. The Board is responsible for adopting risk-management policies. Financial activities such as risk management, liquidity management and borrowing are managed at the Group level by the subsidiary Bufab International AB.

Currency risks

Changes in exchange rates affect the Group's earnings and equity in different ways. Currency risk arises from:

- flow exposures in the form of receipts and payments in different currencies,
- recognised assets and liabilities of subsidiaries,
- translation of the earnings of foreign subsidiaries to SEK,
- translation of net assets of foreign subsidiaries to SEK.

Exchange-rate fluctuations may also affect the Group's competitiveness or that of its customers, thereby indirectly affecting the Group's sales and earnings. The Group's overall currency exposure has increased over time as operations have become more global, with increased trade from Asia as well as a higher proportion of sales outside Sweden – from Swedish subsidiaries but mainly from foreign subsidiaries. The Group's currency risk management policy primarily focuses on transaction-related currency risks. Currency risks are mainly managed by price adjustments to customers and suppliers, and by working to change the business's operating terms by aligning revenues and costs in currencies other than SEK with each other.

Some 89 percent (87) of the Group's total invoicing and 86 percent (90) of its costs are in foreign currencies. Flow exposure in 2024 was marginally hedged at fixed exchange rates.

During the financial year, the Group's currency flows (excluding the reporting currency, SEK) were distributed as follows (amounts in SEK million).

Currency	Costs*	Sales*
EUR	2,721	3,116
USD	2,044	1,365
GBP	668	1,526
DKK	191	579
PLN	176	134
NOK	42	111
CNY	255	0
SGD	20	79
MXN	16	24
RON	4	0
CZK	59	90
INR	36	61
TWD	21	0
HUF	13	0
TRY	16	37
JPY	0	0
THB	2	19

* Expressed in SEK million at the average rate for 2024. Currency flows represent gross flows, including intra-Group transactions

The company's largest exposure is to the USD, as trade from Asia is largely conducted in this currency, and to the EUR, as a large proportion of its European sales are in this currency.

Net assets in foreign subsidiaries correspond to investments in foreign currencies that give rise to translation differences when they are translated to SEK. Loans were raised in EUR, GBP and USD to reduce the effect of translation differences on the Group's comprehensive income and capital structure. Exchange-rate gains and exchange-rate losses on these loans are considered to be effective hedges, as defined by IFRS, of translation differences and are recognised in other comprehensive income and the accumulated amount in equity. During 2024 and 2023, the Group had some of its lending in foreign currencies with the aim of reducing the impact of currency exposure on Group's equity that originates from companies with net assets in the currency in question. The effectiveness of the hedge is assessed when entering into a hedging relationship. The hedged item and hedge instrument is then assessed regularly to ensure the conditions satisfy requirements. Total borrowing in foreign currencies defined as hedging instruments amounted to EUR 3 million (15), at 31 December 2024. For a specification refer to Note 37. Refer also to the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

Credit risk

Credit risk related to cash and cash equivalents, balances and credit exposures are managed at the Group level. Credit risk related to receivables outstanding are managed by the company in which the receivable was created. The company conducts individual assessments of its customers' credit ratings and credit risks, including customers' financial position, as well as previous experiences and other factors. The management does not anticipate any losses due to missing payments from counterparties other than the amount reserved as "doubtful debts." Provisions are made for trade receivables and contract assets in accordance with the Group's loss risk provision model. The Group therefore makes provisions for trade receivables based on the Group's expected losses based on a historic model of expected losses in each age category. Indications that specific impairment is required include the Group's assessment that there is no reasonable expectation of repayment since the debtor is failing to comply with the repayment plan. When a debtor's payments have fallen due by more than 180 days, half of the value of the receivable is written off in line with the Group's loss risk provision model. When a debtor's payments have fallen due by more than 360 days, or when there is no reasonable expectation of repayment (for example, bankruptcy) the full value of the receivable is written off. For more information about past-due receivables and multi-year history, see Note 21.

Financing, liquidity and capital

Financing risk is defined as the risk of being unable to meet payment obligations as a result of insufficient liquidity or difficulties in obtaining financing. Liquidity risk is managed by ensuring that the Group holds sufficient levels of cash and cash equivalents and access to financing under credit facility agreements. Executive management regularly monitors the need to refinance external loans with the aim of renegotiating the Group's credit facilities at least 12 months before the maturity date.

The Group receives its primary financing from a bank under a credit facility of SEK 4,000 million (4,000) with a maturity in July 2026. This credit is linked to certain borrowing terms (known as covenants), which are detailed in Note 26.

At year-end 2024, the Group had a liquidity reserve in the amount of SEK 1,230 million (976). The Group's finance policy stipulates that the available funds, meaning cash and cash equivalents and available but unutilised credits, must be greater than the Group's standard expenses for 0.7 of a month. On 31 December 2024, the liquidity reserve totalled 2.1 months' (1.5) standard expenses for the Group.

The Group's target for total capital structure is to secure the Group's ability to continue its operations, in order to generate returns for shareholders and benefits for other stakeholders and to retain a solid capital structure to keep capital costs low. Executive management regularly monitors the need to refinance external loans with the aim of renegotiating the Group's credit facilities at least 12 months before the maturity date.

The Group has an equity/assets ratio of 42 percent (40), whereby the equity/assets ratio is defined as recognised equity divided by total assets.

Equity/assets ratio	2024	2024
Group		
Equity	3,899	3,418
Total assets	9,191	8,600
Equity/assets ratio	**42%**	**40%**

The net debt/equity ratio as at 31 December 2024 amounted to 86 percent (99), where the net debt/equity ratio is defined as net debt divided by recognised equity.

Debt/equity ratio	2024	2023
Group		
Interest-bearing liabilities	3,580	3,617
Cash	–211	–218
Net debt	3,369	3,399
Total equity	3,899	3,418
Debt/equity ratio, %	**86%**	**99%**

Classification of financial instruments

The following table shows the classification of financial instruments in the balance sheet for 2024 and 2023 (for definition, see Note 2).

The maturity structure for existing borrowings is shown in Note 26. The amounts do not include the current portion, which will mature within one year. The overdraft facility normally matures within one year, but is usually extended on the due date.

The table below illustrates the Group's financial liabilities categorised by time left to maturity as per balance-sheet date. The amounts shown in the table are the contractual undiscounted cash flows, including estimated future interest payments.

On 31 December 2024	Within one year	Between one and five years	After five years
Bank loans and overdrafts	153	2,761	—
Interest	150	70	—
Lease liabilities	161	366	85
Liabilities for additional purchase considerations	93	231	—
Trade payables	729	—	—
Total	**1,320**	**3,411**	**85**

On 31 December 2023	Within one year	Between one and five years	After five years
Bank loans and overdrafts	132	2,913	—
Interest	184	215	—
Lease liabilities	140	322	77
Liabilities for additional purchase considerations	230	50	—
Trade payables	621	—	—
Total	**1,307**	**3,500**	**77**

Financial instruments

IFRS 13 Fair Value Measurement is applied. The Group's borrowings mainly take the form of credit facilities with long-term credit but short fixed-rate periods. Consequently, it is the assessment that the fair value is essentially consistent with the carrying amount.

Interest-rate risk

Changes in interest rates have a direct impact on the Group's earnings, while their impact on the overall economy also produces an indirect effect. The Group's bank loans at the end of the year had an average remaining fixed-rate period of three months.

Sensitivity analysis

Significant factors affecting the Group's earnings are described below. The assessment is based on year-end values, assuming all other factors remain constant.

Fluctuations in sales prices are the variable that has the greatest impact on earnings. A change of +/–1 percent on resale prices would affect operating profit by about SEK 80 million (87) and a change of 5 percentage points would have an impact of approximately SEK 402 million (435) on operating profit.

Volume changes and sourcing prices affect Bufab's earnings. A 1-percentage point change in volume has an effect on earnings of about SEK 30 million (25), while a 5-percentage point change has an effect of about SEK 150 million (125) on operating profit. A 1-percentage point change in merchandise sourcing prices has an effect on earnings of about SEK 51 million (56), while a 5-percentage point change has an effect of about SEK 256 million (280) on operating profit.

Payroll costs represent a large proportion of the Group's cost base. A 1-percentage point increase in the Group's payroll costs has an effect on earnings of about SEK 14 million (13), while a 5-percentage point change has an effect of about SEK 69 million (65) on operating profit.

The Group's net debt was SEK 3,369 million (3,399) on the balance-sheet date. A one percentage point change in the market rate for the closing net debt has an effect on profit after financial items of SEK 34 million (34) and a five percentage point change in the market rate for the closing net debt has an effect on profit after financial items of SEK 168 million (170).

The Group has considerable net currency exposure in terms of translation and transaction effects to the USD. The currency exposure to the USD is related to the company's operations in North America and trade with Asia, particularly China and Taiwan. Local prices in Asia are largely set on the basis of the USD level. A one percentage point strengthening of the USD against the SEK, with all other variables held constant, has a negative impact of SEK –7 million (neg: –5) on operating profit. In a similar way, a five percentage point strengthening of the USD, with all other variables held constant, has a negative impact of SEK –34 million (neg: –25) on operating profit.

The Group currency exposure to EUR in terms of transaction and translation effects is also substantial. Exposure to the EUR is primarily due to the fact that the Group's invoicing in Europe is largely in this currency. A one percentage point strengthening of the EUR against SEK, with all other variables held constant, has a positive impact of SEK 4 million (6) on operating profit. In a similar way, a five percentage point strengthening of the EUR, with all other variables held constant, has a positive impact of SEK 20 million (30) on operating profit.

The Group currency exposure to GBP in terms of transaction and translation effects is also substantial. Exposure to the GBP is primarily due to the fact that the Group's invoicing in the UK is largely in this currency. A one percentage point strengthening of the GBP, with all other variables held constant, has a positive impact of SEK 9 million (11) on operating profit. In a similar way, a five percentage point strengthening of the GBP, with all other variables held constant, has a positive impact of SEK 43 million (55) on operating profit.

The Group's currency effects with regard to translation effects in foreign net assets is significant, primarily in GBP, EUR and USD. A one percentage point change in the EUR, GBP and USD, respectively, would, notwithstanding any hedges and all other variables held constant, yield a positive impact on the Group's equity of SEK 12 million (9), SEK 9 million (9) and SEK 3 million (4), respectively. A five percentage point change in the EUR, GBP and USD, respectively, would, notwithstanding any hedges and all other variables held constant, yield a positive impact on the Group's equity of SEK 59 million (43), SEK 44 million (43) and SEK 16 million (19), respectively. For information on the hedging of foreign net assets, see Note 37.

Assets, 2024	Financial assets measured at amortised cost	Financial assets measured at fair value	Total
Financial assets	15	—	10
Current assets			
– Trade receivables	1,390	—	1,390
– Other receivables	50	—	50
– Cash and cash equivalents	211	—	211
Total current assets	**1,651**	**—**	**1,651**
Total assets	**1,666**	**—**	**1,666**

Assets, 2023	Financial assets measured at amortised cost	Financial assets measured at fair value	Total
Financial assets	10	—	10
Current assets			
– Trade receivables	1,252	—	1,252
– Other receivables	26	—	26
– Cash and cash equivalents	218	—	218
Total current assets	**1,496**	**—**	**1,496**
Total assets	**1,506**	**—**	**1,506**

Liabilities, 2024	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Non-current liabilities and provisions			
– liabilities for unconditional and contingent considerations	—	231	231
– other non-current liabilities and considerations	2,815	—	2,815
Total non-current liabilities and considerations	**2,815**	**231**	**3,046**
Current liabilities and provisions			
– Trade payables	729	—	**729**
– Interest-bearing liabilities	314	—	**314**
– liabilities for contingent considerations	—	93	**93**
Total current liabilities	**1,043**	**93**	**1,136**
Total liabilities	**3,858**	**324**	**4,182**

Liabilities, 2023	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Non-current liabilities and provisions			
– liabilities for unconditional and contingent considerations	—	50	50
– other non-current liabilities and considerations	2,948	—	2,948
Total non-current liabilities and considerations	**2,948**	**50**	**2,998**
Current liabilities and provisions			
– Trade payables	621	—	**621**
– Interest-bearing liabilities	271	—	**271**
– liabilities for contingent considerations	—	230	**230**
Total current liabilities	**892**	**230**	**1,122**
Total liabilities	**3,840**	**280**	**4,120**

SUSTAINABILITY RISKS

Supplier base

Suppliers' sustainability work

Bufab has a code of conduct for suppliers. If Bufab's suppliers do not comply with the Code of Conduct, the suppliers' employees and the surrounding environment may be negatively affected. The most common deviations in our supplier audits relate to health and safety and how suppliers handle waste. The risk of human rights violations, forced and child labour, is not considered to be significant due to our controls.

Bufab conducts ongoing audits of new and existing suppliers to ensure that they meet the requirements of our Code of Conduct. All suppliers must sign our Supplier Code of Conduct. We aim to consolidate our supplier base and increase the proportion of suppliers in the Preferred Suppliers category. In addition, good examples of improvements (best practice) create transparency and structure that mitigates human rights violations. Read more on pages 19, 39.

Conflict minerals

There is a risk that some components supplied by Bufab could contain minerals that can be traced to conflict zones. Conflict minerals risk to support armed conflicts.

Our Supplier Code of Conduct must be signed by all Bufab's suppliers. There they undertake not to buy conflict minerals from conflict areas. Bufab requests reporting according to the Conflict Mineral Reporting Template from suppliers who use tin, tantalum, tungsten and gold in their products. The use of the minerals and their extraction are monitored on an ongoing basis. Read more on page 39.

Environment

Transports

Our goods transport contributes to carbon dioxide emissions that have a negative impact on the environment, and in 2022 we began to transition to fossil-free solutions. Urgent orders sometimes require air transport, which results in extra high emissions.

Bufab strives to work with fewer and larger transport suppliers and to use fossil-free alternatives. As far as possible, we use sea transport, and our goal is to increase the filling rate of deliveries to the extent as possible. We are also investigating the possibility of using trains for long-distance transport as a sustainable alternative. Better planning will prevent the use of air transport. Read more on pages 35–36.

In-house production

All companies have a plan to reduce their Scope 1 & 2 emissions to zero by 2030. In recent years, our manufacturing companies have implemented energy efficiency programs which have yielded good results, these companies can now contribute to helping our new acquisitions with practices on how energy efficiency can be realized. Manufacturing companies continuously monitor energy consumption and emissions. Bumax is certified according to ISO 14001:2015, ISO 9001:2015 and IATF 16949:2016. APEX is certified according to ISO 9001:2015. Rudhäll AB is certified according to ISO 9001 and ISO 14001.

Employees

Our employees' network and relationships with customers and suppliers are a prerequisite for Bufab's continued success. If we lose several key employees, Bufab's relationships and financial position may be affected.

It is important that we can develop and motivate our employees to take advantage of their cutting-edge expertise and relationships. Through Bufab Academy and other skills development, we create the conditions for an attractive and stimulating workplace. Read more on pages 38, 40.

Anti-corruption

Bufab has more than 8,000 suppliers and over 18,000 customers. In some business relationships, there may be an increased risk of corruption, especially in vulnerable markets. This risk is assessed as material and we have risk-mitigating activities in place to minimize these risks. Corruption cases can affect Bufab's reputation, affect the company's financial position and lead to legal consequences.

Bufab's business relationships shall be sound and characterized by transparency. To increase competence in the area, anti-corruption training is part of our introduction programme for new employees. Bufab has conducted an anti-corruption risk assessment that covers all subsidiaries. Read more on page 40.

NOTE 4 Significant estimates and assessments

Accounting estimates and assessments are evaluated regularly. They are largely based on historical experience and other factors, including expectations about future events that are considered reasonable in the present circumstances. The Group makes judgements and assumptions concerning the future. These result in accounting estimates, which, by definition, rarely correspond with the actual outcome. Estimates and assumptions which involve considerable risk of material adjustments to the carrying amounts of assets and liabilities during the next financial year are described below.

The assumptions made in connection with goodwill impairment testing can be found in Note 16.

Inventories represents a significant item in the Group's balance sheet. At 31 December 2024, inventories amounted to SEK 2,803 million (2,857), net, after deductions for obsolescence of SEK 216 million (203).

The policies for recognising inventories are presented in Note 2.

The risk of obsolescence is taken into consideration in conjunction with establishing the value of inventories. Bufab applies a Group-wide policy for determining obsolescence, which considers to turnover rate of the individual items and forecast sales volumes. Accordingly, the size of the obsolescence reserve is thus sensitive to changes in forecast sales volumes.

Bufab has been ordered to carry out surveys of environmental pollutants at an industrial property. See also Note 31.

Right-of-use assets and lease liabilities represent a significant item in the Group's balance sheet. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

The policies for assessing option extensions are presented in Note 2.

In conjunction with acquisitions, Bufab sometimes agrees on contingent considerations. On 31 December 2024, the balance sheet included contingent considerations of SEK 149 million (228). These are conditional upon the acquired companies achieving a certain earnings growth over time. Liabilities in the balance sheet pertaining to contingent considerations reflect the management's best assessment of the outcome.

If the company performs better or worse than the management's assessment, the liabilities pertaining additional purchase considerations will be adjusted and the difference is recognised in profit or loss.

Further information about the Group's purchase considerations is presented in Note 27 and Note 33.

NOTE 5 Information on operating segments

Segment reporting is prepared in accordance with IFRS 8. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function that makes decisions about resources to be allocated to the operating segments and assesses their performance. For the Group, this function has been identified as Group management. As of January 1 2024, Bufab has a new reporting structure that will enable more effective governance of the Group. The new structure comprises five operational segments: Europe North&East, Europe West, Americas, UK/Ireland and Asia-Pacific. These segments are consistent with the internal reporting. Segment Europe North&East comprises Bufab's operations in Sweden, Finland, Norway, Denmark, Poland, Hungary, the Baltic States, Slovakia, Romania and a sourcing office in China. The operations mainly comprise trading companies, but also certain manufacturing of particularly demanding components. Segment Europe West comprises Bufab's operations in France, the Netherlands, Germany, the Czech Republic, Austria, Spain, Italy and Turkey and essentially comprises trading companies. Segment Americas comprises Bufab's operations in the US and Mexico and essentially comprises trading companies. Segment UK/Ireland comprises Bufab's operations in the UK and Ireland and essentially comprises trading companies. Segment Asia-Pacific comprises Bufab's operations in China, Singapore, India and other countries in Southeast Asia. Common overhead costs are distributed between the segments and are allocated on an arm's length basis. In Other, the Group's two sourcing companies report together with unallocated costs for the Parent Company and Group eliminations.

Group	North/East		West		Americas		UK/Ireland		Asia Pacific		Other		Sum	
Income items	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Net sales	3,103	3,428	1,861	1,951	1,028	1,182	1,586	1,676	457	443	0	0	8,035	8,680
Operating profit (EBITA)	**368**	440	**233**	245	**114**	177	**186**	133	**62**	64	**–4**	–15	**959**	1,043
Amortisation of acquisition-related intangible assets	**–21**	–22	–7	–7	–17	–17	–22	–21	–2	–2	—	—	–69	–69
Financial items	—	—	—	—	—	—	—	—	—	—	—	—	–196	–219
Profit after financial items	—	—	—	—	—	—	—	—	—	—	—	—	**695**	755
Taxes	—	—	—	—	—	—	—	—	—	—	—	—	–144	–181
Profit for the year	—	**—**	—	**—**	—	**—**	—	**—**	—	—	—	**—**	**551**	**574**
Non-current assets[2]	**390**	**522**	**206**	**148**	**169**	**160**	**406**	**357**	**17**	**21**	**14**	**13**	**1,202**	**1,221**

	2024		2023	
Geographic distribution of net sales and non-current assets	Net sales[1]	Non-current assets[2]	Net sales[1]	Non-current assets[2]
Sweden	1,402	123	1,641	293
Denmark	817	143	848	158
US	1,004	168	1,160	159
UK	1,586	406	1,676	356
Other	3,226	362	3,355	255
	8,035	**1,202**	**8,680**	**1,221**

[1] No single customer accounts for 10 percent or more of Group sales.
[2] Includes intangible assets and property, plant and equipment excluding Goodwill.

NOTE 6 Employees, personnel expenses and fees paid to directors and auditors

Average number of employees	2024	% Male	2023	% Male
Parent Company				
Sweden	1	100%	1	100%
Total	**1**	**100%**	**1**	**100%**
Subsidiaries				
UK	371	74%	370	72%
Sweden	339	67%	413	73%
North America	153	69%	180	69%
Denmark	131	74%	131	79%
Netherlands	119	75%	109	79%
Poland	93	56%	103	65%
France	80	53%	72	54%
Austria	72	69%	79	71%
Finland	52	75%	59	76%
China	49	41%	40	55%
Singapore	35	60%	42	55%
Czech Republic	31	65%	42	55%
India	30	73%	27	63%
Germany	28	71%	28	68%
Norway	18	89%	18	89%
Taiwan	17	24%	21	38%
Estonia	14	43%	15	47%
Slovakia	14	64%	13	62%
Hungary	11	73%	14	71%
Mexico	11	91%	12	92%
Spain	11	73%	11	73%
Romania	6	83%	7	71%
Other	38	71%	27	59%
Total, subsidiaries	**1 723**	**68%**	**1,833**	**70%**
GROUP TOTAL	**1 724**	**68%**	**1,834**	**70%**

Board and senior executives	2024	% Female	2023	% Female
Board	6	33%	6	33%
CEO and other senior executives	8	12,5%	7	14%

Salaries, employee benefits and social security fees	Parent Company		Subsidiaries		Group total	
	2024	2023	**2024**	2023	**2024**	2023
Salaries and benefits excluding bonuses, etc.	7.0	5.6	1,056.9	1,024.8	1,063.9	1,030.4
Bonuses, etc.	1.2	1.1	8.7	14.8	9.9	15.9
Total salaries and other remuneration	**8.2**	**6.7**	**1 065.6**	**1,039.6**	**1,073.8**	**1,046.3**
Social security fees, excluding pension costs	2.6	1.8	176.2	180.2	178.8	182.0
Pension costs	1.6	1.4	65.3	62.1	66.9	63.5
Total social security fees	**4.2**	**3.2**	**241.5**	**242.3**	**245.7**	**245.5**

Salaries and other remuneration categorised by country and among Board members and CEO (senior executives) and other employees	2024		2023	
	Management	Other employees	Management	Other employees
Parent Company				
Salaries and other remuneration, excl. bonuses etc.	7.0	—	5.6	—
Bonuses, etc.	1.2	—	1.1	—
Total Parent Company	**8.2**	**—**	**6.7**	**—**
Subsidiaries, Sweden				
Salaries and other remuneration, excl. bonuses etc.	16.5	194.3	14.5	209.3
Bonuses, etc.	3.0	—	5.3	—
Total subsidiaries, Sweden	**19.5**	**194.3**	**19.8**	**209.3**
Foreign subsidiaries				
Salaries and other remuneration, excl. bonuses etc.	59.3	786.8	60.8	740.2
Bonuses, etc.	5.7	—	9.5	—
Total foreign subsidiaries	**65.0**	**786.8**	**70.3**	**740.2**
Group total				
Salaries and other remuneration, excl. bonuses etc.	82.7	981.2	80.9	949.5
Bonuses, etc.	9.9	—	15.9	—
Group total	**92.6**	**981.2**	**96.8**	**949.5**

	2024				2023			
Group	Fee/ Basic salary	Variable remuneration	Other benefits/ remuneration	Pension	Fee/ Basic salary	Variable remuneration	Other benefits/ remuneration	Pension
Board of Directors								
Bengt Liljedahl	0.9				0.7	—	—	—
Per-Arne Blomquist	0.4				0.4	—	—	—
Hans Björstrand	0.3				0.3	—	—	—
Johanna Hagelberg	0.0				0.1	—	—	—
Anna Liljedahl	0.4				0.3	—	—	—
Eva Nilsagård	0.5				0.4	—	—	—
Bertil Persson	0.4				0.3	—	—	—
CEO								
Erik Lundén	5.4	1.2	1.6	1.6	4.5	1.1	1.1	1.4
Other senior executives, 7 (6) people.	18.2	3.3	2.4	5.7	14.4	3.6	1.4	4.7

The Chairman is paid fees as resolved by the Annual General Meeting (AGM). The AGM set the Chairman's fees at SEK 0.8 million (0.7). Other Board members shall receive a total of SEK 1.9 million (1.7) including fees for committee work. Remuneration for the CEO and other senior executives comprises basic salary, variable remuneration, other benefits and remuneration as well as pension. The term "senior executives" refers to the members of Group management.

The expensed variable remuneration received by the CEOs and other senior executives is based on the achievement of financial targets. For the CEOs, a basic salary of SEK 5.4 million (4.5), variable remuneration of SEK 1.2 million (1.1) and pension benefits of SEK 1.6 million (1.4) were expensed during the year. For other senior executives, basic salaries of SEK 18.2 million (14.4) and variable remuneration of SEK 3.3 million (3.6) were expensed. There were seven (six) other senior executives in 2024.

The CEO's retirement age is 65. Pension costs are premium based and correspond to 30 percent of basic salary paid. The company and the CEO have a mutual period of notice of 6 months (6). The retirement age for other senior executives is 65, and their pension costs are also premium based. The company and other senior executives have a maximum period of notice of 12 months when notice is initiated by the company and six months when initiated by the employee.

Note 6, cont.

Auditors' fees and remuneration	2024	2023
PricewaterhouseCoopers		
Audit assignment	9	9
– of which to Öhrlings PricewaterhouseCoopers AB	3	3
Audit activities in addition to audit assignment	1	0
– of which to Öhrlings PricewaterhouseCoopers AB	0	0
Tax advice	2	2
– of which to Öhrlings PricewaterhouseCoopers AB	1	1
Other services	4	2
– of which to Öhrlings PricewaterhouseCoopers AB	1	1
Total	**15**	**13**
Other auditors		
Auditing fees to others	4	3

Audit assignment refers to fees for the statutory audit, meaning the work that was necessary in order to submit the auditor's report, as well as audit advisory services provided in connection with the audit assignment. Other services primarily refers to due diligence assignments in conjunction with acquisitions.

NOTE 7 Types of costs

	2024	2023
Materials sourced, including costs of delivery	5 122	5,634
Salaries, including social security contributions	1 370	1,332
Depreciation	279	278
Other	507	518
Total operating expenses	**7,278**	**7,762**

NOTE 8 Other operating income

	2024	2023
Capital gain on sale of property, plant and equipment	10	3
Remeasurement of additional purchase considerations	11	18
Exchange-rate gains on operating receivables/liabilities	56	1
Government grants received	0	6
Other	54	28
Total other operating income	**131**	**56**

NOTE 9 Other operating expenses

	2024	2023
Exchange-rate losses on operating receivables/liabilities	–50	0
Remeasurement of additional purchase considerations	0	–96
Other	–18	–8
Total other operating expenses	**–68**	**–104**

NOTE 10 Depreciation/amortisation of non-current assets

	2024	2023
Depreciation/amortisation according to plan, by class of asset*		
Other intangible assets	–78	–78
Buildings	–118	–113
Plant and machinery	–18	–26
Equipment, tools and fixtures & fittings	–65	–61
Total depreciation/amortisation	**–279**	**–278**
Depreciation/amortisation according to plan, by function*		
Cost of goods sold	–73	–77
Distribution costs	–149	–147
Administrative expenses	–57	–54
Total depreciation/amortisation	**–279**	**–278**

* Depreciation/amortisation includes amortisation on right-of-use assets relating to leases. Refer to Note 19.

NOTE 11 Interest and similar income

	2024	2023
Exchange-rate differences	3	0
Interest income, other	10	15
Total	**13**	**15**

NOTE 12 Interest and similar expenses

	2024	2023
Interest expenses, lease liabilities	–19	–17
Interest expenses, other	–190	–214
Exchange-rate differences	0	–3
Other	–	–
Total	**–209**	**–234**

NOTE 13 Exchange-rate differences affecting profit/loss items

	2024	2023
Exchange-rate differences affecting operating profit	7	1
Exchange-rate differences on financial items	3	–3
Total	**10**	**–2**

NOTE 14 Tax on profit for the year

	2024	2023
Current tax		
Current tax for the year	–179	–192
Current tax for previous years	–5	–
Total	**–184**	**–192**
Deferred tax expense (–) / income (+)		
Deferred tax income on temporary differences	40	11
Total	**40**	**11**
Recognised tax expense	**–144**	**–181**

	2024	2023
Profit before tax	695	755
Tax according to Parent Company's applicable rate	–143	–156
Effect of foreign subsidiaries' tax rates	–36	–16
Effect of non-deductible expenses	–5	–2
Revaluation of loss carry-forwards/temp. differences	40	–7
Recognised tax expense	**–144**	**–181**
Effective tax rate	20.7%	24%

NOTE 15 Earnings per share

	2024	2023
Profit after tax	551	574
Estimated average number of ordinary shares outstanding before dilution	37,878	37,825
Earnings per share before dilution, SEK	**14.57**	**15.17**
Estimated average number of ordinary shares outstanding after dilution	38,063	38,157
Earnings per share after dilution, SEK	**14.50**	**15.03**

NOTE 16 Intangible assets

	Goodwill		Other intangible assets	
	31 Dec 2024	31 Dec 2023	**31 Dec 2024**	31 Dec 2023
Accumulated cost				
At beginning of year	2,895	2,911	722	725
New purchases for the year	304	0	8	5
Reclassifications	5	—	6	5
New purchases through acquisitions	9	0	6	0
Divestments and disposals	–26	—	–1	–8
Exchange-rate differences for the year	158	–16	46	–5
At year-end	**3,345**	**2,895**	**787**	**722**
Accumulated amortisation according to plan and impairments				
At beginning of year	–53	–54	–278	–212
Amortisation according to plan for the year	—	—	–78	–78
New purchases through acquisitions	–2	—	–5	—
Divestments and disposals	24	—	1	8
Amortisation in acquired companies	—	—	–1	—
Exchange-rate differences for the year	–5	1	–18	4
At year-end	**–36**	**–53**	**–379**	**–278**
Carrying amount at beginning of period	2,842	2,857	444	513
Carrying amount at end of period	3,309	2,842	408	444

Bufab tests goodwill for impairment requirements on an annual basis.

The Group's goodwill has been allocated to its lowest cash-generating units. This means that SEK 1,214 million (1,197) is attributable to Segment Europe North & East, SEK 554 million (233) to Segment Europe West, SEK 711 million (649) to Segment Americas and SEK 727 million (665) to Segment UK/Ireland and SEK 96 (90) million to Segment Asia-Pacific.

Segment Europe North & East comprises two cash-generating unit with goodwill of SEK 1,073 million (1,063) and SEK 141 (134) million. Segment Europe West comprises one cash-generating unit with goodwill of SEK 554 million (233). Segment Americas comprises one cash-generating unit with goodwill of SEK 711 million (649). Segment UK/Ireland comprises one cash-generating unit with goodwill of SEK 727 million (665). Segment Asia-Pacific comprises one cash-generating unit with goodwill of SEK 96 million (90).

Acquired units are integrated into Bufab's business model and exposed to similar business risks. The recoverable amount for the cash-generating units was determined by calculating the value in use by way of discounting future cash flows. The calculations were based on the company's budget and financial plans for 2025–2027, as approved by executive management and the Board. The plans for these years are detailed. The key components of cash flow are sales, gross margin and the various operational costs as well as investments in working capital and non-current assets. The growth assumptions presented in the budget and financial plans during the forecast period is based on the Group's past organic growth and performance in the market segments in which Bufab is active. Since the operations are deemed to be in a phase that is representative for the long perspective, the third year of the financial plan is extrapolated with an estimated growth rate and inflation rate of 2 percent (2). Expected future cash flows according to these assessments form the basis for the estimates. Changes in working capital and investment needs were also taken into account.

The present value of the forecast cash flow was calculated using the following discount rates; Segment Europe North & East 10.4 percent (9.9) and 12.6 (17.1) respectively, Segment Europe West 11.9 percent (10.4), Segment Americas 10.6 (10.8), Segment UK/Ireland 10.5 percent (11.0) and Segment Asia-Pacific 11.0 percent (12.7) after tax. Impairment testing was conducted in conjunction with the annual accounts on 31 December 2024 and was addressed by the company's Board. No impairment requirement was indicated in this test. Executive management conducted a number of calculations based on reasonable potential changes in significant assumptions concerning the discount rate, growth and gross margins. A change in the discount rate with +2 percent after tax would not result in any impairment requirement of the Group's recognised goodwill. The Group's budget and business plans during the forecast period include increases in sales, gross margin, earnings and cash flow, but even an assumption of growth of 0 percent would not result in any need for impairment of goodwill.

NOTE 17 Property, plant and equipment

	Land and buildings		Plant and machinery		Equipment, tools and fixtures & fittings	
	31 Dec 2024	31 Dec 2023	**31 Dec 2024**	31 Dec 2023	**31 Dec 2024**	31 Dec 2023
Accumulated cost						
At beginning of year	46	40	380	374	451	436
New purchases for the year	3	0	5	13	45	33
New purchases through acquisitions	4	0	0	0	36	0
Divestments and disposals	–6	—	–373	–12	–66	–17
Reclassifications	3	6	28	6	–4	1
Exchange-rate differences for the year	4	0	3	–1	22	–2
At year-end	**54**	**46**	**43**	**380**	**484**	**451**
Accumulated depreciation according to plan						
At beginning of year	–22	–18	–273	–261	–344	–329
Divestments and disposals	—	—	289	12	57	16
Amortisation according to plan for the year	–5	–4	–17	–25	–31	–32
Reclassifications	—	—	—	—	1	0
Amortisation in acquired companies	—	0	—	0	0	0
Exchange-rate differences for the year	1	0	–2	1	–42	1
At year-end	**–26**	**–22**	**–3**	**–273**	**–359**	**–344**
Carrying amount at beginning of period	**24**	**22**	**107**	**113**	**107**	**107**
Carrying amount at end of period	**28**	**24**	**40**	**107**	**125**	**107**

NOTE 18 Work in progress and advances for non-current assets

	Immateriella anläggningstillgångar		Materiella anläggningstillgångar	
	31 Dec 2024	31 Dec 2023	**31 Dec 2024**	31 Dec 2023
At beginning of year	3	3	28	10
Exchange-rate differences for the year	—	—	1	—
Reclassifications	–3	–3	–32	–15
Divestments and disposals	–1	0	–1	–
Investments	7	3	11	33
Carrying amount at end of period	**7**	**3**	**7**	**28**

NOTE 19 Right-of-use assets and lease liabilities

	2024	2023
Properties	483	440
Machinery	0	0
Equipment and other	30	22
Vehicles	70	42
Total assets with right-of-use	**583**	**503**
Lease liabilities		
Current	161	140
Non-current	451	398
Total lease liabilities	**612**	**538**

In 2024, additional right-of-use assets amounted to SEK 239 million (111), SEK 28 million (0) of which from company acquisitions.

Renegotiated contracts or option extensions exercised have had an impact on right-of-use assets and lease assets of SEK 3 million (54). Deferred tax liabilities pertaining to right-of-use assets on 31 December 2024 amounted to SEK 132 million (113) and deferred tax assets pertaining to lease liabilities amounted to SEK 138 million (120).

For information about the interest expense and duration of the leases, see Notes 12 and Note 3, respectively.

REPORTED AMOUNT IN INCOME STATEMENT

The amounts related to leases recognised in the income statement were as follows:

	2024	2023
Amortisation of right-of-use assets		
Properties	–114	–109
Machinery	0	0
Equipment and other	–9	–10
Vehicles	–25	–19
Total amortisation of right-of-use assets	**–148**	**–138**

NOTE 20 Other non-current receivables

	31 Dec 2024	31 Dec 2023
Accumulated cost		
At beginning of year	10	8
Investments for the year	4	2
Exchange-rate differences	—	—
Carrying amount at year-end	**14**	**10**

NOTE 21 Past-due receivables

	31 Dec 2024	31 Dec 2023
Number of days past due		
30–90 days	65	70
91–180 days	8	17
181–360 days	4	3
More than 360 days	7	4
Carrying amount at year-end	**84**	**94**
Provision in balance sheet for doubtful debts	16	13

Bad debt losses	2024	2023
Costs of bad debt losses affecting profit for the year	2	4
Total	**2**	**4**

Over the past five years, realised bad debt losses amount to approximately 0.1 percent of each year's net sales.

NOTE 22 Prepaid expenses and accrued income

	31 Dec 2024	31 Dec 2023
Rent	13	14
Insurance	9	5
Licences	13	14
Other prepaid expenses	45	62
Carrying amount at year-end	**80**	**95**

NOTE 23 Equity

For a specification of the number of shares outstanding, refer to Note 9 for the Parent Company.

NOTE 24 Pension obligations, interest-bearing

	31 Dec 2024	31 Dec 2023
FPG/PRI	23	20
Retirement pension, foreign companies	30	15
Total	**54**	**35**

The assumptions in the table below are used to measure the pension obligation under defined-benefit pension plans.

	Sweden	
	31 Dec 2024	31 Dec 2023
Discount rate	3,0%	3,8%
Rate of salary increase[1)]	—	—
Inflation	1,8%	1,6%

	Övriga länder	
	31 Dec 2024	31 Dec 2023
Discount rate	2,13%	3.3%
Rate of salary increase	2,35%	3.3%
Inflation	0,68%	0.5%

[1)] In the Swedish companies, the FPG/PRI pension plans are closed. The benefits are instead financed through insurance with Alecta. This assumption is not used for this reason.

NOTE 24 Pension obligations, interest-bearing, cont.

Total pension costs recognised in profit or loss (SEK million).	2024	2023
Costs relating to defined-benefit plans:		
Service costs for current year	0	0
Interest on obligations	1	1
Costs relating to defined-benefit plans	1	1
Costs relating to defined-contribution plans	49	61
Total costs recognised in profit or loss	**50**	**62**

Post-employment benefits are settled mainly by payments to insurance companies or agencies which then assume the obligations to the employees (defined-contribution pensions). The remainder are settled under defined-benefit plans, meaning that the obligations remain in the Bufab Group. The largest defined-benefit plan is in Sweden (FPG/PRI). The company's costs and the value of the outstanding obligations under defined-benefit plans are measured using actuarial calculations designed to determine the present value of the obligations. Interest and the expected return are classified as finance costs.

Other expense items are recognised in operating profit under cost of goods sold, distribution costs or administrative expenses, depending on the employee's function.

NOTE 25 Deferred tax assets and deferred tax liabilities

	31 Dec 2024		31 Dec 2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Machinery and equipment	—	8	—	17
Tax allocation reserve	—	21	—	20
Intangible assets	—	90	—	100
Other	26	5	22	–5
Loss carry-forwards	3	—	—	—
Total	**29**	**123**	**22**	**135**

Tax-loss carry-forwards are recognised as deferred tax assets insofar as it is probable that they can be credited against future taxable profits. According to current plans, all companies' earnings in the coming years will enable the Group to utilise the recognised tax asset that exists.

The Group has no significant loss carry-forwards that were not taken into account in its financial statements. The provision for deferred tax for intangible assets is attributable to the tax effect of consolidated remeasurement of assets to fair value.

NOTE 26 Non-current interest-bearing liabilities

	31 Dec 2024	31 Dec 2023
Amount of liability items expected to be settled one–five years after balance-sheet date	3,212	3,311
Amount of liability items expected to be settled more than five years after balance-sheet date	—	—
Total	**3,212**	**3,311**

Of the Group's non-current interest-bearing liabilities, SEK 2,739 million (2,896) stem from credit from Svenska Handelsbanken and SEB and the remaining amount from other credit institutions and interest-bearing lease liabilities. Bufab's total credit facility with Svenska Handelsbanken and SEB amounts to SEK 4,000 million and the maturity period was extended during the financial year until July 2026.

The Group must fulfil specific borrowing terms (covenants) required by external creditors, comprising the ratio between operating profit before depreciation/amortisation and impairment, and net debt. These covenants were fulfilled throughout the financial year. On the balance-sheet date, the average interest rate on the Group's non-current liabilities was 5.0 percent (5.6).

NOTE 27 Liabilities relating to additional purchase considerations

	2024	2023
Carrying amount at beginning of year	280	826
Additional purchase considerations for acquired companies	257	0
Paid additional purchase considerations for acquired companies	–178	–648
Remeasurement of liability for additional purchase considerations	11	78
Exchange-rate fluctuations	–46	24
Carrying amount at year-end	**324**	**280**
– of which recognised as "Other current liability"	93	230
– of which recognised as "Other non-interest-bearing liabilities"	231	50

Additional purchase considerations are related to acquisitions carried out in 2017–2024. For more information, see Note 33. Liabilities relating to additional purchase considerations are remeasured on an ongoing basis by management at an estimated fair value based on the acquired companies' earnings performance, established budget and business plans and forecasts. This means that the measurement of fair value is essentially based on unobservable input data (Level 3 according to the definition in IFRS 13).

Total additional purchase considerations outstanding amounted to SEK 324 million (280) on 31 December 2024, of which SEK 175 million (52) is unconditional and SEK 149 million (228) contingent considerations. Liabilities for additional purchase considerations are, in all material respects, in USD and EUR. The additional purchase considerations recognised as a liability fall due for payment between 2025 and 2029.

NOTE 28 Pledged assets

	31 Dec 2024	31 Dec 2023
Floating charges	0	0
Shares in subsidiaries	0	0
Total	**0**	**0**

In conjunction with the Group's refinancing in 2021, the process began to release the international collateral package pledged for the obligations under the earlier credit agreement. This process was completed in the first quarter of 2022. For the obligations under the new credit agreement, no collateral is issued.

NOTE 29 Overdraft facilities

	31 Dec 2024	31 Dec 2023
Credit limit granted	448	300
Unutilised portion	–127	–172
Credit amount utilised	**321**	**128**

NOTE 30 Accrued expenses and deferred income

	31 Dec 2024	31 Dec 2023
Accrued salaries incl. holiday pay	109	117
Accrued social security contributions	23	29
Accrued expenses from contracts with customers	23	26
Other items	128	116
Total	**284**	**288**

NOTE 31 Contingent liabilities

	31 Dec 2024	31 Dec 2023
Environment	30	30
Other contingent liabilities	5	5
Total	**35**	**35**

ENVIRONMENT

In accordance with an injunctive order, the company conducted environmental investigations at a property where a former subsidiary had been engaged in manufacturing until 1989, which was prior to the company being acquired by Bufab. The investigations revealed traces of environmental pollution. In light of the investigations performed, it is probable that the former subsidiary's operations caused the pollution at this property. The legal and technical experts engaged in this case believe that it is probable that the municipality will order the former subsidiary to carry out remediation measures, although the extent of these measures is not known.The subsidiary was divested during 2024 and it was agreed that the environmental issue mentioned above should continue to be Bufab's responsibility.

On the termination of a lease agreement in 2013, Bufab also conducted an environmental investigation at another property. In order to obtain an overview of environmental issues relevant to the Group, Bufab also conducted an environmental audit in 2013, and where necessary an environmental engineering survey, of all properties where Bufab has previously engaged in manufacturing. The investigations have shown traces of pollution in two additional cases. If any link were established between this pollution and Bufab's operations, it would be the result of working and production methods that ceased to be used in the 1980s or earlier. Based on the investigations, it is Bufab's assessment that the identified pollution may have been caused by activities conducted by parties other than Bufab. However, the legal liability issue is difficult to assess and it is not inconceivable that Bufab could be required to implement remediation measures. During the year, meetings were held with relevant authorities and the assessment is that further investigations may need to be conducted in the next few years at the initiative of Bufab or other parties. Having consulted technical and legal experts based on the information available when the financial report was issued, it is Bufab's assessment that the total cost of potential remediation measures arising from the identified environmental pollution will not exceed a total of SEK 30 million during the next decade.

NOTE 32 Related-party transactions

Related parties to the Bufab Group are primarily the senior executives. Remuneration of senior executives is presented in Note 6.

NOTE 33 Acquisitions, divestments and discontinued operations

2024

On 26 November 2024, all shares in VITAL S.p.A, a distributor of C-parts, were acquired. The company is based in Milan, Italy. The purchase consideration amounted to SEK 624 million, of which SEK million 129 is conditional. Unconditional purchase price amounted to SEK 495 million whereof SEK 367 million was paid upon acquisition date and SEK 128 million is deferred purchase price and is due for payment during 2025 and 2026. The conditional purchase price consideration, which is performance based (a so-called earn-out) and comprises a maximum of SEK 129 million, can be paid during the period 2025–2028 and is contingent upon the acquired company's future operating profit performance.

VITAL S.p.A. is included in Bufab's Region Europe West. Transaction costs resulting from the acquisition are estimated at SEK 8 million. From the date of its acquisition, the acquired company contributed SEK 36 million and SEK 7 million to the Group's revenues and profit before tax, respectively. If the acquisition had occurred on 1 January 2024, the Group's revenues and profit before tax at 31 December 2024 would have amounted to SEK 524 million and SEK 97 million, respectively.

Preliminary acquisition calculation for VITAL S.p.A	Fair value
Intangible assets	9
Other non-current assets	47
Inventories	150
Other current assets	208
Cash and cash equivalents	20
Deferred tax liabilities	–2
Other liabilities	–114
Acquired net assets	**318**
Goodwill	306
Purchase consideration[1)]	624
Less: cash and cash equivalents in acquired operations	–20
Less: deferred purchase consideration	–128
Less: conditional purchase consideration	–129
Effect on the Group's cash and cash equivalents	**347**

[1)] The consideration is stated excluding acquisition expenses.

Goodwill arising in connection with the acquisition is attributable to the knowledge accrued in the acquired company and the established and consolidated market positions and the anticipated profitability related to it.

DIVESTMENTS

During the second quarter of 2024 Bufab Lann AB and Hallborn Metall AB were divested. The purchase consideration for the divested shares amounted to SEK 230 million on cash-free/debt-free basis. The sale had an impact of SEK 11 million on the group's profit and SEK 110 million on cashflow.

2023

The Group completed no acquisitions during the 2023 financial year.

NOTE 34 Incentive programme

INCENTIVE PROGRAMME 2024–2027

The Annual General Meeting on 25 April 2024 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 210,000 call options, corresponding to approximately 0.6 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 90.87, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2027–15 November 2027. The purchase price per share is SEK 436.17 corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 8 May 2024–15 May 2024. During the period, a total of 45,300 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in June 2027, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 210,000 shares in the company, and approved the transfer of a maximum of 210,000 of the company's shares to the participants of the programme. During the year, 45,300 shares were repurchased for the equivalent of SEK 17 million.

INCENTIVE PROGRAMME 2023–2026

The Annual General Meeting on 20 April 2023 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 210,000 call options, corresponding to approximately 0.6 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 92.90, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2026–15 November 2026. The purchase price per share is SEK 407.49, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 8 May 2023–12 May 2023. During the period, a total of 57,400 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in June 2026, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 200,000 shares in the company, and approved the transfer of a maximum of 200,000 of the company's shares to the participants of the programme. During the year, 57,400 shares were repurchased for the equivalent of SEK 21 million.

INCENTIVE PROGRAMME 2022–2025

The Annual General Meeting on 21 April 2022 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 200,000 call options, corresponding to approximately 0.5 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 60.84, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2025–15 November 2025. The purchase price per share is SEK 331.96, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 5 May 2022–11 May 2022. During the period, a total of 102,850 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in June 2025, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 200,000 shares in the company, and approved the transfer of a maximum of 200,000 of the company's shares to the participants of the programme. No shares were repurchased during the year.

INCENTIVE PROGRAMME 2021–2024

The Annual General Meeting on 20 April 2021 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 350,000 call options, corresponding to approximately 0.9 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 45.98, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2024–15 November 2024. The purchase price per share is SEK 261.25, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 4 May 2021–10 May 2021. During 2021, a total of 90,070 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in 2024, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 350,000 shares in the company, and approved the transfer of a maximum of 350,000 of the company's shares to the participants of the programme. No shares were repurchased during 2021.

INCENTIVE PROGRAMME 2020–2023

The Annual General Meeting on 21 April 2020 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 350,000 call options, corresponding to approximately 0.9 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 12.12, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2023–15 November 2023. The purchase price per share is SEK 90.20, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 5 May 2020–11 May 2020. During 2020, a total of 258,450 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in 2023, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 350,000 shares in the company, and approved the transfer of a maximum of 350,000 of the company's shares to the participants of the programme. No shares were repurchased during 2020.

INCENTIVE PROGRAMME 2019–2023

The Annual General Meeting on 25 April 2019 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 350,000 call options, corresponding to approximately 0.9 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 9.04, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 August 2022–15 February 2023. The purchase price per share is SEK 109.96, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 14 August 2019 and 20 August 2019. During 2019, a total of 306,000 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in 2023, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 350,000 shares in the company, and approved the transfer of a maximum of 350,000 of the company's shares to the participants of the programme. During 2019, 302,252 shares were repurchased for the equivalent of SEK 31 million.

	2024		2023	
	Average exercise price per call option	No. of options	Average exercise price per call option	No. of options
On 1 January	353,45	250,320	151.09	578,620
Allocated during the year	90,87	45,300	92.90	57,400
Redeemed / bought back during the year	45,98	–90,070	9.04	–127,250
Redeemed / bought back during the year	—	—	12.12	–258,450
Forfeited during the year	—	—	—	—
On 31 December	**430,31**	**205,550**	**353.45**	**250,320**

Incentive programme	Date of allotment	Maturity date	Exercise price	Stock options on 31 December 2024	No. of options on 31 December 2023
Incentive programme 2024–2027	15 May 2024	15 November 2027	436,17	45,300	—
Incentive programme 2023–2026	12 May 2023	15 November 2026	407.79	57,400	57,400
Incentive programme 2022–2025	11 May 2022	15 November 2025	331.96	102,850	102,850
Incentive programme 2021–2024	10 May 2021	15 November 2024	261.25	—	90,070
Incentive programme 2020–2023	11 May 2020	15 November 2023	90.20	—	—
Incentive programme 2019–2023	15 August 2019	15 February 2023	109.96	—	—
Total				**205,550**	**250,320**

Participant subsidy (gross salary bonus)	**2024**	2023
Cost of participant subsidy	3	4
Total	**3**	**4**

NOTE 35 Events after the end of the financial year

No material events have occurred after the balance-sheet date.

NOTE 36 Changes to borrowings

NET DEBT

Net debt is an expression of how large the financial borrowing is in the company in absolute figures after deductions for cash and cash equivalents.

SEK million	31 Dec 2024	31 Dec 2023
Non-current interest-bearing liabilities, excluding lease liabilities	2,815	2,948
Non-current interest-bearing lease liabilities	451	398
Current interest-bearing liabilities, excluding lease liabilities	153	131
Current interest-bearing lease liabilities	161	140
Less: Cash and cash equivalents	–211	–218
Less: other interest-bearing receivables	—	—
Net debt on balance-sheet date	**3,369**	**3,399**

SEK million	Cash and cash equivalents	Lease liabilities	Borrowings	Interest-bearing pension provisions	Total
Net debt on 1 January 2023	**322**	–488	–3,564	–32	–3,762
Cash flow	–101	150	486	—	535
Acquisitions/new contracts	—	–157	—	—	–157
Revaluation	—	–57	—	–3	–60
Exchange-rate differences	–3	14	34	—	45
Net debt on 31 December 2023	**218**	–538	–3,044	–35	–3,399

SEK million	Cash and cash equivalents	Lease liabilities	Borrowings	Interest-bearing pension provisions	Total
Net debt on 1 January 2024	**218**	–538	–3,044	–35	–3,399
Cash flow	–16	155	274	—	413
Acquisitions/new contracts	—	–239	—	—	–239
Revaluation	—	–16	–144	–19	–179
Exchange-rate differences	9	26	—	—	35
Net debt on 31 December 2024	**211**	–612	–2,914	–54	–3,369

NOTE 37 Hedge of net assets in foreign currency

The Group hedges portions of its net assets in foreign operations by borrowing in foreign currency with the aim of reducing the impact of currency exposure on the Group's equity. During the year, no ineffectiveness was noted in hedging net investments in foreign operations.

Hedged net investments in foreign operations in EUR		31 Dec 2024
Reported amount bank loans	SEK million	368
Reported amount in hedged currency	EUR million	32
The hedged amount is substantially lower than the maximum hedgeable amount		
Changes to the loan's carrying amount due to fluctuations in currency during the year		–3
Changes to the hedged item's carrying amount due to fluctuations in currency during the year		3

Hedged net investments in foreign operations in EUR		31 Dec 2023
Reported amount bank loans	SEK million	166
Reported amount in hedged currency	EUR million	15
The hedged amount is substantially lower than the maximum hedgeable amount		
Changes to the loan's carrying amount due to fluctuations in currency during the year		7
Changes to the hedged item's carrying amount due to fluctuations in currency during the year		–7
Hedged net investments in foreign operations in GBP		
Reported amount bank loans	SEK million	76
Reported amount in hedged currency	GBP million	6
The hedged amount is substantially lower than the maximum hedgeable amount		
Changes to the loan's carrying amount due to fluctuations in currency during the year		4
Changes to the hedged item's carrying amount due to fluctuations in currency during the year		–4

Parent Company income statement

SEK million	Note	2024	2023
Administrative expenses	2	–25	–20
Other operating income		8	11
Operating loss	2	**–17**	**–9**
Profit from financial items			
Interest and similar income	3	0	1
Interest and similar expense	4	–2	0
Earnings from shares in Group companies	5	190	150
Profit after financial items		**171**	**142**
Appropriations	6	35	98
Tax on profit for the year	7	–5	–20
PROFIT FOR THE YEAR		**201**	**220**

[1] Profit in its entirety is attributable to Parent Company shareholders.

Statement of comprehensive income

SEK million	Note	2024	2023
Profit after tax		201	220
Other comprehensive income		—	—
Total comprehensive income		**201**	**220**

Parent Company balance sheet

SEK million	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	8	845	845
Total financial assets		845	845
Other non-current assets			
Other non-current receivables		2	1
Total non-current assets		**847**	**846**
Current assets			
Current receivables			
Receivables from Group companies		354	372
Other receivables		19	4
Total current receivables		**373**	**376**
Cash and bank balances		0	0
Total current assets		**373**	**376**
Total assets		**1,220**	**1,222**

SEK million	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity	9		
Restricted equity			
Share capital		1	1
Premium fund		488	488
Unrestricted equity			
Retained earnings		433	407
Profit for the year		201	220
Total equity		**1,123**	**1,116**
Untaxed reserves	10	**82**	**97**
Non-current liabilities		2	1
Current non-interest-bearing liabilities			
Trade payables		1	1
Liabilities to Group companies		0	0
Accrued expenses and deferred income	11	12	7
Total current non-interest-bearing liabilities		**13**	**8**
TOTAL EQUITY AND LIABILITIES		**1,220**	**1,222**

Parent Company statement of changes in equity

SEK million	Share capital	Premium fund	Retained earnings	Total equity
Equity on 1 January 2023	1	488	584	1,073
Other comprehensive income	**—**	**—**	**220**	**220**
Transactions with shareholders				
Issued call options	—	—	5	5
Redemption of call options	—	—	19	19
Repurchase of own shares	—	—	–21	–21
Dividend to Parent Company shareholders	—	—	–180	–180
Total transactions with shareholders	**0**	**0**	**–177**	**–177**
Equity on 31 December 2023	**1**	**488**	**627**	**1,116**
Other comprehensive income	**—**	**—**	**201**	**201**
Transactions with shareholders				
Issued call options	—	—	4	4
Redemption of call options	—	—	8	8
Repurchase of own shares	—	—	–17	–17
Dividend to Parent Company shareholders	—	—	–189	–189
Total transactions with shareholders	**0**	**0**	**–194**	**–194**
Equity on 31 December 2024	**1**	**488**	**634**	**1,123**

Parent Company cash-flow statement

SEK million	Note	31 Dec 2024	31 Dec 2023
Operating activities	2		
Loss before financial items		–17	–9
Income tax paid		–19	–20
Cash flow from operating activities before changes in working capital		–36	**–29**
Cash flow from changes in working capital			
Increase (–) / decrease (+) in operating receivables		–56	–32
Increase (+) / decrease (–) in operating liabilities		–4	–12
Cash flow from operating activities		**–96**	**–73**

SEK million	Note	31 Dec 2024	31 Dec 2023
Financing activities			
Dividends		–189	–180
Issued call options		4	5
Repurchase of own shares		–17	–21
Redemption of call options		8	19
Group contributions paid		100	100
Dividends received		190	150
Cash flow from financing activities		**96**	**73**
Cash flow for the year		0	0
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at year-end		**0**	**0**

Notes to Parent Company financial statements

All amounts are in SEK million unless otherwise specified. The figures in brackets indicate the preceding year's values.

NOTE 1 Summary of key accounting policies

The Parent Company applies the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Under the recommendation, the parent of a group which has voluntarily elected to apply IFRS/IAS in its consolidated financial statements is, as a general rule, to apply the IFRS/IAS that are applied in the Group.

The Parent Company's participations in Group companies are recognised using the cost method. Distributions received are only recognised as revenue if they are derived from post-acquisition earnings. Distributions received in excess of such earnings are regarded as a recovery of investment and are recognised as a reduction of the carrying amount of the investment.

Shareholders' contributions are recognised directly in the recipient's equity and are capitalised in the issuer's shares and participating interests, to the extent that impairment is not required. Group contributions are recognised as appropriations in profit or loss.

NOTE 2 Employees, personnel expenses and fees paid to directors and auditors

The company has one (one) employee.

Average number of employees	2024	2023
Female	—	—
Male	1	1
Total	**1**	**1**

	2024		2023	
Salaries, employee benefits and social security fees	Salaries and benefits	Social security fees	Salaries and benefits	Social security fees
Salaries and remuneration to Board and CEO	7,0	4,2	6.7	3.2
(of which bonuses, etc.)	1,2		1.1	
(of which pension cost, defined-contribution plans)		1,6		1.4
Total	**8,2**	**4,2**	**6.7**	**3.2**

Sickness absence information is not disclosed since the Parent Company has fewer than ten employees.

Auditors' fees and remuneration	2024	2023
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	2	1
Other services	0	0

Audit assignment refers to fees for the statutory audit, meaning the work that was necessary in order to submit the auditor's report, as well as audit advisory services provided in connection with the audit assignment.

NOTE 3 Interest and similar income

	2024	2023
Interest income, group companies	0	1
Total	**0**	**1**

NOTE 4 Interest and similar expenses

	2024	2023
Interest expenses, group companies	–2	0
Total	**–2**	**0**

NOTE 5 Earnings from shares in Group companies

	2024	2023
Dividend	190	150
Total	**190**	**150**

NOTE 6 Appropriations

	2024	2023
Reversal of tax allocation reserve, 2017 tax year	—	28
Reversal of tax allocation reserve, 2019 tax year	21	—
Transfers to tax allocation reserve, 2024 tax year	—	–30
Transfers to tax allocation reserve, 2025 tax year	–6	—
Group contributions received	20	100
Group contributions paid	—	—
Total	**35**	**98**

NOTE 7 Tax on profit for the year

	2024	2023
Current tax		
Current tax for the year	–5	–20
Current tax for previous years	—	—
Total	–5	**–20**

Reconciliation of effective tax	2024	2023
Profit before tax	205	240
Tax according to Parent Company's applicable rate	–42	–49
Effect of non-taxable income	39	31
Effect of non-deductible expenses	–2	–1
Tax for previous years	—	—
Recognised effective tax	**–5**	**–20**

NOTE 8 Participations in Group companies

	31 Dec 2024	31 Dec 2023
Accumulated cost		
At beginning of year	845	845
Total cost	**845**	**845**
Carrying amount at end of period	**845**	**845**

Specification of Parent Company's and Group's holdings of shares in Group companies Subsidiary / Corp. Reg. No. / registered office	Holding[1], %	**31 Dec 2024** Carrying amount	31 Dec 2023 Carrying amount
Bufab International AB, 556194-4884, Värnamo, Sweden	100%	845	845
Industries Bufab de Mexico S.A. de C.V., IBM170911RV6, Mexico	100%		
Bufab USA Holding Inc, 84-4059868, Delaware, US	100%		
American Bolt & Screw Mfg Corp, 11-2328266, Ontario, US	100%		
American Bolt de Mexicos S de RL de VC, ABM15061878A, Mexico	100%		
Component Solutions Group Inc, 31-1563590, Dayton, US	100%		
Perlane Sales Inc, 34-1619036, Stow, US	100%		
A-1 Fastener Inc, 31-1704462, Dayton, US	100%		
Blue Grass Manufacturing II LLC, 84-2454553, Lexington, US	100%		
Bufab Ireland Ltd, NI061428, Lisburn, UK	100%		
Montrose Holdings Ltd, 09731597, High Wycombe, UK	100%		
Bufab (UK) Ltd, 02646431, High Wycombe, UK	100%		
Apex Stainless Holdings Ltd, 08403986, Rugby, UK	100%		
Apex Stainless Fasteners Ltd, 02631068, Rugby, UK	100%		
Bufab UK Holdings Ltd, 13941159, High Wycombe, UK	100%		
T I Midwood & Co Ltd, 03360713, Nantwich, UK	100%		
Bufab DK Holdings ApS, 40546529, Herning, Denmark	100%		
HT Bendix A/S, 34215685, Herning, Denmark	100%		
Pajo Bolte A/S, 10221994, Hobro, Denmark	100%		
Bufab Sweden AB, 556082-7973, Värnamo, Sweden	100%		
Tilka Trading AB, 556380-7147, Mönsterås, Sweden	100%		
Bufab Norge AS, 876612062, Oslo, Norway	100%		
Bufab Finland Oy, 2042801-2, Kerava, Finland	100%		
Magnetfabriken AB, 559010-5614, Västerås, Sweden	100%		
Rudhäll Industri AB, 556265-0993, Gnosjö, Sweden	100%		
Rudhall Trading (Ningbo) Co Ltd, 91330200583973663Y, Ningbo, China	100%		
Bumax AB, 556176-1957, Åshammar, Sweden	100%		
Bufab Taiwan Company Limited, 29002549, Kaohsiung City, Taiwan	100%		
Bufab Supply Chain Management (Ningbo) Co Ltd, 91330211MA2GT0YF2E, Ningbo, China	100%		
Bufab Germany GmbH, HRB 54654, Mörfelden-Walldorf, Germany	100%		
Bufab Austria GmbH, FN 266844, Wien, Austria	100%		
Jenny I Waltle GmbH, FN 553747, Frastanz, Austria	100%		
Bufab CZ Sro, 25561260, Brno, Czech Republic	100%		
Bufab Spain SLU, ESB08464430, Barcelona, Spain	100%		
Bufab France SAS, 353237431, Corbas, France	100%		
VITAL S.p.A, 10202250154, Pioltello, Italy	100%		
Bufab Flos B.V., 17062762, Eindhoven, Netherlands	100%		
Bufab Poland Spzoo, KRS 0000036164, Gdansk, Poland	100%		
CDA Polska Spzoo Spk, KRS 0000491876, Wrocław, Poland	100%		
Bufab Hungary Kft, 13-09-143460, Budaörs, Hungary	100%		
Bufab Baltic OU, 11242462, Hüüru, Estonia	100%		
Bufab Slovakia Sro, 31639291, Banska Bystrica, Slovakia	100%		
Bufab International AB Merkezi Isvec Türkiye Istanbul Subesi, 688311, Istanbul, Türkiye	100%		
Bufab Romania SRL, J12/899/2009, Apahida Cluj, Romania	100%		
Bufab India Fasteners PVT Ltd, U29299PN2008PTC131481, Pune, India	100%		
Bufab Fasteners Trading (Shanghai) Co Ltd, 91310000717861385U, Shanghai, China	100%		
Kian Soon Mechanical Components PTE Ltd, 198703945H, Singapore, Singapore	100%		
Puresys PTE Ltd, 201210504E, Singapore, Singapore	100%		
PT Kian Soon Hardware, 9120208151864, Batam, Indonesia	100%		
Kian Soon Mechanical Components Co Ltd, 0105557000304, Samut Prakarn Thailand	100%		
Kian Soon Mechanical Components Philippines Inc, 2020080001302-02, Cavite Philippines	100%		
		845	**845**

[1] Ownership of capital, which also corresponds to the percentage of votes for the total number of shares

NOTE 9 Equity

A total of 38,110,533 ordinary shares were issued on the balance-sheet date. The shares had a quotient value of SEK 0.01436 on the balance-sheet date. All issued shares have been paid for in full. On 31 December 2024, Bufab had 213,400 repurchased shares held in treasury.

In accordance with the Group's financial targets, as adopted by Bufab's Board of Directors, the regular dividend to shareholders is to correspond to about 30–60 percent of the Group's profit after tax during the year. Exemptions are permissible in exceptional circumstances. The Bufab Group's capital requirements, its profit, financial position, capital requirement, covenants and the prevailing cyclical conditions must also be taken into account. No change has taken place in the Parent Company's capital management during the year.

NOTE 10 Untaxed reserves

	31 Dec 2024	31 Dec 2023
Tax allocation reserve, 2019 tax year	—	21
Tax allocation reserve, 2021 tax year	3	3
Tax allocation reserve, 2022 tax year	13	13
Tax allocation reserve, 2023 tax year	30	30
Tax allocation reserve, 2024 tax year	30	30
Tax allocation reserve, 2025 tax year	6	—
Total	**82**	**97**

NOTE 11 Accrued expenses and deferred income

	31 Dec 2024	31 Dec 2023
Accrued salaries incl. holiday pay	4	4
Accrued social security contributions	1	2
Other items	7	1
Total	**12**	**7**

NOTE 12 Pledged assets

	31 Dec 2024	31 Dec 2023
Shares in subsidiaries	0	0
Total	**0**	**0**

In conjunction with the Group's refinancing in 2021, the process began to release the international collateral package pledged for the obligations under the earlier credit agreement. This process was completed in the first quarter of 2022. For the obligations under the new credit agreement, no collateral is issued.

NOTE 13 Contingent liabilities

	31 Dec 2024	31 Dec 2023
Guarantees to subsidiaries	845	845
Total	**845**	**845**

NOTE 14 Appropriation of profits

Proposed appropriation of profits	SEK
The following earnings are at the disposal of the AGM:	
Retained earnings	**634,348,727**
The Board of Directors and CEO propose that the earnings be appropriated as follows:	
A dividend of SEK 5.25 per share to be paid to shareholders*	198,959,948
To be carried forward	435,388,779
Total	**634,348,727**

* The dividend has been based on the number of shares outstanding at the date of publication of the annual report.

THE INCOME STATEMENTS AND BALANCE SHEETS WILL BE PRESENTED FOR ADOPTION BY THE ANNUAL GENERAL MEETING ON 24 APRIL 2025.

The undersigned certify that the annual report for the Group and the Parent Company has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting policies, and gives a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Board of Directors' Report gives a fair overview of the performance of the operations, financial positions and results of the Group and the Parent Company, and describes substantial risks and uncertainties faced by the Group's companies.

Värnamo 18 March 2025

Bengt Liljedahl
Chairman of the Board

Hans Björstrand
Board member

Per-Arne Blomquist
Board member

Bertil Persson
Board member

Anna Liljedahl
Board member

Eva Nilsagård
Board member

Erik Lundén
President and CEO

Our auditor's report was submitted on 25 March 2025
Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant
Auditor in Charge

Helena Pegrén
Authorised Public Accountant

Auditor's report

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders of Bufab AB (publ), corporate identity number 556685-6240

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Bufab AB (publ) for the year 2024.The annual accounts and consolidated accounts of the company are included on pages 42–90 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 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's 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. When designing our group audit strategy and group audit plan, we assessed the extent of the audit that needed to be performed by the group audit team 1 av 6 and by component auditors from the PwC network. Due to the group's decentralized financial organization, significant parts of the group's financial reporting are prepared in entities outside of Sweden. This means that a substantial portion of the group audit needs to be carried out by component auditors operating in other countries. In assessing the level of audit required for each entity, we considered the group's geographic distribution, the size of each entity, and the specific risk profile that each entity represents. Based on this assessment, we determined that a full audit should be conducted not only for the parent company in Sweden but also for the financial information prepared by fourteen significant subsidiaries (located in a total of seven different countries).

For other units that were assessed as individually insignificant to the group audit, the group team carried out analytical audit procedures at the group level. In cases where component auditors perform work that is significant to our audit of the group, we, as group auditors, evaluate the need for and degree of involvement in the component auditors' work to determine whether sufficient audit evidence has been obtained to support our opinion in the group audit report.

Materiality

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. When designing our group audit strategy and group audit plan, we assessed the extent of the audit that needed to be performed by the group audit team 1 av 6 and by component auditors from the PwC network. Due to the group's decentralized financial organization, significant parts of the group's financial reporting are prepared in entities outside of Sweden. This means that a substantial portion of the group audit needs to be carried out by component auditors operating in other countries. In assessing the level of audit required for each entity, we considered the group's geographic distribution, the size of each entity, and the specific risk profile that each entity represents.

Based on this assessment, we determined that a full audit should be conducted not only for the parent company in Sweden but also for the financial information prepared by fourteen significant subsidiaries (located in a total of seven different countries). For other units that were assessed as individually insignificant to the group audit, the group team carried out analytical audit procedures at the group level. In cases where component auditors perform work that is significant to our audit of the group, we, as group auditors, evaluate the need for and degree of involvement in the component auditors' work to determine whether sufficient audit evidence has been obtained to support our opinion in the group audit report.

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
VALUATION OF GOODWILL At 31 December 2024, the group reported goodwill of 3 309 MSEK which is divided between a total of six cash-generating units, of which tone cash-generating unit are attributable to segment North, two are attributable to segment UK/North America, two attributable to East and one attributable to segment West. In accordance with IAS 36, the group tests, on an annual basis, the existence of an impairment requirement as regards reported goodwill. This testing is undertaken per cash-generating unit and through the recoverable value being calculated and compared with the carrying value of the operations. The recoverable value is determined by company management on the basis of a calculation of the cash-generating units' capacity to generate cash flow in the future. The impairment tests are significant to our audit as goodwill represents a major item in the balance sheet and, in addition, the impairment testing implies that company management are required to undertake significant estimates and judgements of the future. Based on the group's prepared impairment tests, no impairment requirement for goodwill was identified as at 31 December 2024.The most significant assumptions applied in the impairment testing are described in Note 16.	Our audit measures included an assessment of the cash flow calculations' mathematical correctness and a reconciliation of the cash flow forecasts against the 2024 budget adopted by the Board of the Directors and against financial plans for 2024-2026. We have evaluated and assessed the company's valuation model to determine if it is in accordance with generally accepted valuation techniques. We have challenged the company management regarding the reasonableness of the assumptions having the greatest effect on the impairment testing, which includes the sustainable growth rate, sustainable gross margin and the discount rate. On the basis of our own implemented sensitivity analyses, we have challenged company management's assumptions and tested the margin of safety and assessed the risk of an impairment requirement. We have also assessed whether the company has provided sufficient disclosures in the annual report regarding the assumptions which in the case of a change could lead to an impairment of goodwill in the future.
VALUATION OF INVENTORIES At 31 December 2024, the group reported inventories of 2 803 MSEK. The valuation of inventories is significant to our audit as this valuation includes a number of estimations and judgements and, in addition, the value of the inventory is equivalent to a major portion (approximately 31%) of the group's total assets. An important assessment which company management is required to undertake in making a valuation of the inventory comprises of the group's capacity to sell its products in the inventory at a price in excess of acquisition cost and, in this context, consider the risk of obsolescence. The risk of obsolescence is impacted by Bufab's business model as an important portion of the group's client offering is comprised of fulfilling the clients' needs regarding fasteners quickly and cost effectively. Consequently, and with the aim of meeting the clients' requirements, Bufab can, in cases, find it necessary to keep in stock significant quantities of articles which reduces the turnover rate and increases the risk of obsolescence. With the aim of identifying and calculating the consistency in the risk of obsolescence, company management has adopted a group-wide obsolescence policy. The obsolescence policy considers the individual articles' turn- over rate which, together with assessed future sales volumes, comprises the basis on which company management can determine a reasonable obsolescence provision. The group's principles for the valuation of inventory and reporting of obsolescence are described in Note 2 on page 59 in the annual report. Important estimations and judgements required to be undertaken by the group in conjunction with the accounting of the inventory are found in Note 4 in the annual report.	Our audit measures included an evaluation of the group's principles for calculating obsolescence in the inventory. With the aim of assessing the reasonability of the company's obsolescence provisions, we have instructed our component auditors to examine and report back to the group team any possible deviations from the group-wide obsolescence policy. We have tested the reasonableness of the assumptions and judgements made by company management regarding the saleability of articles with a low turnover rate. We have, on a sample basis, tested the mathematical correctness of the company's reports concerning obsolescence calculations. We have also discussed with management and examined minutes from Board meetings and other management meetings with the aim of identifying forecasted changes in the company's sales which could result in inventory items being obsolete. Finally, we have evaluated to determine if the group has described, in an appropriate manner, its principles for inventory valuation in the annual report, including the estimations and judgements made to value the inventory at 31 December 2024.

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 1–41 and on pages 102–114. 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 consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards 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.

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 examination 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 Director's and the Managing Director of Bufab AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

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

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

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

Auditor's responsibility

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

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

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

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

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

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Bufab AB (publ) for the financial year 2024.

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

Auditor's responsibility

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

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

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

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

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

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

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

Öhrlings PricewaterhouseCoopers AB, 113 21 Stockholm, was appointed auditor of Bufab AB (publ) by the general meeting of the shareholders on the 25 april 2024 and has been the company's auditor since the 12 september 2005. Bufab AB (publ) has been a public interest company since 21 February 2014.

Gothenburg 25 March 2025
Öhrlings PricewaterhouseCoopers AB

Johan Rippe Authorized Public Accountant Auditor in charge	**Helena Pegrén** Authorised Public Accountant

Corporate Governance

Corporate Governance Report

Bufab Holding AB (publ) is a Swedish public limited liability company. Bufab has been listed on Nasdaq Stockholm since 21 February 2014. Bufab applies the Swedish Corporate Governance Code (the "Code") and hereby submits its Corporate Governance Report for the 2024 financial year in accordance with the provisions of the Swedish Annual Accounts Act and the Code. The Corporate Governance Report was reviewed by the company's auditors.

The Code guidelines are available on the website of the Swedish Corporate Governance Board (www.corporategovernanceboard.se). The Code is based on the principle of "comply or explain," which means that companies applying the Code do not always have to comply with every rule on condition that an explanation is provided. Bufab did not make any such deviations in 2024, with the exception of the fact that the Group has not set up a separate internal audit function. Read more at www.bufabgroup.com.

DELEGATION OF RESPONSIBILITY

The purpose of Bufab's corporate governance is to create a clear delegation of roles and responsibilities between owners, the Board, the Board's Committees and senior management.

Corporate governance at Bufab is based on applicable legislation, primarily the Swedish Companies Act, Nasdaq Stockholm's rules and regulations, the Code and internal guidelines and rules.

A. SHAREHOLDERS

At the top of the corporate governance structure, the shareholders impact the main direction of the company by exercising their influence. Strong principal owners contribute a large amount of interest in and commitment to the company and its success. At year-end, the company's share capital amounted to SEK 547,189, represented by a total of 38,110,533 shares. All shares carry equal voting rights and there are no limitations governing how many votes each shareholder may cast at a general meeting. At year-end 2024, Bufab had 7,952 shareholders (9,751). Of the total number of shares, 24.3 percent were held by foreign shareholders. The ten largest shareholders owned a combined total of 65.9 percent of the shares. The largest shareholder was Liljedahl Group, with 29.2 percent of the capital and votes. For more information about the share and shareholders, see page 110.

B. GENERAL SHAREHOLDERS' MEETING

The general shareholders' meeting is the company's highest decision-making body. At the general shareholders' meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the company's results, discharge from liability of Board members and the CEO, election of the Chairman, Board members and auditors and remuneration of the Board of Directors and the auditors. There are no provisions contained in the Articles of Association concerning the appointment or dismissal of Board members, or regarding changes to the Articles of Association. Further information about the AGMs, the minutes of the Meetings, and Bufab's Articles of Association are available on www.bufabgroup.com.

2024 Annual General Meeting

The Annual General Meeting (AGM) was held in Värnamo on 25 April 2024. 232 shareholders attended the Meeting, in person or by proxy, Shareholders were also allowed to use advance voting (postal voting) as prescribed in the notification. A total of 71.0 percent of the company's voting rights were represented. The Meeting was also attended by the Board of Directors, Group management and the auditor.

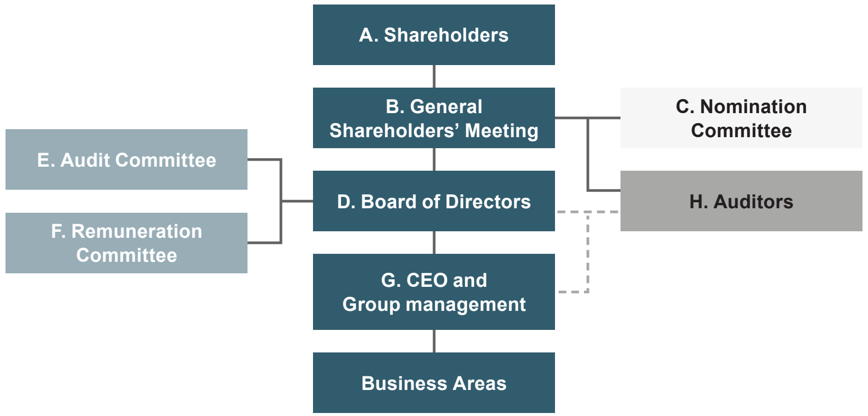
Resolutions at the 2024 AGM included:

- Adoption of the income statement and balance sheets for 2023, appropriation of the company's results, and discharge from liability of Board members and the CEO.
- The re-election as Board members of Bengt Liljedahl, Per-Arne Blomquist, Hans Björstrand, Eva Nilsagård, Anna Liljedahl and Bertil Persson. Bengt Liljedahl was elected Chairman of the Board.
- Guidelines for remuneration of senior executives.
- Resolution on a long-term share-based incentive programme for 2024 was approved.
- Resolution on authorisation to transfer shares in the Company

2025 Annual General Meeting

The 2025 AGM will be held on 24 April 2025. Notice of the AGM is available at www.bufabgroup.com. Shareholders who, no later than 14 April 2025, are entered in the share register maintained by Euroclear Sweden AB and who have notified their intention to attend the AGM no later than 16 April 2025, are entitled to attend the AGM, in person or by proxy.

Governance structure



Important external rules and regulations
- Swedish Companies Act
- Stock market's rule book for issuers
- Swedish Corporate Governance Code
- Swedish Annual Accounts Act
- Book-keeping Act

Important internal rules and regulations
- Articles of Association
- Board's rules of procedure
- Rules of procedure for Board committees
- Rules of procedure for the Board of Directors and CEO instruction
- The Group's and business areas' resolutions procedure
- Bufab's Code of Conduct
- Control documents in the form of policies, regulations, guidelines and instructions

C. NOMINATION COMMITTEE

Bufab is to have a Nomination Committee comprising one representative for each of the four largest shareholders in terms of number of votes in the shareholders' register maintained by Euroclear Sweden AB as of 31 August in the year prior to the AGM, who on being asked expressed a wish to participate in the nomination work, as well as the Chairman of the company. The names of the four owner representatives and the shareholders they represent must be announced not later than six months prior to the AGM. The Nomination Committee's mandate is valid until a new Nomination Committee is appointed. If the group of the largest shareholders changes during the nomination process, the composition of the Nomination Committee may change. The Nomination Committee's task is to prepare proposals on the following issues:

- Chairman of the Meeting,
- Board members,
- Chairman of the Board,
- remuneration of the Board,
- auditor,
- auditor's fees, and
- any changes to the Nomination Committee's instructions.

The Nomination Committee for the 2024 AGM consisted of Fredrik Liljedahl (Liljedahl Group), Per Trygg (Lannebo fonder), Oscar Bergman (Swedbank Robus Fonder), Pär Andersson (Spiltan fonder) and the Chairman of the Board Bengt Liljedahl co-opted member.

The reasoned statement to the 2024 AGM shows that the Nomination Committee has applied Section 4.1 of the Swedish Corporate Governance Code as diversity policy when making its proposal.

With regards to the company's operations, development stages and conditions in general, the goal of the policy is that the Board should have an appropriate composition characterised by versatility and width of expertise, experience and background as well an even gender distribution. The 2024 AGM decided to appoint members of the Board in accordance with the Nomination Committee proposal, resulting in the current Board of Directors with six members, of whom two women and four men, which means the proportion of women is 33 percent. The long-term goal is to strive for gender balance.

Nomination Committee ahead of the 2025 AGM

Name	Representing	Share of votes, %
Fredrik Liljedahl (Chairman)	Liljedahl Group	29.2
Per Trygg	Lannebo fonder	8.6
Oscar Bergman	Swedbank Robur Fonder	5.9
Johan Sjöstrom	Andra AP-fonden	4.6
Bengt Liljedahl	Chairman of the Board, co-opted	

D. BOARD OF DIRECTORS

Composition

According to Bufab's Articles of Association, the Board of Directors is to be comprised of not less than three and not more than ten AGM-elected members, with not more than three deputy members.

Bufab applies section 4.1. in the Code relating to the composition of the Board. The Board should therefore be characterised by diversity and breadth of expertise, experience and background of the members elected by the AGM. An even gender distribution should be pursued.

Since the 2024 AGM, the Board has comprised of six AGM-elected members; Bengt Liljedahl (Chairman), Hans Björstrand, Per-Arne Blomquist, Anna Liljedahl, Eva Nilsagård and Bertil Persson. All Board members are independent in relation to the company and company management. All Board members, except for Bengt Liljedahl and Anna Liljedahl, are independent in relation to the company's largest shareholders. Accordingly, the Board meets the requirement that at least two Board members who are independent in relation to the company and company management are also independent in relation to the largest shareholders. Further information regarding the Board members is presented on page 102 of the Annual Report and on www.bufabgroup.com.

Work of the Board

The Board is responsible for the organisation of the company and for managing the company's operations. The Board is also to issue guidelines and instructions to the CEO. Furthermore, the Board is to ensure that the organisation of the company regarding accounting, management of funds and financial position are controlled in a satisfactory manner. The Board of Directors applies written rules of procedure, which are revised annually and adopted by the statutory Board meeting every year. Among other aspects, the rules of procedure govern the practice of the Board of Directors, functions and the division of work between the Board of Directors and the CEO. At the statutory Board meeting, the Board of Directors also adopts instructions for the CEO, including instructions for financial reporting. The Board of Directors meets according to an annual predetermined schedule. In addition to these meetings, additional Board meetings can be convened to address issues which cannot be postponed until the next ordinary Board meeting. The Chairman of the Board and the CEO also engage in an ongoing dialogue concerning the management of the company.

The Board's obligations are partly performed by the Audit Committee and Remuneration Committee and the Board has also adopted rules of procedure for these Committees.

Evaluation of Board work

The Chairman of the Board is responsible for evaluating the Board's work, including assessing the performance of each Board member. This is performed on an annual basis according to an established process. The assessment focuses on such factors as availability of and requirement for specific expertise in the Board, commitment, the quality of the Board material and the time required for reading such material. The evaluation is reported to the Nomination Committee and comprises the basis of the Nomination Committee's proposal for Board members and fees to be paid to the Board.

Work of the Board in 2024

The Board regularly addresses strategic matters that affect Bufab's operations and orientation, potential divestments and acquisitions, as well as major investments. The company's financial statements and Annual Report are addressed at the beginning of the year, as are matters to be presented at the AGM. At the end of the year, the Board deals with the budget for the forthcoming year as well as the Group's long-term strategic plan, in addition to which it also reviews the quarterly results after each quarter. The work of the Board's two Committees is also presented at each scheduled Board meeting.

The agenda is approved by the Chairman and sent to each Board member, along with the relevant material, approximately one week before each meeting. At each meeting, the CEO presents the Group's sales and earnings, the current business situation and important external factors that may have bearing on the Group's earnings. Each Board meeting includes a discussion that is not attended by the CEO. When appropriate, other senior executives may attend and present plans and proposals. The company's auditor participates in meetings when necessary, and participates once a year without the presence of management.

In addition to the information presented in connection with Board meetings, management issues a monthly report to Board members and maintains regular contact with the Chairman of the Board. In 2024, the Board of Directors also completed training in the upcoming EU regulatory framework, the Corporate Sustainability Reporting Directive (CSRD).

Remuneration of Board members

Fees and other remuneration to Board members, including the Chairman, are resolved on by the AGM. At the AGM held on 25 April 2024, it was resolved that the Chairman be paid SEK 830,000 (650,000) and that the other non-executive members be paid SEK 350,000 (290,000). For work on the Audit Committee, it was resolved that SEK 130,000 (120,000) would be paid to the Chairman and SEK 65,000 (60,000) to each of the other members, and for work on the Remuneration Committee, SEK 30,000 (25,000) to each of the members.

Board members are not entitled to any benefits after leaving their position on the Board.

E. AUDIT COMMITTEE

The Audit Committee is, without it affecting the responsibilities and tasks of the Board of Directors, to monitor the company's financial reporting, monitor the efficiency of the company's internal control, internal auditing and risk management, keep informed of the auditing of the annual report and the consolidated financial statements, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other non-audit services for the company, and assist the Nomination Committee in the preparation of proposals for the general shareholders' meeting's decision on election of auditors.

ATTENDANCE AND REMUNERATION OF THE BOARD 2024

	Attendance			Remuneration
Group	Board meetings	Audit Committee	Remuneration Committee	Approved fee/basic salary, SEK million
Board of Directors				
Bengt Liljedahl	12/12	7/7	4/4	0.93
Per-Arne Blomquist	12/12	7/7		0.42
Hans Björstrand	12/12			0.35
Anna Liljedahl	12/12		4/4	0.38
Eva Nilsagård	12/12	7/7		0.48
Bertil Persson	11/12		4/4	0.38

The Audit Committee is to comprise three members. The Board appoints Committee members every year at the statutory Board meeting or when a Committee member needs to be replaced. The Board also adopts an instruction for the Committee's work at the statutory meeting.

Audit Committee:

- Eva Nilsagård (Chairman)
- Per-Arne Blomquist
- Bengt Liljedahl

F. REMUNERATION COMMITTEE

The Remuneration Committee is to prepare matters concerning remuneration principles, and remuneration and other employment terms for the CEO and senior executives.

The Remuneration Committee is to comprise a minimum of two members. The Board appoints Committee members every year at the statutory Board meeting or when a Committee member needs to be replaced. The Board also adopts an instruction for the Committee's work at the statutory meeting.

Remuneration Committee:

- Bengt Liljedahl (Chairman)
- Anna Liljedahl
- Bertil Persson

G. CEO AND GROUP MANAGEMENT

In addition to the President and CEO, Group management consists of four business area managers and two managers responsible for Bufab's Group functions: Finance and sourcing. The CEO is Erik Lundén. A presentation of Group Management can be found in the Annual Report on page 103 and on www.bufabgroup.com.

The CEO is subordinate to the Board of Directors and is responsible for the everyday management and operations of the company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO's instructions. These are adopted every year at the statutory Board meeting. The CEO is also responsible for the preparation of reports and compiling information from management prior to the Board meetings and for presenting such material at the Board meetings. According to the instructions for financial reporting, the CEO is responsible for the financial reporting in the company and consequently must ensure that the Board of Directors receives information adequate to enable evaluation of the company's financial position.

Remuneration to the CEO and Group management

The guidelines for remuneration to the CEO and other senior executives were adopted at the AGM on 25 April 2024.

Bufab strives to offer total remuneration that will attract and retain qualified employees. The total remuneration may include the components described below.

Fixed salary is to be market-based and must reflect the responsibility that the work involves. The fixed salary is to be revised annually. The variable cash remuneration shall amount to a maximum of 75 percent of the total fixed annual cash salary for the CEO and a maximum of 50 percent of the total fixed annual cash salary for the other senior executives.

The variable remuneration is to be based on established and measurable criteria, designed to promote the company's long-term value creation, and is to be revised annually. The Board is to annually evaluate whether or not a long-term share-based incentive programme for senior executives and any other employees is to be proposed to the AGM.

Senior executives may be offered individual pension solutions. The pensions are, as far as possible, to be defined contribution.

Other benefits may be provided but are not to constitute a significant portion of the total remuneration.

The notice of termination between the company and the CEO is a maximum of 18 months. Other senior executives are to have a shorter notice of termination period.

The Board is entitled, in individual cases and if there are specific reasons, to deviate from the above guidelines for remuneration. Should such deviation occur, information about this and the reason must be reported at the next AGM.

Share-based incentive programmes

The 2024 Annual General Meeting resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 210,000 call options, corresponding to approximately 0.6 percent of the total number of shares in the company.

The purchase price for the call options is to correspond to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2027–15 November 2027. The purchase price per share when redeeming call options is to correspond to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the five trading days occurring prior to the Board's decision on allocation of call options.

The allocation of call options is to use the market-based value on the date of the transfer using an external independent valuation, by applying the Black & Scholes pricing model.

A detailed description of the share-based incentive programme can be found in Note 34 on page 78 of the Annual Report.

Current employment agreements for the CEO and other senior executives

Decisions as to the current remuneration levels and other conditions for employment for the CEO and other senior executives have been resolved on in accordance with the existing guidelines for remuneration adopted by the AGM. All decisions on individual remuneration to senior executives have been made within these guidelines. Agreements concerning pensions are, wherever possible, to be based on fixed premiums and must correspond with the levels, practices and collective bargaining agreements applicable in the country where said senior executive is employed.

For senior executives resident in Sweden, six months' notice applies when resigning and a maximum of 12 months' notice when dismissed by the company. Refer also to Note 6 of the Annual Report.

H. AUDITING

The auditor is to review the company's annual reports and accounting, as well as the management of the company by the Board of Directors and the CEO. Following each financial year, the auditor is to submit an audit report and a consolidated audit report to the AGM. Pursuant to Bufab's Articles of Association, the company is to have no less than one and no more than two auditors and no more than two deputy auditors. The company's auditor until the conclusion of the 2025 AGM is Öhrlings PricewaterhouseCoopers AB, with Johan Rippe as Auditor in Charge. The company's auditor is presented in more detail in "Group management and auditors." Fees to auditors are to be paid in accordance with approved invoices. In 2024, the company's auditor was paid a total of SEK 15 million.

INTERNAL CONTROL OVER THE FINANCIAL REPORTING

The objective of the internal financial control at Bufab is to create an efficient decision process in which requirements, targets and frameworks are clearly defined. The company and management use internal control systems to monitor the operation and the Group's financial position.

Control environment

The basis for the internal control over the financial reporting is the overall control environment. Bufab's control environment consists of sound core values, expertise, management philosophy, organisational structure, responsibility and authority. Bufab's internal instructions, policies, guidelines and manuals serve as guides for employees.

The control environment also includes laws and external rules and regulations.

At Bufab, there is a distinct division between role and responsibility to efficiently handle the risks of the operations, including rules of procedure for the Board and Committees, as well as instructions for the CEO. In the operating activities, the CEO is also responsible for the system of internal controls required to generate a control environment for significant risks.

Bufab also has guidelines and policies for financial control and monitoring, communication issues and business ethics. Most of the companies in the Group have the same financial system with the same accounting systems.

The Board has appointed an Audit Committee tasked to ensure compliance with established policies for financial reporting and for maintaining the internal control.

Internal audit

The company's size combined with the work of the Audit Committee and established and implemented solid control procedures mean that the Board does not believe that it need establish a separate internal audit function. However, the matter of a separate internal audit function is addressed annually.

Risk assessment and control activities

Risks of material misstatement in the annual accounts may occur in connection with accounting and the evaluation of assets, liabilities, income and expenses or deviation from disclosure requirements. Bufab's accounting function performs a risk analysis every year regarding items in the consolidated balance sheets and income statements based on qualitative and quantitative risks.

Normal control activities include reconciliation of accounts and support controls. The purpose of all control activities is to prevent, detect and correct any errors or deviations in the financial reporting. In the Group's work with internal control, the material risks identified in the financial reporting are handled through control structures, which, in all material respects, are based on deviation reporting from established goals or norms.

Board meetings in 2024

January	February	Mach	April	May	June
July	August	September	October	November	December

Teams – 7 February
- Approval of and press release regarding year-end report 2023
- Dividend proposal
- Board evaluation
- Evaluation of the CEO's work
- CEO's targets and remuneration for 2024
- The CEO's evaluation of the organisation and management, and remuneration to management

Teams – 21 March
- Report from the company's auditors
- Approval of the Annual and Sustainability Report
- Approval of the notice of the Annual General Meeting
- Proposal for incentive programs

Teams – 24 April
- Approval of and press release regarding the first quarter interim report 2024

Värnamo (Statutory Board meeting) – 25 April
- Adoption of the Board's rules of procedure and the CEO's instruction
- Election of Chairman and members of the Board's committees and adoption of the committees' rules of procedure

Per capsulam – 3 May
- Rules of procedure for the Board of Directors and its committees, CEO instruction

Per capsulam – 27 May
- Resolution on allotment and valuation of call options, and repurchase of shares

Manchester – 18–20 June
- Strategy meeting

Teams – 10 July
- Approval of and press release regarding the second quarter interim report 2024

Värnamo & per capsulam – 23 October
- Approval of and press release regarding the third quarter interim report 2024
- Financial plan and financial targets

Teams – 22 November
- Decision to acquire VITAL S.p.A.

Värnamo – 16–17 December
- Approval of the 2025 budget
- Proposal LTI 2025
- Policies review

Information
Accurate internal and external information entails that all sections of the operations will be able to efficiently exchange and report relevant material information. In addition to managers' information responsibility, Bufab has a well-functioning intranet for exchanging information. Bufab has established a policy document to inform employees and other relevant personnel at Bufab about the applicable regulations and instructions for disclosing company information and the special requirements that apply for inside information.

For communication with external parties, there is a policy that states the guidelines for how such communication is to take place. The aim of this is to ensure compliance with information obligations and to ensure that investors receive the right information in time.

The Group has a whistleblower function. Employees can anonymously contact a third party to report behaviour or actions that constitute breaches or suspected breaches of laws and guidelines, etc. All contact is logged and a summary about the calls and measures taken is regularly is reported to the Board.

Monitoring
The Group applied IFRS as defined in Bufab's accounting manual. This manual includes accounting and valuation rules that must be adhered to by all companies within the Group, and reporting instructions. Financial data is reported from all legal entities every month.

Reporting takes place in accordance with standardised reporting procedures documented in the Group's accounting manual. This reporting comprises the basis of the Group's consolidated financial reporting. Consolidation takes place based on a legal and operating perspective, which results in quarterly statutory reports containing complete income statements and balance sheets for every company and consolidated for the Group, and monthly operating reports.

Every Board member receives a monthly report containing consolidated income statements and balance sheets for the Group and income statements and balance sheets for the subsidiaries with comments. In addition to this monthly information, similar information is received in connection with Board meetings and a report that includes monitoring of tax obligations, disputes, compliance with policies, whistleblower summaries and environment.

Värnamo 18 March 2025

Bengt Liljedahl
Chairman of the Board

Hans Björstrand **Per-Arne Blomquist**

Eva Nilsagård **Bertil Persson**

Anna Liljedahl

Auditor's report on the Corporate Governance Statement

This is a translation of the Swedish language orginal.
In the event of any differences between this translation and the Swedish language orginal, the latter shall prevail.

To the general meeting of the shareholders in Bufab AB (publ), corporate identity number 556685-6240

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 95–100 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard 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.

OPINIONS

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

Gothenburg 25 March 2025
Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorized Public Accountant

Board of Directors

Bengt Liljedahl

Chairman of the Board since 2020. Board member since 2016.

Born: 1947.

Education: Degree of Master of Science in Business and Economics.

Present assignments: Chairman and founder of Liljedahl Group. Previously CEO Liljedahl Group and Regional Manager AB Volvo.

Other Board assignments: Board member of Elcowire Group AB, Dahren Group and Pronect.

Shareholding (including through companies and related parties): 11,132,500

Hans Björstrand

Board member since 2006.

Born: 1950.

Education: Upper secondary school economics programme.

Previous assignments: Founder and President and CEO of Bufab.

Other Board assignments: Board member of Entreprenörinvest AB and Ekeborg Kapital AB.

Shareholding (including through companies and related parties): 5,000

Eva Nilsagård

Board member since 2015.

Born: 1964.

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

Present assignments: Founder and CEO Nilsagård consulting.

Previous assignments: CFO Optigroup AB, CFO Plastal Group, Director of Strategy & Business development within sales and marketing, EMEA at Volvo Trucks, CFO Vitrolife (publ). Various senior positions in finance and business development within Volvo, AstraZeneca Group and SKF.

Other Board assignments: Board member of AddLife AB, SEK (Svensk Exportkredit AB), Hansa Biopharma AB, Nimbus Group AB, Xbrane Biopharma AB, Nanexa AB, Ernströmgruppen AB and Silex Microsystems AB.

Shareholding (including through companies and related parties): 1,000

Anna Liljedahl

Board member since 2019.

Born: 1974.

Education: Degree of Master of Science in Business and Economics.

Present assignments: CEO Liljedahl Group and previously CEO of Finnvedens Lastvagnar AB and Global Product Manager at HemoCue AB.

Other Board assignments: Chairman of the Board of Finnvedens Bil AB, Finnvedens Lastvagnar AB, Elcowire Group AB and Dahrén Group AB. Board member of Pronect AB, Hörle Wire AB, Motorbranschens Arbetsgivareförbund AB and Tanka i Sverige AB.

Shareholding (including through companies and related parties): 11,132,500

Per-Arne Blomquist

Board member since 2020.

Born: 1962.

Education: Bachelor of Business administration and Finance from Stockholm School of Economics.

Present assignments: CEO of Qarlbo AB. Senior advisor at EQT.

Previous assignments: CFO and Deputy CEO of Dometic Group. Per-Arne also has experience from positions including CFO and Acting CEO of TeliaSonera AB, CFO at SEB, Chairman of the Board of Zmarta Group/Freedom Finance, IP-Only, Bluestep Holding AB and C-RAD AB. and Board member of Neste Oil Oy.

Shareholding (including through companies and related parties): 80,000

Bertil Persson

Board member since 2020.

Born: 1961.

Education: Bachelor of Business administration and Finance from Stockholm School of Economics.

Previous assignments: President and CEO of Beijer Alma AB, Deputy CEO of LGP Telecom AB, CFO of Scania and head of Treasury at Investor.

Other Board assignments: Board member of Troax AB.

Shareholding (including through companies and related parties): 2,500

The information regarding Board members' and Group Management's holding of shares and other financial instruments in Bufab refers to the conditions as per 20 February 2025 and includes own and closely associated natural persons' holdings, as well as holdings by legal persons that are directly or indirectly controlled by the person or its closely associated persons. The information for the CEO also includes any significant shareholdings and partnership in companies which Bufab has significant business relations with.

Auditors

Öhrlings PricewaterhouseCoopers AB has been the company's auditor since 2005 and was re-elected at the 2024 AGM until the end of the 2025 AGM. Johan Rippe is the Auditor in Charge. Johan Rippe is an Authorised Public Accountant and a member of FAR (professional institute for authorised public accountants). Öhrlings PricewaterhouseCoopers AB's office address is Skånegatan 1, SE-405 32 Gothenburg, Sweden. Öhrlings PricewaterhouseCoopers AB was the company's auditor throughout the period covered by the historic financial information in this Annual Report.

Group management

Erik Lundén

President and CEO

Born: 1981.

Education: MSc, Stockholm School of Economics.

Previous assignments: Sandvik, Lagerkvist & Partners.

Shareholding (including through companies and related parties): 4,000 shares and 63,000 options.

Pär Ihrskog

CFO

Born: 1971.

Education: M.Sc. in Business Administration, School of Business, Economics and Law at University of Gothenburg.

Previous assignments: SKF, Embellence Group.

Shareholding (including through companies and related parties): 500 shares and 5,000 options.

Carina Lööf

Global Sourcing and Sustainability Director

Born: 1969.

Education: Degree in chemical engineering, Växjö University.

Previous assignments: Trioplast, Cargotec Corporation.

Shareholding (including through companies and related parties): 28,177 shares and 7,500 options.

Johan Lindqvist

Group Director Europe North & East and Vice President

Born: 1969.

Education: Qualified engineer.

Previous assignments: Skanska and Primo AB.

Other assignments: Board member Idun Industrier AB.

Shareholding (including through companies and related parties): 156,928 shares and 7,000 options.

Johan Sandberg

Group Director UK & Ireland and Global Business Development Director

Born: 1971.

Education: MSc in Business Administration, Linköping University.

Previous assignments: Hiab, Cargotec, Volvo Group, General Motors and Saab Automobile.

Shareholding (including through companies and related parties): 25,000 shares and 11,500 options.

Jörn Maurer

Group Director Europe West

Born: 1974.

Education: BA in Business Administration and Operations & Industrial Mechanic Field, CCI Darmstadt.

Previous assignments: Mitsubishi Polyester Film; Tartler Group

Shareholding (including through companies and related parties): 41,059 shares and 0 options.

Urban Bülow

Group Director Americas

Born: 1965.

Education: MSc in Electrical Engineering from Chalmers Uniaversity of Technology.

Previous assignments: Latour Group, Kapsch TrafficCom, SAAB and Electrolux.

Shareholding (including through companies and related parties): 3,283 shares and 0 options.

Mathias Torstensson

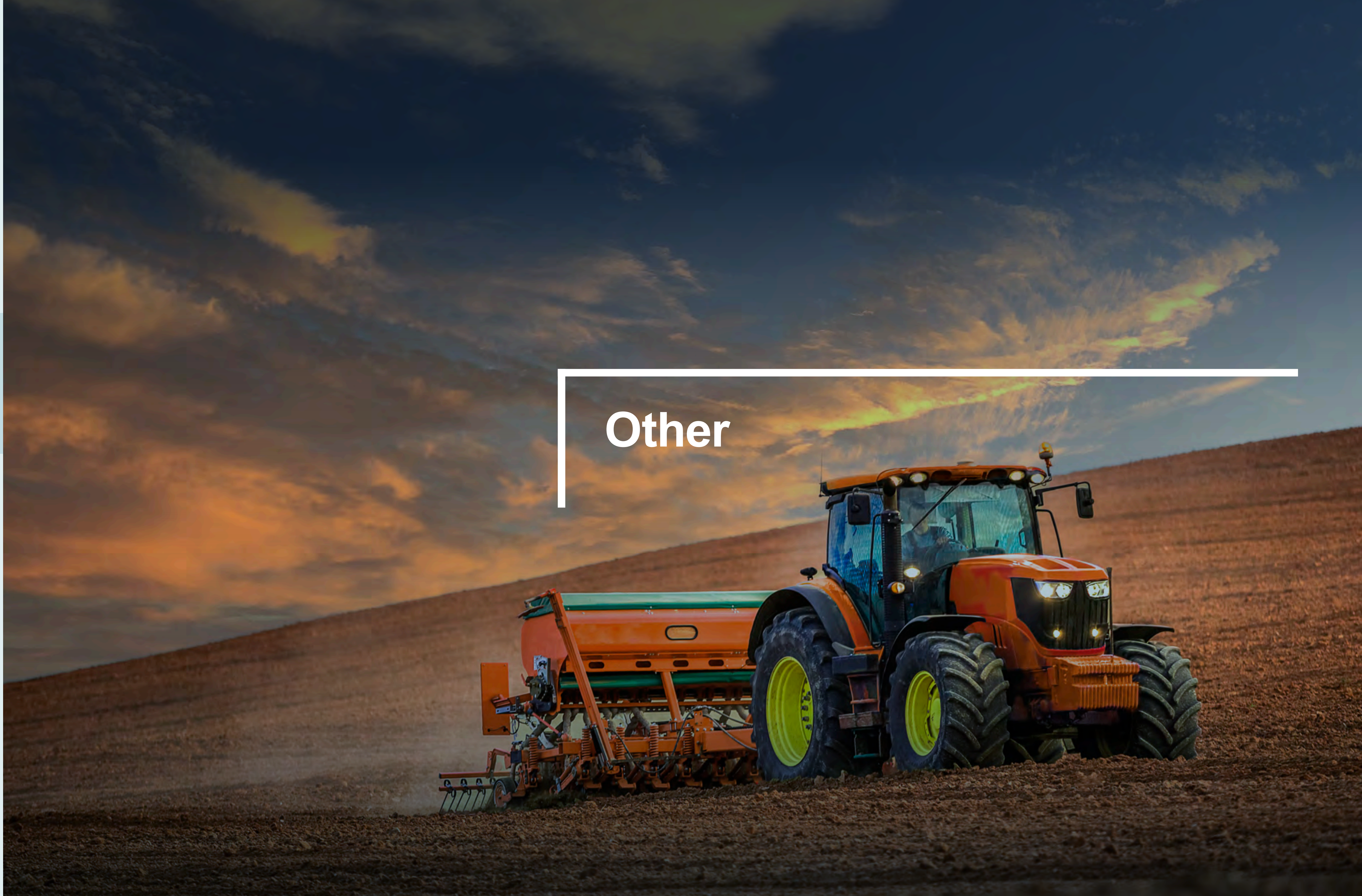
Group Director Asia-Pacific

Born: 1972.

Education: High School.

Previous assignments: GBP Ergonomics, ROL Inredning.

Shareholding (including through companies and related parties): 9,489 shares and 21,000 options.



Other

Five-year summary

SEK million	2024	2023[1)]	2022[1)]	2021[1)]	2020[1)]
EARNINGS					
Order intake	7,814	8,602	8,453	6,084	4,827
Net sales	8,035	8,680	8,431	5,878	4,756
Europe North & East	*3,103*	*3,429*	*3,416*	*2,926*	*2,443*
Europe West	*1,861*	*1,951*	*1,758*	*1,150*	*962*
Americas	*1,028*	*1,182*	*1,373*	*777*	*528*
UK/Ireland	*1,586*	*1,676*	*1,451*	*611*	*481*
Asia Pacific	*457*	*443*	*495*	*413*	*342*
Gross profit	2,389	2,494	2,389	1,638	1,252
Operating profit (EBITA)	959	1,043	990	695	482
Europe North & East	*386*	*440*	*410*	*331*	*254*
Europe West	*233*	*245*	*202*	*112*	*79*
Americas	*114*	*177*	*–19*	*99*	*76*
UK/Ireland	*186*	*132*	*342*	*102*	*46*
Asia Pacific	*62*	*64*	*82*	*82*	*52*
Depreciation and amortisation of acquired intangible assets	–71	–69	–60	–31	–30
Net financial items	–196	–219	–102	–49	–60
Profit after financial items	695	755	828	615	391
Tax on profit for the year	–144	–181	–218	–145	–92
Profit for the year	551	574	609	470	299
MARGINS					
Gross margin, %	29.7	28.7	28.3	27.7	26.3
Operating margin, %	11.9	12.0	11.7	11.7	10.1
Europe North & East	*11.9*	*12.8*	*12.0*	*11.3*	*10.4*
Europe West	*12.5*	*12.6*	*11.5*	*9.7*	*8.2*
Americas	*11.1*	*15.0*	*–1.4*	*12.8*	*14.4*
UK/Ireland	*11.7*	*7.9*	*23.6*	*16.8*	*9.5*
Asia Pacific	*13.6*	*14.4*	*16.6*	*19.8*	*15.1*

SEK million	2024	2023[1)]	2022[1)]	2021[1)]	2020[1)]
CAPITAL STRUCTURE					
Net debt	3,369	3,399	3,762	2,003	1,546
Net debt, adjusted	2,757	2,861	3,273	1,621	1,220
Equity	3,899	3,418	3,036	2,377	1,931
Debt/equity ratio, %	86	99	124	84	80
Equity/assets ratio, %	42	40	32	36	39
Average working capital in relation to net sales, %	38.0	39.7	38.2	28.6	33.1
CASH FLOW					
Operating cash flow	1,335	1,602	99	210	540
KEY FIGURES PER SHARE					
Earnings per share	14.57	15.17	16.23	12.57	8.04
Dividend per share	5,25*	5.00	4.75	3.75	2.75
EMPLOYEES					
Average number of employees	1,724	1,840	1,835	1,423	1,357

* Proposed by the Board of Directors.
[1)] Retroactive recalculation has been performed for 2020–2023 to the new regional structure.

EU Taxonomy

CONTEXTUAL INFORMATION AND 2024 REPORTING

Bufab is mainly a trading company offering customers a sustainable full-service solution for C-parts, including sourcing, quality control and logistics. Alongside its trading activities, Bufab also manufactures particularly technically demanding C-parts.

The Taxonomy Regulation is intended to support sustainable development within the European Union (EU). During the year, the taxonomy was expanded with additional environmental objectives. As the taxonomy evolves, so does Bufab's reporting. The taxonomy regulation constitutes the EU's common classification system that defines environmentally sustainable activities within six environmental goals. For the fiscal year 2024, the reporting requirements regarding eligibility and aligned activities refer to all environmental objectives. The Taxonomy Regulation introduces a classification system that currently includes the sectors and activities with the greatest potential to avoid and reduce emissions and contribute to the goals set by the EU – which e.g. to reduce net carbon emissions and achieve carbon neutrality by 2050.

Turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year N	**Year**			**Substantial Contribution Criteria**						**DNSH criteria ('Does Not Significantly Harm') (h)**									
Economic Activities (1)	Code (a)	Turnover	Proportion of Turnover, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		mSEK	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which Enabling		0	0%														0%	E	
Of which Transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														0%		
A. Turnover of Taxonomy eligible activities (A1+A2)		0	0%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		8,035	100%																
TOTAL		8,035	100%																

Proportion of turnover/Total turnover

	Taxonomy-aligned per objective	*Taxonomy-eligible per objective*
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Capital expenditure (CapEx)
Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year N	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities (1)	Code (a)	CapEx	Proportion of CapEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
		mSEK	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														4%		
Of which Enabling		0	0%														4%	E	
Of which Transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Acquisition and ownership of buildings	7.1	165.3	47%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								35%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	51.4	15%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								12%		
Installation, maintenance and repair of energy efficiency equipment	7.3	0.8	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								1%		
Freight transport services by road	6.6	0.7	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								2%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	7.4	0.1	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%		
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		218.3	62%	62%	62%	0%	0%	0%	0%								48%		
A. CapEx of Taxonomy eligible activities (A1+A2)		218.3	62%	62%	62%	0%	0%	0%	0%								52%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		135,1	38%																
TOTAL		353	100%																

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	*Taxonomy-eligible per objective*
CCM	0%	62%
CCA	0%	62%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

OpEx
Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year N	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities (1)	Code (a)	OpEx	Proportion of OpEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water (7)	Pollution (8)	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
		mSEK	*%*	*Y; N; N/EL*	*Y N; N/EL*	*Y;N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which Enabling		0	0%														0%	E	
Of which Transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														0%		
A. OpEx of Taxonomy eligible activities (A1+A2)		0	0%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		80.7	100%																
TOTAL		80.7	100%																

Proportion of OpEx/OpEx

	Taxonomy-aligned per objective	*Taxonomy-eligible per objective*
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Template 1 Nuclear and fossil gas related activities

Row	**Nuclear energy related activities**	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

COMPLIANCE WITH THE TAXONOMY REGULATION

Revenue

Bufab has made a screening of economic activities that potentially can be eligible to the Taxonomy. We conclude that Bufab does not carry out any economic activities generating turnover that are described in annexes to the delegated acts under the Taxonomy regulation. In house manufactured C-parts as an economic activity is not, at this time, regarded as part of a sector in scope of the Taxonomy. It might well be in the future. In such case the reporting will be adjusted accordingly.

Nor is there any other of Bufab's sales defined within the EU taxonomy delegated acts in accordance with (EU) 2020/852, including enabling economic activity within other sectors. For this reason none of Bufab's turnover is eligible according to the EU Taxonomy. Bufab is aware that the taxonomy is under development and that current economic activities may thereby come to be covered as the EU taxonomy regulation is expanded or changed.

CapEx

As Bufab has no applicable sales activity within the taxonomy, Bufab has evaluated potential elidgible capital expenditure (CapEx) for economic activities as set out in the delegated acts adopted in accordance with Regulation (EU) 2020/852. In summary CapEx is deemed to mainly refer to the rental of buildings (47%) within activity 7.1 and vehicles (15%) according to activity 6.5. A smaller proportion (<1%) is attributed to categories 7.3, 6.5 and 6.6. Even if the investments meet the thresholds to significantly contribute to the EU's environmental objectives according to the taxonomy, Bufab, based on the available information, has not been able to assess and classify these investments as taxonomy aligned. This is because we have not been able to verify that they meet the Do No Significant Harm (DNSH) criteria and the assessment of minimum safeguards in the financial year 2024.

OpEx

Operating expenses (OpEx) are applicable according to the applicable articles of Regulation (EU) 2020/852. In the context of the Taxomy, Bufab do not consider OpEx to be material as we are mainly a trading company with low degree of opex related to short term leases and maintenance/service of tangible assets.

REPORTING PRINCIPLES

Turnover

Turnover is defined as net sales as disclosed in the consolidated financial statement of 2024.

CapEx

Capital expenditures are including tangible and intangible assets including additions and acquisitions through business combinations during the fiscal year of 2024. Excluding goodwill, remeasurement, depreciation, amortisation or impairment as well as any changes in fair value in the numerator and denominator. See note 16 , note 17 and Note 19.

OpEx

Applicable expenditures for Bufab includes noncapitalised costs for repair and maintenance of capex related assets and short term leases in 2024. Bufab does not have any non-capitalised R&D expenses or other maintenance costs (such costs are all defined as OpEx under the Taxonomy).

YEAR-ON-YEAR COMPARISON

Taxonomy-aligned revenue and operating expenses (OPEX) remained unchanged between 2023 and 2024, with all figures amounting to zero. Total operating expenses (OPEX) and total capital expenditure (CAPEX) increased during the year, mainly due to an increased acquisition and investment rate in 2024 compared to 2023. The amount of environmentally sustainable capital expenditure (CAPEX) saw a decrease from 2023, largely due to the availability of information linked to DNHS criteria.

OTHER ENVIRONMENTAL GOALS AND CRITERIA

Pollution

Bufab is mainly affected by purchased goods, services and transport. No major local contamination has been identified at the facilities. DEHP, an SVHC, is used in plastic products and lead, also an SVHC, is found in some metal products with levels that sometimes exceed 0.1%.

Water

Bufab's operations use small amounts of water without large local risks. Main water-related risks lie in the supply chain, especially in water-intensive industries. Local companies must develop individual water strategies based on usage and risks.

Biodiversity

The direct impact on biodiversity is small and the business operations are not in high-risk areas. Potential risks are in supply chain, linked to carbon footprint, pollution and water use. Local companies must evaluate and let risks inform the strategies.

Circular economy

The goal is zero waste to landfill and reduced total waste. Operational waste is managed locally and recycled content is part of the sustainability program.

Social safegards

Bufab works globally and handles various worker-related risks. By applying a code of conduct and choosing suppliers that meet sustainability criteria's, sustainability is improved in the business and the supply chain. The focus lies also on ethical purchasing and continuous improvement.

Bufab on the stock exchange

LISTING AND TURNOVER

The Bufab share has been listed on Nasdaq Stockholm since 21 February 2014. The total turnover of Bufab shares in 2024 was 22.7 million shares and the average turnover was 90,469 shares.

BRIEF FACTS

Listing: Nasdaq Stockholm
Number of shares: 38,110,533
Ticker: BUFAB
ISIN code: SE 0005677135

MORE INFORMATION

For share price and up-to-date information, visit www.bufabgroup.com

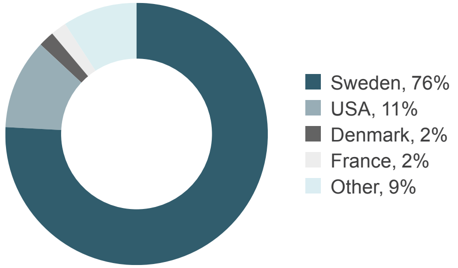
SEK million	2024	2023
Earnings per share before dilution, SEK	14.57	15.17
Earnings per share after dilution, SEK	14.50	15.03
Dividend per share, SEK	5.25[1]	5.00
Yield[2]	1.2%	1.3%
Share of dividend[3]	36.0%	33.0%
Share price at year-end, SEK	439.2	386.4
Highest share price, SEK	459.0	398.6
Lowest share price, SEK	330.60	227.6
Number of shareholders at year-end	7,952	9,751
Market capitalisation at year-end, SEK million	16,738	14,726

[1] The dividend pertains to the Board's proposal.
[2] The dividend in relation to the share price at year-end.
[3] The dividend for the financial year in relation to earnings for the year per share.

Largest shareholders on 31 December 2024	Share of capital and votes
Liljedahl Group AB	29.21%
Lannebo Fonder	8.78%
Swedbank Robur Fonder	5.85%
Spiltan Fonder	5.66%
Vanguard	4.55%
Andra AP-fonden (AP2)	3.34%
Didner & Gerge Fonder	2.94%
Nordea Funds	2.74%
Handelsbanken Fonder	1.47%
Invesco	1.39%
Other shareholders	34.06%
Total	**100.00%**

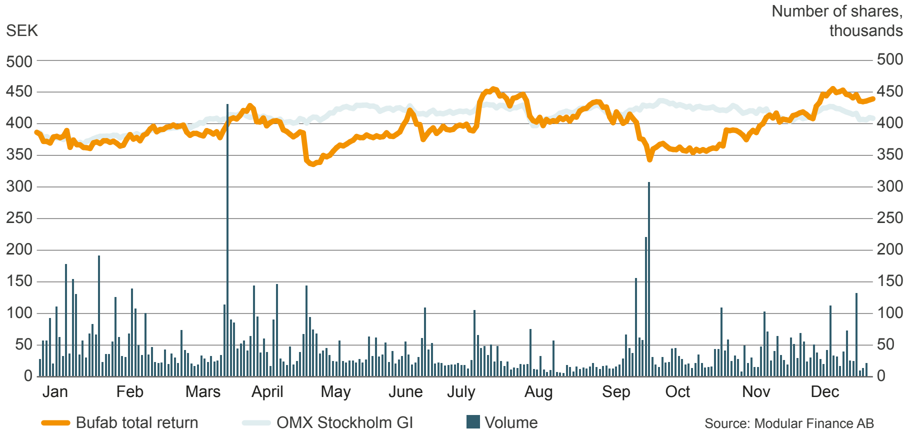
Source: Monitor by Modular Finance AB. Compiled and processed data from, among others, Euroclear, Morningstar and Finansinspektionen.

OWNERSHIP DISTRIBUTION BY COUNTRY, 31 DECEMBER 2024



Source: Monitor by Modular Finance AB. Compiled and processed data from, among others, Euroclear, Morningstar and Finansinspektionen.

BUFAB'S SHARE PRICE TREND IN 2024



Definitions of key figures

GROSS MARGIN, %
Gross profit as a percentage of net sales for the period.

EBITDA
Operating profit before depreciation, amortisation and impairment.

EBITDA, ADJUSTED
Operating profit before depreciation, amortisation and impairment, less amortisation on right-of-use assets according to IFRS 16 Leases. This key figure is an approximation and is intended to present a comparable EBITDA as though IAS 17 continued to be applied.

OPERATING PROFIT (EBITA)
Gross profit less operating expenses.

OPERATING MARGIN, %
Operating profit as a percentage of net sales for the period.

NET DEBT
Interest-bearing liabilities less cash and cash equivalents and interest-bearing assets, calculated at the end of the period.

NET DEBT, ADJUSTED
Interest-bearing liabilities, lease liabilities according to IFRS 16, less cash and cash equivalents and interest-bearing assets, calculated at the end of the period.

OPERATING EXPENSES
Total distribution costs, administrative expenses, other operating income and other operating expenses excluding depreciation, amortisation and impairment of acquisition-related intangible assets.

DEBT/EQUITY RATIO, %
Net debt divided by equity, calculated at the end of the period.

NET INDEBTEDNESS/EBITDA, ADJUSTED, MULTIPLE
Net debt, adjusted at the end of the period divided by EBITDA, adjusted in the last twelve months.

WORKING CAPITAL
Total current assets less cash and cash equivalents less current non-interest-bearing liabilities, excluding liabilities for additional purchase prices, calculated at the end of the period.

AVERAGE WORKING CAPITAL
Average working capital calculated as the average of the past four quarters.

WORKING CAPITAL/NET SALES, %
Average working capital as a percentage of net sales in the last twelve months.

EQUITY/ASSETS RATIO, %
Equity as a percentage of total assets, calculated at the end of the period.

OPERATING CASH FLOW
EBITDA, adjusted, plus other non-cash items, minus changes in working capital and investments.

CASH CONVERSION
Operating cash flow divided by EBITDA, adjusted

EARNINGS PER SHARE
Profit for the period divided by the average number of ordinary shares adjusted for the set-off issue and 80:1 split conducted in the first quarter of 2014.

Key figures not defined in accordance with IFRS

EBITDA

EBITDA is an expression of operating profit before depreciation, amortisation and impairment. The key figure is defined below.

SEK million	**2024**	2023
Operating profit	891	974
Depreciation/amortisation and impairment	279	278
EBITDA	**1,170**	**1,252**

EBITDA, ADJUSTED

The performance measure EBITDA, adjusted, is an expression of operating profit before depreciation, amortisation and impairment, less amortisation on right-of-use assets and interest expenses on lease liabilities according to IFRS 16. The key figure is defined below.

SEK million	**2024**	2023
Operating profit	891	974
Depreciation/amortisation and impairment	279	278
Less: amortisation on right-of-use assets according to IFRS 16	–148	–138
Less: interest expenses on lease liabilities according to IFRS 16	–19	–17
EBITDA	**1,002**	**1,097**

EBITA

Bufab's growth strategy includes the acquisition of companies. For the purpose of illustrating the underlying operation's performance, management has chosen to monitor EBITA (operating profit before depreciation, amortisation and impairment of acquired intangible assets). The key figure is defined below.

SEK million	**2024**	2023
Operating profit	891	974
Depreciation/amortisation and impairment	69	69
EBITDA	**959**	**1,043**

OPERATING EXPENSES

Operating expenses is an expression of operating expenses before depreciation, amortisation and impairment of acquired intangible assets. The key figure is defined below.

SEK million	**2024**	2023
Distribution costs	–971	–920
Administrative expenses	–590	–552
Other operating income	131	56
Other operating expenses	–68	–104
Depreciation and amortisation of acquired intangible assets	69	69
Operating expenses	**–1,429**	**–1,451**

WORKING CAPITAL

Because Bufab is a trading company, working capital represents a large share of the balance sheet's value. In order to optimise the company's cash generation, management focuses on the local company's development, and thereby the entire Group's development, of working capital as it is defined below.

SEK million	**2024**	2023
Current assets	4,640	4,510
Less: cash and cash equivalents	–211	–218
Less: current non-interest-bearing liabilities excluding liabilities for additional purchase prices	–1,251	–1,134
Working capital on the balance-sheet date	**3,177**	**3,158**

NET DEBT

Net debt is an expression of how large the financial borrowing is in the company in absolute figures after deductions for cash and cash equivalents. The reported additional purchase considerations are included from the time when they are finally calculated and paid out. The key figure is defined below.

SEK million	**2024**	2023
Non-current interest-bearing liabilities	3,265	3,346
Current interest-bearing liabilities	315	271
Less: cash and cash equivalents	–211	–218
Less: other interest-bearing receivables	–	–
Net debt on balance-sheet date	**3,369**	**3,399**

NET DEBT, ADJUSTED

Net debt, adjusted, is an expression of how large the financial borrowing is in the company in absolute figures after deductions for lease liabilities according to IFRS 16 and cash and cash equivalents. The key figure is defined below.

SEK million	**2024**	2023
Non-current interest-bearing liabilities	3,265	3,346
Current interest-bearing liabilities	315	271
Less: lease liabilities according to IFRS 16	–612	–538
Less: cash and cash equivalents	–211	–218
Less: other interest-bearing receivables	–	–
Net debt on balance-sheet date	**2,757**	**2,861**

ORGANIC GROWTH

Because Bufab has operations in many countries with different currencies, it is essential to provide an understanding of the company's performance without currency effects when translating foreign subsidiaries. In addition, Bufab has an important strategic objective in carrying out value-generating acquisitions. For these reasons, growth is also recognised excluding currency effects when translating foreign subsidiaries and excluding acquired operations within the term Organic growth. This key figure is expressed in percentage points of last year's net sales.

	2024					
	Group	Europe North & East	Europe West	Americas	UK/Ireland	Asia-Pacific
Organic growth	–5	–5	–4	–10	–8	4
Currency translation effects	0	0	–2	–3	2	–1
Acquisitions	0	–	2	–	–	–
Divestments	–2	–5	–	–	–	–
Recognised growth	**–7**	**–10**	**–5**	**–13**	**–5**	**3**

	2023					
	Group	Europe North & East	Europe West	Americas	UK/Ireland	Asia-Pacific
Organic growth	–6	–1	4	–19	10	–14
Currency translation effects	5	4	7	5	6	4
Acquisitions	4	–	–	–	–	–
Divestments	–	–	–	–	–	–
Recognised growth	**3**	**2**	**10**	**–3**	**1**	**–10**

Information and addresses

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Bufab's Annual and Sustainability Report is published in Swedish and in an English translation. In the event of any discrepancies between the two versions, the Swedish version takes precedence.

BUFAB