



Profil Gruppen.

ANNUAL REPORT
CONSOLIDATED
FINANCIAL STATEMENTS
SUSTAINABILITY REPORT
2022

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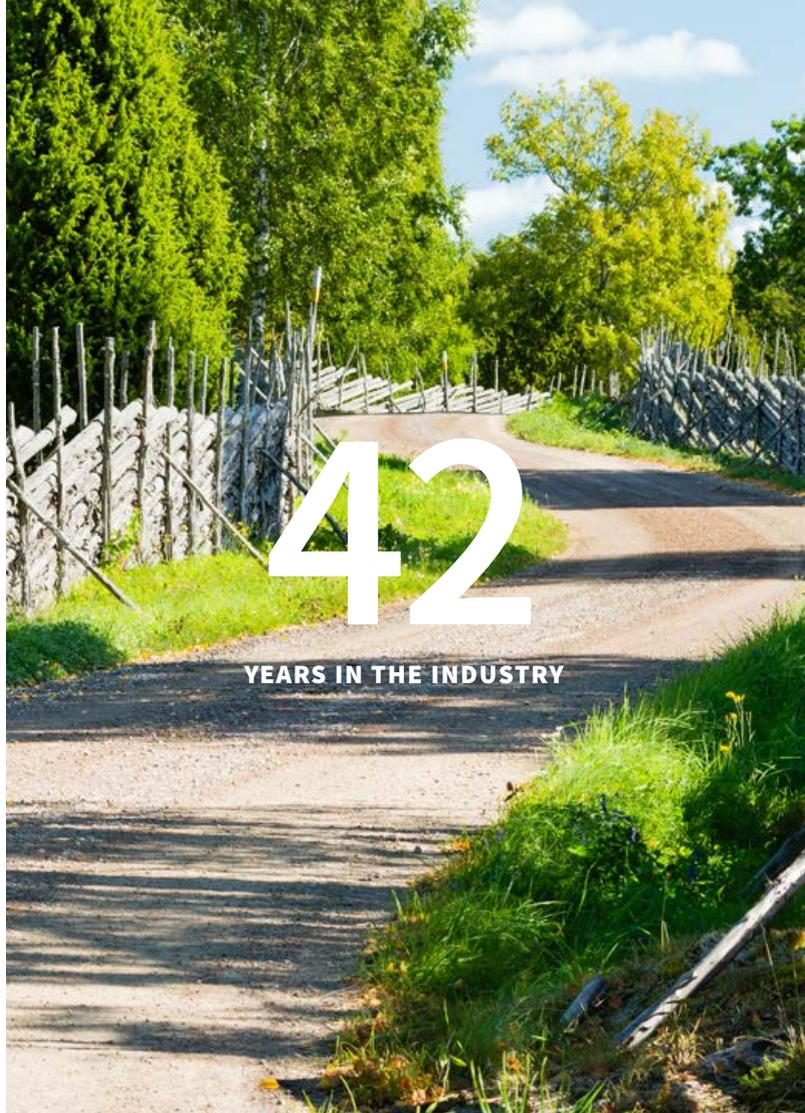
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42

YEARS IN THE INDUSTRY



669

ACTIVE CUSTOMERS

555

AVERAGE NUMBER OF EMPLOYEES

4

EXTRUSION FACILITIES AND THREE
PROCESSING UNITS

GLOSSARY

ANODISATION	Electrolytic surface treatment process that produces a very hard insulating and decorative surface
ASI	Aluminium Stewardship Initiative, the aluminium industry's global standard-setting and certifying body
BAUXITE	A soil or rock from which aluminium can be extracted
MACHINING	Various processes that further refine the aluminium extrusion, such as bending, milling or punching
EXTRUSION	Process of manufacturing extrusions by pressing an aluminium ingot through a matrix
PROCESSING	Adding new functions or changing the appearance of an extrusion, for example through machining or surface treatment
EXTRUSION LINE	A production line for extrusion
PRIMARY PRODUCTION	Producing a material for the first time, rather than through recycling
EXTRUSION	A length of metal that has been pressed through a matrix to achieve a specific shape
SCRAP	Waste is generated naturally in our process. This happens at various stages, including during the manufacture of extrusions as the first and last pieces of the product become deformed, or when chips are machined away
EXTRUSION	See Extrusion
RECYCLING	To recover and reuse a material, energy, water or medium which formed part of a product that has reached the end consumer

OH WHAT A PARTY WHEN PROFILGRUPPEN TURNED 40

In May, it was finally time for ProfilGruppen's belated 40th anniversary party – and everyone was there! The guests of honour were our employees who came together to celebrate all the great things we have achieved together.

In 2021, ProfilGruppen turned 40, but due to the pandemic we were unable to celebrate properly. We had to wait until the early summer of 2022 when we made up for everything in style. During an eventful Saturday, we had the grand opening of our new Tor extrusion line with open house and a roaring farewell party for our employees and their families.

GUIDED TOURS

During the open house, guided tours of Tor were organised and visitors could also enjoy a talk show where employees were interviewed by comedian Mikael Tornving. There was also a historical presentation and a product exhibition with a range of aluminium extrusions that we manufacture for our customers. In the evening the guests sat down at a long table for a festive meal and entertainment by Mikael Tornving and magician John Houdi. Peter Johansson, Bruno Mitsogiannis and Jenna Lee-James offered world-class musical entertainment. The evening concluded with dancing to Cover Funkers with secret guests.

STRONG EMPLOYER BRAND

Our anniversary Saturday was a great success. After the party, appreciative comments poured in and there is no doubt that many are already looking forward to our 50th anniversary. For ProfilGruppen, the anniversary party was an important investment in our employer brand – and a confirmation that the positive corporate culture in which we work every day is strong and alive.



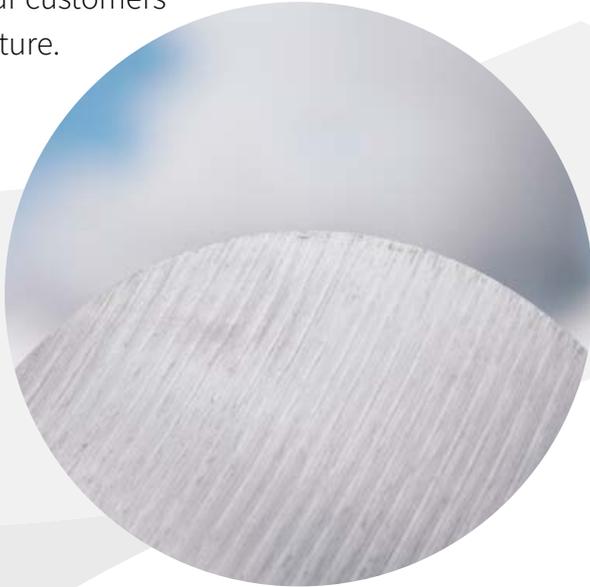


WHAT WE DO.

We are experts at tailoring extrusions and components in aluminium to the customer's requirements. Our high quality and ability to deliver contribute to our customers' success. Together with our customers and suppliers, we create a sustainable future.

CHOICE OF MATERIAL

Aluminium is our material. A material with unique properties such as low weight, high strength and conductivity as well as good corrosion resistance. It is also easy to shape and process. The material can be easily recycled and can be produced with a low climate footprint – provided that renewable energy is available. ProfilGruppen's advantageous geographical location and close relationships with selected raw material suppliers enable us to offer our customers to make an active choice in terms of quality, origin and climate footprint.



RECYCLING

Aluminium can be recycled using only a fraction of the energy needed in primary production. Through active choices and recycling, the climate footprint can be very low. Sorting in connection with recycling is important to ensure that the resulting material retains its properties. We see ourselves as part of the cycle and are working actively to increase the recycling rate together with our customers.



USE

Aluminium extrusions and components have a wide range of applications and are used in many industries. We deliver to customers in the construction, transport, electronics and other industries where our extrusions can form an important part of a balcony, electric car or lighting fixture.



DEVELOPMENT & DESIGN

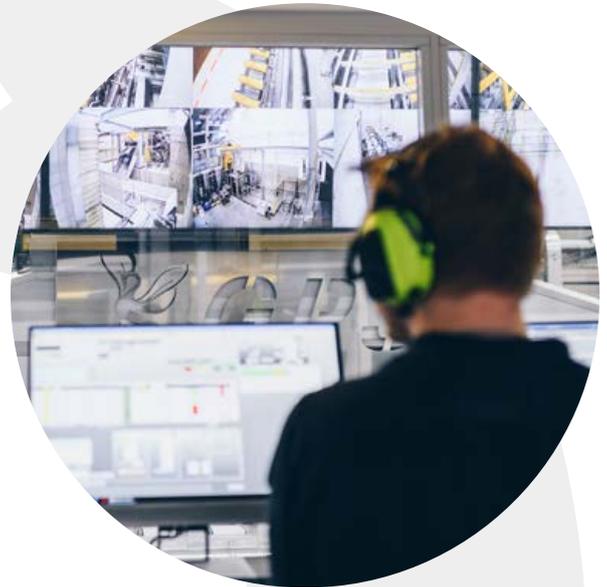
We act as advisors in the customer's development process by contributing our experience and our expertise in materials, applications and manufacturing. Our goal is to design an extrusion that has optimal properties throughout its life cycle, including disassembly for recycling, and that can be produced efficiently.

MACHINING

One of ProfilGruppen's strengths is our wide range of processing services. We offer cutting, milling, bending and punching via automated processes for high efficiency and quality. The flexible set-up means that we can quickly adapt to customer requirements.

SERVICES

Our offer also includes a range of services that create added value for our customers - an offer that is constantly growing in volume and content. Warehouse and logistics solutions are a key element that helps our customers to streamline their flows. Customised packaging means that goods can be transported directly to the point of consumption, whether it is a production line or directly to the store. Assembly of complete products together with kit packaging is a growing category. Circular solutions where we offer to utilise the customer's process scrap are highly topical.



MANUFACTURING

EXTRUSION

Extrusion is our core business. We have extensive expertise and experience regarding the production process. At our production facilities, we have access to modern machines with a high degree of automation and advanced technology. We continually invest in new technology to ensure that we are able to offer our customers efficient solutions.



SURFACE TREATMENT

Through surface treatment, we can create extrusions with different looks, colours and functions. Surface treatment also increases corrosion resistance and wear resistance and gives the extrusion other desired properties. A large proportion of our extrusions are treated by anodising, but we also offer powder coating and other surface treatment methods.

POSITIVE ENERGY FOR THE FUTURE

Energy was a major concern in 2022, and ProfilGruppen faced the same problems as everyone else. Yet it has also been a year inspired by the positive energy that exists in our organisation. With strength and determination, we have taken on the challenges and strengthened our relationships with our customers.

When we entered the year, we did so with a historically high production rate. In 2021, we reached a new production peak measured in tonnage and we were in a position where we had achieved the desired efficiency and quality relative to market demand. The conditions were thus very favourable, and we made the most of in the first quarter in 2021.

EXCITING DEVELOPMENT PROJECTS

In 2022, we continued to develop our business for the future. Among other initiatives, we started several exciting development projects together with our customers, where we were invited to participate in the process from an early stage. We have strengthened our customer offering through continued investments in our own processes. We can offer customised solutions in an efficient manner.

We have also continued to develop our organisation and can see how our investment in leadership is beginning to yield fruit. For us, as for so many other manufacturers, the ongoing skills shortage in the technical professions is a challenge. That's why, in collaboration with our suppliers, we have taken the initiative to provide CNC training to women, who are an underrepresented group in the area.

INCREASED FOCUS ON SUSTAINABILITY

The market's focus on green raw materials increased in the past year. Many customers are demanding primary raw materials with a low carbon footprint or raw materials with a high proportion of recycled material. ProfilGruppen mainly uses primary raw materials produced with renewable energy. We offer our customers recycled raw materials depending on availability and also collect our customers' own process scrap. We see ourselves as an enabler, which supports its customers in their efforts to improve their sustainability performance and develop circular business models. We enable them to choose among different raw materials as well as different solutions and services.

RAW MATERIAL SUPPLY A KEY ISSUE

In the last two years, the commodity market has changed fundamentally. Having been relatively stable historically, the

metals market has been strongly impacted by the geopolitical situation, the European electricity crisis and the war in Ukraine. Aluminium smelters, which consume large amounts of energy, have been hit hard by the high electricity prices and have reduced their capacity. However, ProfilGruppen positioned itself in the metals market in good time: we have chosen to collaborate with suppliers who can secure our supply and who are able to provide raw materials produced with a lower carbon footprint. It is likely that we will see a differentiation in the market regarding the pricing of this raw material.

ENERGY FROM TWO PERSPECTIVES

ProfilGruppen's own operations have also been affected by the situation in the electricity market. We have for many years engaged in strategic purchasing and have thus been able to prepare ourselves as well as possible. Being a Småland company that knows how to use its resources sparingly has benefited us in our internal work. We have made significant progress in reviewing and optimising energy use in our processes, and stepped up our efforts in this area during the past year. Using software that allows us to control our operations based on consumption, availability and price, we are able to plan our production in detail.

A CHANGING BUSINESS

Volatility in commodities markets has created a situation where metals prices have a big impact on our business and our risk exposure. To reduce the risks, we have increased our monitoring activities and positioned ourselves in the metals market. One of our big challenges is hedging the increased risks in our pricing.

STRATEGIC PRESENCE IN GERMANY

In 2022, we strengthened our presence in the German market. This allows us to provide even better service to our German customers. It also enables us to take advantage of the favourable exchange rate and the fact that energy prices on the continent are higher than in Sweden.



“We strive to ensure that ProfilGruppen is perceived as a reliable and problem-solving partner with a genuine commitment to everything we do”

PROFIT/LOSS FOR THE YEAR

In the second quarter, we noticed a slowdown in volumes that gathered pace over the year and was fully reflected in the fourth quarter. Even before the summer, we started to reduce flexible staffing resources but in October we decided to notify 25 employees of redundancy. Our performance in the fourth quarter was partly due to economic prospects and partly to the fact that our customers chose to draw down their inventories. Amid a turbulent backdrop, our operating profit for the full year did not reach our targets. Although our employees have shown great drive and energy, we have not been able to fully compensate for the cost increases.

CHANGED BEHAVIOURAL PATTERNS

Our employees have a fantastic work ethic and always do their best whatever the circumstances. In the aftermath of the pandemic, however, total absence from work is on an entirely new level due to changed behavioural patterns in society. Since absence has an impact on the business, we will be working actively to address the issue.

ENTREPRENEURSHIP AND A CAN-DO ATTITUDE

In May, we were finally able to celebrate our belated 40th anniversary. The party was also a welcome opportunity to show appreciation to our committed employees. I have the privilege of leading a company that is bubbling with energy, entrepreneurship and a will to move forward, regardless of the challenges we face.

CONTINUED DRIVE

Based on the experience of the last few years, it is clear to me that ProfilGruppen's good ability to adapt to change has been, and will continue to be, of great importance. We will therefore continue our efforts to adapt to inflationary pressures, lower our costs and develop and structure our customer portfolio. In a fast changing world, the energy and commitment of our employees are an invaluable constant.

Åseda, March 2023



Fredrik Zöögling, President and CEO

SIGN-WARE

A beautiful marriage of creativity and quality

MEET OUR CUSTOMERS

SIGN-WARE is one of Germany's leading manufacturers of innovative sign and display systems. With ProfilGruppen as a supplier, customers get the speed, quality and attentiveness required to realise their creative ideas.

SIGN-WARE develops and manufactures display systems for mounting large-format digital prints, both indoors and outdoors. The products have a wide range of uses – from traditional billboard advertising to shop fittings and exhibition stands. In principle, they can be used for everything from small advertising signs to complete exhibition stands. The system is based on support and rail systems made from aluminium extrusions that SIGN-WARE adapts completely to the customer's requirements.

SIGN-WARE is a beautiful marriage of creativity and quality.

"It is the breadth of our product portfolio that enables us to meet our customers' needs whatever they may be – whether the customer is looking for a simple standard frame or needs help

with a customised solution. There are really no limits to what we can achieve, both in terms of form and functionality," says Carsten Teriet, Director of Operations at SIGN-WARE:

"With our concept, our customers can realise their personal ideas about design and finish, without feeling constrained in any way. With our long experience of processing aluminium extrusions, we can create solutions that fit the wall, ceiling or room perfectly."

The aluminium extrusions are supplied by ProfilGruppen. There are around 25 different types with different cross-sections, and nearly all have been surface-treated by anodising to ensure they can withstand tough display environments.

"Our collaboration is based on mutual trust," explains Marc Engelhardt, ProfilGruppen's Account Manager in Germany. A trust that SIGN-WARE has shown from the start.

"When our collaboration began, we were given the opportunity to start serial production immediately. In a short time, we set up about 20 new tools which we simulated before serial delivery, and

we then began deliveries without any prior physical samples. That's what I call trust, where the customer simply put their trust in ProfilGruppen's good name and reputation. The foundation, of course, is a good collaboration between ProfilGruppen, the customer and the tool supplier."

The success concept is based on maintaining very high quality in terms of the extrusions' surface, dimensional accuracy and shape tolerances.

"Coupled with short response times for new tools, quick deliveries and short distances with regional support on site, we can do our part in ensuring that SIGN-WARE is able to fulfil their promise of providing flexible, fast and individual solutions to their customers. The fact that we have a German sales organisation in place and can offer sustainably produced aluminium extrusions from northern Europe I think strengthens our competitiveness," Marc Engelhardt says.



Carsten Teriet

SIGN-WARE GMBH

Founded: 2007

Does: Innovative display systems

Number of employees: 45

HAEBERLE MEDICAL

“From a hygiene perspective, surface treatment is incredibly important”

MEET OUR CUSTOMERS

Today’s advanced medical equipment can save lives. Provided it is available. HAEBERLE GmbH + Co. of Germany. KG is a specialist in mobility in the healthcare sector. Through a close and straightforward collaboration with ProfilGruppen, innovative trolleys are developed for a global market.

Everything is, of course, about accessibility: the trolleys are designed so that the equipment can be easily and safely moved and used in different care contexts – from emergency departments to specialist and general care environments.

“In addition to the reliability and functionality of the trolley systems, good ergonomics for the nursing staff is another important parameter,” says Matthias Merz, who is Head of Technology and Development at HAEBERLE.

The company, which operates from Stuttgart, was founded in 1933 and today sells its products all over the world. The basis for the successful

solutions is a well-thought-out and versatile modular system that meets the majority of common customer requirements and can also be adapted for practically all customer-specific tasks.

The company’s collaboration with ProfilGruppen goes back many years and is based on trust.

“At HAEBERLE we have a very close and trusting collaboration. In our development process, we involve ProfilGruppen in the product development process at a very early stage,” says Matthias Merz.

ProfilGruppen’s designers and product specialists work directly with HAEBERLE’s development team.

“We advise on the development of new extrusion geometries, machining processing and surface coatings,” says Michael Scheeder, Account Manager for ProfilGruppen in Germany.

“The flexibility of our concepts requires a very high standard of quality for the extrusions. Our products need to be

usable for many years and need to cope with the tough clinical conditions they face every day. Another important aspect is hygiene and that’s where the surface treatment of the aluminium extrusions is incredibly important. It is therefore a great advantage that ProfilGruppen can offer us so many options, from anodising to powder coating and printing of logos and letters,” Matthias Merz explains.

He sees several advantages in the close supplier relationship.

“HAEBERLE’ and ProfilGruppen’s corporate cultures are similar. Flat organisational structures, short decision paths and an open, positive atmosphere. There is a genuine commitment at ProfilGruppen that we appreciate,” says Matthias Merz.



Matthias Merz

HAEBERLE GMBH + CO. KG

Founded: 1933

Does: Trolleys for transport of medical equipment

Number of employees: 34

RAMEX

“Everything needs to be in order if we are to win the contract”

MEET OUR CUSTOMERS

It started with a noticeboard. Today, Ramex is one of Sweden’s leading suppliers of AV furniture and exposure systems for schools, businesses and public environments. The company’s products are based on Swedish-made aluminium extrusions from ProfilGruppen.

In 1962, the family business AB Ramex-tavlan was founded in Örsundsbro by Uno Pettersson and his wife Vera. The company made noticeboards for schools and operated from a small basement room. If we fast forward to 2022, much has changed. Over the years, the manufacture of noticeboards evolved into a complete range of products covering everything from wall absorbers and AV furniture to vertical sliding whiteboards for auditoriums as well as custom-made carpentry in different types of wood. The products are made in purpose-built premises and the business has a turnover of just over MSEK 20 with 16 employees. Uno’s daughter Anita and her husband Sölwe, the current CEO, took over the business in 1985 and have together continued the family’s entrepreneurial tradition.

“I myself started at Ramex back in 1974 and now it’s time for another generational

shift as our two sons step in and take over,” Sölwe Pettersson says.

Swedish schools, colleges and universities are still important customers, as well as businesses, property owners and others who own or manage public environments. The orders are often driven by architects, decorators, technology companies and others in charge of making orders but the products are sold exclusively through distributors. The customers are in Sweden as well as the other Nordic countries.

As most purchases are made through a bidding process, Ramex operates in an extremely competitive environment where running a tight ship is vital.

“Fifteen years ago we chose to certify ourselves and today we are certified under ISO 9001, ISO 14001 and ISO 45001. This is absolutely necessary if you want to participate in public procurements,” Sölwe Pettersson explains.

“That is also why we choose to buy our aluminium extrusions from Sweden and ProfilGruppen, because then we know that everything is in order and that we can confidently assert to our customers that we are running a sustainable business. If we had bought aluminium from China, for example, where the standards are not nearly as high,

we would not have been able to guarantee that our raw materials are produced in the right way.

Our relationship stretches all the way back to when ProfilGruppen was first established, and over the years we have worked together to develop around 40 different extrusions.” The production is completely customised and ranges from small to large series. The material mix also includes some wood. For ProfilGruppen therefore, part of the task is to offer a high degree of flexibility. Ramex does a lot of the processing themselves, while ProfilGruppen handles extrusion, surface treatment and cutting.

Today, it is ProfilGruppen’s Account Manager Sebastian Johansson and Sales Support Bernice Köppen who support Ramex in product development.

“I’m not a CAD designer myself, so when I get an idea it’s nice just to be able to jot things down and then

they help me with the rest of the design. They have learnt to decipher my scrawlings by now,” Sölwe Pettersson chuckles.

Professional – and personal – just the way we want it!



Sölwe Pettersson

RAMEX AB

Founded: 1962

Does: AV interiors and whiteboards for schools, offices and public environments

Number of employees: 16

CLEAR CONCEPTS

“Made in Sweden is a sustainability argument for our customers”

MEET OUR CUSTOMERS

Swedish quality. That, in a nutshell, is what the collaboration between ProfilGruppen and Clear Concepts is about. As sustainability becomes increasingly important to customers, made in Sweden has become an even stronger mark of quality.

Clear Concepts is an internationally well-known manufacturer of tools for the cleaning, painting and boating industries. The company has customers all over the world and around 80 per cent of its products are exported to Australia, Japan, Canada, the US and the rest of Europe.

“The products are based on a number of different shafts and stands in aluminium with a patented easy snap function that makes it easy to change tools quickly and ergonomically. We also offer a high degree of customisation of the products with colours and logos, and we sell exclusively to the professional market.

The products are sold through wholesalers,” says Lena Nilsson, a co-owner of Clear Concepts.

Lena and Arne Nilsson acquired the company in 2009, together with co-owner Rikard Åberg, who contributes extensive technical know-how. But they already knew the business inside out because from 1996–2002 they had run the company on behalf of the then owner. The company has maintained its contacts with ProfilGruppen ever since. What began with a delivery of a modest 300 metres of aluminium extrusions has now increased to a large – and for commercial reasons confidential – number of tonnes.

“ProfilGruppen is responsible for the quality of the aluminium extrusion, and we then customise it for the customer. I like to think of us as a tailor’s shop. For us, continuing our collaboration has been a no-brainer because ProfilGruppen has always been there when we needed them, is quick to meet our needs and even keeps some extrusions in stock for us.”

ProfilGruppen extrudes, cuts and anodises the extrusions and also does some processing, including painting.

The geographical proximity of the two companies and the fact that ProfilGruppen uses non-fossil energy in its production have also become important competitive assets in recent years.

“We are getting a lot of questions from our customers about sustainability and transport. For them, made in Sweden is a mark of quality and that’s where our collaboration with ProfilGruppen is an important argument.”

“Clear Concepts is an internationally well-known manufacturer of tools for the cleaning, painting and boating industries”

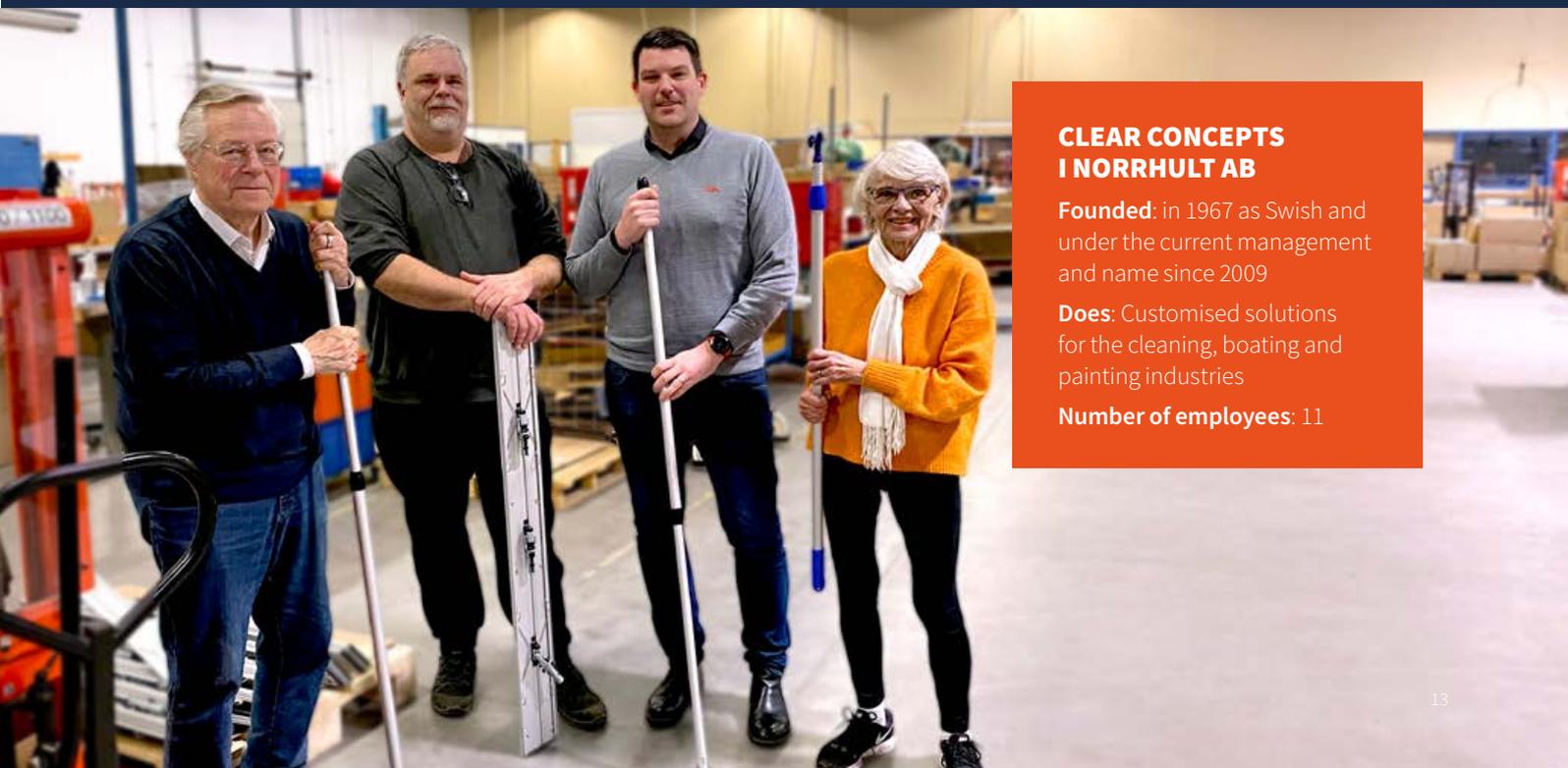
It is not often that you can go on a customer visit by foot, but for ProfilGruppen’s salesman Joel Lundahl that is the obvious choice as he lives right next door to ClearConcepts in Norrhult. The entrepreneurs Lena and Arne Nilsson and Rikard Åberg see their collaboration with ProfilGruppen as essential to their ability to offer their international customers Swedish quality.

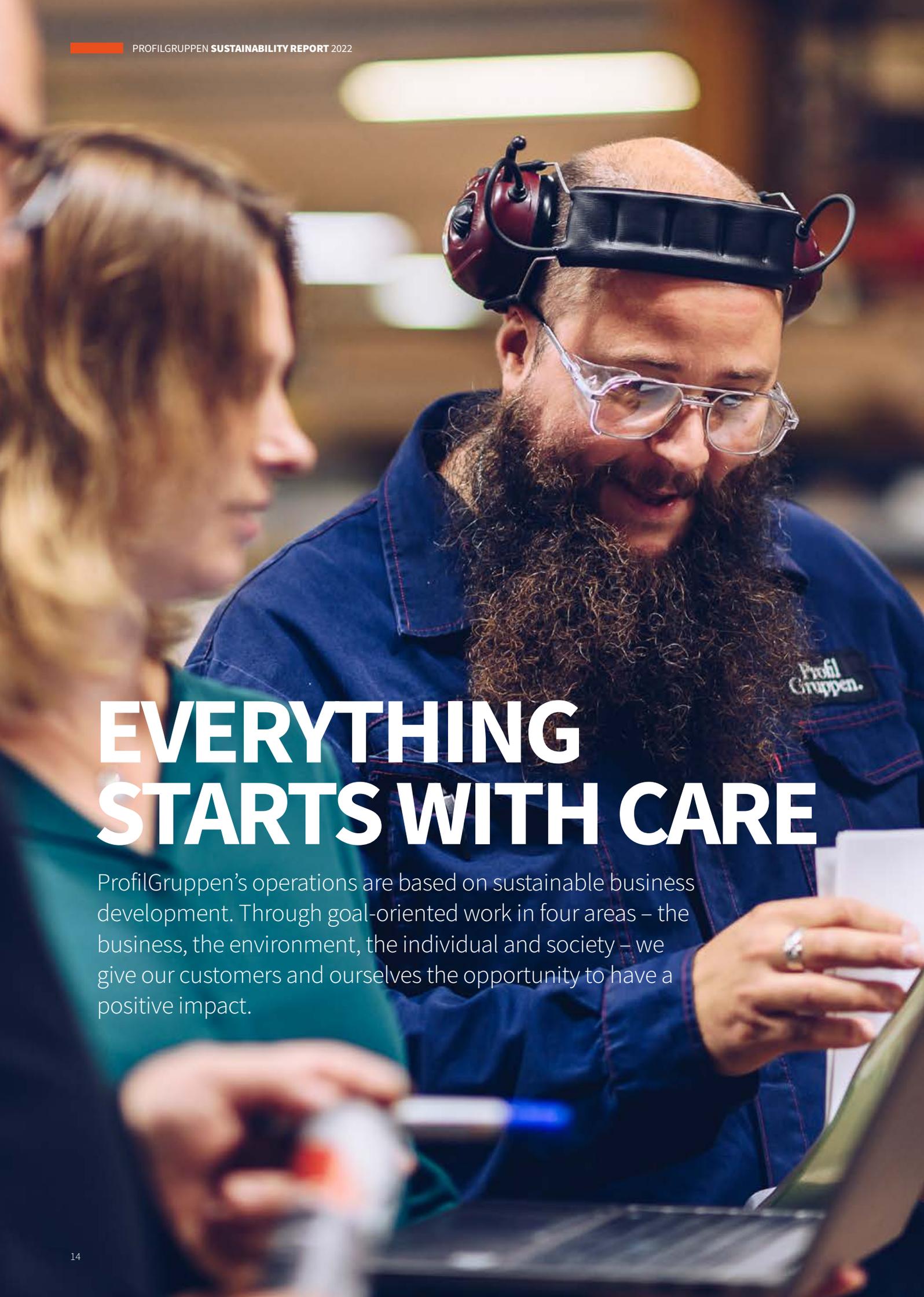
CLEAR CONCEPTS I NORRHULT AB

Founded: in 1967 as Swish and under the current management and name since 2009

Does: Customised solutions for the cleaning, boating and painting industries

Number of employees: 11





EVERYTHING STARTS WITH CARE

ProfilGruppen's operations are based on sustainable business development. Through goal-oriented work in four areas – the business, the environment, the individual and society – we give our customers and ourselves the opportunity to have a positive impact.

OUR BUSINESS

“Made in Åseda”

ProfilGruppen is a supplier of turnkey customised aluminium extrusions and components. Our strength is that we act as advisors based on a broad offering and have the customer’s needs at heart. We also offer a high degree of processing and can therefore also deliver very advanced products.

A STRONG LOCAL BASE

ProfilGruppen’s operations are concentrated to the southern Swedish county of Småland. Our business is based in Åseda, where we have our headquarters, production facilities and most of our sales organisation. Most of our customers are in Sweden and to get even closer to them we also have sales offices in Stockholm and Skellefteå. Our export customers are mainly served from our regional sales offices in Germany and Norway as well as from our head office in Åseda.

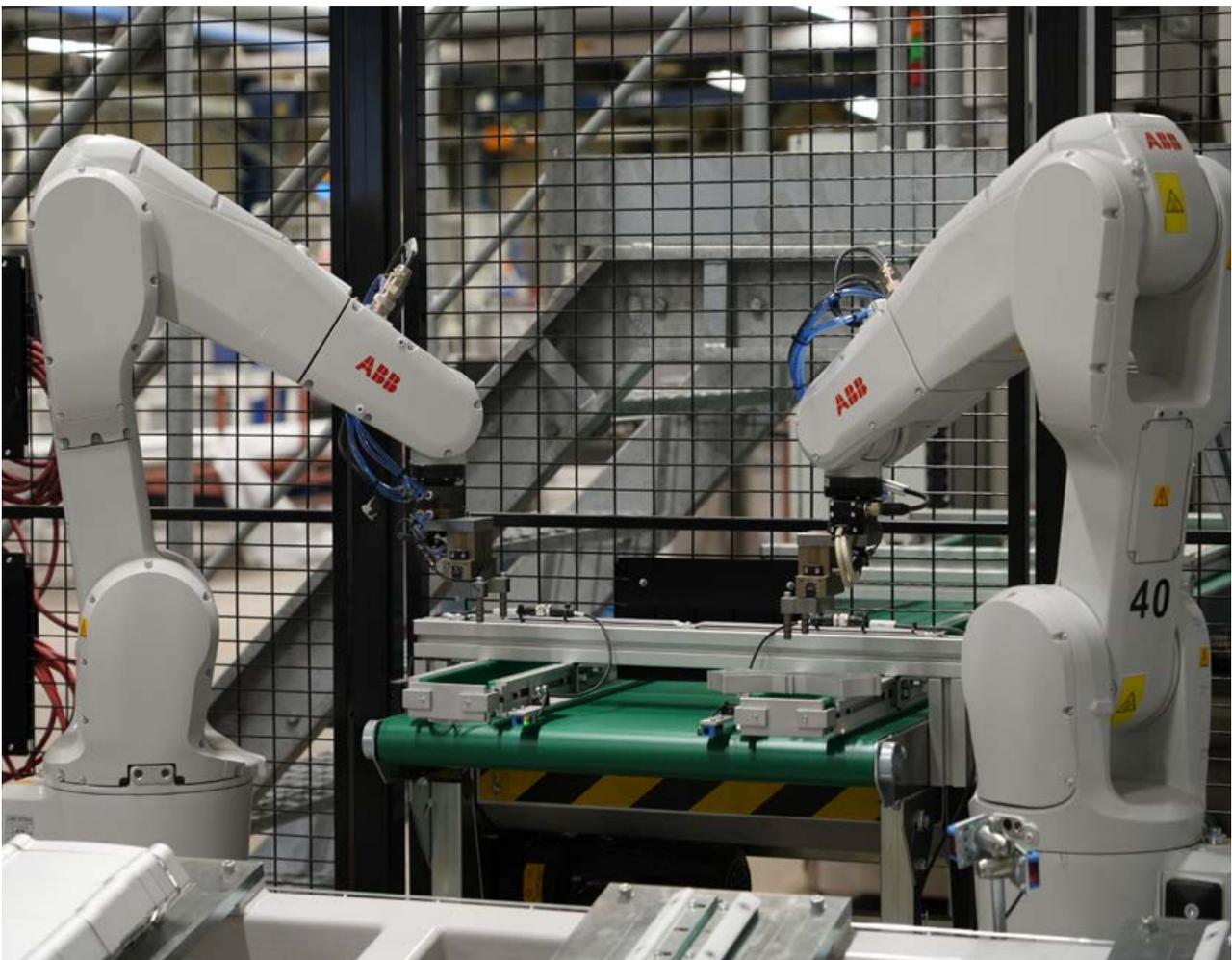
GEOGRAPHIC CONCENTRATION AN ASSET

The geographic concentration of ProfilGruppen’s operations has many advantages. It makes it easier to get an overview

of the organisation and flow of materials. The decision paths are short, which creates a strong sense of togetherness among our employees. It also gives us good control over sustainability issues such as the environment, gender equality and human rights and makes it easier to prepare for unforeseen events. Being close to renewable energy sources enables us to run a business with a lower environmental impact.

CLOSE TO SERVICE PROVIDERS

Our providers of processing services are an important part of our offering. This makes it easier to ensure control over the supplychain. Recent challenges in global supply chains have shown the strength of using local supply chains. ProfilGruppen offers stable deliveries and a high level of delivery accuracy. The fact that we, and the majority of our suppliers, are based in Sweden and follow Swedish laws, collective agreements and customs, provides a stable foundation for caring for the business, the environment, individuals and society.



OUR BUSINESS

Group structure

PROFILGRUPPEN AB

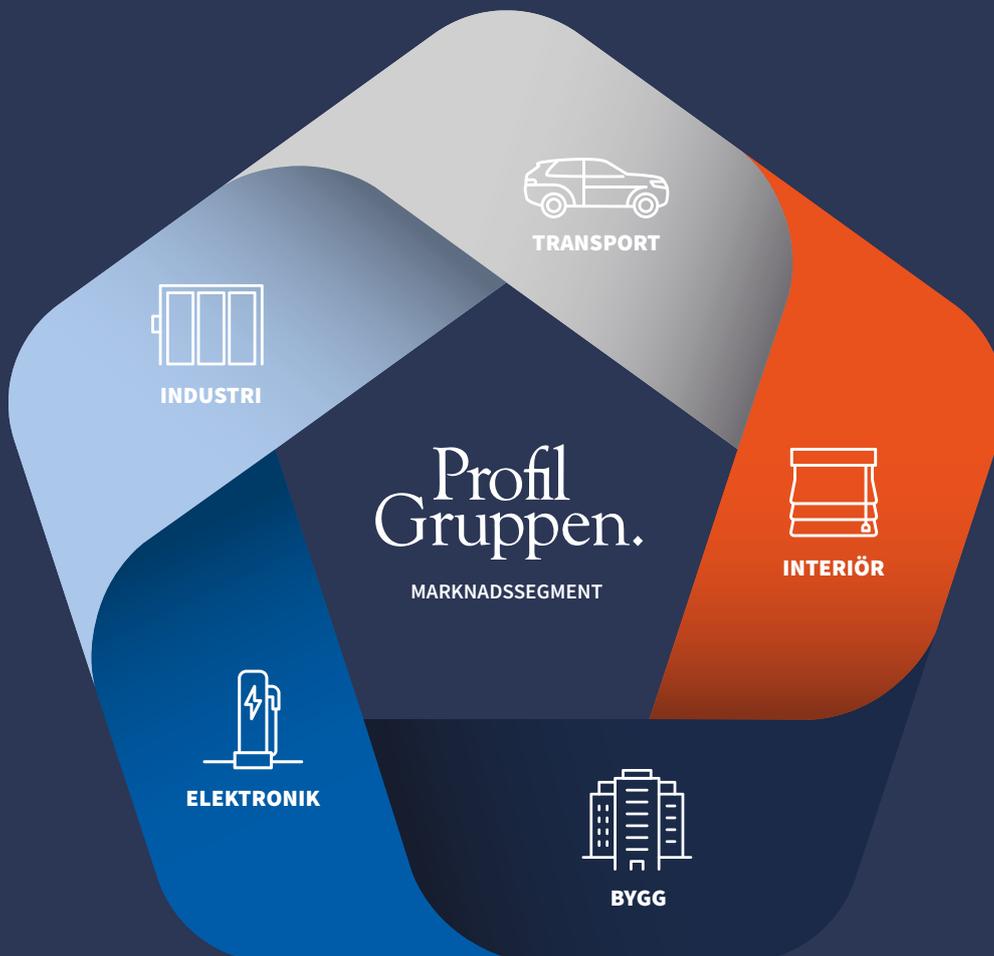
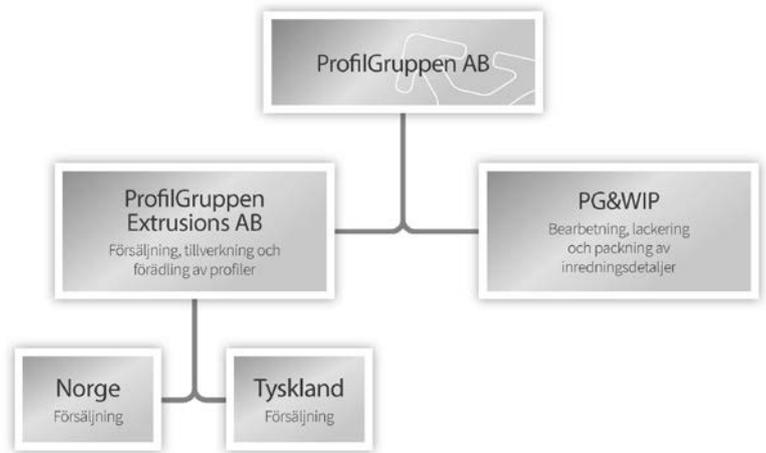
The Group's parent company is listed on Nasdaq Stockholm Small Cap.

PROFILGRUPPEN EXTRUSIONS AB

This company is home to most of our operations. The company produces and processes extrusions for unique customer needs and is responsible for the Group's overall sales and administration. The operations also include sales companies in Norway and Germany.

PG&WIP AB

The company processes and packages extrusion-based products for consumers on behalf of a customer in the interior design industry. The company is 70 per cent owned by ProfilGruppen and the remaining share by WIP Industries AB.



OUR BUSINESS

A material for all industries

Aluminium is a material of the future – due to its lightness, longevity and good recycling properties. This is also noticeable among our customers, whose demand for aluminium extrusions is constantly increasing. Aluminium extrusions have obvious uses in many industries, not least in construction where it is used for doors, balconies and other elements due to its good corrosion properties and low weight. Because aluminium has high strength, aluminium extrusions can also be used in load-bearing structures. In cooling extrusions, it is

instead the thermal conductivity of the material that comes into play.

The automotive industry has been using aluminium for a long time and demand has increased steadily. Right now, the big driving force is the electrification of vehicles, where the light weight of aluminium is a key factor for the vehicles' range and carrying capacity. Aluminium is also widely used in the telecom industry, where it is the low weight combined with the possibility of integrating multiple functions that drives demand.

“Customer demand for aluminium extrusions is increasing steadily”

Our role

ProfilGruppen wants to have a positive impact on the environment. Our principal means of doing so is to spread the use of aluminium as a sustainable material of the future. We take responsibility and want to live up to our stakeholders' high expectations. Continuing to grow and develop in the long term requires good profitability and value-creating custom-

er relationships. In ProfilGruppen, our customers find an attentive and responsible partner that strives for continuous development. By offering a workplace where individuals can develop and thrive, we create the personal commitment that is essential to our ability to live up to our ambitions.

OUR CONTRIBUTION TO AGENDA 2030

The UN Agenda 2030 provides a framework for companies to contribute to sustainable development. Since the establishment of ProfilGruppen 40 years ago, we have been convinced that we can contribute to solving the global challenges. By offering products adapted to circularity, we also enable customers from different industries to amplify their impact. Our other efforts to promote sustainability are partly based on the UN global Sustainable Development Goals and we have chosen focus areas based on how well they match our business and strategy.



GLOBALA MÅLEN
för hållbar utveckling

	PRIORITY GOALS	WHAT PROFILGRUPPEN IS DOING
THE INDIVIDUAL	<p>5 JÄMSTÄLLDHET</p> <p>Target 5.1 Eradicating discrimination against women and girls</p>	<p>We have zero tolerance for all forms of discrimination, bullying and sexual harassment. We are working to achieve a greater gender balance among our employees and managers.</p>
THE BUSINESS	<p>8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT</p> <p>Target 8.4 Improve resource efficiency in consumption and production</p>	<p>We spread knowledge about the benefits of aluminium so that other materials are replaced when aluminium is a more sustainable choice, for example because it enables circularity, increases product life or reduces fuel and energy consumption. Thanks to our geographical location in the Nordic region, we can offer products with the lowest possible carbon dioxide emissions.</p>
	<p>9 HÅLLBAR INDUSTRI, INNOVATIONER OCH INFRASTRUKTUR</p> <p>Target 9.4 Upgrade all industries and infrastructures for sustainability</p>	
THE ENVIRONMENT	<p>12 HÅLLBAR KONSUMTION OCH PRODUKTION</p> <p>Target 12.2 Sustainable management and use of natural resources</p> <p>Target 12.4 Responsible management of chemicals and waste</p>	<p>We are working to extend the life of products and promote circularity. We seek to ensure that as much aluminium as possible is recycled.</p> <p>We are working to minimise waste and increase the recycling rate.</p>
	<p>13 BEKÄMPA KLIMATFÖRÄNDRINGARNA</p> <p>Target 13.1 Strengthen resilience and adaptive capacity to climate-related disasters</p>	<p>We strive continuously to reduce our direct and indirect carbon dioxide emissions.</p>
SOCIETY	<p>17 GENOMFÖRANDE OCH PARTNERSKAP</p> <p>Target 17.16 Enhance the global partnership for sustainable development</p>	<p>We engage in and make a positive contribution to the development of the society in which we operate. We engage in networks and organisations, such as European Aluminium, that promote sustainable development for our industry and our society.</p>

ORGANISATION & GOVERNANCE

ProfilGruppen's sustainability management is based on the environmental policy and Code of Conduct adopted by the company.

CERTIFIED MANAGEMENT SYSTEMS

The operations of the Group are governed and monitored on the basis of certified management systems (IATF 16949, ISO 14001 and ISO 45001). We also take a systematic approach to energy management in the spirit of ISO 50001.

ProfilGruppen's overall environmental policy summarises our views on environmental issues and how we should act in such matters. For many years, the ISO 14001 environmental management system has been helping us to take a systematic approach*. The certification of the system involves regular external audits, which give us valuable input and help in the evaluation of the work. Every year, internal audits are performed on the manufacturing processes, according to a rolling schedule.

Since 2021, ProfilGruppen* has also been certified under the ASI (Aluminium Stewardship Initiative) Performance Standard, which is the aluminium industry's own sustainability standard. ASI is a global non-profit trade association that works to promote the role of aluminium in building a sustainable society and to increase transparency in the industry. The certification process is called ASI Performance Standard and includes requirements and principles for governance, business ethics and environmental and social aspects. Audits are carried out regularly by external auditors.

As we ourselves are subcontractors to a number of different industries, it also happens that our customers come to conduct on-site audits of ProfilGruppen. We are used to being audited and are proud of the strong results we achieve.

CODE OF CONDUCT FOR EMPLOYEES AND SUPPLIERS

Through ProfilGruppen's Code of Conduct, we have created clear guidelines for how our employees are expected to act in relation to each other, to customers and other stakeholders.

We have also prepared a version of the Code of Conduct for our suppliers. This addition has been prepared to enable us to deepen our strategically important collaboration with our processing providers and raw material suppliers. The dialogue gives us the opportunity to influence their governance on sustainability issues, which can help to bring about change and have an impact on the environment. We

require them to comply with our Supplier Code of Conduct and we also carry out supplier evaluations. We also require a certain standard of environmental management from our suppliers as condition for doing business with us.

PROFILGRUPPEN'S ENVIRONMENTAL POLICY

The company's activities should contribute towards the long-term sustainability of society.

Products based on our aluminium extrusions should be beneficial from a lifecycle perspective. Our business should be permeated by commitment and concern for our environment.



For more information about our environmental policy, scan the QR code.

SUSTAINABILITY-RELATED POLICIES

Code of Conduct
Equal treatment policy
Health and safety policy
Quality policy
Environmental policy
Sponsorship policy



For more information about our policies, scan the QR code.

CURRENT CERTIFICATES

IATF-16949
ISO-14001
ISO-45001
ASI Certification Performance Standard



For more information about our certificates and reports from inspections, scan the QR code.

SCOPE OF THE REPORT

The Sustainability Report has been prepared by ProfilGruppen AB (publ), 556277-8943. It covers the ProfilGruppen Group in its entirety, with certain exceptions. The exceptions, which are marked with *(asterisk), mean that the partly owned subsidiary PG & WIP AB is not covered. The report comprises pages 14–39.

OUR VALUES

The key to successful sustainability management

Our core values are the foundation of our corporate culture and essential to our ability to achieve our sustainability goals. Our values guide us in our work and help us to be attuned to and adapt to the demands that arise from external developments.

- Personally committed
- Professional
- Fast
- Strive for continuous improvements
- Attentive

**Ann-Marie Erlandsson**

Head of department in the processing business

“When you are head of department, you need to be **fast** and be able to quickly adapt to new conditions – whether you are dealing with staffing issues, customer requirements or whatever it may be. Staffing each shift during peak workloads or when people are away because of illness requires drive, but it has to be done with quality. When you are new to the job at ProfilGruppen, you need to be treated professionally and receive good supervision and support on whatever it may be.”



Jesper Zeilon

Shift manager in ProfilGruppen's processing business

"In collaboration with my colleagues in the department, I am responsible for assigning tasks and ensuring that everything is done in the right way – from the processing itself to health and safety precautions. I focus a lot on improvements, planning, information and optimising the jobs. For me, **professionalism** is about being present as a leader, being clear in my instructions and trying to keep calm in all situations. As an employee at ProfilGruppen, you should feel that you have the very best conditions for doing your job."



Georgina Teveli

Production inspection

"In the inspection, we check the aluminium extrusions to ensure that they maintain the right quality. We also check our machines to ensure that everything is in tip top condition. **Continuous improvement** – that, in a nutshell, is my job. Personally, I try to develop all the time – in my work and by studying languages. Improving your skills is extremely important for us so that we can meet our customers' quality requirements. If all employees strive to develop and do their best every day, we will get the wheel of change spinning!"



Jesper Ranki

Account Manager

"As an employee of ProfilGruppen it is easy to be **personally committed**. I feel that I can be involved and influence things and help drive the company forward. At the same time, I have the privilege of being involved in developing our customer's products and business. It's a great feeling to be able to contribute not only to our own, but also to our customers' future!"



Stefan Isaksson

Quality developer

"In quality development you have to keep your eyes and ears open and be **attentive** to what is happening in the organisation and at the customers' end. I am the one the operators contact if they have questions about the quality of the surfaces or how the aluminium extrusions should be packed. I then become the extended arm that communicates with the press, transport and sales in order to continue to address the issues so that we can work together to make improvements."

CARING FOR THE BUSINESS



Our ability to create new value for our customers is central to our business and we are seeing growing interest in circular solutions. With our expertise, we can help the customer to realise innovative and profitable business solutions and create joint successes.

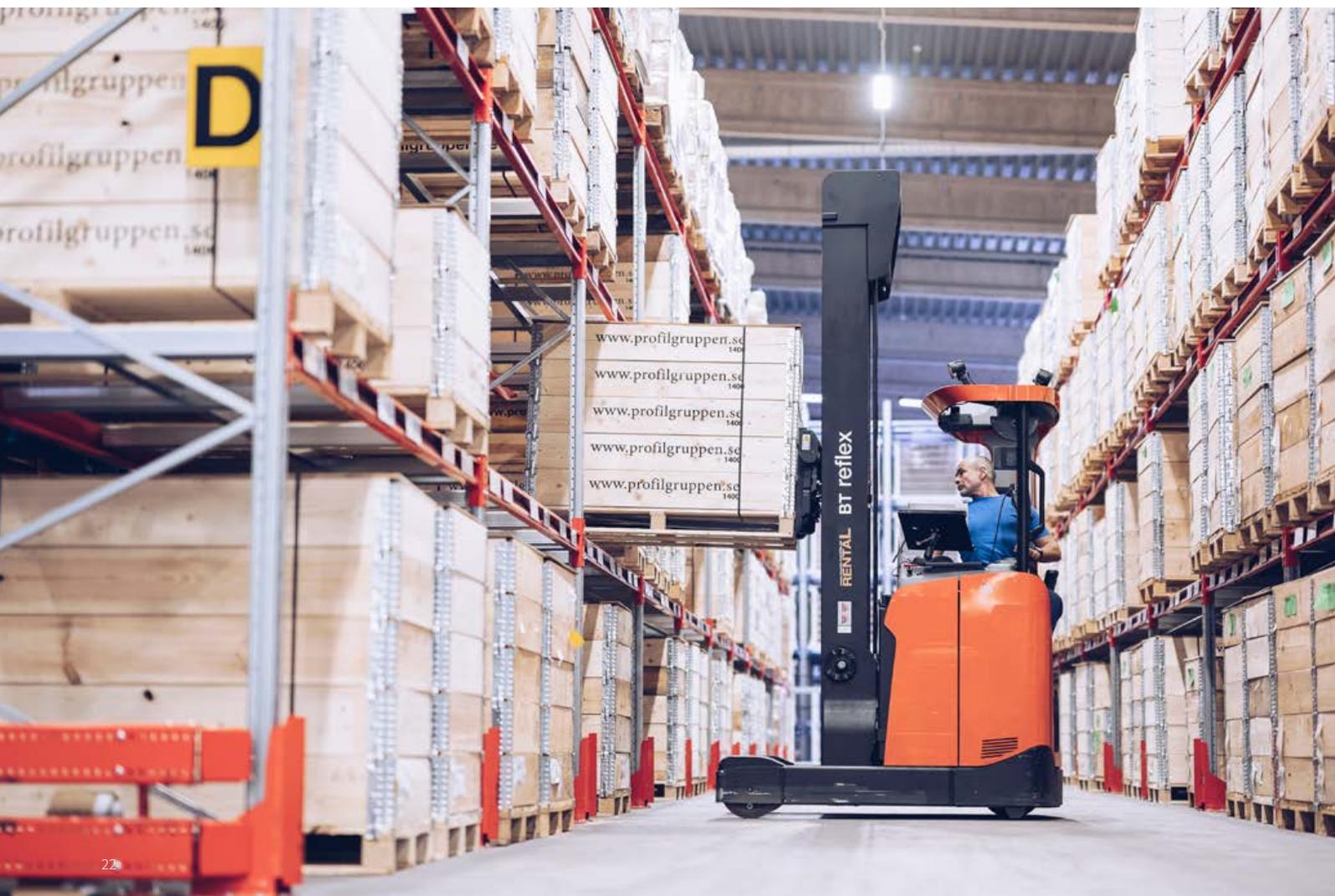
AT THE FOREFRONT OF DEVELOPMENT

A sustainable business is based on the customer's needs. We strive to ensure that ProfilGruppen is perceived as a reliable and problem-solving partner with a genuine commitment to everything we do. The high product quality and smart solutions that are our hallmarks we can only offer thanks to our skilled employees. Proud professionals who do their best every day, who live ProfilGruppen's core values and who put the customer first.

Sustainability is a central theme for our business development and is based on our unique focus on a sustainable

and infinitely recyclable material. Ever since its founding, ProfilGruppen has chosen to work exclusively with aluminium due to the material's good physical, environmental and business-driving properties.

In this work, we have the advantage of working with a fantastic material, because aluminium has superior advantages from a life cycle perspective. Through a close collaboration with our customers where we enter the design process at an early stage, we can use our knowledge and work with other partners in the supply chain to develop new circular solutions that drive both our own and our customers' business.





“In our relations with our customers, we see ourselves as an enabler.”

METALS PRICES INCREASINGLY KEY

Growth and long-term profitability are essential to maintaining the trust of our investors, and also to ensuring that we are able to continue to invest in sustainable processes and resource efficiency.

ProfilGruppen has set a target of an operating margin of eight per cent over a business cycle. Achieving this target requires a clear profitability focus throughout the organisation. Our financial performance is presented in the financial section of the annual report.

In our relations with our customers, we see ourselves as an enabler. Through our supplier relationships, we enable our customers to make an active choice of sustainable raw materials with a lower climate footprint. As part of our strategy, we also offer products with a high degree of processing and continuously introduce new services that add value for the customer. An example is complete packing of various ready-to-assemble kits that simplify the customer's logistics.

In the past five years, our raw material has become increasingly important to our business. Previously relative stable, the metals market has become volatile, with big price swings, and this has increased ProfilGruppen's business risk exposure. One of our big challenges is therefore to ensure that our customer price risks are fully hedged. We are also keeping a close eye on the market and are closely following global developments as part of our risk analysis.

Our business has also been affected by developments in the electricity market. To manage the volatility in electricity prices, we have implemented internal energy efficiencies and introduced indexation in our customer contracts.

SOUND BUSINESS PRACTICES AND ETHICS

ProfilGruppen stands for sound business practices and professionalism. Based on our Code of Conduct, we conduct our business in a way that is marked by fair and open competition in compliance with local laws and industry regulations.

Our employees may never offer, give, solicit or accept gifts or other benefits from customers, suppliers or other stakeholders – if the gift can be assumed to affect the business relationship or exceeds the normal level of hospitality. Our ongoing review of the costs of customer events and business travel indicates that these costs remain within the specified limits. Our Code of Conduct is continuously updated and our employees and suppliers are informed about the content and changes. At present, we have no routine procedure for examining the business ethics of our suppliers, but so far there has not been any situation where irregularities have been detected.

In 2022, we continued to provide training to our employees on the Code of Conduct and fair competition.

The Code of Conduct has also been updated, to include a whistleblowing channel. Our Code of Conduct states that an employee who feels that rules or codes are not being complied with by our employees or our suppliers should report their suspicions. No such suspicions were reported in 2022.

OPENNESS AND HONESTY

ProfilGruppen's Småland origin is also reflected in our way of doing business. In our world, it is entirely possible to be both cost- and quality-conscious, and we constantly strive to ensure that our customers to perceive us as reliable, open and honest in our dealings with them. That is why we are transparent both in our customer relations and in our communication with the financial market. By opening up our business to external scrutiny, we also have the opportunity to show that we live what we teach. Our customers, both prospective and existing, are of course also afforded the opportunity to conduct their own reviews and assessments. You can read more about governance and audits relating to our certificates on page 19.

STRATEGIC ENERGY SUPPLY MANAGEMENT

Aluminium extrusion is an energy-intensive industry. ProfilGruppen is therefore heavily dependent on well-functioning infrastructure and stable pricing.

In 2022, energy supply has become a problem for industry. For some time now, we have been focusing on the strategic importance of electricity supply for our own business as well as at the national level. We are also engaged in advocacy, through our trade association Svenskt Aluminium, the Southswedish Chamber of Commerce as well as regional and other organisations. While our access to Nordic hydro and wind power puts us in a good position, the Swedish power industry faces major supply challenges that can only be solved through broad cooperation.

MATERIALS SUPPLY

A challenge for the aluminium industry is that the smelters have reduced their capacity due to the ongoing European electricity crisis. In 2022, the equivalent of 1.3 million tonnes of aluminium smelting capacity disappeared in Europe. Capacity thus decreased from 4.5 million tonnes to 3.2 million tonnes. Around a third of Europe's aluminium needs are therefore covered by imports.

To ensure supply, ProfilGruppen has built up a robust supply chain based on contracts with suppliers in Iceland and Norway, supplemented by deliveries from India. We have chosen to collaborate with these suppliers because they operate in democratically governed countries and because deliveries can be made in an environmentally efficient manner. In India, an exciting transition from coal power to solar energy is currently underway, and deliveries from India are made by sea. We feel confident that we have a sustainable and secure supply strategy that will enable us to meet the market's needs.

CARING FOR THE ENVIRONMENT



In our business, it is the raw material that has the greatest environmental impact, followed by our own energy use, which is more limited. At the same time, we also have the opportunity to spread the use of a unique material that is infinitely recyclable.

PRIMARY AND RECYCLED ALUMINIUM

INFINITELY RECYCLABLE

Aluminium is a fantastic material. It is strong, durable and malleable, and is also infinitely recyclable. That's why aluminium is the perfect material for a circular economy. Aluminium can be melted down and reused again and again without losing its properties. Recycled the material requires only five per cent of the energy used in primary production. By contrast, the equivalent figure for iron and steel is about 25 per cent.

Aluminium is produced from bauxite, an earthy rock mined mostly in equatorial regions. Bauxite is refined in several stages and finally turned into aluminium in a smelter. The material is then delivered to us in the form of long bars, called ingots, which are used in our production. Bauxite is abundant in the earth's crust, which creates room for increased aluminium production. This is positive as the supply of

recycled material is not nearly sufficient to meet demand, and we therefore need to continue to add more primary material to the cycle.

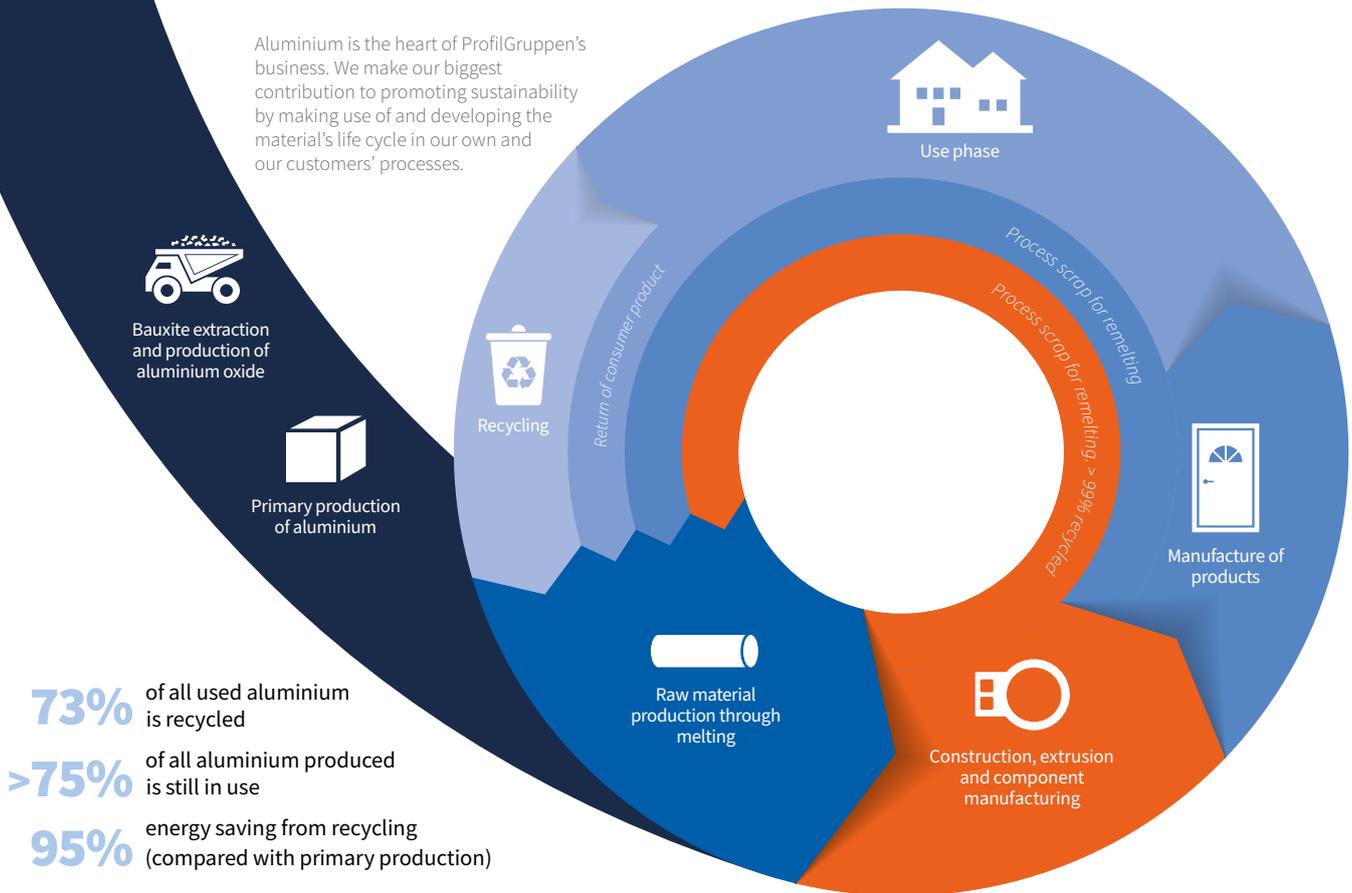
The extrusion process requires material of a certain degree of purity. We and other extrusion manufacturers therefore mainly use primary produced aluminium and remelted process scrap from the aluminium industry.

We are working with our customers to create circular solutions and see increased collection of consumer scrap as important for our future business.

PRIMARY ALUMINIUM

Primary production of aluminium is a very energy-intensive process. Carbon dioxide emissions vary greatly depending on the energy source used. The global average is 17 kilograms of carbon dioxide equivalents per kilogram of aluminium produced. The average is pushed up by a large proportion of coal-based production, with emissions of 20–30 kilos of





carbon dioxide equivalents per kilo of aluminium produced. In Europe, which has a different energy mix, average emissions are below seven kilos. If aluminium is produced with non-fossil energy, emissions of carbon dioxide equivalents can be reduced to around four kilos per kilo of aluminium produced. Thanks to our geographical location, we can to a large extent manufacture our products using aluminium from Nordic smelters, which mainly use energy from hydropower.

Another source of carbon dioxide emissions in primary production is the use of carbon anodes in the electrolysis process. Intensive efforts are currently underway in the industry to replace these with inert anodes that generate oxygen instead of carbon dioxide. This initiative is one of many examples of the industry's joint efforts to help find solutions to the Global Goals. Our untreated and anodised aluminium extrusions contain no hazardous substances, and comply with both the EU regulation REACH and the EU Directive RoHS.

WHAT EXACTLY IS RECYCLED MATERIAL?

Interest in recycled metal is increasing. In our industry there are two possibilities. We can use aluminium scrap from our own or our customers' manufacturing process, known as process scrap, or from aluminium recycled from various products, known as post-consumer recycled material. It is currently estimated that these two materials account for a third of total use in the European market.

A big task for us in our dialogue with our stakeholders and customers is to help them understand the processes linked to post-consumer recycled aluminium. Because aluminium products have such a long service life, there is no rush to replace them. Aluminium windows and railings in buildings remain in use for decades and a car can be driven for a long time before it is sent for recycling. That is why three quarters of all aluminium ever produced in the world is still in use and has yet to enter the cycle. At the same time, demand for aluminium products is increasing.

“Three quarters of all aluminium ever produced in the world is still in use.”

A challenge with post-consumer recycled aluminium is that advanced sorting and fragmentation are required to produce a material that can be extruded. Nearly all post-consumer recycled aluminium goes through a shredding plant, where the aluminium gets mixed up with iron, zinc and other metals. This, too, affects the availability and price of post-consumer recycled aluminium.

The result is that there is a shortage of recycled aluminium. The industry's vision is that two-thirds of market needs in Europe should be covered by recycled material by 2050.



NEW CIRCULAR SERVICES

Through ProfilGruppen, customers get the opportunity to develop their circular business models, for example by recycling their own aluminium scrap through us. Together with our partners, we take responsibility for dismantling, sorting and remelting, and manufacture new products in a closed circle.

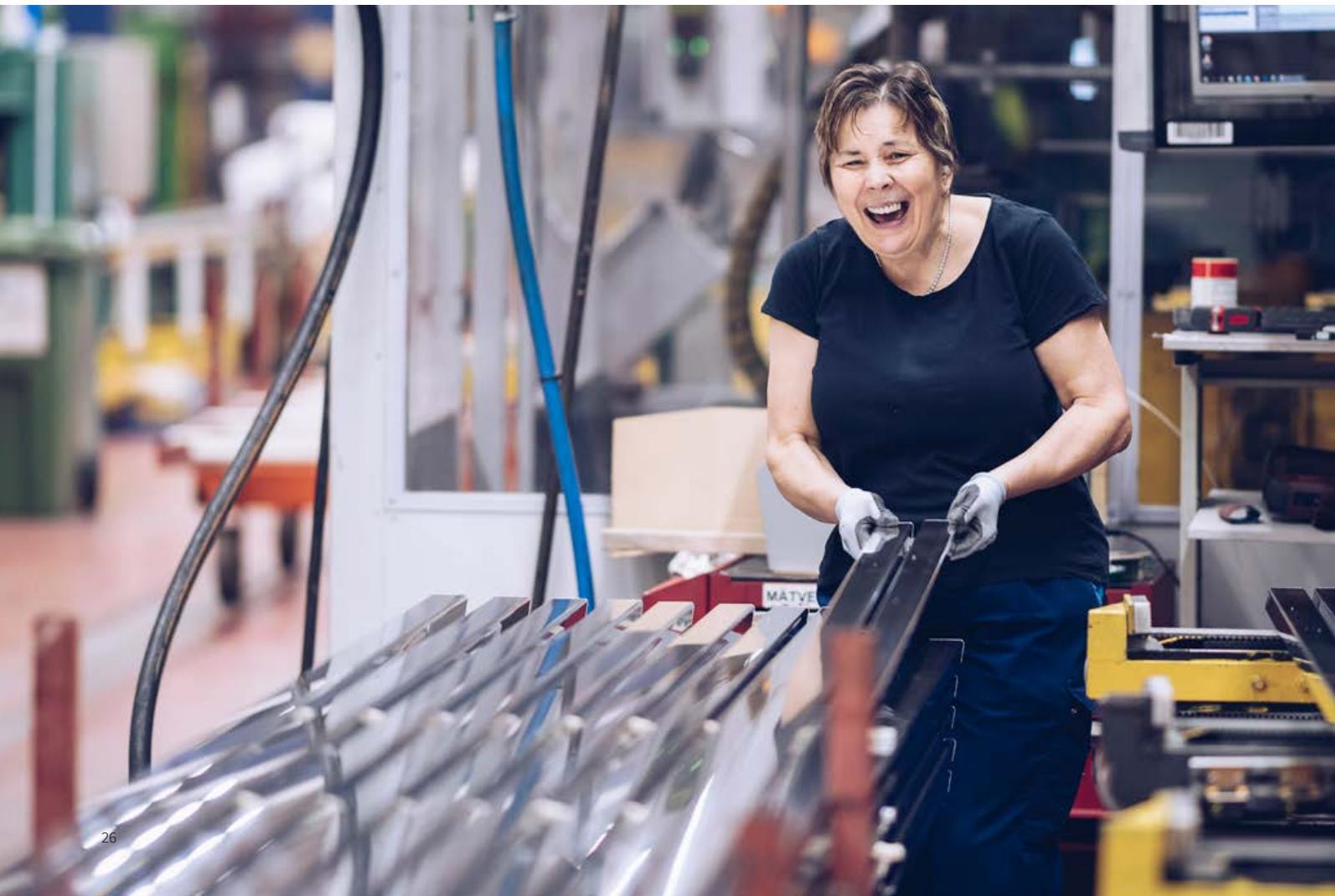
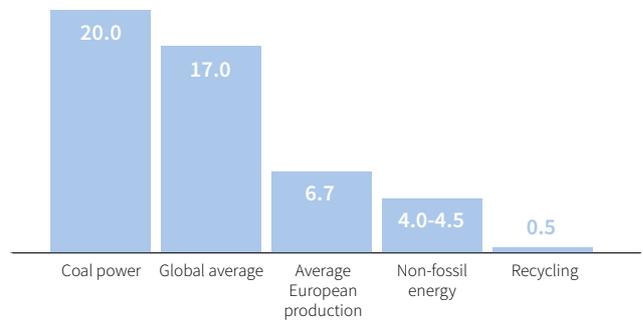
EFFICIENT MATERIALS MANAGEMENT

We always use materials sparingly and strive to reduce resource consumption. All process scrap generated in our manufacturing process is recovered. The largest amount of scrap is generated in the extrusion production process, partly because the very first and last bits of the product are deformed. Depending on different extrusion designs and tolerance or surface requirements, the proportion of scrap varies greatly between different extrusions. The processing of extrusions generates chips and waste material. The share of scrap generated varies greatly from one product to another and can in some cases be considerable. We send the scrap to a local smelter, which sends it back to us in the form of new ingots. Although the process scrap is a valuable raw material that can easily be remelted, we working actively to minimise the proportion of scrap in our production as the transport and energy used in connection with remelting affect both the environment and our overheads. Our ability to economise on the use of the material depends a lot on the product mix.

LIFE CYCLE-OPTIMISED DESIGNS

We work closely with our customers and often get involved at an early stage of the development process. That way, we can contribute our knowledge in creating functional products that have a limited environmental impact over their life cycles. Factors such as product life and choice of surface treatment as well as the product's weight and design are of great importance. We can optimise the design so that less material is used, for example by developing extrusions that have thinner walls while still maintaining their functionality. By ensuring already in the development phase that the product is easy to disassemble and recycle, we can also help to increase the proportion of recycled aluminium in the cycle.

Industry emissions of carbon dioxide equivalents per kilogram of aluminium produced





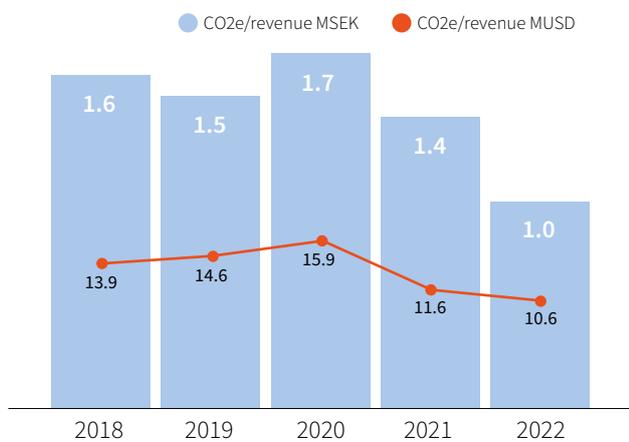
CLIMATE

OPERATIONAL GOALS YIELD CLEAR RESULTS

ProfilGruppen has made several important choices to reduce greenhouse gas emissions and many of our operational goals lead to reduced carbon dioxide emissions. Keeping the objectives as close to the business as possible and measuring material consumption, for example, makes it clear to our employees how they can make a positive contribution.

At an overall level, we monitor the emission intensity of our operations in order to identify changes over time and to compare emissions with revenues and how we grow.

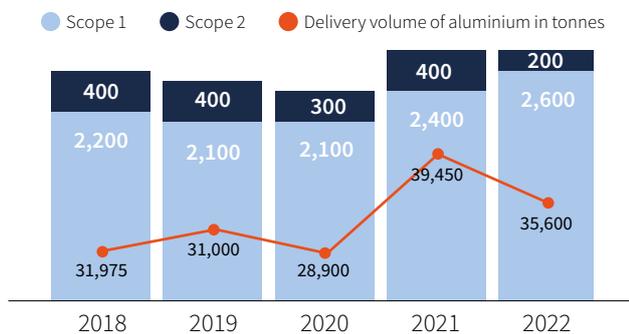
In 2022, emissions intensity decreased. That is mainly due to the fact that revenues increased in relation to CO₂ emissions.



Emission intensity

Emission intensity refers to carbon dioxide equivalents in relation to net sales. Emissions include Scope 1 and 2.

In absolute terms, emissions of greenhouse gases from our business activities, i.e. the activities in which our companies are engaged, totalled about 2,800 tonnes in 2022. We follow this total figure because it covers the activities that we can



Emissions of carbon dioxide according to the GHG Protocol, tonnes The increase in Scope 1 is partly due to the fact that emissions from internal transport have been reclassified from Scope 3 to Scope 1.

“Emissions from our own process are a fraction of the emissions generated in the production of aluminium.”

influence. Using the terminology of the GHG Protocol, the figure represents the sum of Scope 1 and 2 and parts of Scope 3. Emissions totalled 0.107 kilo per delivered kilo. However, emissions from our own process are a fraction of the emissions generated in the production of aluminium. The majority of emissions, nearly 70 per cent, comes from the use of LPG.

We do not measure Scope 3 as a whole, but have chosen to focus on activities that we can influence, regardless of Scope. The biggest Scope 3 factor for us is the purchase of raw material. Here, both we and our customers have an opportunity to make a big difference by choosing aluminium that has been produced with the right type of energy. Theoretically, our customers saved around 608,000 tonnes of greenhouse gas emissions in 2022 by choosing aluminium from ProfilGruppen's Nordic suppliers, compared with using aluminium from coal-based plants. In relation to the average for European manufacturers, the saving was 102,600 tonnes.

Work is currently underway to develop a life cycle analysis/EPD for our product. The analysis, which is third-party reviewed, is expected to be completed in 2023.

WHY ALUMINIUM IS A GOOD CHOICE!

- LOW WEIGHT
- DOES NOT CORRODE
- ELECTRICALLY CONDUCTIVE
- HIGH STRENGTH
- WIDELY AVAILABLE
- NOT TOXIC
- DENSE
- HEAT-CONDUCTIVE
- RECYCLABLE
- EASY TO JOIN
- EASY TO SHAPE



ENERGY

STRATEGIES FOR ENERGY SUPPLY

After aluminium, energy use accounts for ProfilGruppen’s second largest environmental impact. The action plan for energy efficiency is a living document that is updated continuously. We use only fossil-free electrical energy.

INCREASED ENERGY EFFICIENCY

We set annual targets for energy efficiency in our operations. Our aim is to reduce our energy use per kilogram of output in our extrusion production by three per cent per year. The work is systematised through working groups that address different areas of activity and covers everything from improvements to existing systems to new investments and technological development. Our first priority is to improve the efficiency of the use of the specific energy, to find solutions, both technical and methodological, for using less energy per value-creating element in all our processes.

There is great potential in using passive cooling in our anodising process, which is estimated to create annual savings equivalent to 850 MWh. We are also converting our cooling systems from open to closed systems, which reduces the use of both energy and process water. Reducing idling when no production is taking place, for example by turning off compressed air systems, ventilation and lighting, are other obvious measures. We have several ongoing projects that aim to reduce energy use, with regard to primary energy deliveries as well as by increasing the recycling and reuse of residual energy in our processes.

Our goal of reducing specific energy use in extrusion manufacturing proved difficult to meet in 2021 and 2022. There are several reasons for this. One is that we reduced production slightly, with the result that some base loads show up more clearly in the figures. However, the primary reason for the difference is not increased energy use but reduced delivery

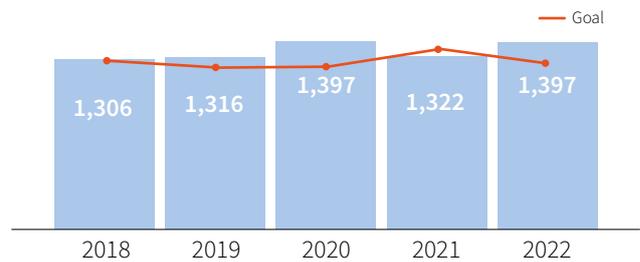
of district heating, which has increased our net use of district heating significantly. The latter factor accounts for the single biggest difference in the specific energy use figures in the comparisons between 2021 and 2022.

REUSE OF ENERGY

The next priority is to reuse the residual energy that is generated in our processes. The reused energy is used in value-creating processes in the first hand and in the second hand to supply energy to our properties. Any energy that we are not able to use fully in our own operations is sold on, primarily to our local district heating supplier.

In 2022, the amount supplied was equivalent to the annual heating requirement for about 27 single-family homes. This is less than in the previous year due to a reduced need from the buyer of the residual energy.

In connection with the construction of our latest facility, the Tor extrusion line, we also prepared for storing excess heat in the ground, using boreholes. This recycling option will be exploited as more businesses establish a presence in the industrial estate.



Energy use in extrusion, kWh/produced tonne

The increase is explained by the fact that when the production volume is reduced, efficiency is lost. The base loads are then distributed over fewer tonnes of manufactured products.



**WATER****REDUCED WATER USE**

We work actively to keep water consumption down as large water withdrawals can affect the quality of the water. The water we use comes from our own well and is mainly used for cooling at the extrusion facilities and as rinsing water during anodising.

We are working continuously to convert the systems carrying water to our extrusion facilities into closed systems, which means that water consumption is constantly decreasing. In 2022, we used 100,000 m³ of water, down from 130,000 m³ in 2021.

OPERATIONS SUBJECT TO PERMIT AND NOTIFICATION REQUIREMENTS

ProfilGruppen is engaged in operations that are subject to permit and notification requirements under the Swedish Environmental Code. The operations requiring a permit are surface treatment and mechanical metal processing as well as the treatment of hazardous waste generated in our operations, including aluminium extrusion and anodising.

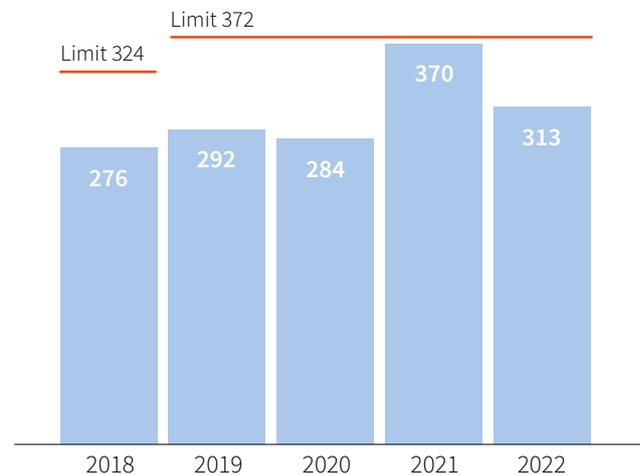
The notifiable operations are metal processing, which includes extrusion at the Tor line as well as our processing operations.

Sulphuric acid is used in our anodising process, and after it has been neutralised in a treatment facility sodium sulphates are formed. This gives rise to emissions of sulphates into water. ProfilGruppen has conditions for emissions of up to 372 tonnes per calendar year, which is controlled through continuous testing and monthly analyses. The environmental impact of sulphate emissions is difficult to assess as sulphates occur widely in our watercourses. We nonetheless continue to monitor these emissions and to improve our processes in order to minimise emissions. Our current permits authorise us to anodise 4 million square metres.

“We are converting our systems into closed systems, which is steadily reducing water consumption”

Due to increased production needs, we will be applying for new conditions in order to increase the number of square metres of anodised aluminium material per year. The process is ongoing and an application has been submitted.

The permit allows for emissions of aluminium of up to 15 kilos per month. Emission levels are checked monthly through sampling. One of the monthly samplings in the spring showed a minor deviation from the conditions. The annual limit will not be exceeded, but the event will have a negative impact on the average.



Sulphate emissions, tonnes

Total emissions of sulphates have decreased and the decrease is proportionate to the reduction in production.





TRANSPORT

EFFICIENT LOGISTICS SOLUTIONS

Our efforts to improve the efficiency of our logistics are another example where the pursuit of reduced emissions goes hand in hand with a cost-effective and more profitable business. As we manufacture physical products, transport is a natural part of the supply chain – when we purchase raw materials and in transports between our facilities and to our customers.

Transports vary greatly, partly depending on how complex the product is. We are working constantly to minimise carbon dioxide emissions from our transports and our logisticians work actively to increase coordination and the load factor. Optimising resource efficiency requires close collaboration with our customers and suppliers as well as clear instructions and procedures on our part.

Transporting and storing our products requires the use of load carriers. Through close monitoring of the carriers and reusing them many times in the supply chain, we can do even more to reduce the environmental impact in connection with our transports.

“The trucks are run by a local supplier who is transitioning to an electric fleet”

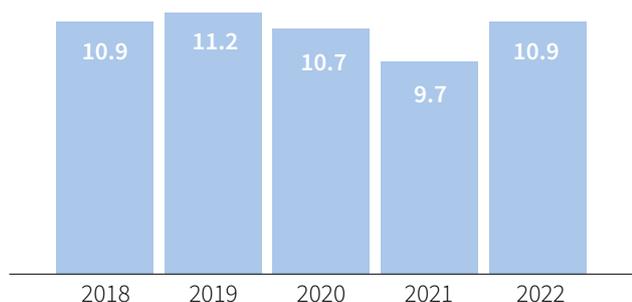
LOCAL COLLABORATIONS

The first transport in our value chain is when we buy the raw material. In collaboration with the suppliers, we choose to largely transport the raw material by sea to a port in our vicinity.

After initiating our own manufacturing and logistics process, we have a great advantage thanks to our local presence. Many of our subcontractors are geographically close to our operations, which provides ample scope for synergies. We often also choose to buy other products and materials locally from our neighbours in Åseda when possible.

ELECTRIC FIXED-ROUTE TRUCKS

In 2023, the tunnel that will connect our production units in Åseda’s eastern and southern industrial estates will be completed. This will create more efficient logistics. The fixed-route trucks are run by a local subcontractor who with assistance from our experts will be transitioning to an electric fleet.



Carbon dioxide emissions, kg per transported tonne of aluminium extrusions
The increase is due to the fact that the reduced total volume greatly affected our ability to maintain a high load factor in our booked transports.

WASTE MANAGEMENT

LIMITED ENVIRONMENTAL IMPACT FROM WASTE

Waste generated in our factories is sorted and sent for recycling. In 2022, we handled approximately 167 tonnes of hazardous waste, mostly waste oil, oil separator waste and emulsions. Around 79 per cent of the hazardous waste is recycled, 18 per cent is incinerated or vapourised, and the remaining three per cent goes to landfill. In 2022, 2,190 tonnes of aluminium hydroxide sludge was generated in the anodising process, of which around 70 per cent could be recycled. In addition to hazardous waste and aluminium fractions, other waste fractions are also generated. In total, some 500 tonnes of other waste was handled and sorted into fractions for recycling, including iron (210 tonnes), alternative raw materials such as wood waste (210 tonnes) and paper (43 tonnes).

THE EU TAXONOMY REGULATION

Despite being a listed company with over 500 employees, ProfilGruppen is not currently covered by the EU Taxonomy Regulation, with reference to the Taxonomy’s economic activity 3.8 Manufacture of aluminium, which includes production of primary and secondary aluminium. As ProfilGruppen is engaged in the manufacture of aluminium products, the company is not covered by this activity.

Percentage of key performance indicators turnover, capex and opex that is Taxonomy-eligible

	MSEK	Eligible	Non-eligible
Turnover in 2022	2,696.6	0%	100%
Turnover in 2021	2,119.6	0%	100%
Capex¹ 2022	110.8	0%	100%
Capex 2021	87.6	0%	100%
Opex² 2022	65.8	0%	100%
Opex 2021	63.4	0%	100%

1) 1) Capital expenditures, expenditures for new investments and new right-of-use assets. See five-year investment overview and Note 13.
2) Operating expenditures, the operation’s costs to maintain the value of non-current assets – these comprise the Group’s maintenance costs.



CARING FOR THE INDIVIDUAL



Everything starts with our employees. Their knowledge and commitment are fundamental to our ability to fulfil our promise to our customers and maintain the necessary skills in the business. ProfilGruppen therefore works actively to create an inspiring workplace where people thrive, develop and are happy to remain.

AN ATTRACTIVE EMPLOYER BRAND

Respect for the individual is fundamental to ProfilGruppen's business: when we design and develop our own organisations and work environments – but also when setting requirements for our suppliers. Job satisfaction leads to commitment, which is why we have chosen to operate with a clear organisational structure and core values that are easy to understand and follow. ProfilGruppen strives for a down-to-earth, low-key corporate culture where every employee is seen, has the opportunity to develop and enjoys their work. When we recruit we therefore also place great emphasis on the candidate's qualities and how well they match our core values.

WORKING CONDITIONS AND CODE OF CONDUCT

ProfilGruppen has employees in Sweden, Norway and Germany. All these countries have extensive regulations for worker protection, and by following the laws and collective agreements that exist, in respect of salaries and working hours for example, we know that we are complying with all the requirements. To ensure that there are no unreasonable pay differences, we have also carried out a wage survey, which showed that ProfilGruppen's wage-setting is reasonable.

Our Code of Conduct refers to the Universal Declaration of Human Rights and the core conventions of the International Labour Organization (ILO), which represent an obvious





minimum level for us.

The majority of our subcontractors are located in the Nordic countries, which means that we feel confident that they also follow the guidelines relating to occupational safety and other human rights. So far, we have never identified any shortcomings, either in our own operations or when scrutinising any supplier, concerning human rights or the ILO core conventions.

ProfilGruppen includes local union branches* for the Swedish trade unions IF Metall, Union and Ledarna. The presence of these local branches provides the opportunity for a simple and clear dialogue between the company and employees, as well as local agreements that benefit both parties.

We require all our processing suppliers to adhere to our Supplier Code of Conduct and we never work, directly or indirectly, with suppliers where we have reason to believe that child labour is being used.

DIVERSITY IS A STRENGTH

ProfilGruppen brings together employees from about twenty different countries, with different cultural backgrounds, languages and skills, and of different ages and sexes. We see diversity as being both self-evident and a strength, as is clearly stated in our equal treatment policy. Abusive behaviour or sexual harassment must not occur and we also have special action plans linked to this. Together with the local trade union branches*, we have also drawn up a joint plan for preventing discrimination. Few risks of negative discrimination were identified, but the dialogue itself was very fruitful and resulted in good working methods for the future. Gender distribution is a challenge that we are actively working on, especially with regard to senior positions. The proportion of female employees in ProfilGruppen is currently 27 per cent. The proportion of women in senior positions is only 11 per cent. Our goal is for the proportion of women leaders and managers to reflect the proportion of female employees.

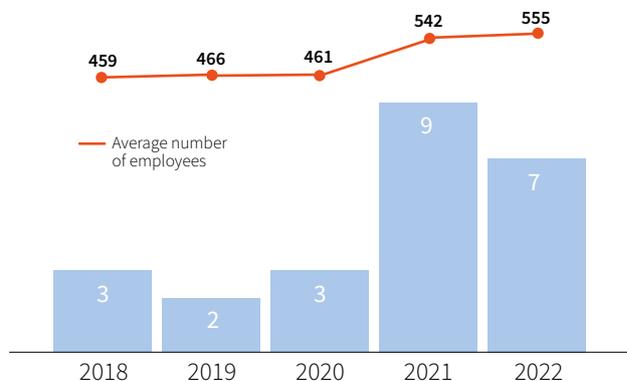
A SAFE WORKING ENVIRONMENT THROUGH CERTIFICATION

Our health and safety policy describes our common starting point on the working environment. The content and relevance of the policy are evaluated each year by the Safety Committee, which is composed of representatives from different parts of the company – including management and safety representatives. ProfilGruppen* is also certified under ISO 45001, which is the health and safety standard. Our goal for our safety work is to create a physically and mentally healthy and stimulating workplace for all employees, where we prevent work injuries and occupational illness.

The work is led by our Chief Safety Officer, who is in charge of health and safety across the company and supports the other health and safety officers in the organisation. The Safety Committee and health and safety officers also have important roles in the proactive work.

Some of the measures taken to reduce risks are ongoing development of procedures, work equipment, personal protective equipment and work arrangements. All our employees are also trained in safety work through various training courses.

“This gives us even better control and information for deciding on monitoring and improvements”



Number of workplace accidents leading to at least one day of absence

In 2022, there were 7 minor crush, cut and fall injuries that resulted in 19 days of absence (down from 113 days in 2021).

FEWER ACCIDENTS IN 2022

In 2023, a new risk assessment system, Internal Audit Service IAS, will be implemented for the entire business. We previously used an in-house system but are switching to make it easier to comply with the requirements of ISO 45001 and ASI. As before, employees can report risky situations, incidents and accidents, but the new system gives us even better control and information for deciding on monitoring and improvements. The system also generates easy-to-understand graphics that managers at different levels can use to inform employees about developments. This will be a valuable tool in our ongoing efforts to take proactive measures.

In ProfilGruppen’s operations, the main risks in the physical work environment are crush and cut injuries. The presence of chemicals, especially sulphuric acid and sodium hydroxide in connection with surface treatment, also exposes our employees to risks. To avoid injuries, we provide continuous safety training and carry out health and safety inspections. We also have procedures for ensuring that all necessary protective equipment and lifting aids are in place. In our chemicals team, we continuously evaluate chemicals from an environmental and worker perspective with the goal of finding better alternatives.

We are working towards a vision of zero accidents. The definition of accident is an incident that results in at least one day’s absence from work. This includes even minor injuries, such as sprains. In 2022, the number of incidents decreased from nine to seven. The number of incidents can be explained by the large number of new hires in 2021, which had a full impact in spring 2022. With new employees there is an increased risk of accidents, but it is clear that things are now moving in the right direction.



“Training in stress management and recovery has yielded positive results”

One reason for this is no doubt the safety training activities that have been carried out.

GOOD RESULTS IN EMPLOYEE SURVEY

The social and organisational aspects of the work environment are as important as the physical side for ensuring that employees feel safe and are happy at work. To ensure that our employees have a good social work environment, we use a barometer where all employees are asked to answer a few short questions via an app each week. They can of course also express their views and ask questions to their manager or HR. Our heads of department continuously have opportunities to monitor employee participation, leadership and job satisfaction.

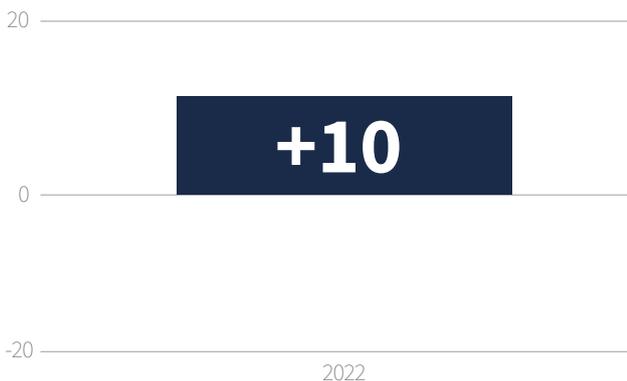
Employee well-being is also monitored through discussions with all employees and analysis of absence. At the overall level, the tool also generates an employee net

promoter score (eNPS), a measure of the degree to which the employees are ambassadors for ProfilGruppen. The results show that we have plenty of ambassadors.

A LESS STRESSFUL WORKING DAY

A clear organisational structure and clear roles and leadership are important parameters for preventing health problems. Right now we are running a major training initiative called Transformational Leadership that is aimed at managers, shift managers and certain other individuals with cross-functional roles. The initiative has provided new insights and led to an exchange of experiences. We are currently also running skills development activities in lean, process understanding, plan reading and measurement technology for employees who want to continue to develop in their job.

In 2021, our order intake increased sharply, which affected the workload. In 2022, both white- and blue-collar workers were therefore required to undergo mandatory training in stress management and recovery. The training has clearly yielded positive results as the employees have stated that they experience their work situation as less stressful in ProfilGruppen’s survey tool.



EMPLOYEE SURVEY 2022

THE eNPS score measures ProfilGruppen’s attractiveness, brand and popularity among the employees. The index ranges from -100 (worst) to 100 (best). A score of 0–20 is considered good and a score between 20–50 as very good. 2022 is the first time that we present the results in graphic form, which is why no comparison is made with 2021.





ZERO TOLERANCE FOR DRUG AND ALCOHOL ABUSE

Drug and alcohol abuse poses a safety risk and can affect well-being at work, while also being a serious health problem for the person concerned. ProfilGruppen works actively to prevent alcohol and drug abuse. We obviously have zero tolerance for employees being under the influence at work. To prevent abuse, we carry out tests prior to employment, as well as random tests of employees*. The tests, which are carried out by the company's occupational health service, have helped us to avoid potential risks. But we have also been able to offer employees help to overcome self-destructive behaviour.

REDUCED WORKFORCE IN 2022

In response to the surge in demand in 2021, our workforce expanded significantly. At year-end, the average number of employees was 542. In line with our ambition to give young people the chance to gain work experience, we have continued to offer summer jobs – about 50 this year. In view of the uncertain economic outlook, we took a cautious approach to hiring after the summer, and employees who have left or retired have not been replaced. In the autumn, we chose not to extend our contracts with fixed-term employees and 25 permanent employees were laid off. The average number of employees at the end of the year had therefore decreased to 490.

During the year, there was some internal mobility as many positions, both white- and blue-collar positions, were filled through internal recruitment. The fact that ProfilGruppen is a company where employees have the opportunity to pursue an internal career strengthens our employer brand.

PREVENTIVE HEALTHCARE BOOSTS ENERGY

Preventive health care is an integral part of ProfilGruppen's offering to its employees. The Group has a wellness group

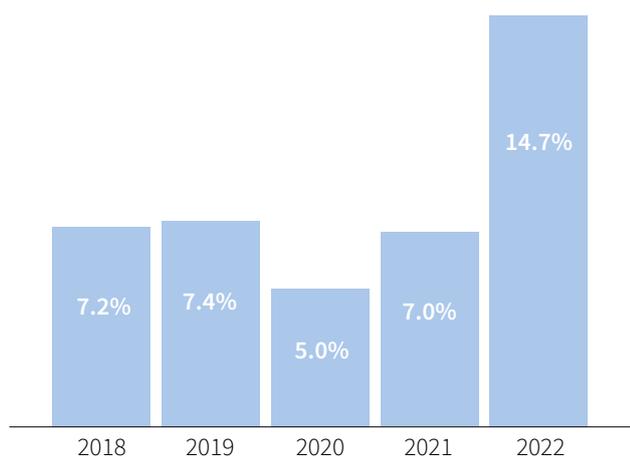
and a staff club that organises various activities – from group training to cycling and padel matches. Employees are also offered swimming, strength and group training at heavily discounted prices in Åseda*. In our main factory, there is also an exercise room with equipment which can be used free of charge round the clock. To employees who do not want to use any of these facilities, or supplement them with anything else, we offer a reimbursement grant for health-promoting activities*. All employees have access to coffee, tea and fresh fruit at work.

SICK LEAVE AFTER THE PANDEMIC

2022, too, was marked by the pandemic, especially the first quarter when many employees were off work due to illness. Although infections levelled off, the pandemic has led to new behavioural patterns where people are careful to stay at home if they have symptoms. We are proud to note that ProfilGruppen's employees have a strong work ethic while also showing concern for their colleagues. The early part of the year had an impact on short-term absence for the year as a whole, which came in at 3.7 per cent, up from 3.2 per cent in 2021.

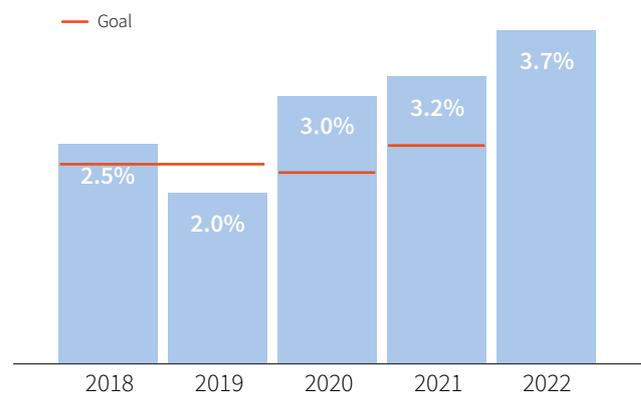
NEW SYSTEM FOR WHISTLEBLOWING

Our Code of Conduct encourages employees to report any situation in which they perceive non-compliance with the Code of Conduct. In 2022, we introduced a whistleblowing system for anyone who wants to report misconduct anonymously. The reports are submitted via our intranet but the system is administered by a third party, ensuring that the whistleblower cannot be traced. No reports were submitted in 2022 that resulted in action being taken.



Staff turnover, per cent

The high staff turnover in 2022 has several explanations. In the spring, some of the staff hired during the production peak in 2021 were given permanent employment. Then, in autumn 2022, we were forced to announce redundancies. When we reduced shifts, some employees with long commutes also chose to look for new jobs closer to home. Around 7 per cent resigned at their own request (refers to ProfilGruppen Extrusions). Staff turnover should not be confused with turbulence.



Short-term sick leave, per cent

The pandemic broke the positive trend in short-term sick leave. After the pandemic, new behavioural patterns have been established that we are following closely.

CARING FOR SOCIETY



When you run a business, you always influence your surroundings. This is especially clear to us at ProfilGruppen, whose business is such an important part of the local community. But we also need to broaden our perspective and do our little bit to influence the big picture. By working together, we are making a difference.

PART OF THE LOCAL COMMUNITY

Although we operate in several locations, it is in Åseda that ProfilGruppen has all its in-house production. The majority of our employees work here, and many of them also live in or around Åseda.

ProfilGruppen's ambition is that we, both as a company and as individual employees, should engage in and contribute positively to the development of the communities where we operate. And when possible, we like to think one step further.

COLLABORATIONS AND COMMITMENT

No one can do everything, but together we can make a real difference. In line with UN Global Goal 17, we want to achieve sustainable development through partnerships with others. We are therefore active members of several sustainability-focused industry networks, including the European trade association European Aluminium. Together, we have created "Vision 2050" as a contribution to the EU's strategy to slash emissions by 2050. We are also members





of the Swedish trade association Svenskt Aluminium, which has around 50 corporate members and works to develop the use of aluminium and increase cooperation among players from business, society and academia. ProfilGruppen is also a member of Sustainable Småland, a regional network that focuses on developing innovative environmental solutions.

A strategic partnership with schools and universities is important for the future development of the company and the industry. We are members of Teknikcollege, collaborate with Linnaeus University and often receive young people on study visits and show them what we do.

We have also chosen to become involved in Vi-skogen, an organisation that focuses on planting trees. Together with its employees, ProfilGruppen regularly donates funds to Vi-skogen. The greater the number of participants, the more the company will pay. In this way, we are working together to help people in Africa to achieve better living conditions, while also contributing to a better and more sustainable environment. In connection with ProfilGruppen's 40th anniversary, we carried out an extra activity related to Vi-skogen where all participants were given the opportunity to make a voluntary contribution and received a gift in return as a thank you.

In 2022, ProfilGruppen also chose to support the Red Cross financially in its efforts to help the people of Ukraine. In connection therewith, we also distributed information about the Red Cross's activities to employees who want to provide support privately.

PART OF THE LOCAL COMMUNITY

ProfilGruppen is one of the largest employers in Uppvidinge municipality and are aware that our business affects Åseda and the surrounding area in many ways.

Engaging in a mutually beneficial dialogue with the municipality and residents is therefore important for everyone. We try not to disturb our neighbours and local environment more than is absolutely necessary in terms of noise and emissions, for example. Our water consumption is likely to affect the surrounding waterways and we therefore

actively participate in the Alsterån River Water Council, which is a voluntary association of municipalities, companies and organisations that promotes the sustainable management of water resources around the Alsterån River.

In order to secure our access to skilled labour, we depend on Åseda offering an attractive housing and living environment. That's why we get involved in projects that help to improve people's quality of life and enable them to engage in meaningful leisure activities. Among other initiatives, we support the Hålsans hus swimming and training centre and a newly built padel court. Through our sponsorship policy*, we have chosen to direct our support to local sports clubs with a focus on activities for children and young people. In Åseda, ice hockey is a popular pastime and our sponsorship has resulted in the town's ice rink bearing the ProfilGruppen name. We also support other local clubs such as Kexholms SK, Åseda Ryttaförening and Växjö DFF. Some of our contributions are general while others refer to special events such as the Uppvidingetrampet cycling race.

Keeping services and shops in Åseda is also essential to maintaining the community's attraction. We strive to support the local business community whenever possible, partly by making purchases locally.

“Strategic partnerships with schools and universities are important for the future development of the company and the industry”

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of shareholders of ProfilGruppen AB (publ). Corporate Identity Number 556277-8943

ASSIGNMENT AND ALLOCATION OF RESPONSIBILITY

The Board of Directors is responsible for the sustainability report for 2022, and that it is prepared in accordance with the Annual Accounts Act.

FOCUS AND SCOPE OF THE EXAMINATION

Our examination has been conducted according to FAR's recommendation RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the sustainability report 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 a sufficient basis for our opinion.

OPINION

A sustainability report has been prepared.

KALMAR 27 MARCH 2023

Ernst & Young AB

Marika Sengoltz

Authorised Public Accountant



“We strive to ensure that ProfilGruppen is perceived as a reliable and problem-solving partner with a genuine commitment to everything we do”



FIVE-YEAR SUMMARY, GROUP		2022	2021	2020	2019	2018
Net sales/Revenue	MSEK	2,696.6	2,119.6	1,414.1	1,622.1	1,618.3
Profit before depreciation, amortisation and impairment	MSEK	234.4	256.0	103.1	170.9	162.9
Operating profit	MSEK	150.3	178.6	36.4	113.2	113.7
Operating margin	%	5.6	8.4	2.6	7.0	7.0
Profit before tax	MSEK	123.1	165.7	31.3	101.9	107.6
Profit margin	%	4.6	7.8	2.2	6.3	6.6
Return on equity	%	18.1	26.6	5.5	20.3	23.9
Return on capital employed	%	-15.7	22.4	5.0	18.0	23.9
Cash flow from operating activities	MSEK	108.7	124.8	179.4	110.7	129.8
Investments	MSEK	101.8	84.2	94.9	218.6	137.7
Liquidity reserves	MSEK	185.7	176.9	189.1	146.8	366.4
Net interest-bearing debt	MSEK	326.1	208.8	222.5	300.2	116.2
Net debt to EBITDA	times	1.4	0.8	2.2	1.8	0.7
Interest-bearing liabilities and interest-bearing provisions	MSEK	346.1	237.2	287.6	330.2	142.3
Net debt/equity ratio	times	0.6	0.4	0.5	0.7	0.3
Total assets	MSEK	1,474.6	1,450.5	1,150.4	1,090.1	918.3
Equity ratio	%	37.2	38.1	38.7	38.2	40.8
Capital turnover rate	times	3.2	2.8	1.9	2.6	3.4
Proportion of risk-bearing capital	%	42.7	42.9	44.3	43.3	44.9
Interest coverage ratio	times	14.0	36.9	6.8	9.7	16.9
EMPLOYEES						
Average number of employees		555	542	461	466	459
Number of positions at year-end		490	582	489	455	468
Staff turnover	%	14.7	7.0	5.0	7.4	7.2
Average age	years	42	42	44	44	44
Salary costs including social security contributions	MSEK	359.6	346.2	286.6	292.6	285.3
Revenue per employee (average)	kSEK	4,859	3,911	3,068	3,481	3,526
Profit before tax per employee (average)	kSEK	222	306	68	219	235
PER SHARE						
Average number of shares ¹⁾	thousands	7,399	7,399	7,399	7,399	7,399
Earnings per share	SEK	12.58	17.26	2.45	9.98	10.88
Equity per share	SEK	72.35	72.82	56.99	53.90	48.86
Dividend per share ²⁾	SEK	4.00	13.50	0.00	0.00	5.00

¹⁾ There is no dilution.

²⁾ For 2022, this refers to the dividend distribution proposed by the Board.
For definitions, see page 67 of the annual report and www.profilgruppen.se.

DIRECTORS' REPORT

The Board of Directors and CEO of ProfilGruppen AB (publ), corp. ID no. 556277-8943, hereby submit the annual report and consolidated financial statements for the period 1 January–31 December 2022.

THE GROUP

The Group is a supplier of customised aluminium components and extrusions. The core business is conducted in the subsidiary company ProfilGruppen Extrusions AB. ProfilGruppen AB (publ) is the parent company of the ProfilGruppen Group.

The head office is located in Åseda, Småland, which is also home to most of the sales organisation. In addition, the company has sales offices in Stockholm, Skellefteå, Norway and Germany. In Finland, sales are handled through agents. Design, product development, extrusion manufacture and processing are carried out mainly in Åseda. Extrusion processing is also performed in close co-operation with a number of subcontractors.

ProfilGruppen's subsidiary PG&WIP AB makes interior design products. The company is 30 per cent owned by WIP Industries Sweden AB.

REVENUE AND PROFIT

The Group generated revenues of MSEK 2,696.6 (2,119.6) in 2022, which is an increase of around 27 per cent on the year before. Revenues increased primarily as a result of price increases. Delivery volumes have increased by around 10 per cent to 35,625 tonnes (39,450) of aluminium extrusions.

Exports accounted for 52 per cent (48) of the delivered volume and 52 per cent (52) of revenues.

The operating profit in 2022 amounted to MSEK 150.3 (178.6), which is equivalent to an operating margin of 5.6 per cent (8.4). ProfilGruppen's target is an operating margin of 8 per cent. Adjusted for the impact of metals positions and accrual effects of MSEK 52.8, the operating profit amounted to MSEK 97.5 (91.6), which corresponds to an adjusted operating margin of 3.6 per cent (4.3). Metal position – the established metal balance for each period is the inventory of aluminium and contracted inflow of the metal less the sum of contracted sales (outflow). The balance is called metal position and is thus a risk measure that reflects the exposure of our aluminium contracts and assets. Accrual effects are the accounting effects that arise when the inventory of metal is valued or the cost of goods sold is recognised for a specific period. When prices fluctuate, there is a time lag before an actual price is fully reflected in the accounting profit for a specific period.

The operating profit before depreciation and amortisation (EBITDA) amounted to MSEK 234.4 (256.0). Costs, especially for energy, transport and consumables, have increased significantly compared with the same period last year.

The profit before tax was MSEK 123.1 (165.7). Earnings per share (no dilution) were SEK 12.58 (17.26). The average number of shares in thousands was 7,399 (7,399).

INVESTMENTS, DEPRECIATION, AMORTISATION AND DISINVESTMENT

Investments in 2022 totalled MSEK 101.8 (84.2) excluding change in right-of-use assets and refer to extrusion tools, processing machinery, various other productivity and capacity-increasing measures as well as replacement investments.

Total scheduled depreciation/amortisation for the year was MSEK 84.1 (77.4). No impairment losses were recognised during the year (none) and no previous impairment losses were reversed (none).

FINANCIAL POSITION AND CASH FLOW

ProfilGruppen has a target of a net debt to EBITDA ratio of less than 2.0. At 31 December 2022, net debt to EBITDA stood at 1.4 (0.8). Net debt increased during the year, while EBITDA decreased, mainly due to generally higher costs. Return on capital employed in 2022 was 15.7 per cent (22.4).

The equity ratio at year-end was 37.2 per cent (38.0). The liquidity reserve

at 31 December 2022 stood at MSEK 185.7 (176.9). Total assets at 31 December 2022 were MSEK 1,474.6 (1,450.5).

Cash flow from operating activities was MSEK 108.7 (124.8) and MSEK 4.5 (32.8) after investing activities. The company received no government liquidity support in 2022, while MSEK 51.9 was received in 2021. Inventories have increased, due to higher prices for raw materials and input components.

MARKET

The market for aluminium extrusions is estimated to have increased by 1 per cent in Europe as a whole in 2022, according to the European trade association EA's assessment at the end of 2022.

Demand for ProfilGruppen's products remained strong in the first half of 2022 but slowed down in the second half of the year. The slowdown in deliveries is partly due to relatively high inventories among our customers following a period with long lead times in the market.

In a more uncertain market with increasingly clear ambitions in sustainability, the year was marked by strengthened collaborations and joint management of increased cost pressures.

MANUFACTURING

All manufacturing activities in ProfilGruppen are based on the extrusion of aluminium at the company's extrusion lines. A unit for surface treatment of extrusions is also located nearby. Group production of aluminium extrusions totalled 34,750 tonnes (40,375) in 2022.

The extrusions are processed in many different ways. The company's own production facilities offer product-specific robot cells as well as machining, bending, cutting and punching. A wide variety of other processing services are sourced externally from a network of subcontractors. Our subsidiary company PG&WIP AB has two fully automated production lines for machining, surface treatment and packing of interior design products for a specific customer.

DEVELOPMENT WORK

Constant improvement of processes and products is an important aspect of the Group's activities. New products and product models for existing or potential customers are created on a daily basis. A close relationship with the customer enables us to come up with constructive ideas for how to improve the product's properties, efficiency and potential environmental impact throughout its lifecycle.

Process development is carried out in partnership with customers, raw material suppliers, and tool and machinery manufacturers. The expenditure associated with this work does not normally meet the criteria for reporting as assets, but is recognised as cost of goods sold and selling expenses in the consolidated income statement, see Note 6. For each development project, an assessment is made of whether or not the expenditure can be capitalised. During the year no development costs have been capitalised.

QUALITY

ProfilGruppen Extrusions AB was certified in accordance with the quality assurance system ISO 9002 in 1991. In 1999, ProfilGruppen became the first Nordic company in its sector to be certified in accordance with the automotive industry's quality system at the time. The company is today certified according to IATF:16949, which originated in the automotive industry. The standard is focused on reducing variations in processes and preventing errors.

THE ENVIRONMENT

The Group conducts operations that require a permit and are subject to notification requirements under the Swedish Environmental Code.

ProfilGruppen's environmental impact and sustainability work are described in greater detail in the company's Sustainability Report, which is integrated in this annual report. The management system is ISO 14001-certified.

FINANCIAL TARGETS

Operating margin, per cent

The operating margin for 2022 was 5.6 per cent. The decrease compared with the previous year was mainly driven by a general increase in costs.



Net debt to EBITDA, times

Net debt/EBITDA increased in 2022 mainly due to increased net debt during the year.



SUSTAINABILITY AND HEALTH AND SAFETY

Since 2021, ProfilGruppen Extrusions' operations have been certified under the ASI Performance Standard. ASI is a global trade association for the aluminium industry that works to promote the role of aluminium in building a sustainable society and to increase transparency in the industry. The certification provides confirmation of sound working practices with regard to governance as well as environmental and health and safety aspects. Health and safety are always at the top of the agenda at ProfilGruppen and 2021 was the year when we chose to certify our health and safety management in the largest company, ProfilGruppen Extrusions AB, according to the ISO 45001 standard.

PERSONNEL

The average number of employees in the Group totalled 555 (542). The number of employees in the Group at 31 December 2022 totalled 490 (582). The number of employees declined gradually over the autumn and 77 people left the company during the year. Women make up 27 per cent (26) of the Group's total workforce. Staff turnover during the year was 14.7 per cent (7.0). Payroll expenses totalled MSEK 255.4 (244.6).

SHARES AND SHAREHOLDERS

Each share in the company corresponds to one vote. The ownership interests that exceed ten per cent are Ringvägen Venture AB's 28.4 per cent, Lars Johansson's 14.5 per cent, and Mats and Kerstin Egeholm's 10.5 per cent.

The number of shareholders was 2,588 at the beginning of the year and 4,227 at the end of the year. Other share-related information to be provided in the Directors' Report for a listed company in accordance with the Annual Accounts Act can be found in Note 17. Further share information is provided on page 75.

Largest individual shareholders

Shareholder	Number of shares	Holding %, 2022	Holding %, 2021
Bengt Stillström	2,103,000	28.4	28.4
Lars Johansson	1,073,466	14.5	14.5
Mats Egeholm	538,800	7.3	7.3
Hanna Kusterer	355,000	4.8	4.2
David Stillström	254,735	3.4	2.9
Nordea Livförsäkring Sverige AB	241,681	3.3	3.2
Kerstin Egeholm	241,494	3.3	3.3
Avanza Pension	171,787	2.3	2.5
Mats Kärsrud	152,500	2.1	1.8
Mats Jonson	136,880	1.9	1.8
10 largest individual shareholders	5,269,343	71.2	69.9
Other	2,129,432	28.8	30.1
Total	7,398,775	100.0	100.0

CORPORATE GOVERNANCE

The work of the Board of ProfilGruppen AB is regulated by the formal work plan, which is established annually at the Board meeting following election at the Annual General Meeting. Three of the members of the Board constitute the Remuneration Committee, which deals with remuneration-related matters. The Audit Committee consists of all members of the Board. Prior to the 2023 AGM, the Nomination Committee will be responsible for proposing Board members and auditors, as well as fees for the Board, committees and auditors. More information on the work of the Board and corporate governance at ProfilGruppen is available in the Corporate Governance Report in this annual report and at www.profilgruppen.se.

REMUNERATION OF SENIOR EXECUTIVES

The Board prepares a proposal for guidelines for remuneration of the Group's senior executives. The following guidelines were adopted at the 2022 AGM and no changes are proposed for the 2023 AGM.

The guidelines are based on the company's long-term Remuneration Policy. Adhering to the company's strategy and maintaining its long-term interests including its sustainability requires a dedicated, competent and competitive Board and management. The guidelines are therefore designed to enable the company to recruit and retain such individuals.

The guidelines cover the Board, CEO and other members of management.

Directors' fees for Board members elected by the shareholders' meeting comprise the fixed annual remuneration approved by the shareholders' meeting. No other remuneration may be paid for Board work. No fees are paid to Board members appointed by the employees. In the event that the Board decides to request that a Board member shall perform services for the company, a normal market consultancy fee shall be paid. Such fees may never exceed the Director's fee.

For the CEO and other members of management (currently six people including the CEO), the guidelines are as follows.

Total remuneration may consist of a fixed basic salary, variable remuneration, pension and other benefits. Variable remuneration, which is capped at 30 per cent of the fixed salary, is linked to the Group's financial performance and only in specific instances to individual targets. Variable remuneration is conditional on a positive net result for the Group and will be retrospectively adjusted if it has been paid on apparently erroneous grounds. Agreements on pension benefits are arranged individually and the pension costs can amount to a maximum of 30 per cent of the salary. Other remuneration and benefits shall be at market rates and shall help to facilitate the senior executive's opportunities to carry out their work. The employment contracts of members of the management team are permanent contracts and are generally terminable on six months' notice by either party. No remuneration other than unchanged employment terms during the notice period are paid in connection with termination.

The Board may depart from the guidelines if there are special reasons in an individual case.

The Board's remuneration report, which covers compliance with the guidelines, will be made available before the 2023 AGM.

OUTLOOK FOR 2023

Activity at the beginning of 2023 appears to have picked up from the previous quarter, although the situation is still very uncertain. Many of our customers reduced their inventories in the autumn. This requires flexibility and fast deliveries.

RISKS AND RISK MANAGEMENT AT PROFILGRUPPEN

Overall responsibility for the company's risk management rests with the Board of Directors. The CEO is responsible for ongoing risk management in accordance with the guidelines issued by the Board. A number of Group policies have been drawn up to support ProfilGruppen's day-to-day activities, including a financial policy and a raw material policy. The ambition is to achieve ProfilGruppen's general objectives through well-considered risk-taking within certain defined limits. External factors affect ProfilGruppen in varying degrees. Global economic activity as well as local and international political decisions can affect key parts of our business, such as our supply chain or customer demand. Anticipating these risks is a challenge, but striving to prevent and manage any effects is a natural part of our business.

OPERATIONAL RISKS

Reliance on customers

ProfilGruppen strives to maintain a customer portfolio that is spread across a large number of customers in different industries in order to reduce its dependence on individual customers or industries. No customer accounted for more than ten per cent of total annual revenues. In 2022, the largest customer accounted for 9 per cent (11) of total revenues. Among ProfilGruppen's other customers, there is still a large spread.

Inevitably, having a large number of customers creates a risk that some of these will occasionally experience payment problems. We credit insure the majority of our customers, and around 60 per cent (60) of consolidated net sales is covered by our credit insurance policy.

Dependence on suppliers

The loss of a key supplier may result in costs and problems delivering to our customers. In order to reduce this risk, we have signed delivery agreements with strategic suppliers. In order to ensure that all key input goods are available, we have also developed contact with alternative suppliers.

During the geopolitical unrest in the last few years, we have experienced disruptions in our supply chains. In response, we have had to open additional alternative channels for goods and services.

ProfilGruppen continually evaluates its strategic suppliers to ensure that they meet our customers' requirements with regard to factors such as quality, delivery reliability, financial stability, environment and cost-effectiveness. Read more about raw material deliveries on the next page.

Seasonal and cyclical fluctuations

Our customers are spread across several industries and geographic markets. This industry spread is a deliberate strategy aimed at reducing sensitivity to seasonal and cyclical fluctuations. Most of our major customers operate globally, which means that they, and indirectly ProfilGruppen, are affected by the strength of the global economy. A general economic downturn quickly feeds through to our

industry and normally has a significant impact.

Responsibility

Delivering to the automotive industry, for example, entails a liability risk. ProfilGruppen has overall liability to the customer, including for components processed by subcontractors. Future risks are partly covered by separate agreements and insurance policies. There is a low probability of incurring significant damage. To prevent risks to health and safety, ProfilGruppen has established an internal reporting system for higher-risk situations that is available to all employees and that is used actively. A further description of how we discharge our health and safety responsibilities is presented in our Sustainability Report.

Production stoppages

To minimise disruptions in production, risk assessments are made on an ongoing basis along with preventive work at the Group's production facilities. Should such an event occur, the Group has consequential loss insurance that covers loss of contribution margins for up to 24 months. In case of a major outage, the consequences for the company would be significant.

Environment

There is always a risk that the Group's operations can cause damage to land, water and air, and to biological processes. Our extrusion production business is ISO 14001-certified, which supports our preventive efforts to minimise such risks. More stringent environmental requirements could give rise to costs as our operations need to be adjusted, and the Group's Environment Director is therefore keeping a close eye on any legislative changes in this field. You can read more about how ProfilGruppen is addressing environmental issues in our Sustainability Report.

Skills

The company has adequate extrusion and anodising capacity. ProfilGruppen has recently invested in both these processes to enable future growth.

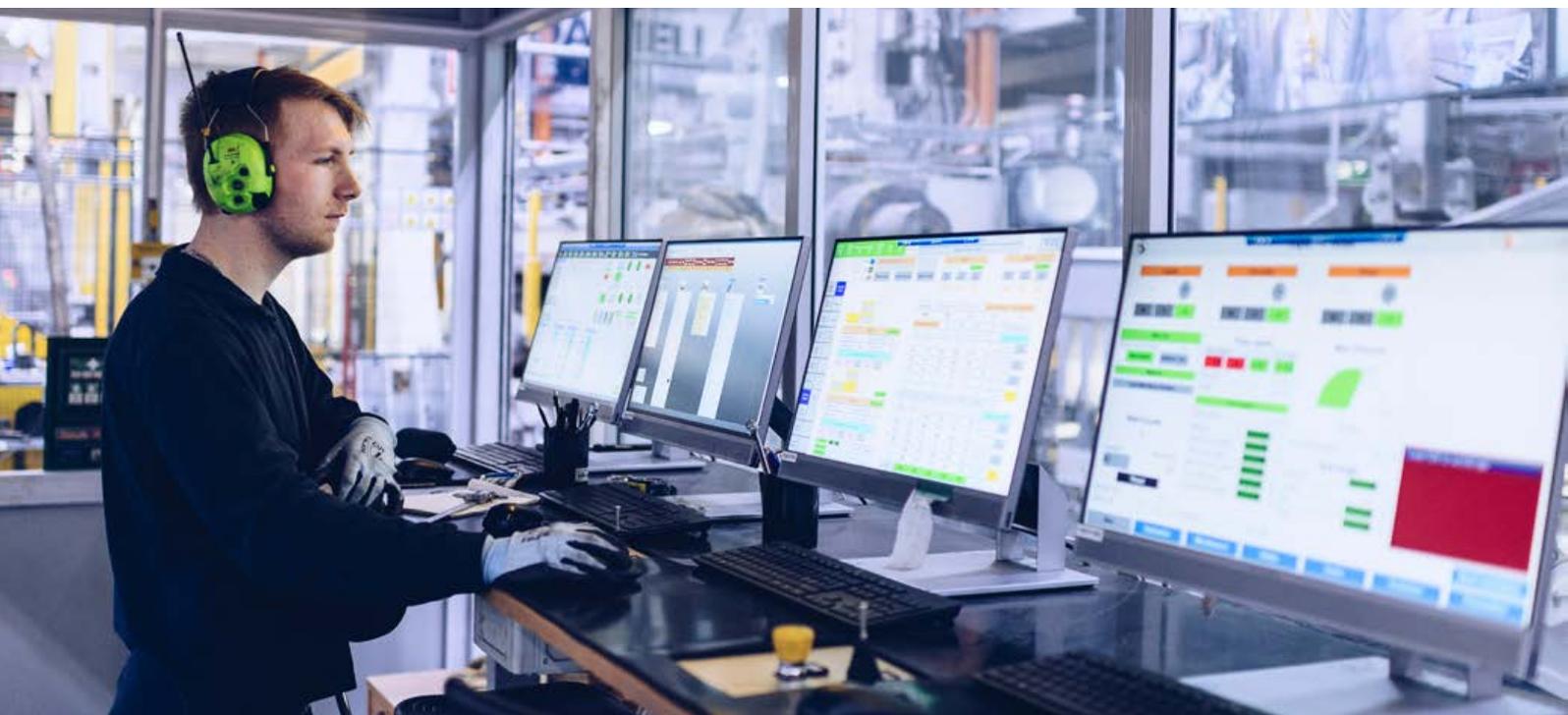
The need for processing of extrusions is met partly through internal capacity and partly through a network of external subcontractors. This network gives ProfilGruppen the flexibility to respond to changing needs for processing while also giving us access to necessary processes that we do not have internally, such as painting and welding. An internal process for validating subcontractors exists and is applied continuously.

IT

With IT being a very important part of all our business processes, ensuring a high level of availability is essential. Stoppages can lead to production losses, incurring losses or reduced efficiency within various parts of the business.

Our IT infrastructure is monitored continuously to ensure operational continuity. Redundancy is desirable in all parts of the IT infrastructure, which, along with constant development of the continuity plan, aims to minimise operational disturbances. Internal expertise focuses on business-critical and operationally critical systems.

Capacity





The company has adequate extrusion and anodising capacity. ProfilGruppen has recently invested in both these processes to enable future growth.

The need for processing of extrusions is met partly through internal capacity and partly through a network of external subcontractors. This network gives ProfilGruppen the flexibility to respond to changing needs for processing while also giving us access to necessary processes that we do not have internally, such as painting and welding. An internal process for validating subcontractors exists and is applied continuously.

Commodities

ProfilGruppen's main raw material is alloyed aluminium ingots. This expense item accounted for 56 per cent (47) of operating expenses in 2022.

Aluminium is priced in US dollars on the London Metal Exchange (LME) and a premium is added for production of aluminium ingots. Historically, both the LME price and the premium have been volatile. In 2022, however, the pricing varied considerably for both LME and the premium. ProfilGruppen applies raw material clauses in customer contracts, which limits the company's sensitivity to fluctuations in the raw material price. Raw material purchases are controlled by the Group's raw material policy. Purchases are made in Swedish kronor (SEK) and euros (EUR) in order to match the customers' contract currency and thus reduce the currency risk. In 2022, we changed our purchasing behaviour to reduce the price risk for raw material in our inventory and the contracted flows. In addition, the Board has authorised the company to take positions in the metals market.

In response to the increased uncertainty and volatility in the commodity market in 2022, new procedures have been introduced. Together with a representative from the Board, market developments are monitored more frequently to enable ProfilGruppen to respond quickly to changes.

Examples of changes include the major political impact on both the supply and price of aluminium. The energy crisis has had a severe impact on aluminium production in Europe. The shortage of aluminium produced in Europe and the resulting high CO₂ emissions for replacement supplies from overseas have pushed up the premium on green aluminium to an entirely new level.

As the supply of raw materials for industry is dependent on global players, it is also subject to international trade and environmental policies. This applies also to changes at earlier stages of the supply chain, such as alumina production or bauxite mining. Unexpected changes could have a significant impact on our supply.

Energy

ProfilGruppen's total energy consumption amounted to approximately 53 GWh including energy from electricity and LPG. ProfilGruppen belongs to the southern electricity area SE4, where there is currently a clearly increased risk compared with other electricity areas, both in terms of available capacity and price fluctuations. ProfilGruppen continuously monitors the electrical energy market to minimise the price risk for the Group's electricity needs. ProfilGruppen is also looking at the long term and is working with the local authority and electricity market players to secure electricity capacity for future expanded requirements.

FINANCIAL RISKS

Currency risks

Currency risk means that a fluctuation in the exchange rate has an impact on the Group's results, cash flow or balance sheet. The Group's foreign subsidiaries have very limited activities and limited balance sheets, and the Group therefore only hedges the transaction risk in respect of currency exposure.

The Group normally has net inflows in all currencies. Under ProfilGruppen's currency policy, 50–70 per cent of the expected net inflow in each currency over the next six to eighteen months should be hedged. The CEO has a mandate to hedge up to 100 per cent for periods of up to 24 months. Currency hedging is mainly done through forward contracts.

US dollar fluctuations affect ProfilGruppen's customer prices because raw aluminium is priced in US dollars. Raw material clauses are included in the majority of contracts, which means that exposure can be minimised. If the exchange rate between the Swedish krona and the most significant currencies moves by ten per cent, and provided that no exchange hedging measures have been taken, the following effects may be seen in profit before tax:

	2022	2021
EUR	MSEK +/- 23	MSEK +/- 20
DKK	MSEK +/- 3	MSEK +/- 1

To finance investments in machinery for our latest extrusion line, we have taken out a bank loan of MEUR 10. The euro loan creates a currency exposure, which had a negative impact on earnings of MSEK -9.5 (2.4) in 2022, which largely refers to an unrealised currency effect. The loan also creates a future currency exposure that could have an impact on earnings.

Interest rate risk

Interest rate risk is the risk of an impact on the Group's earnings as a result of changes in market interest rates. According to the financial policy, the fixed-rate term is limited to 60 months and at least 30 per cent of the Group's loans must have variable interest rates.

Credit risk

ProfilGruppen's credit risks arise when investing in financial instruments. To minimise this risk, trading may only take place with a small number of counterparties approved by the Board. The risk is also reduced by credit insuring a larger part of the accounts receivable.

Refinancing risk

Operational capital requirements are financed through bank loans. ProfilGruppen's financing policy states that the company must have loan commitments or agreements covering a period of at least twelve months. The agreements specify the financial targets that need to be met. The euro financing matures in 2025, when half will have been paid back.

THE PARENT COMPANY

ProfilGruppen AB (publ) is the parent company of the ProfilGruppen Group. ProfilGruppen runs operations in the form of a limited company (publ) and has its registered office in Uppvidinge municipality, Kronoberg county, Sweden. The company address is: Box 36, SE-364 21 Åseda, Sweden.

Rental income from companies in the Group account for 100 per cent of revenues in the parent company ProfilGruppen AB. The parent company has no employees (0).

DIVIDEND

After the closing day, the Board has proposed a dividend for the 2022 financial year of SEK 4.00 per share, equivalent to MSEK 29.6. The Board considers that the proposed dividend is justifiable in view of the equity requirements arising from the nature, scope and risks of the activities as well as the consolidation needs, liquidity and financial position of the company and Group in accordance with Chapter 17:3 of the Swedish Companies Act (the precautionary principle).

The Board and the CEO propose that standing profits available as per the balance sheet, of SEK 114,825,446, be appropriated in the following manner:

Dividend to shareholders SEK 4.00 x 7,398,775 shares	SEK 29,595,100
To be carried forward	SEK 85,230,346

Total profits according to balance sheet	SEK 114,825,446
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Under its dividend policy, the company aims to distribute 40–50 per cent of earnings after tax over a business cycle to the shareholders, having regard to capital requirements and the capital structure.

ANNUAL REPORT AND SUSTAINABILITY REPORT

Details of the company's and the Group's profits and overall financial position may be found in the following income statement and balance sheet with the Notes to these accounts. The consolidated income statement and balance sheet and the parent company's income statement and balance sheet for 2022 are to be submitted for approval at the Annual General Meeting on 18 April 2023.

In accordance with Ch. 6 § 11 of the Swedish Annual Accounts Act, ProfilGruppen has chosen to present its statutory sustainability report separately from its annual report, although it is integrated in the same document as the annual report. The Sustainability Report was handed to the auditor together with the annual report.

150.3 MSEK

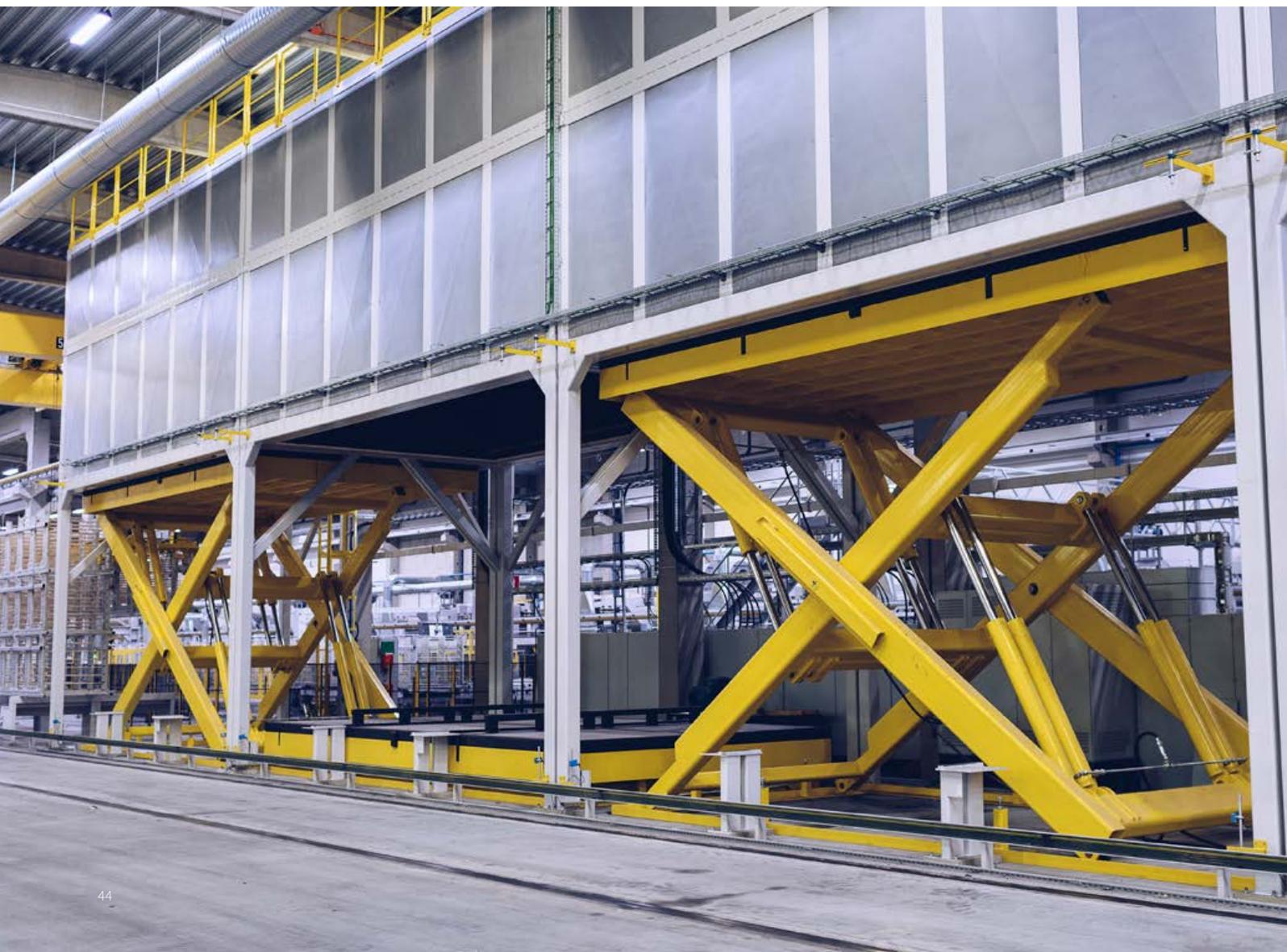
Consolidated operating profit

12.58 SEK

Earnings per share, Group

1.4 TIMES

Net debt to EBITDA



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CONSOLIDATED INCOME STATEMENT

(MSEK)	Note	2022	2021
Revenue	2	2,696.6	2,119.6
Cost of goods sold		-2,412.4	-1,830.1
Gross profit		284.2	289.5
Other operating income	3	1.2	6.8
Selling expenses		-73.2	-61.8
Administrative expenses		-60.7	-55.9
Other operating expenses	3	-1.2	0.0
Operating profit	4, 5, 6, 7	150.3	178.6
Financial income	8	1.1	0.1
Financial expenses	8	-28.3	-13.0
Net financial items		-27.2	-12.9
Profit before tax		123.1	165.7
Tax	10	-23.5	-32.9
Profit for the year		99.6	132.8
Of which attributable to:			
Parent company shareholders		93.0	127.7
Non-controlling interests		6.6	5.1
Earnings per share, SEK (no dilution)	18	12.58	17.26

STATEMENT OF OTHER COMPREHENSIVE INCOME

Profit for the year		99.6	132.8
Hedging reserve	21	-0.8	-13.7
Translation reserve		0.3	0.1
Deferred tax on the above items		0.1	2.9
Total items that will be reclassified to net earnings		-0.4	-10.7
Restatement of defined benefit pension obligations		4.7	0.3
Deferred tax on the above items		-1.0	-0.1
Total items that will not be reclassified to net earnings		3.7	0.2
Comprehensive income for the year		102.9	122.3
Comprehensive income attributable to:			
Parent company shareholders		96.3	117.2
Non-controlling interests		6.6	5.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MSEK)	Note	31 Dec 2022	31 Dec 2021
Assets			
Intangible assets	11	20.5	27.0
Property, plant and equipment	12	607.6	584.8
Right-of-use assets	7, 13	15.3	13.9
Financial fixed assets	14	0.2	0.2
Deferred tax asset		0.2	0.1
Total non-current assets		643.8	626.0
Inventories	15	471.4	421.7
Trade receivables	16	321.6	360.1
Prepaid expenses and accrued income	20	12.3	7.3
Other receivables	21	5.5	7.0
Cash and cash equivalents	24	20.0	28.4
Total current assets		830.8	824.5
Total assets		1,474.6	1,450.5
Equity			
Share capital		37.0	37.0
Other paid-up capital		29.5	29.5
Reserves	17, 21	-5.4	-10.6
Retained earnings incl. profit/loss for the year		474.2	483.0
Total equity, controlling interests		535.3	538.9
Non-controlling interests		14.0	13.7
Total equity	17	549.3	552.6
Liabilities			
Non-current interest-bearing liabilities	7, 19, 21, 24	112.6	121.2
Provisions for pensions	4	12.6	17.5
Deferred tax liabilities	10	79.9	69.5
Total non-current liabilities		205.1	208.2
Current interest-bearing liabilities	7, 19, 21, 24	220.9	98.3
Trade payables		229.4	288.1
Current tax liabilities		10.9	2.6
Other liabilities	21	143.8	152.8
Accrued expenses and deferred income	20	115.2	147.9
Total current liabilities		720.2	689.7
Total liabilities		925.3	897.9
Total equity and liabilities		1,474.6	1,450.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(MSEK)		Share capital	Other paid-up capital	Translation reserve	Hedging reserve	Retained earnings incl. profit for the year	Non-controlling interests interests	Total equity	Number of shares
Consolidated equity	Note 17								
Opening balance 1 Jan 2021		37.0	29.5	-0.3	5.6	349.9	23.9	445.6	7,398,775
Comprehensive income									
Profit/loss for the year						127.7	5.1	132.8	
Other comprehensive income				0.1	-16.0	5.4	0.0	-10.5	
Transactions with shareholders									
Dividend						0.0	-15.3	-15.3	
Closing balance 31 Dec 2021		37.0	29.5	-0.2	-10.4	483.0	13.7	552.6	7,398,775
Opening balance 1 Jan 2022		37.0	29.5	-0.2	-10.4	483.0	13.7	552.6	7,398,775
Comprehensive income									
Profit for the year						93.0	6.6	99.6	
Other comprehensive income				0.7	4.5	-1.9	0.0	3.3	
Transactions with shareholders									
Dividend						-99.9	-6.3	-106.2	
Closing balance 31 Dec 2022		37.0	29.5	0.5	-5.9	474.2	14.0	549.3	7,398,775

CONSOLIDATED STATEMENT OF CASH FLOWS

(MSEK)	Note	2022	2021
Operating activities	24		
Profit before tax		123.1	165.7
Adjustment for non-cash items		119.2	89.0
Interest received		1.0	0.1
Interest paid		-10.3	-8.3
Income tax paid		-4.4	-8.6
Cash flow from operating activities before changes in working capital		228.6	237.9
Cash flow from changes in working capital			
Inventories		-56.2	-172.8
Operating receivables		34.7	-168.1
Operating liabilities		-98.4	227.8
Cash flow from operating activities		108.7	124.8
Investing activities			
Acquisition of intangible assets		0.0	0.0
Acquisition of property, plant and equipment		-104.2	-92.0
Cash flow from investing activities		-104.2	-92.0
Financing activities			
Dividend		-106.2	-15.3
Change in drawn overdraft facility		131.6	-20.9
Borrowings		0.0	0.0
Repayment of loans		-30.8	-27.7
Repayment of lease liabilities		-7.7	-6.9
Cash flow from financing activities		-13.1	-70.8
Cash flow for the year		-8.6	-38.0
Cash and cash equivalents at beginning of year		28.4	65.1
Exchange rate differences in cash and cash equivalents		0.2	1.3
Cash and cash equivalents, closing balance		20.0	28.4



PARENT COMPANY INCOME STATEMENT

(MSEK)	Note	2022	2021
Revenue	2	35.9	34.9
Cost of goods sold		-8.9	-6.8
Gross profit		27.0	28.1
Administrative expenses		-5.0	-4.8
Operating profit	4, 5	22.0	23.3
Income from investments in subsidiaries	8	14.7	35.7
Interest income and similar income	8	0.0	0.3
Interest expense and similar charges	8	-1.3	0.0
Profit after financial items		35.4	59.3
Appropriations	9	-0.5	-6.2
Profit before tax		34.9	53.1
Tax	10	-4.4	-3.7
Profit for the year		30.5	49.4

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

(MSEK)	Note	2022	2021
Profit/loss for the year			30,549.4
Other comprehensive income			
Items that will be reclassified to net earnings		0.0	0.0
Items that will not be reclassified to net earnings		0.0	0.0
Comprehensive income for the year		30.5	49.4

PARENT COMPANY BALANCE SHEET

(MSEK)	Note	31 Dec 2022	31 Dec 2021
Assets			
Property, plant and equipment	12	188.9	185.6
Financial fixed assets	23	87.9	87.9
Total non-current assets		276.8	273.5
Receivables from Group companies		0.0	0.0
Other receivables		0.5	0.5
Total current receivables		0.5	0.5
Cash and bank balances	24	0.0	24.9
Total current assets		0.5	25.4
Total assets		277.3	298.9
Equity and liabilities			
Restricted equity			
Share capital		37.0	37.0
Non-restricted equity			
Share premium reserve		29.5	29.5
Retained earnings		54.8	105.3
Profit for the year		30.5	49.4
Total equity	17	151.8	221.2
Untaxed reserves	9	67.5	67.0
Deferred tax liabilities	10	3.6	3.4
Non-current interest-bearing liabilities to credit institutions	19, 21, 24	0.0	0.0
Interest-bearing liabilities to credit institutions	19, 21, 24	0.0	0.0
Non-interest bearing liabilities			
Trade payables		0.1	1.5
Liabilities to Group companies	25	46.7	1.7
Other liabilities	19	6.4	3.2
Accrued expenses and deferred income	20	1.2	0.9
Total current liabilities		54.4	7.3
Total equity and liabilities		277.3	298.9

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Note 17 (MSEK)	Restricted equity		Non-restricted equity		Total equity
	Share capital	Share premium reserve	Retained earnings		
Opening equity 1 Jan 2021	37.0	29.5	105.3	171.8	
Profit/loss for the year			49.4	49.4	
Transactions with shareholders					
Dividend			0.0	0.0	
Closing equity 31 Dec 2021	37.0	29.5	154.7	221.2	
Opening equity 1 Jan 2022	37.0	29.5	154.7	221.2	
Profit/loss for the year			30.5	30.5	
Transactions with shareholders					
Dividend			-99.9	-99.9	
Closing equity 31 Dec 2022	37.0	29.5	85.3	151.8	
Proposed dividend for the financial year 2022			29.6	29.6	

PARENT COMPANY STATEMENT OF CASH FLOWS

(MSEK)	Note	2022	2021
Operating activities	24		
Profit before tax		34.9	59.3
Adjustment for non-cash items		-5.8	-29.2
Interest received		14.7	35.9
Interest paid		-1.3	0.0
Income tax paid		-1.4	-1.3
Cash flow from operating activities before changes in working capital		41.1	64.7
Cash flow from changes in working capital			
Operating receivables		0.0	-0.4
Operating liabilities		-2.7	-56.9
Cash flow from operating activities		38.4	7.4
Investing activities			
Acquisition of property, plant and equipment		-10.1	-4.6
Sale of property, plant and equipment		0.0	0.0
Divestment of subsidiaries		0.0	0.0
Cash flow from investing activities		-10.1	-4.6
Financing activities			
Dividend		-99.9	0.0
Group contributions		0.0	0.0
Change in drawn overdraft facility		46.7	0.0
Repayment of loans		0.0	0.0
Cash flow from financing activities		-53.2	0.0
Cash flow for the year		-24.9	2.8
Cash and cash equivalents, opening balance		24.9	22.1
Cash and cash equivalents, closing balance		0.0	-24.9

GENERAL INFORMATION

These consolidated financial statements refer to the Group, which consists of ProfilGruppen AB (publ), corp. ID no. 556277-8943, and its subsidiaries. A list of significant subsidiaries is included in Note 23.

The consolidated financial statements have been prepared in Swedish kronor (SEK) and all amounts are expressed in millions of Swedish kronor (MSEK) unless otherwise indicated.

ProfilGruppen AB is a limited company with its registered office in Uppvidinge Municipality, Kronoberg County, Sweden. The company is listed on the Nasdaq OMX Stockholm Stock Exchange. The address of the head office as well as the site of the company's main operations is Box 36, SE-364 21 Åseda.

These consolidated financial statements were approved for publication by the Board of Directors on 27 March 2023 and will be submitted for approval by the Annual General Meeting on 18 April 2023.

NOTES

1 ACCOUNTING PRINCIPLES

COMPLIANCE WITH SET STANDARDS AND LEGISLATION

The consolidated financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as approved by the EC Commission for application within the EU. In addition, RFR 1 Supplementary Accounting Regulations for Groups has also been applied.

Unless otherwise stated under the heading The parent company's accounting principles, the same principles are applied to the parent company as to the Group. Any deviations that occur are due to restrictions in the ability to apply IFRS to the parent company as a result of the Swedish Annual Accounts Act (ÅRL) and the Act on Safeguarding of Pension Obligations (Tryggandelagen) and, in some instances, are for tax purposes.

ASSUMPTIONS USED IN PREPARING THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The parent company's functional currency is Swedish krona, which is the reporting currency for both the parent company and the Group. The financial statements are therefore presented in Swedish krona (SEK). All amounts, unless stated otherwise, are rounded off to the nearest million kronor. Assets and liabilities are recognised at historical cost, with the exception of certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value comprise derivative instruments

The accounting principles set out below for the Group have been applied consistently to those periods included in the consolidated financial statements, unless otherwise stated below. The Group's accounting principles have been applied consistently to any reporting and consolidation of subsidiaries. The financial statements have been prepared on a going concern basis.

NEW AND AMENDED STANDARDS NOT YET APPLIED BY THE GROUP

No standards have been applied early. No IFRS or IFRIC interpretations that have not yet become effective are expected to have a significant impact on the Group.

CRITICAL ESTIMATES

Drawing up the financial reports in accordance with IFRS requires the company's management to make estimates and assumptions that affect the application of the accounting principles as well as the reported amounts. Any estimates and assumptions are based on historical experience and a number of other factors that under current circumstances appear reasonable. The result of these estimates and assumptions is then used to determine the carrying amounts of assets and liabilities that cannot be clarified by other means or sources. The actual outcome may differ from these estimates and assessments.

The following important estimates have been made when applying the Group's accounting principles.

Inventories

Inventories are measured at the lower of cost and net realisable value, which usually means measurement at cost. See also the heading Inventories.

The net realisable value is to some extent an estimate based on forecasts from customers but also on historical data.

Expected credit losses

For trade receivables, the Group applies the simplified approach for credit reserve, i.e. the reserve will correspond to the expected loss over the lifetime of the trade receivable. To measure the anticipated credit losses, trade receivables have been grouped based on allocated credit risk properties and overdue days. The Group uses forward-looking variables for anticipated credit losses.

Impairment testing of goodwill

When calculating the recoverable amount of cash-generating units for the assessment of any impairment requirement for goodwill, several assumptions about future relationships and other parameter estimates have been carried out. Please refer to Note 11.

Assumptions concerning pensions

To calculate pension assumptions, management has made estimates of the discount rate and other parameters. The assessment of these parameters is based on expectations. If the actual values of the parameters were to differ from the expected values an actuarial gain or loss will be recognised in other comprehensive income in the consolidated financial statements. For a sensitivity analysis of the most significant of these assumptions, see Note 4.

CLASSIFICATION ETC.

Non-current assets and non-current liabilities consist largely of amounts that are expected to be recovered or for which there is a right to payment more than twelve months after the closing date.

Current assets and current liabilities essentially consist of amounts that are expected to be recovered or for which there is a right to payment within twelve months of the closing date.

For each balance-sheet item that includes amounts expected to be recovered or paid both within and after twelve months from the closing date, this information is provided in a note to the relevant balance-sheet item.

CONSOLIDATION PRINCIPLES

All companies in which the Group has a controlling interest are classified as subsidiaries. Subsidiaries are included in the consolidated financial statements as of the date on which the controlling interest is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which the controlling interest ceases to exist.

Non-controlling interests are presented separately in the consolidated statement of comprehensive income, the consolidated statement of financial position and in Note 23 Investments in Group companies.

The purchase method is applied in accounting for the Group's business combinations (see Note 23).

Intra-Group receivables and liabilities, revenue or expenses and unrealised gains or losses that arise through intra-Group transactions between Group companies are eliminated in their entirety during preparation of the consolidated financial statements.

FOREIGN CURRENCY

Transactions in foreign currency

Transactions in foreign currency are converted to the functional currency at the exchange rate on the transaction day. Functional currencies are the currencies in the primary economic environments where companies in the Group operate. Monetary assets and liabilities in foreign currencies are converted to the functional currency at the closing date rate. Exchange-rate differences arising from the conversions are reported in the statement of comprehensive income. Non-monetary assets and liabilities that are recognised at historical cost are converted at the exchange rate on the transaction date. Non-monetary assets and liabilities that are recognised at fair value are converted to the functional currency at the exchange rate in effect at the time the fair value is measured, at which point exchange rate changes are recognised together with other changes in the value of the asset or liability.

Financial reports concerning foreign operations

Assets and liabilities in foreign operations are translated to Swedish kronor at the closing rate. Revenue and expenses from a foreign operation are converted to Swedish krona at an average exchange rate that is an approximation of the rates on each transaction day. Translation differences that arise through currency conversion for foreign operations are recognised in other comprehensive income.

REVENUE

The Group's revenue essentially comprises the sale of customised aluminium extrusions. The Group supplies the products with no additional commitments in respect of assembly or installation. The sale of products is recognised as revenue when control of the goods is transferred to the customer, which takes place when the goods have been transported to the location specified in the agreement, the risk for obsolete or lost goods has been transferred to the customer and the customer has either accepted the goods in accordance with the agreement, the deadline for objections to the agreement has expired, or the Group has objective evidence to indicate that all the criteria for acceptance have been met. No financing component is deemed to exist at the time of the sale. The revenue is recognised at the fair value of what has been or will be received.

The transaction price is basically fixed, although variable remuneration may occur in the form of discounts based on total sales. Revenue from sales is recognised on the basis of the price in the agreement, less calculated discounts. Historical data is used to estimate the expected value of the discounts, and the revenue is reported only to the extent it is highly probable that a substantial reversal will not occur. No financing component is deemed to exist at the time of the sale, as the credit period normally amounts to 30-60 days. As a result, the Group does not adjust the transaction price for the effects of a significant financing component. The Group's policy is to sell the products to the end customer with no right of return. No reversal of the recognised income will therefore be made.

The Group's commitment to repair or replace defective products in accordance with normal warranty regulations is recognised as a provision. Historical data is used to assess the size of the returns.

A receivable is recognised when the goods have been delivered, as it is at this time that the remuneration becomes unconditional (i.e. only the passing of time is required for payment to take place).

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest income from bank balances and receivables and interest expenses on loans, lease liability, dividend income, exchange rate differences, unrealised and realised gains and losses on interest rate swaps used within financial activities.

Dividend income is recognised once the right to receive payment has been determined. Borrowing costs directly attributable to the purchase, construction or production of a qualified asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised and included in the cost of the asset. Other borrowing costs are recognised in accordance with the effective interest method.

Interest income is recognised as income with the application of the effective interest method.

FINANCIAL INSTRUMENTS

The Group's financial assets and liabilities comprise the following items: financial fixed assets, trade receivables, other receivables, cash and cash equivalents, interest-bearing liabilities, trade payables, accrued expenses and other liabilities.

a) Initial recognition

Financial assets and financial liabilities are recognised when the Group becomes party to the instrument's contractual terms. Purchases and sales of financial assets and liabilities are recognised on the trade date, i.e. the date on which the Group commits itself to buy or sell the asset.

At initial recognition, financial instruments are recognised at fair value plus, for an asset or financial liability that is not recognised at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs for financial assets and financial liabilities that are recognised at fair value through profit or loss are expensed in the statement of comprehensive income.

The Group classifies and values its financial assets in the following categories:

- financial assets at amortised cost
- financial assets at fair value through other comprehensive income
- financial assets at fair value through profit or loss (derivatives not included in hedge accounting)

The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual conditions for the assets' cash flows. For investments in an equity instrument that is not held for trading, recognition depends on whether the Group, at the instrument's acquisition date, has made an irrevocable decision to recognise the equity instrument at fair value through other comprehensive income. The Group only reclassifies debt instruments in those cases where the Group's business model for the instruments is changed.

Subsequent valuation of investments in debt instruments depends both on the Group's business model for managing the asset as well as the type of cash flow the asset generates. The Group classifies its investments in debt instruments in three valuation categories:

Financial assets at amortised cost

Assets held for the purpose of collecting contractual cash flows, and where these cash flows consist exclusively of principal and interest, are reported at amortised cost. Interest income from such financial assets is recognised as financial income through the application of the effective interest method. Gains and losses arising from a reversal from the statement of financial position are recognised directly in profit or loss within other gains and losses together with the exchange rate result. Impairment losses are reported solely on a separate line in the statement of comprehensive income in cases where this refers to a significant amount. The Group's financial assets valued at amortised cost consist of trade receivables, accrued income, other receivables as well as cash and cash equivalents.

Financial assets valued at fair value via other comprehensive income

Assets held for the purpose of collecting contractual cash flows and for sale, where the assets' cash flows consist exclusively of principal and interest, are valued at fair value via other comprehensive income. Changes in carrying amount are recognised via other comprehensive income, with the exception of the recognition of interest income, exchange rate differences and impairment losses, which are recognised in the income statement. When the financial asset is removed from the balance sheet, the accumulated gain or loss, which has previously been recognised in other comprehensive income, is transferred from equity to the income statement. Interest income from these financial assets is recognised as financial income through the application of the effective interest method. Foreign exchange gains and losses are included in other gains and losses. Impairment losses are reported solely on a separate line in the statement of comprehensive income in cases where this refers to a significant amount.

Financial assets at fair value through profit or loss Assets that do not meet the requirements for being recognised at amortised cost or fair value through other comprehensive income are valued at fair value through profit or loss. A profit or loss for a debt instrument that is recognised at fair value through profit or loss, and which is not included in a hedging relationship, is reported net in the statement of comprehensive income in the period in which the profit or loss is incurred. Any holdings in derivatives in the form of foreign exchange and commodity forwards that do not meet the criteria for hedge accounting fall into this category.

d) Derecognition of financial assets

Financial assets, or a part thereof, are derecognised in the statement of financial position when the contractual rights to receive cash flows from the assets have expired or have been transferred and either (i) the Group transfers essentially all risks and benefits associated with ownership or (ii) the Group does not transfer or retains essentially all risks and benefits associated with ownership and the Group has not retained control of the asset.

c) Financial liabilities - Classification and valuation

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Derivatives are classified as being held for trading if they are not identified as hedges. The Group has financial liabilities in the form of forward contracts. Financial liabilities at fair value through profit or loss are also recognised at fair value in subsequent periods, and the change in value is recognised under financial items in the statement of comprehensive income. Any holdings in derivatives in the form of foreign exchange and commodity forwards that do not meet the criteria for hedge accounting fall into this category.

Financial liabilities at fair value through other comprehensive income are classified as current liabilities if they fall due within 12 months from the closing date; if they fall due later than 12 months from the closing date, they are classified as non-current liabilities.

Financial liabilities at amortised cost

The Group's other financial liabilities are classified as subsequently being valued at amortised cost using the effective interest method. Other financial liabilities consist of liabilities to credit institutions (non-current and current), liabilities to Group companies, trade payables, current liabilities.

d) Derecognition of financial liabilities

Financial liabilities are derecognised in the statement of financial position when the obligations have been settled, cancelled or otherwise terminated. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the remuneration that has been paid, including any transferred assets that are not cash or liabilities that have been assumed, is reported in the statement of comprehensive income.

When the conditions for a financial liability are renegotiated, and are not removed from the statement of financial position, a profit or loss is reported in the statement of comprehensive income. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows, discounted to the original effective interest rate.

e) Offset of financial instruments

Financial assets and liabilities are netted and recognised with a net amount in the statement of financial position only when there is a legal right to net the carrying amounts and an intention to settle them with a net amount or simultaneously to realise the asset and settle the liability. The legal right must not depend on future events and must be legally binding for the company and the counterparty, both in case of normal business activities and in the event of default, insolvency or bankruptcy.

f) Impairment of financial assets

Assets at amortised cost

The Group values the future anticipated credit losses related to investments in debt instruments reported at amortised cost or fair value with changes via other comprehensive income based on prospective information. The Group chooses a provision method based on whether there has been a significant increase in credit risk or not.

For trade receivables, the Group applies the simplified approach for credit reserve, i.e. the reserve will correspond to the expected loss over the lifetime of the trade receivable. To measure the anticipated credit losses, trade receivables have been grouped based on allocated credit risk properties and overdue days. The Group uses forward-looking variables for anticipated credit losses. Anticipated credit losses are only reported in the consolidated statement of comprehensive income in the item "Other external expenses" if the amount is not significant.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with banks.

Borrowing

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

The liability is classified as current in the balance sheet, unless the company has an unconditional right to postpone the settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

General and specific borrowing costs directly attributable to the purchase, construction or production of qualifying assets are included in the cost of these assets. Qualifying assets are assets which necessarily take a substantial period of time to get ready for their intended use or sale. Capitalisation ceases when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. Deviations from this principle have been made in respect of a new production plant, which was completed during the year, as no borrowing costs have been included in the cost of the asset. During the period of construction, borrowing costs directly related to the acquisition have been accounted for as a financial expense.

Financial income arising from the temporary investment of borrowed capital pending its use for financing the asset reduces the borrowing costs eligible for capitalisation. All other borrowing costs are expensed as incurred.

Trade payables

Trade payables belong to the Other financial liabilities category. Trade payables are taken up once an invoice has been received. Trade payables have a short expected maturity and are measured without discounting.

Derivatives and hedge accounting

The Group's derivative instruments have been procured in order to hedge the risks associated with commodity and currency exposure to which the Group is subjected. Derivatives are recognised in the statement of financial position on the trade date and are valued at fair value, both initially and in subsequent revaluations at the end of each reporting period. The method for recognising the profit or loss arising from revaluation depends on whether the derivative has been identified as a hedging instrument and, if so, the nature of the item that has been hedged.

When the transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's risk management objective and risk management strategy in respect of the hedge. The Group also documents its assessment, both when the hedge is entered into and on a continual basis, of whether the derivative instruments used in hedging transactions have been and will continue to be effective when it comes to countering changes in fair value or the cash flows attributable to the hedged items.

Information about the fair value of various derivative instruments used for hedging purposes can be found in Note 21. Changes in the hedging reserve in equity are shown in Note 17. The entire fair value of a derivative that constitutes a hedging instrument is classified as a non-current asset or a non-current liability when the hedged item's remaining term is longer than 12 months, and as a current asset or current liability when the hedged item's remaining term is less than 12 months. Derivative instruments held for trading are always classified as current assets or current liabilities.

Transaction exposure – cash flow hedges

Currency exposure regarding future contracted and forecast flows is hedged through foreign exchange forward contracts. Exposure to future fluctuations in the price of aluminium is hedged through commodity forward contracts.

The forward contracts that protect the forecast flow are recognised in the statement of financial position at fair value. The effective part of changes in the fair value of the forward contract is recognised in other comprehensive income and accumulated in equity as long as the hedge is effective. The ineffective portion of the change in value is recognised immediately in the income statement as income for foreign exchange forward contracts and as cost of goods sold for commodity forward contracts. If the hedges are ineffective or if the hedged forecast transactions are no longer expected to occur, accumulated gains or losses are recognised immediately in profit or loss for the year. The amount recognised in equity through other comprehensive income is reclassified to profit or loss in the same period in which the hedged item affects profit or loss. When a hedging instrument falls due, is sold, liquidated or redeemed, or the company modifies the identification of the hedge relationship before the hedged transaction has occurred and the forecast transaction is still expected to occur, the reported cumulative gain or loss in the hedging reserve remains as equity and is recognised in a similar way to that above when the transaction occurs.

Inefficiencies in hedge accounting

The effectiveness of a hedge is evaluated when the hedging relationship is entered into. The hedged item and the hedging instrument are evaluated continually to ensure that the relationship satisfies the requirements.

When the Group hedges sales of foreign currency, hedging relationships are entered into where critical conditions in the hedging instrument exactly match the conditions for the hedged item. In this way, a qualitative evaluation of the effectiveness of the relationship has been carried out.

When the Group hedges fluctuations in the purchase price of the commodity, hedging relationships are entered into which have the same critical terms as the hedged item. The Group can hedge up to 100 per cent of the raw material inventory volume on the LME market for aluminium and identifies the portion of the raw material inventory volume that is equal to the notional volume of raw material in the forward contract. This also provides a qualitative evaluation of the effectiveness of the hedging relationship.

If altered circumstances affect the conditions for the hedged items to such an extent that the critical terms no longer exactly match the hedging instruments' critical terms, the Group uses the hypothetical derivative method to evaluate effectiveness. When hedging foreign currency sales, ineffectiveness can occur if the timing of the forecast transaction is altered compared to the initial estimate. When the purchase price of the raw material is hedged, ineffectiveness can arise if the forecast inventory volume changes from the initial estimate.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised as assets in the statement of financial position if it is likely that future financial advantages will be available to the company and the acquisition value of the asset can be calculated in a reliable way. Property, plant and equipment are recognised for the Group at cost after deductions for accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset in order to acquire it in a condition where it can be utilised in accordance with the aim of the acquisition. Principles for impairment losses are dealt with below.

The cost of non-current assets produced in-house includes material costs, expenditure on employee remuneration, if applicable, other manufacturing costs that are thought to be directly attributable to non-current assets, as well as estimated expenditure on disassembly and removal of assets and restoration of the site or area where required.

Property, plant and equipment that comprise elements with different useful lives are treated as separate components of property, plant and equipment. The carrying amount of an item of property, plant and equipment is removed from the statement of financial position when this is scrapped or sold off, or when no future financial advantages are expected from the use of or scrapping/selling the asset. Any gain or loss arising from the sale or scrapping of an asset comprises the difference between the sale price and the asset's carrying amount less direct selling expenses. Gains and losses are reported as other operating income/expense.

Depreciation methods

Depreciation is performed linearly over the asset's estimated useful life. The Group applies component depreciation, which means that the components' assessed useful life forms the basis for depreciation, see Note 12. Real estate is divided chiefly into land and buildings. No depreciation is performed for land, the useful life of which is judged to be indeterminable.

An asset's residual value and useful life are assessed annually.

LEASES

The Group's leases refer mainly to commercial premises, vehicles and IT equipment. The terms are negotiated separately for each contract and contain a large number of different contract terms. The leases contain no specific terms or restrictions under which they would be terminated if terms were not met, but the leased assets may not be used as collateral for loans.

The leases are recognised as right-of-use assets with corresponding liabilities on the day when the leased asset is available for use by the Group. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Leases are normally depreciated over fixed periods of three to five years for commercial premises, three to six years for vehicles and three years for IT equipment but in some cases with an option to extend or terminate the lease, as described below.

Assets and liabilities arising from leases are initially recognised at present

value. Lease liabilities include the present value of the following lease payments:

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

Lease payments are discounted using the interest rate implicit in the lease if this rate can be determined, otherwise at the lessee's incremental borrowing rate. The average interest rate used for discounting in 2022 is three per cent (three).

Right-of-use assets are measured at cost, which includes the following:

- the initial measurement of the lease liability and
- payments made at or before the date when the leased asset is made available for use to the lessee.

Payments for short-term leases and low-value leases are expensed in the income statement on a straight-line basis. Short-term leases are contracts with a lease term of 12 months or less, and low-value leases are leases with a value of less than USD 5,000.

Options to extend or terminate a lease

Options to extend or terminate leases are included in the majority of the Group's leases for commercial premises. The terms are used to maximise flexibility in terms of how the contracts are managed. Options to extend or terminate a lease are included in the asset and liability when it is reasonably certain that they will be exercised.

INTANGIBLE ASSETS**Goodwill**

Goodwill represents the difference between the cost for a business combination and the fair value of acquired assets, assumed liabilities and contingent liabilities.

Goodwill is measured at cost minus any cumulative impairment losses. Impairment losses on goodwill are never reversed. Goodwill is divided among cash-generating units and is tested annually for impairment.

Other intangible assets

IT systems adapted to the Group's operations are accounted for as intangible assets and capitalised in the balance sheet when they are taken into use. The useful life is assessed individually.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Inventories comprise a raw material portion (aluminium) and a processing portion.

The cost of raw materials and direct materials is determined based on the first-in, first-out principle. The cost of the processing portion consists of direct manufacturing costs and a reasonable proportion of indirect manufacturing costs. During measurement, consideration is paid to normal capacity utilisation.

Net realisable value is the estimated sale price less selling expenses.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, with the exception of inventories, are reviewed on each closing date to assess whether there is any indication of a need for impairment. If an impairment indicator exists, the asset's recoverable amount is calculated. The valuation of assets that are exempt as per the above is tested as per the relevant standard. For goodwill the recoverable amount is calculated at least once a year.

If it is not possible to establish essentially independent cash flows for an individual asset, the assets are grouped at the lowest level at which it is possible to identify essentially independent cash flows (a cash-generating unit). An impairment loss is recognised when an asset or cash-generating unit's carrying amount exceeds the recoverable amount. An impairment loss burdens the profit/loss for the year.

The recoverable amount is the higher of the fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted using a discount factor that takes into consideration risk-free interest and the risk that is associated with the specific asset.

Reversal of impairment

An impairment loss is reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the assumptions on which the calculation of the recoverable amount was based. However, goodwill impairment losses are never reversed. A reversal is only performed to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, less depreciation/amortisation where appropriate, if no impairment had been made.

EMPLOYEE BENEFITS

Salaries and social security contributions are recognised as personnel costs in the income statement. The costs are recognised in the period when the services are provided in accordance with the employment contracts.

Defined contribution pension plans

Defined contribution plans are classified as plans where fixed contributions are paid and there are no further obligations beyond these contributions. Costs for defined contribution plans are expensed in the period in which the employees perform the services on which the obligation is based.

Defined benefit pension schemes

Commitments for old-age pensions and family pensions for salaried employees in Sweden are met through insurance with Alecta. In accordance with UFR 10, this is a multi-employer defined benefit pension plan. The company has not had access to such information that makes it possible to report this pension as a defined benefit scheme. The pension plan as per ITP that is met through insurance with Alecta is therefore reported as a defined contribution pension.

In Norway, all employees are covered by defined benefit pension schemes. In Sweden, some employees are covered by defined benefit pension plans in addition to those which are insured through Alecta. However, there are no new earned pension entitlements in these schemes.

The Group's net obligation regarding defined benefit pensions is calculated separately for each pension scheme by estimating future benefits earned by employees through their employment during both current and earlier periods; this benefit is discounted to a present value and the fair value of any plan assets is deducted. The discount rate is the interest rate on a risk-free investment in an active market with a maturity corresponding to the plan's pension obligations. The calculation is performed by qualified actuaries using the projected unit credit method.

When the benefits associated with a pension improve, the proportion of the increased benefit that is attributed to employees' employment during earlier periods is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits are earned completely. If the benefit is earned completely, an expense is recognised directly in profit or loss.

When there is a difference in how the pension expense is established in a legal entity and group, a provision or claim is reported in relation to special payroll tax based on this difference. The provision or claim is not calculated as a present value.

PROVISIONS

Provisions are recognised in the balance sheet when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method, which means that earnings are adjusted for transactions not resulting in cash inflows or outflows and for income and expenses attributable to cash flow from investing activities.

TAXES

Income tax consists of both deferred and paid tax. Income tax is recognised in profit or loss unless the underlying transaction is recognised in other comprehensive income, in which case the related tax effect is recognised in the same way.

Current tax is tax that must be paid or received in relation to the current year, with application of the tax rates that have been adopted or adopted in practice as of the closing date; this also includes adjustment of current tax attributable to earlier periods.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences in the carrying amount of assets and liabilities and the value for tax purposes. A temporary difference that occurred during initial recognition of goodwill is not taken into consideration, and neither are temporary differences attributable to investments in subsidiaries that are not expected to be reversed within the foreseeable future. The valuation of deferred tax is based on how carrying amounts of assets or liabilities are expected to be realised or regulated.

Deferred tax is calculated with application of the tax rates and tax rules that have been adopted or adopted in practice as of the closing date. Deferred tax assets regarding deductible temporary differences and tax loss carry-forwards are recognised only to the extent it is likely these can be utilised. The value of deferred tax assets is reduced when it is assessed to be no longer likely that these can be utilised.

Any additional income tax that arises through dividends is recognised at the same time as the dividend is recognised as a liability.

CONTINGENT LIABILITIES

A contingent liability is recognised when there is a possible obligation arising from events and whose occurrence is confirmed only by one or more uncertain future events, or there is a commitment that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.



PARENT COMPANY'S ACCOUNTING PRINCIPLES

The most important accounting principles applied in the preparation of this annual report are set out below. These principles have been applied consistently for all the years presented, unless otherwise stated. The parent company has drawn up its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities. RFR 2 means that the parent company in the annual accounts for the legal entity must apply all standards, interpretations and amendments approved by the EU, provided this is possible within the framework of the Annual Accounts Act and with regard to the connection between accounting and taxation. The recommendation states which exemptions from and additions to IFRS are to be made.

The accounting principles specified below for the parent company have been applied consistently in all the periods presented in the parent company's financial reports.

In those cases where the parent company applies accounting principles other than the Group's accounting principles, these are specified below.

Formats

The income statement and balance sheet follow the presentation method set out in the Annual Accounts Act. The statement of changes in equity also follows the Group's presentation method, but must contain the columns specified in the Annual Accounts Act. It also entails a difference in terms compared with the consolidated financial statements, mainly in respect of financial income and expenses and equity.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost less any impairment. The cost value includes acquisition-related costs and any additional purchase sums.

When there is an indication that investments in subsidiaries have decreased in value, the recoverable amount is calculated. If this is lower

than the carrying amount, an impairment is conducted. Impairments are reported in the item "Income from investments in Group companies".

Financial instruments

IFRS 9 is not applied in the parent company. Instead, the parent company applies the items specified in RFR 2 (IFRS 9 Financial instruments, pp. 3-10). Financial instruments are measured at cost. In subsequent periods, financial assets acquired with the intention of being held in the short term will be recognised in accordance with the lowest value principle at cost or the market value, whichever is lower.

When calculating the net realisable value of receivables recognised as current assets, the principles of impairment testing and loss-risk reservation in IFRS 9 will apply. For a receivable that is reported at amortised cost at Group level, this means that the loss-risk reserve that is reported in the Group in accordance with IFRS 9 should also be included in the parent company.

Dividends

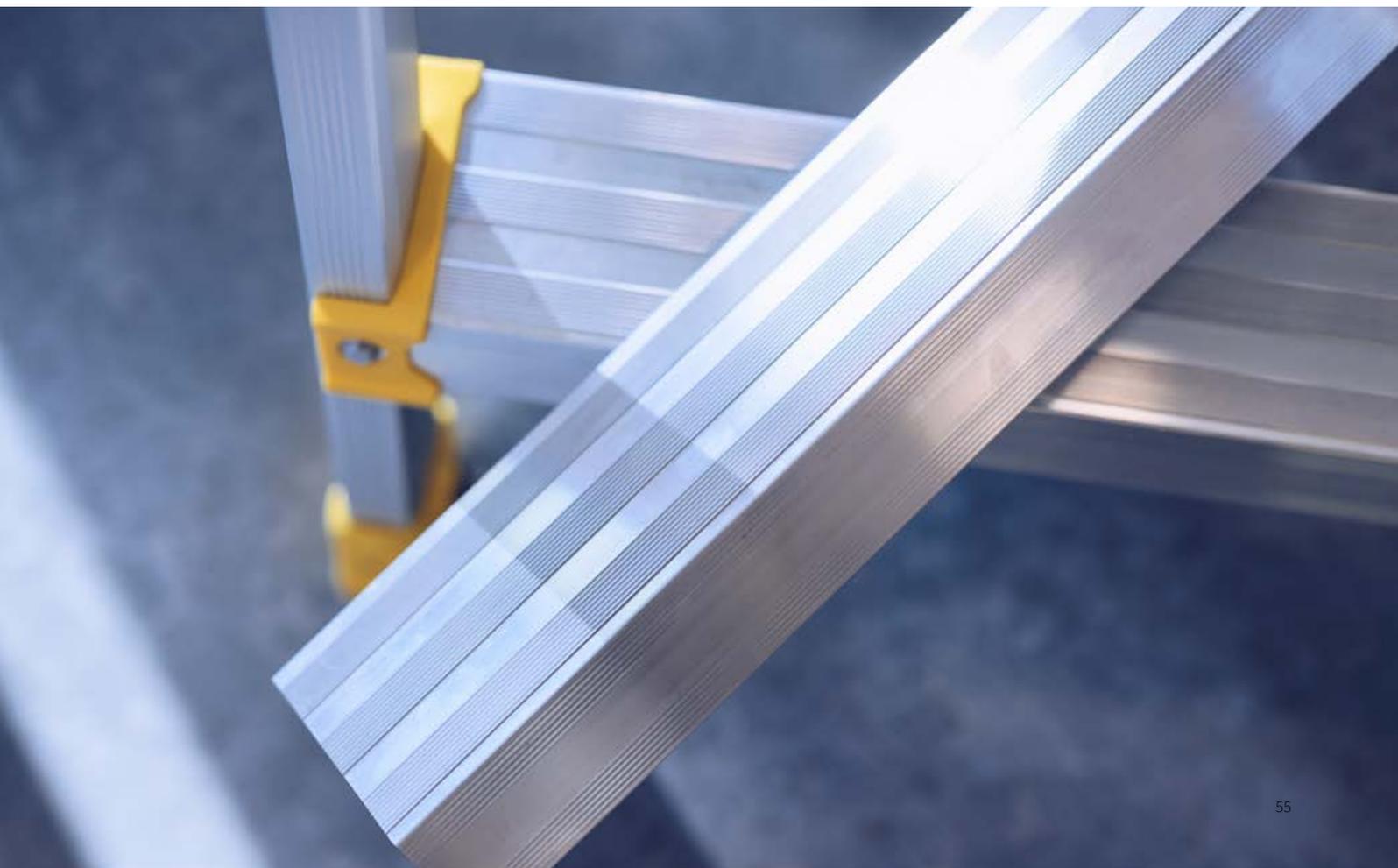
Anticipated dividends from subsidiaries are reported in those instances where the parent company alone has the right to determine the size of the dividend, and where the parent company has made a decision on the size of the dividend before it has published its financial reports.

Taxes

The parent company reports untaxed reserves including deferred tax liability.

Group contributions and shareholders' contributions for legal entities

The parent company reports Group contributions and shareholders' contributions in accordance with the statement from the Swedish Financial Reporting Board and applies its alternative rule, under which Group contributions are recognised as appropriations.



2 REVENUE

Information on operating segments

The Group's chief operating decision-maker follows the outcome of activities on a consolidated basis with no breakdown by segment or branches. The chief operating decision-maker uses the company's aggregate operating profit or loss as the basis for decisions about resource allocation and assessing performance. ProfilGruppen thus consists of only one segment. For financial information on the segment, please refer to the statement of comprehensive income and the statement of financial position, Note 11, 12 and 13 (for investments and depreciation/amortisation) and Note 24 (for cash flow effects).

Revenue by industry	2022	2021
Transport	795.1	646.6
Construction	535.5	453.4
Furnishing	430.1	360.3
General industry	511.8	401.1
Electronics	285.8	227.0
Wholesalers and other	138.3	31.2
	2,696.6	2,119.6

Revenue by degree of product processing	2022	2021
Processed products	2,075.2	1,650.7
Untreated extrusions	621.4	468.9
	2,696.6	2,119.6

Information on geographical markets

Sales are mainly to customers in Europe, where the market conditions are similar. Goods are sold for export partly through sales staff who are integrated in the Swedish organisation and based in Sweden and partly through a small number of sales representatives who report directly to the Swedish organisation but are employed in sales companies in each export market. In the first instance, the Group's opportunities and risks are not affected by the location of our customers, but conditions do differ somewhat on the home and export markets. Information on external sales refers to geographical areas grouped according to customer location.

Revenue by market	2022	2021
Sweden	1,394.1	1,010.8
Germany	479.4	424.9
Other exports	823.1	683.9
	2,696.6	2,119.6

No single customer accounted for more than 10 per cent of revenues in 2022 (11 per cent). Revenue for the Group refers to the revenue source sale of goods. Rents for commercial premises from Swedish companies in the Group account for 100 per cent of the parent company's revenue.

3 OTHER OPERATING INCOME AND EXPENSES

	Group		Parent company	
	2022	2021	2021	2020
Other operating income				
Repayment group health insurance	0.8	6.8	0.0	0.0
Subsidy for charging infrastructure	0.2	0.0	0.0	0.0
Other operating income	0.2	0.0	0.0	0.0
	1.2	6.8	0.0	0.0
Other operating expenses				
Loss on sale and scrapping of non-current asset	1.2	0.0	0.0	0.0

4 EMPLOYEES AND PERSONNEL COSTS

Average number of employees	2022		2021	
	Total	Men	Total	Men
Parent company	0	0	0	0
Group companies in Sweden	552	424	539	400
Group companies outside Sweden				
Norway, sales company	1	1	1	1
Germany, sales company	2	2	2	2
	3	3	3	3
Group, total	555	427	542	403

Gender distribution of the Board and management

During the year, the Board of ProfilGruppen AB (the parent company) consisted of 86 per cent (86) men. The Group's management team (including CEO) consisted of 83 per cent (88) men. The Group's other boards and management teams consisted of 75 per cent (92) men.

Salaries, other remuneration and payroll overheads

	2022		2021	
	Salaries and other remuneration	Payroll overheads (of which retirement benefit costs)	Salaries and other remuneration	Payroll overheads (of which pension expenses)
Parent company	1.1	0.3 (0.0)	1.0	0.3 (0.0)
Group companies	254.3	103.9 (30.5)	243.6	101.3 (30.5)
Total, Group	255.4	104.2 (30.5)¹⁾	244.6	101.6 (30.5)¹⁾

1) Of which MSEK 1.0 (1.0) relates to the Board and CEO in the Group's different companies.

Salaries and other remuneration, broken down by Board and CEO and other employees	2022		2021	
	Board and CEO	Other employees	Board of Dir and CEO	Other employees
Parent company	1.0	0.1	1.0	0.0
Group companies in Sweden	3.3	247.4	3.1	237.9
Group companies outside Sweden				
Norway, sales company	0.0	1.1	0.0	1.0
Germany, sales company	0.0	2.5	0.0	1.6
	0.0	3.6	0.0	2.6
Group, total	4.3	251.1	4.1	240.5

Profit sharing

In 2022, no payments were made to permanent employees of ProfilGruppen under the company's profit-sharing scheme. Consolidated earnings after financial items did not constitute the basic criterion for profit sharing, and the cost for 2022 was MSEK 0 (6,2) including social security contributions.

Pensions

Cost of defined contribution plans recognised in income statement	Group		Parent company	
	2022	2021	2022	2021
as cost of goods sold	14.9	15.8	0.0	0.0
as selling expenses	7.9	7.2	0.0	0.0
as administrative expenses	7.3	7.3	0.0	0.0
	30.1	30.3	0.0	0.0

Defined benefit pension plans

For salaried employees in Sweden the ITP2 defined benefit pension obligations for retirement and family pensions are secured through an insurance policy with Alecta. As per a statement from the Swedish Financial Reporting Board, UFR 10, this is a multi-employer defined benefit pension plan. For the financial year 2022, the company has not had access to information that would enable it to account for its proportionate share of the plan's obligations, assets and expenses. It has therefore not been possible to report the plan as a defined benefit plan. The ITP2 pension plan that is secured through an insurance policy with Alecta is therefore accounted for as a defined contribution pension. The premium for defined benefit retirement and family pensions is calculated individually and depends on factors such as salary, previously earned pension and expected remaining period of service. Expected fees in the next reporting period for ITP2 insurance policies with Alecta are MSEK 2.0 (2.8) excluding payroll tax. The Group's share of the total contributions to the plan and of the total number of active members is 0 and 0 per cent, respectively.

The collective funding ratio comprises the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. The collective funding ratio is normally permitted to vary within a range of 125 and 155 per cent. If Alecta's collective consolidation level were to fall below 125 per cent or exceed 155 per cent it would be necessary to take measures to create conditions under which the level can return to the normal range. In case of a low consolidation level, one measure that can be taken is to raise the agreed price for new subscriptions and an increase in the existing benefits. A high consolidation level can be addressed by introducing premium reductions. At the end of 2022, Alecta's surplus in the form of the collective funding ratio was 172 per cent (172).

There are other defined benefit pension plans that provide benefits for retiring employees, both for employees in Sweden and for employees in Norway. There are no new earned pension entitlements for the Swedish plan. The parent company does not have any defined-benefit plans.

Fully or partially funded obligations	Group				
	2022	2021	2020	2019	2018
Obligation balance 1 January	19.4	20.0	20.2	18.2	18.8
Correction, payroll tax	-1.3	-0.2	0.0	0.3	-0.1
Cost for pensions earned during the year	0.1	0.1	0.1	0.1	0.1
Interest expense	0.3	0.2	0.2	0.4	0.4
Payments	-0.7	-0.6	-0.6	-0.6	-0.5
Actuarial gains/losses	0.0	0.0	0.0	0.0	0.0
Actuarial gains/losses recognised through other comprehensive income	-3.5	-0.2	0.3	1.7	-0.5
Translation differences	0.1	0.1	-0.2	0.1	-0.0
Obligation balance 31 December of which unrecognised actuarial losses	14.4	19.4	20.0	20.2	18.2
Plan assets balance 1 January	1.9	1.8	2.0	1.9	1.8
Expected return on plan assets	0.1	0.0	0.0	0.0	0.0
Costs	0.0	0.0	0.0	0.0	0.0
Incoming payments	0.1	0.1	0.1	0.1	0.1
Actuarial gains/losses	0.0	0.0	0.0	0.0	0.0
Actuarial gains/losses recognised through other comprehensive income	-0.1	-0.1	-0.1	-0.1	0.0
Translation differences	0.1	0.1	-0.2	0.1	0.0
Plan assets balance 31 December	2.1	1.9	1.8	2.0	1.9
Net debt recognised in the balance sheet related to defined benefit pension plans	12.3	17.5	18.2	18.2	16.3
Cost recognised in profit or loss	0.4	0.2	0.3	0.5	0.4
of which selling expenses	0.1	0.1	0.1	0.2	0.1
of which administrative expenses	0.0	0.0	0.0	0.0	0.0
of which financial expenses	0.3	0.1	0.2	0.3	0.3
Cost recognised in other comprehensive income	-3.5	-0.1	0.4	1.7	-0.4
of which caused by experience-based adjustments	0.7	-0.2	-0.1	-0.4	-0.5
of which caused by changed assumptions	-4.2	0.1	0.5	2.1	0.1

Sensitivity analysis for estimated net debt at balance sheet date

Change in obligation for discount rate -0.5 percentage points	0.9
Change in obligation for discount rate +0.5 percentage points	-0.9
Change in obligation for inflation assumption -0.5 percentage points	-0.8
Change in obligation for inflation assumption +0.5 percentage points	0.9
Change in obligation for duration assumption -1 year	-0.6
Change in obligation for duration assumption +1 year	0.6

The most important actuarial assumptions as of the closing day

	Sweden		Norway	
	2022	2021	2022	2021
Discount rate	4.0%	1.6%	3.2%	1.5%
Long-term inflation assumption	2.1%	2.1%	-	-
Expected return on plan assets	-	-	3.2%	1.5%
Future salary increases	-	-	3.8%	2.5%
Future increases in pensions	2.1%	2.1%	3.5%	2.3%
Staff turnover	-	-	0.0	0.0
Expected remaining employment period	0 years	0 years	2 years	3 years
Average remaining term of the obligation	11 years	13 years	25 years	25 years
Average life expectancy, women	89 years	89 years	89 years	89 years
Average life expectancy, men	87 years	87 years	86 years	86 years

The discount rate for the Norwegian plan is based on the market yield on mortgage bonds with a maturity corresponding to the remaining term of the obligation, 25 years. For the Swedish plan, the discount rate has been based on the market yield on mortgage bonds with a maturity corresponding to the average remaining term of the obligation, in this case 11 years.

Plan assets only exist in the Norwegian plan and consist chiefly of interest-bearing securities, which account for 78 per cent (76). Other assets are shares 10 per cent (10), real estate 11 per cent (14) and other 1 per cent (0).

The actual return on plan assets in the Norwegian plan in 2022 is not known (2021: not known).

Our best estimate of payments to defined benefit pension plans in 2023 is MSEK 1.2.

Guidelines for remuneration for senior executives

The members of the Board receive remuneration in accordance with the decisions of the Annual General Meeting.

The Board prepares a proposal for guidelines for remuneration of the Group's CEO and other senior executives. The guidelines are based on the company's long-term Remuneration Policy.

The guidelines described below were proposed by the Board and approved by the Annual General Meeting 2021.

The Board's Remuneration Committee has evaluated the guidelines that applied during the year and compliance with the guidelines. The Remuneration Committee has had access to information about all remuneration of senior executives as well as average salaries and terms of employment for other employees as a basis for its evaluation. Adhering to the company's strategy and maintaining its long-term interests including its sustainability requires a dedicated, competent and competitive Board and management. The guidelines are therefore designed to enable the company to recruit and retain such individuals.

In terms of remuneration, the proposed guidelines contain no significant changes compared with the previous year. The guidelines cover the Board, CEO and other members of management.

Directors' fees of Board members elected by the shareholders' meeting comprise the fixed annual remuneration approved by the shareholders' meeting. No other remuneration may be paid for Board work. No fees are paid to Board members appointed by the employees. In the event that the Board decides to request that a Board member shall perform services for the company, a normal market consultancy fee shall be paid. Such fees may never exceed the Director's fee.

For the CEO and other members of management (currently seven people including the CEO), the guidelines are as follows.

Total remuneration may consist of a fixed basic salary, variable remuneration, pension and other benefits. Variable remuneration, which is capped at 30 per cent of the fixed salary, is linked to the Group's financial performance and only in specific instances to individual targets. Variable remuneration is conditional on a positive net result for the Group and will be retrospectively adjusted if it has been paid on apparently erroneous grounds. Agreements on pension benefits are arranged individually and the pension costs can amount to a maximum of 30 per cent of the salary. Other remuneration and benefits shall be at market rates and shall help to facilitate the senior executive's opportunities to carry out their work. The employment contracts of members of the management team are permanent contracts and are generally terminable on six months' notice by either party. No remuneration other than unchanged employment terms during the notice period are paid in connection with termination.

The Board may depart from the guidelines if there are special reasons in an individual case.

These guidelines will apply until the Board proposes new guidelines to the shareholders at a general meeting of shareholders.

Paid directors' fees and other remuneration of senior executives, kSEK

		2022	2021
Mats R Karlsson	Chairman of the Board	200	400
Klaus Wiemers	Chairman of the Board	233	-
Jörgen Abrahamsson	Board member	78	155
Monica Bellgran	Board member	78	155
Anders Birgersson	Board member	78	-
Bengt Stillström	Board member	155	155
Mari-Katharina Jonsson Kadowaki	Board member	78	-
Tomas Berggren	Board member	108	-
Thomas Widstrand	Board member	78	155
Employee representatives	two members and two deputies	-	-
Total fees		1,056	1,020

Total remuneration of the Board consists only of a fixed fee.

The cost of remuneration including benefits (excluding social security contributions) for the CEO of ProfilGruppen AB in 2022 was kSEK 2,409 (2,376) in fixed remuneration and SEK 0 (630) in variable remuneration.

For other senior executives, a total of six people (seven), the cost of fixed remuneration including benefits (excluding social security contributions) was kSEK 9,312 (7,723) and the cost of variable remuneration kSEK 0 (1,684).

The CEO's employment contract is terminable on six months' notice by the CEO and on twelve months' notice by the company. The contracts of other members of senior management are terminable on six months' notice by either party.

An agreement, which deviates from this principle, was made during the year in connection with the cessation of a senior executive's employment. The agreement contains terms under which the company's obligation remains valid for up to 17 months from the balance sheet date. There are no other agreements on severance pay.

Pension benefits and pension agreements for senior executives

For the CEO, a defined benefit pension provision of 30 per cent of his total salary has been made. The annual pension costs for the CEO amounted to kSEK 631 (631), excluding special payroll tax of kSEK 153 (153). There are no agreements for early retirement.

Other senior executives during the year, six people (seven), are covered by the pension plan for salaried employees in Sweden (ITP). The annual pension costs for these people was kSEK 2,338 (1,940), excluding special payroll tax of kSEK 567 (471). The pensions are transferable and so are not conditional on future employment of kSEK 620 (471). The pensions are transferable and so are not conditional on future employment.

5 AUDITORS' FEES AND EXPENSES

	Group		Parent company	
	2022	2021	2022	2021
Ernst & Young AB				
Audit engagement	1.0	0.7	0.2	0.0
Other engagements	0.1	0.1	0.0	0.0
Other auditors				
Audit engagement	0.1	0.1	-	-

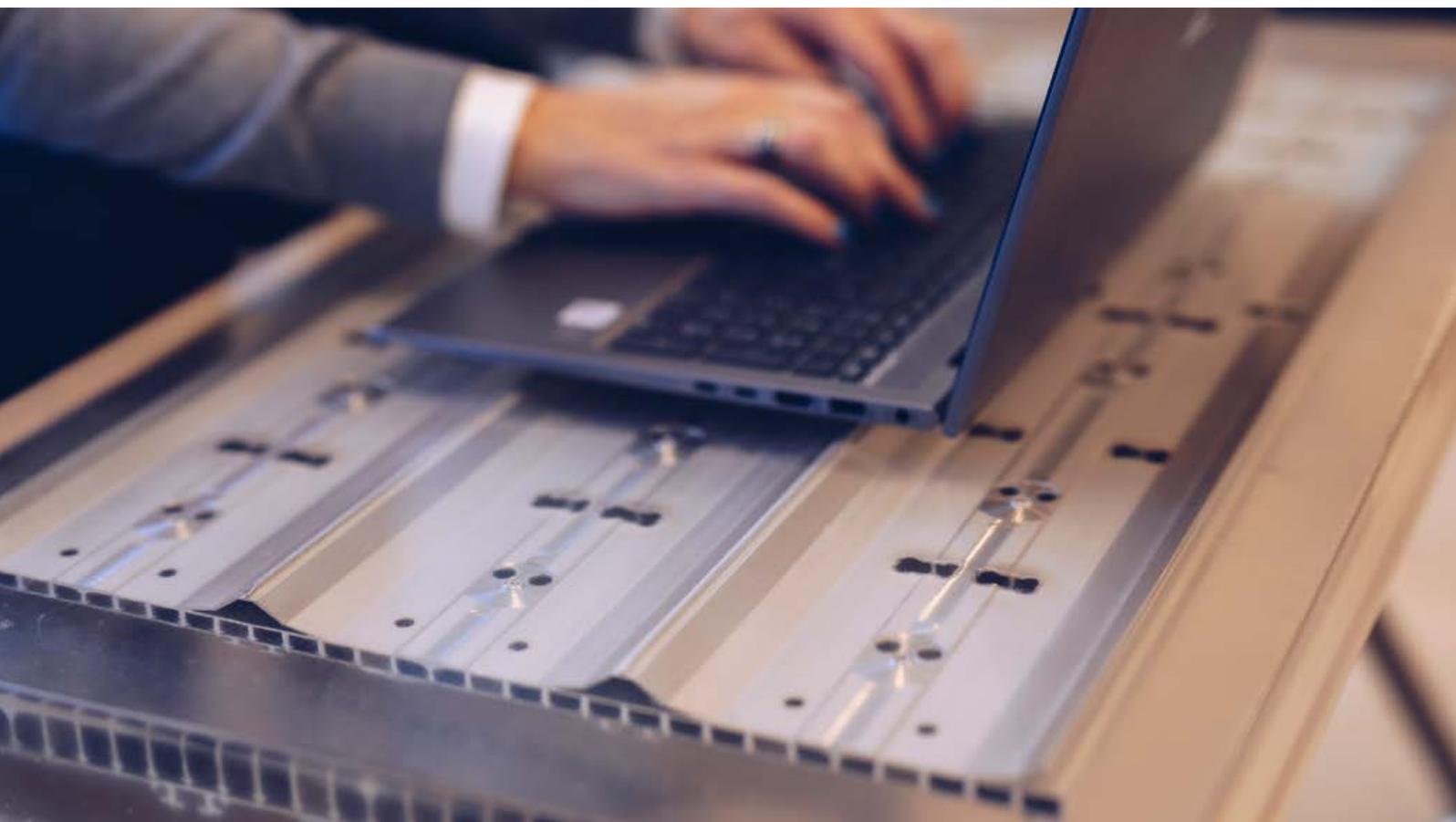
Audit services under the audit engagement refer to the statutory audit of the annual accounts and accounting records and of the Board of Directors' and Chief Executive Officer's management of the company, other tasks incumbent on the company's auditors as well as advice and other assistance occasioned by observations made in the course of such audit activities. Audit services in addition to the audit engagement refer to other quality assurance services prescribed in statutes, the company's Articles of Association, regulations or contracts.

Tax advisory services refer to services in the area of tax. Other advisory services refer to all other advisory services not included in the above.

6 OPERATING EXPENSES BY TYPE OF COST

	The Group	
	2021	2021
Raw materials	1,416.0	922.5
Personnel costs	359.6	346.2
External machining services	207.3	212.4
Depreciation/amortisation	84.1	77.4
Impairment of trade receivables	0.0	1.2
Other operating expenses	480.5	388.1
	2,547.5	1,947.8

The cost of developing products and the business amounts to MSEK 6.8 (7.9) and is included in the operating expenses divided into personnel costs and other operating expenses. During the year, none of these costs have been capitalised in accordance with IAS 38.



7 LEASES

The Group recognises a right-of-use asset in the balance sheet and a lease liability at the present value of future lease payments. The leased asset is depreciated on a straight-line basis over the term of the lease or the useful life of the asset if it is considered reasonably certain that the Group will obtain the ownership by the end of the lease term. The lease expense is recognised as depreciation in operating profit and interest expense in net financial items. If the lease is considered to include a low-value asset or has a term of 12 months or less, or if it includes service components, these lease payments are recognised as operating expenses in the income statement over the term of the lease.

The Group has no finance leases.

Amounts recognised in the balance sheet	Group	
	31 Dec 2022	31 Dec 2021
Right-of-use assets		
Commercial premises	8.1	6.5
Vehicles	7.1	7.1
IT equipment	0.1	0.3
	15.3	13.9
Lease liabilities		
Non-current interest-bearing liabilities	7.9	7.4
Current interest-bearing liabilities	7.9	7.3
Amounts recognised in the income statement	2022	2021
Commercial premises	3.4	3.3
Vehicles	4.4	4.1
IT equipment	0.2	0.3
	8.0	7.7
Of which interest expense	0.6	0.6
Right-of-use assets not recognised in the balance sheet	2022	2021
Short-term leases included in cost of goods sold	4.0	1.0
Underlying low-value asset included in cost of goods sold	7.0	6.2
	11.0	7.2

No significant variable lease payments not included in the lease liability have been identified. Total lease-related cash flow in 2022 was MSEK 18.1 (17.1). For information on undiscounted cash flows for the lease liability, see Note 21.

8 FINANCIAL ITEMS

	Group	
	2022	2021
Dividend PG Norge	0.0	0.0
Interest income	1.1	0.1
Financial income	1.1	0.1
Interest portion of retirement benefit costs for the year	0.4	0.2
Interest expenses, other	13.0	7.2
Exchange rate adjustment EUR loan	9.5	2.4
Other expenses	5.4	3.2
Financial expenses	28.3	13.0
	Parent company	
	2022	2021
Dividend PG&WIP AB	14.7	35.7
Interest income ProfilGruppen Extrusions AB	0.0	0.3
Financial income	14.7	36.0
Interest expenses ProfilGruppen Extrusions AB	1.3	0.0
Interest expenses, other	0.0	0.0
Financial expenses	1.3	0.0

9 APPROPRIATIONS AND UNTAXED RESERVES

Parent company	Appropriations		Untaxed reserves	
	2022	2021	2022	2021
Accumulated accelerated depreciation				
Allocated (+)/dissolved (-)				
buildings	0.0	0.0	0.0	0.0
equipment	4.1	3.8	22.0	17.9
	4.1	3.8	22.0	17.9
Tax allocation reserves				
Allocated (+) / dissolved (-) per tax year				
2015	0.0	-3.2	0.0	0.0
2016	-10.3	0.0	0.0	10.3
2017	0.0	0.0	13.8	13.8
2018	0.0	0.0	17.7	17.7
2019	0.0	0.0	1.7	1.7
2021	0.0	5.6	5.6	5.6
2022	6.7	0.0	6.7	0.0
	-3.6	2.4	45.5	49.1
Group contribution made	0.0	0.0	-	-
	0.5	6.2	67.5	67.0

10 TAXES

	Group		Parent company	
	2022	2021	2022	2021
Reported tax expense				
Current tax	13.9	18.0	4.2	3.5
Deferred tax related to temporary differences	9.6	14.9	0.2	0.2
Total reported tax expense	23.5	32.9	4.4	3.7

	Group		Parent company	
	2022	2021	2022	2021
Reconciliation effective tax, per cent				
Tax at applicable tax rate for the parent company	21	21	21	21
Dividends, subsidiaries	-	-	-9	-14
Other	-2	-1	1	0
Reported effective tax	19	20	13	7

	1 Jan 2022	Recognised	Recognised	31 Dec 2022
		in P/L	in OCI	
Change in reported deferred tax liability				
Group				
Property, plant and equipment	50.4	5.7	0.0	56.1
Pension provisions	-1.3	0.4	1.0	0.1
Tax allocation reserves	21.8	3.5	0.0	25.3
Items recognised in hedging reserve	-1.4	0.0	-0.2	-1.6
Other	0.0	0.0	0.0	0.0
	69.5	9.6	0.8	79.9
Parent company				
Property, plant and equipment	3.4	0.2	0.0	3.6
	3.4	0.2	0.0	3.6

	1 Jan 2021	Recognised	Recognised	31 Dec 2021
		in P/L	in OCI	
Change in reported deferred tax liability				
Group				
Property, plant and equipment	47.7	2.7	0.0	50.4
Pension provisions	-1.4	0.1	0.0	-1.3
Tax allocation reserves	16.7	5.1	0.0	21.8
Items recognised in hedging reserve	1.5	0.0	-2.9	-1.4
Other	-0.1	0.1	0.0	0.0
	64.4	8.0	-2.9	69.5
Parent company				
Property, plant and equipment	3.3	0.1	0.0	3.4
	3.3	0.1	0.0	3.4

11 INTANGIBLE ASSETS

	Group	
	2022	2021
Goodwill		
Accumulated cost		
At beginning of year	12.8	12.8
At end of year	12.8	12.8
Acc. impairment losses		
At beginning of year	2.8	2.8
At end of year	2.8	2.8
IT systems		
Accumulated cost		
At beginning of year	33.7	33.7
New acquisitions	0.0	0.0
Disposals and scrapping	0.0	0.0
At end of year	33.7	33.7
Acc. amortisation		
At beginning of year	16.7	10.2
Amortisation for the year	6.5	6.5
Disposals and scrapping	0.0	0.0
At end of year	23.2	16.7
Carrying amount at end of year	20.5	27.0

Impairment test for cash-generating units containing goodwill

ProfilGruppen tests the value of goodwill at least once a year and when there is an indication of impairment. The impairment test for goodwill is based on a calculation of value in use. Goodwill is attributable to the activities of ProfilGruppen Extrusions AB, which is also the cash-generating unit tested. A statement of cash flows has been used as the basis for the valuation and the first three years are based on the budget and strategic plans, which are adopted by management. The margin is expected to improve as a result of increased demand and measures to improve efficiency. The cash flows forecast after the first four years are based on an annual growth rate of 2.0 per cent (2.0), which in turn is based on the expected rate of GDP growth, which the market for extrusions normally follows. The new present value of forecast cash flows has been estimated using a discount rate of 10.7 per cent before tax (10.4), which has been calculated using a weighted average cost of capital. A sensitivity analysis of the impairment test has been made, showing that reasonable changes in the discount rate, weighted average cost of capital, rate of growth and gross margin calculation parameters do not result in an impairment loss.

12 PROPERTY, PLANT AND EQUIPMENT

	Group		Parent company	
	2022	2021	2022	2021
Land and buildings				
<i>Accumulated cost</i>				
At beginning of year	253.6	251.7	219.2	217.3
New acquisitions	-0.5	1.1	-0.5	1.1
Reclassifications	1.4	0.8	1.4	0.8
Disposals and scrapping	0.0	0.0	0.0	0.0
At end of year	254.5	253.6	220.1	219.2
<i>Acc. depreciation and impairment</i>				
Opening balance	89.3	83.1	65.5	60.1
Disposals and scrapping	0.0	0.0	0.0	0.0
Scheduled depreciation for the year	6.1	6.2	5.5	5.4
At end of year	95.4	89.3	71.0	65.5
<i>Acc. impairment</i>				
Opening balance	2.7	2.7	2.7	2.7
Reversal of impairment losses	0.0	0.0	0.0	0.0
Impairment losses for the year	0.0	0.0	0.0	0.0
At end of year	2.7	2.7	2.7	2.7
Carrying amount at end of year	156.4	161.6	146.4	151.0
of which buildings	137.5	141.7	128.0	131.6
land	6.3	6.3	5.9	5.9
land improvements	12.6	13.6	12.5	13.5

	Group		Parent company	
	2022	2021	2022	2021
Machinery and equipment				
<i>Accumulated cost</i>				
Opening balance	1,004.0	941.6	34.8	34.7
New acquisitions	52.1	42.8	2.4	0.1
Reclassifications	40.9	19.7	3.8	0.0
Translation differences	0.0	0.0	0.0	0.0
Disposals and scrapping	-17.3	-0.1	0.0	0.0
At end of year	1,079.7	1,004.0	41.0	34.8
<i>Acc. scheduled depreciation</i>				
Opening balance	612.8	555.5	5.6	4.5
Disposals and scrapping	-8.5	-0.1	0.0	0.0
Translation differences	0.0	0.0	0.0	0.0
Scheduled depreciation for the year	64.1	57.4	1.2	1.1
At end of year	668.4	612.8	6.8	5.6
<i>Acc. impairment losses</i>				
Opening balance	14.0	14.0	0.0	0.0
Impairment losses for the year	0.0	0.0	0.0	0.0
At end of year	14.0	14.0	0.0	0.0
Carrying amount at end of year	397.3	377.2	34.2	29.2

All of the Group's non-current assets are located in Sweden. The cost of the non-current assets that are fully depreciated but are still used in the business is MSEK 352.3 (338.2). At 31 December 2022, ProfilGruppen had contractual obligations to acquire property, plant and equipment of MSEK 5.4.

The Group's accumulated cost includes capitalised interest of MSEK 3.1 (3.1). No interest has been capitalised during this year or the previous year. Equipment belonging to the parent company refers to land equipment and permanent equipment.

	Group		Parent company	
	2022	2021	2022	2021
Construction in progress and advances related to property, plant and equipment				
At beginning of year	46.0	26.3	5.4	2.8
Reclassifications	-42.3	-20.5	-5.2	-0.8
New acquisitions	50.2	40.2	8.1	3.4
Carrying amount at end of year	53.9	46.0	8.3	5.4
Total carrying amount, property, plant and equipment	607.6	584.8	188.9	185.6

	Group		Parent company	
	2022	2021	2022	2021
Useful lives				
Land and buildings				
Real estate, depending on component	30–50 years		30–50 years	
Permanent equipment	10–40 years		10–40 years	
Land improvements	20 years		20 years	
Land equipment	10 years		10 years	
Machinery and equipment				
Extrusion presses	20 years			
Anodising equipment and other press equipment	10–15 years			
Spare parts for machinery	5–10 years			
Processing and measuring machinery	5–7 years			
Equipment	5–10 years			
Transportation	5 years			
IT investments	4–5 years			

Depreciation is on a straight-line basis, based on expected useful life.

	Group		Parent company	
	2022	2021	2022	2021
Depreciation by function				
Cost of goods sold	58.4	60.3	6.7	6.5
Selling expenses	0.0	0.0	0.0	0.0
Administrative expenses	3.3	3.3	0.0	0.0
	61.7	63.6	6.7	6.5

13 RIGHTS-OF-USE ASSETS

	Group	
	2022	2021
Right-of-use assets		
<i>Accumulated cost</i>		
At beginning of year	28.1	30.0
New acquisitions	8.9	3.4
Disposals and scrapping	-4.1	-5.3
At end of year	32.9	28.1
<i>Acc. depreciation and impairment</i>		
Opening balance	14.2	12.4
Disposals and scrapping	-4.0	-5.3
Scheduled depreciation for the year	7.4	7.1
At end of year	17.6	14.2
Carrying amount at end of year	15.3	13.9

14 FINANCIAL FIXED ASSETS

This item consists of shares in outside companies. The investment is unlisted and is measured in accordance with Level 3.

15 INVENTORIES

	Group	
	2022	2021
Raw materials and consumables	145.1	128.1
Work in progress	188.4	179.1
Finished products and goods for resale	137.9	114.5
	471.4	421.7

No portion of inventories has been measured at net realisable value.

16 TRADE RECEIVABLES

	Group	
	2022	2021
Trade receivables	322.1	362.3
Provision for expected credit losses	-0.5	-2.2
	321.6	360.1

For other information on customer credits, see Note 21.

17 EQUITY

Share capital and voting rights

All shares have a fair value of SEK 5 per share. All shares are fully paid up. All existing shares are series B shares and have equal rights to a share in the company's assets and profits. During the year, there has been no change in the number of shares, which has remained at 7,398,775.

First refusal and conversion

There is no pre-emption clause in the articles of association.

Other paid-up capital

This item refers to equity that has been put up by the owners. This includes a portion of share premium reserves transferred to the statutory reserve as at 31 December 2005. Any future transfers to the share premium reserves will also be accounted for as paid-up capital.

Translation reserve

The translation reserve includes all exchange rate differences that arise during translation of financial statements from foreign operations which have prepared their statements in a currency other than that used in the Group's financial statements. The parent company and Group present their financial statements in Swedish kronor.

Hedging reserve

The hedging reserve contains the effective share of the accumulated net change in fair value of a cash flow hedging instrument attributable to hedging transactions that have not yet occurred, see table in Note 21 under Derivatives.

Treasury shares and share buybacks

No individual shares are owned by the company itself or its subsidiaries and the repurchase of individual shares is currently not relevant. There are no programmes of convertibles or options that involve the dilution of share capital.

Dividend

After the closing day, the Board has proposed a dividend for the 2022 financial year of SEK 4.00 per share, equivalent to MSEK 29.6. The calculated average number of shares in 2022 is 7,398,775 (7,398,775). During the year, MSEK 99.9 in dividends (none) were paid to the shareholders.

It is proposed that the available profits be appropriated as follows:

Dividend to shareholders	SEK 29,595,100
To be carried forward	SEK 85,230,346

Total profits according to balance sheet **SEK 114,825,446**

Parent company

Restricted funds

Restricted funds refers to share capital and other restricted equity. Restricted funds are not available for dividend payment.

Non-restricted equity

The balanced profit is formed by the preceding year's non-restricted equity after any dividend has been paid. Retained earnings, together with the profit for the year, make up the total non-restricted equity, i.e. the sum available for dividends to shareholders.

18 EARNINGS PER SHARE

The calculation of earnings per share is based on the consolidated profit/loss for the year, attributable to the parent company's shareholders, amounting to MSEK 92.6 (127.7) and a weighted average number of shares in 2022 amounting to 7,398,775 (7,398,775), which is calculated in accordance with IAS 33. There is no dilution. Earnings per share amounted to SEK 12.58 (17.26).

19 INTEREST-BEARING LIABILITIES

	Group			
	Long-term		Current	
	2022	2021	2022	2021
Interest-bearing liabilities				
Bank loans	104.7	113.9	18.1	28.0
Bank overdraft facilities	-	-	194.7	63.0
Lease liabilities	7.9	7.3	7.9	7.3
	112.6	121.2	220.9	98.3

The parent company has no liabilities to credit institutions. The majority of the parent company's other liabilities are tax liabilities.

That portion of the bank loans which is payable within twelve months from the balance sheet date is classified as current. The agreement with the lender specifies certain conditions relating to key ratios, or covenants, which the company is required to meet. All covenants were met in 2022. Of total non-current interest-bearing liabilities, MSEK 96.1 (103.8) was raised in EUR, see Note 21.

20 PREPAID AND ACCRUED INCOME AND EXPENSES

Prepaid expenses and accrued income	Group		Parent company	
	2022	2021	2022	2021
Prepaid licence costs	4.7	3.7	0.0	0.0
Prepaid insurance costs	1.6	1.3	0.0	0.0
Other prepaid expenses	6.0	2.3	0.0	0.0
	12.3	7.3	0.0	0.0

Accrued expenses and deferred income	Group		Parent company	
	2022	2021	2022	2021
Holiday pay and other personnel expenses	65.9	96.1	0.4	0.0
Accrued Board fees	0.7	0.5	0.7	0.5
Deferred income	32.5	33.3	0.0	0.0
Other accrued expenses	16.1	18.0	0.1	0.4
	115.2	147.9	1.2	0.9

21 FINANCIAL INSTRUMENTS

The Group's financial instruments include bank loans, trade payables, finance leases and derivatives, which may constitute a liability or asset depending on the fair value of the instrument. The purpose of the liabilities is to fund the Group's operations. The Group's financial instruments also include assets in the form of trade receivables and cash and cash equivalents generated in the operations. The Group's derivatives may also constitute assets at the closing date.

As a result of its activities, the Group is exposed to various types of financial risk. Financial risk refers to fluctuations in the company's profit and cash flow as a result of changes in exchange rates, interest rates, raw material prices and refinancing and credit risks.

The company's Board of Directors examines and approves policies for handling these risks as described below. The Group's central finance department is responsible for handling financial transactions and risks in accordance with established policies.

Derivatives

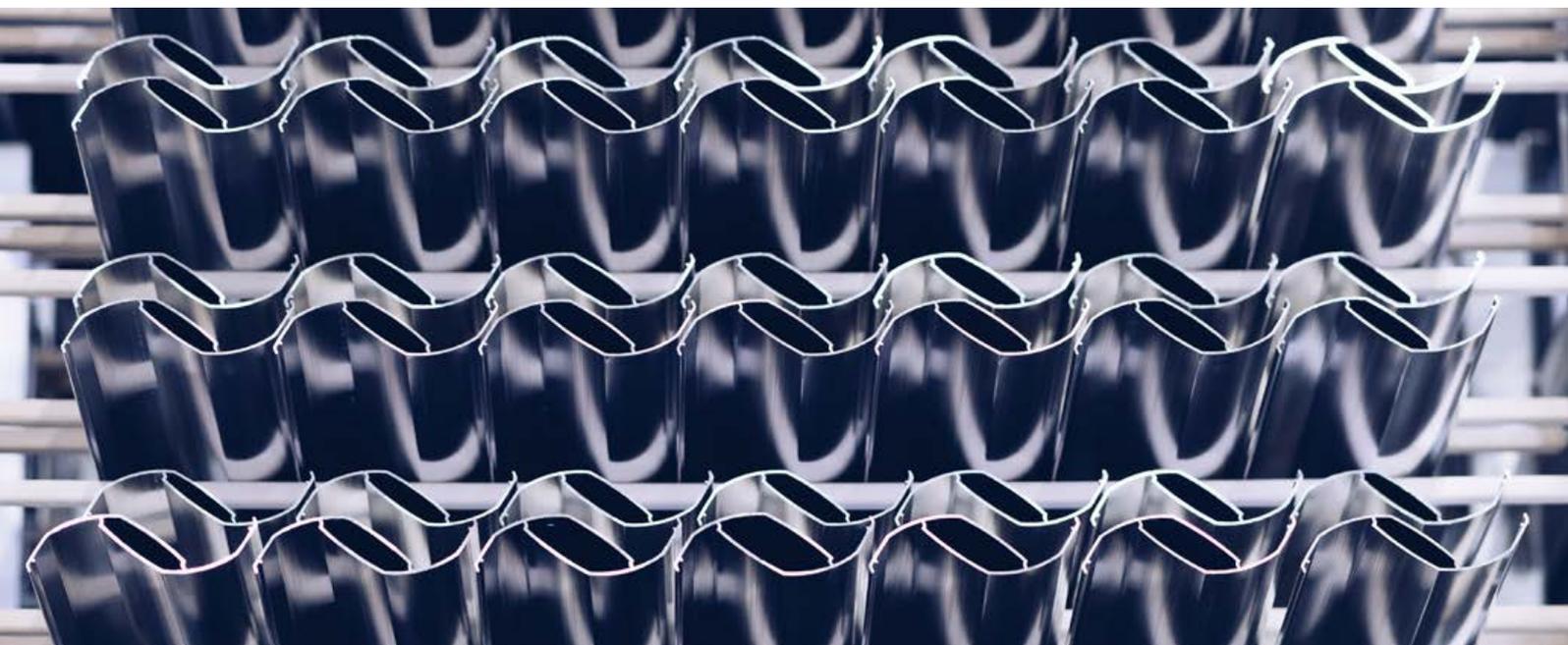
Derivatives are used only for financial hedging purposes and not as speculative investments. The Group has two types of derivatives. Foreign exchange forward contracts are entered into to hedge future cash flows in different currencies and commodity forward contracts are used to hedge the value of raw material inventories. The commodity hedge is purchased on the London Metal Exchange (LME) for aluminium and the contracts are denominated in USD.

In the consolidated statement of financial position, foreign exchange forwards have been recognised as current assets in the amount of MSEK 0.0 (0.3) and as other current liabilities in the amount of MSEK 7.4 (2.0). At 31 December 2022, the company had no outstanding raw material hedges. Of outstanding hedges at the beginning of the year, MSEK 6.5 was classified as inventory and MSEK 11.5 as other short-term liabilities.

There is no ineffectiveness related to forward contracts either for 2021 or 2022. Derivatives have the following impact on the consolidated statement of financial position and income statement:

Forward contracts commodities	Group	
	2022	2021
Carrying amount (liability)	-	11.5
Notional amount	-	153.3
Maturity date	-	26 Jan 2022
Hedge ratio	-	52%
Change in value of outstanding derivative instruments since 1 January	-	11.5
Change in value of hedged item to determine effectiveness	-	11.5
Forward contracts foreign exchange		
Carrying amount (asset)	0.0	0.3
Carrying amount (liability)	7.4	2.0
Notional amount, EUR	96.0	289.8
Maturity (last maturity date of concluded forward contracts)	29 Nov 2024	29 Nov 2024
Hedge ratio for 12 months from 31 Dec 2022, EUR	25%	100%
Change in value of outstanding derivative instruments since 1 January	-4.6	-6.9
Change in value of hedged item to determine effectiveness	-4.6	-6.9
Weighted average of forward rates for the year (including forward points), EUR	10.27	10.48

Hedging reserve, forward contracts	Foreign exchange	Commodities	Total
Hedging reserve, opening balance 1 Jan 2021	5.6	0.0	5.6
Plus: change in fair value			
hedging instruments recognised in OCI	-1.6	-5.0	-6.6
Plus: effect on			
cost of inventory	-	-6.5	-6.5
Plus: deferred tax	0.3	2.4	2.7
Less reclassified to income	-7.1	0.0	-7.1
Less deferred tax	1.5	0.0	1.5
Hedging reserve, closing balance 31 Dec 2021	-1.3	-9.1	-10.4
Hedging reserve, opening balance 1 Jan 2022	-1.3	-9.1	-10.4
Plus: change in fair value			
hedging instruments recognised in OCI	-6.6	0.0	-6.6
Plus: deferred tax	1.3	0.0	1.3
Less reclassified to income	0.9	0.0	0.9
Less reclassified to cost of goods sold	0.0	11.5	11.5
Less deferred tax	-0.2	-2.4	-2.6
Hedging reserve, closing balance 31 Dec 2022	-5.9	0.0	-5.9



Currency risks

The foreign exchange risk arises from the fact that changes in exchange rates have a negative impact on the Group's earnings and equity. Currency exposure arises from payment flows in foreign currency (transaction exposure), mainly in connection with the Group's sales of products for export. Sales in foreign currencies represent about 40 per cent of total revenue. The currency in which the greatest share of export sales is done is EUR, but since raw materials are in part purchased in EUR, exposure is considerably reduced.

Under ProfilGruppen's currency policy, 50–70 per cent of the expected net inflow in each currency over the next six to eighteen months should be hedged. Management has a mandate to hedge up to 100 per cent for periods of up to 24 months. Hedge accounting is used for the foreign exchange forwards, and during the year, no (no) amounts for ineffective hedges have been recognised in the income statement. Foreign exchange forwards are presented above under Derivatives.

At 31 December, receivables in a foreign currency amounted to MSEK 86.0 (112.3) and liabilities in a foreign currency to MSEK 207.1 (218.5). Of the liabilities in foreign currency, MSEK 112.9 (119.2) are interest-bearing, see Note 19. The interest-bearing liability is a loan in EUR. At year-end, the outstanding loan amount was MEUR 10.1 and the effect on net financial items was MSEK -9.5 (-2.4).

Translation exposure associated with the Group's overseas sales companies, which consists of each company's equity and liabilities to the parent company, is marginal.

Where a net flow has not been hedged, changes in exchange rates affect profit before tax and equity as per the following:

		Profit before tax, MSEK	Equity, MSEK
EUR	Change +/- 10%	+/- 23	+/- 18
DKK	Change +/- 10%	+/- 3	+/- 2

Commodity price risk

Commodity price risk is the risk that changes in the purchase price of aluminium will have a negative effect on ProfilGruppen's earnings due to impairment of inventory. To minimise this risk in a market with large fluctuations, a certain portion of inventories can be hedged using forward contracts in the LME market.

Under ProfilGruppen's raw material policy, the company can hedge 0–100 per cent of raw material inventories for a period of one to twelve months. Management has a mandate to hedge between zero and one hundred per cent depending on the market situation. Hedge accounting is used for commodity forward contracts, and during the year no (no) amounts for ineffective hedges were recognised in the income statement. Forward contracts entered into are presented above in the section Derivatives.

At 31 December, raw material inventories stood at 7,700 tonnes (8,200). LME accounts for approximately 65 per cent of the total purchase value of aluminium ingots. The market price at 31 December was USD 2,392/tonne.

In case of unhedged inventory value, changes in the LME price affect profit before tax and equity as follows:

		Profit before tax, MSEK	Equity, MSEK
LME	Change +/- 10%	+/- 13	+/- 10

Interest rate risk

Interest rate risk refers to the risk that changes in market interest rates will have a negative impact on ProfilGruppen's earnings. How quickly a change in interest rates feeds through to the net interest expense depends on the fixed-rate terms of the loans. Under the Group's financial policy, the fixed-rate term may not exceed 60 months. All loans currently have variable interest rates.

The parent company has no non-current interest-bearing liabilities.

If interest rates in 2023 were to rise by one percentage point, this would increase the interest expense by MSEK 1.1 on a full-year basis.

Market risks

Market risks consist primarily of declining demand and changes in raw material prices. ProfilGruppen's production is characterised by a high proportion of fixed costs, meaning activities are highly volume-dependent. Small variations

in demand thus have a relatively large impact on profit. Aluminium prices have historically been highly volatile, but price volatility in 2022 was particularly high. The price risk that does exist is reduced by including raw material clauses in contracts with customers. There is always a price risk in inventory, however. The raw material policy means that raw materials are mainly purchased in proportion to orders in hand. Raw material purchases for periods longer than six months are based on contracts with customers. Raw materials are purchased in Swedish krona or euro. Follow-ups and checks are performed by a raw materials group made up of representatives from the purchasing, finance and marketing organisations at management level.

Credit risks

Customer credits in ProfilGruppen must be handled in accordance with the Group's credit policy. The company's management is responsible for ensuring that the credit policy is familiar to all parties involved in the sales process and for it being adapted where necessary.

Credit assessments are made and credits are monitored by the Group's Credit Controller, and around 60 per cent (60) of the Group's annual sales are insured under a credit insurance policy. Decisions on exceptions from the credit insurance policy are made annually by the CFO and CEO.

The maximum exposure to credit risks at 31 December 2022 was MSEK 323.7 (362.3). The largest individual receivable amounts to 9 per cent (9) of the total credit risk. The distribution of the credit risk is shown in the following table.

Concentration of credit risk at 31 Dec 2022	Number of customers	Percentage of number of customers
Exposure < MSEK 1.0	273	79%
Exposure MSEK 1.0-5.0	57	17%
Exposure > MSEK 5	13	4%
	343	100%

31 Dec 2022	Notpastdue	1-30 days past due	30+ days past due	Total
Expected credit loss	0.0	0.0	-0.5	-0.5
Value of gross trade receivables	309.2	5.3	7.6	322.1
Provision for losses	0.0	0.0	0.5	0.5

Liquidity risks

No significant liquidity risks are included in the company's financial instruments. Due dates for interest-bearing liabilities are presented in Note 19. In addition to the Group's cash and cash equivalents, on the closing date there were unutilised credit facilities to a value of MSEK 165.7 (148.4).

The agreement with lenders contains key performance indicators that the company is required to meet. These had been met at 31 December 2022.

The following table shows an analysis of the Group's financial liabilities by remaining maturity from the balance sheet date. The amounts indicated in the table are the contractual, undiscounted cash flows. Future cash flows in respect of interest have been calculated based on the interest rate at the balance sheet date. Derivatives have been included in the time interval at their fair values, as the contractual maturity dates are not material to understanding the timing of the cash flows.

Maturity analysis

financial liabilities	On demand	< 3 months	3-12 months	1-5 years	> 5 years
Interest-bearing liabilities	194.7	5.8	17.2	85.4	32.8
Lease liabilities	0.0	2.1	6.3	8.2	0.0
Other liabilities	38.4	319.1	134.4	0.0	0.0
Derivatives	0.0	0.8	3.4	3.2	0.0
Total at 31 Dec 2022	233.1	327.8	161.3	96.8	32.8
Interest-bearing liabilities	63.0	7.0	22.8	71.9	46.7
Lease liabilities	0.0	1.9	5.7	7.6	0.0
Other liabilities	38.2	413.9	125.8	0.0	0.0
Derivatives	0.0	11.7	1.0	0.8	0.0
Total at 31 Dec 2021	101.2	434.5	155.3	80.3	46.7

Carrying amount and fair value of financial instruments

Class	Group				Category
	Carrying amount		Fair value		
	2022	2021	2022	2021	
Financial assets	0.2	0.2	0.2	0.2	Financial assets at fair value
Trade receivables	321.6	360.1	321.6	360.1	Financial assets at amortised cost
Accrued income	0.0	0.0	0.0	0.0	Financial assets at amortised cost
Other receivables	5.5	7.0	5.5	7.0	Financial assets at amortised cost
of which foreign exchange forwards	0.0	0.3	0.0	0.3	Derivatives designated as hedging instr.
Cash and cash equivalents	20.0	28.4	20.0	28.4	Financial assets at amortised cost
Interest-bearing liabilities	333.5	219.5	324.6	216.6	Financial liabilities at amortised cost
Trade payables	229.4	288.1	229.4	288.1	Financial liabilities at amortised cost
Accrued expenses	82.7	147.9	82.7	147.9	Financial liabilities at amortised cost
Other liabilities	143.8	152.8	143.8	152.8	Financial liabilities at amortised cost
of which foreign exchange forwards	7.4	2.0	7.4	2.0	Derivatives designated as hedging instr.
of which commodity forwards	0.0	11.5	0.0	11.5	Derivatives designated as hedging instr.

No reclassification between categories has been carried out during the year.

Foreign exchange forward contracts have been measured at observable market prices for currencies at the balance sheet date, i.e. in accordance with Level 2 under IFRS 13.

The commodity forward contracts have been measured at current observable market prices for aluminium on LME on the balance sheet date. The value thus agrees with Level 2 under IFRS 13.

Capital administration

The main goal of the Group's capital administration is to maintain a high credit rating and a well-balanced capital structure. In order to retain or change the capital structure, the Group can adjust the dividend to the shareholders, return capital to the shareholders or conduct a new issue.

The net debt/equity ratio is defined as interest-bearing liabilities and provisions less cash and cash equivalents in relation to equity. The net debt/equity ratio at the end of the year was 0.59 (0.38).

	Group	
	2022	2021
Interest-bearing liabilities	333.5	219.5
Interest-bearing provisions	12.6	17.5
Cash and cash equivalents	-20.0	-28.4
Total net debt	326.1	208.6
Equity	549.3	552.6
Reserves in equity	5.4	10.6
Equity to manage	554.7	563.2
Total capital to manage	880.8	771.8
Net debt/equity ratio	0.59	0.38

22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent company	
	2022	2021	2022	2021
Pledged assets for Group companies' liabilities to credit institutions				
Property mortgages	82.9	82.9	76.7	76.7
Floating charges	440.0	290.0	0.0	0.0
Assets whose title is restricted	0.0	12.3	0.0	0.0
Shares in subsidiaries	383.6	323.5	73.8	73.8
Contingent liabilities				
Guarantees for				
ProfilGruppen Extrusions AB	-	-	22.2	22.5
Guarantee commitments FPG/PRI	0.2	0.2	0.0	0.0

23 INVESTMENTS IN GROUP COMPANIES

Company	Corp. ID no.	Number of shares	Share, per cent	Equity including portion of untaxed reserves ¹	Carrying amount ²
Subsidiary					
PG&WIP AB	556248-8949	1,000	70	32.0	14.1 (14.1)
ProfilGruppen Extrusions AB	556206-5119	940,000	100	367.6	73.7 (73.7)
ProfilGruppen Manufacturing AB	556262-3990	1,000	100	2.4	0.1 (0.1)
				87.9	(87.9)

Subsidiary of ProfilGruppen Extrusions AB

ProfilGruppen GmbH, Germany	-	-	100
ProfilGruppen Norge AS, Norway	-	100	100

¹ Represents that portion of equity over which the Group has a controlling interest.

² The value for the previous year is stated in brackets.

The Boards of all the Swedish companies, including the parent company, have their registered offices in Uppvidinge Municipality.

Non-controlling interests	2022	2021
Non-current assets	5.3	8.9
Current assets	22.9	23.7
Equity	14.0	13.7
Non-current liabilities	2.1	1.6
Current liabilities	12.1	17.3
Revenue	61.9	47.3
Profit or loss	6.6	5.1
Comprehensive income	6.6	5.1

24 STATEMENT OF CASH FLOWS

No cash and cash equivalents other than cash and bank balances exist; therefore, the definition of cash and cash equivalents is the same in both the statement of cash flows and the balance sheet.

Adjustment for non-cash items	Group		Parent company	
	2022	2021	2022	2021
Depreciation, amortisation & impairment of assets	84.1	77.4	6.7	6.5
Gain/loss from sale of non-current assets	0.0	0.0	0.0	0.0
Financial income/expenses	27.3	12.9	-13.3	-35.9
Unrealised exchange rate differences	0.4	-0.8	0.0	0.0
Provisions for pensions	-1.3	-0.5	0.0	0.0
Other profit/loss items not affecting liquidity	8.7	0.0	0.8	0.2
	119.2	89.0	-5.8	-29.2
Investments in non-current assets				
Capitalised in the balance sheet	101.9	84.3	10.1	4.6
Unpaid	-1.5	-3.8	0.0	0.0
Investments from previous year, paid this year	3.8	11.5	0.0	0.0
	104.2	92.0	10.1	4.6
Exchange rate differences in cash and cash equivalents				
Foreign exchange gains (+)/-losses (-) in opening cash and cash equivalents	0.1	2.3	0.0	0.0
Foreign exchange gains (+)/-losses (-) in change in cash and cash equivalents	0.1	-1.0	0.0	0.0
	0.2	1.3	0.0	0.0

Interest-bearing liabilities	Group		Parent company	
	2022	2021	2022	2021
At beginning of year	219.5	269.4	0.0	0.0
New leases	8.9	3.4	-	-
Borrowings	0.0	0.0	0.0	0.0
Repayments	-38.5	-34.6	0.0	0.0
Foreign exchange gains (-)/losses (+)	12.0	2.2	0.0	0.0
Change in overdraft facility	131.6	-20.9	0.0	0.0
At end of year	333.5	219.5	0.0	0.0

25 RELATED PARTIES AND TRANSACTIONS

The parent company has associated relations which involve a decisive influence over its subsidiaries, see Note 23. The parent company's liabilities to Group companies, as stated in the balance sheet, are liabilities to the subsidiary company ProfilGruppen Extrusions AB.

The parent company's revenue consists of rents from subsidiaries. These rents are determined based on market terms.

Of the total voting rights of ProfilGruppen AB, the Board member Bengt Stillström controls 28.4 per cent (28.4). The other Board members together control 0.02 per cent (0.01) of the voting rights. In total, senior executives control slightly less than 0.01 per cent (0.1) of the voting rights in ProfilGruppen AB.

For salaries and other remuneration, as well as costs and obligations related to pensions and similar benefits for the Board, CEO and other senior executives, see Note 4.

26 EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 4 January 2023, ProfilGruppen notified 25 employees, including both white- and blue-collar workers, of redundancy. On March 2023 it was announced that

CEO Fredrik Zöögling will leave his position on 31 March 2023. Until a new recruitment has been made, CFO Jonny Sandstedt will be acting CEO.

The undersigned affirm that the Group and annual accounts have been prepared in accordance with the IFRS international accounting standards as adopted by the EU and with generally accepted accounting principles

and provide from an IFRS perspective a fair representation of the Group's and the company's position and profits and that the Group Directors' Report and the Directors' Report provide a fair summary of the development of

the Group's and company's activities, position and profits and describe significant risks and factors of uncertainty that the companies that form part of the Group face.

ÅSEDA, 27 MARCH 2023

Mats Johansson
Chairman of the Board

Fredrik Zöögling
CEO

Magnus Gabrielsson
Board member
Appointed by the employees

Mikael Ekbring
Board member
Appointed by the employees

Tomas Berggren
Board member

Bengt Stillström
Board member

Mari-Katharina
Jonsson Kadowaki
Board member

Anders Birgersson
Board member

Our auditor's report was submitted on 27 March 2023
Ernst & Young AB

Marika Sengoltz
Authorised Public Accountant

FINANCIAL TERMS

TERM	DESCRIPTION	REASON FOR USE
Proportion of risk-bearing capital	Equity and deferred tax liabilities expressed as a percentage of total assets.	Relevant from a credit perspective, shows the ability to sustain losses.
Return on equity	Profit/loss for the year expressed as a percentage of average equity during the period. In reporting interim periods, the results are extrapolated to cover a twelve-month period.	Relevant from a shareholder perspective, as it reflects the return on the shareholders' capital for the period.
Return on capital employed	Earnings before tax and financial expense as a percentage of average capital employed for the period. See the definition of capital employed below.	Relevant for investors and lenders, as it shows the return on capital that requires a return. Used for optimising capital allocation.
Total assets	The value of all assets, such as real estate, plant and equipment, inventories, trade receivables, and cash and cash equivalents.	Relevant for giving stakeholders a simple means of monitoring changes in consolidated total assets.
Equity per share	Equity excluding non-controlling interests divided by the number of shares.	A relevant measure for investors which shows the size of the debt to the owners that is related to each share.
Investments	Non-current assets acquired during the period.	Relevant for showing the overall size of the investments that are made to maintain the existing capacity and generate growth.
Capital turnover rate	Revenue divided by average capital employed.	Relevant for assessing how quickly capital is used on average. A type of measure of capital efficiency.
Cash flow from operating activities	Cash flow from operating activities excluding financing and investments.	Relevant for enabling investors to monitor the capacity of the company's operating activities to generate cash flow for financing new investments, repayments of debt and dividends, and for assessing the need for new financing.
Cash flow per share	Cash flow from operating activities divided by average number of shares.	Relevant for relating cash-generating capacity to the number of shares.
Liquidity reserves	Cash and bank balances and non-utilised credit commitments from banks at end of period.	Relevant for assessing the company's ability to finance its future operations and variations in monetary flows through the company.
Net debt to EBITDA	Net interest-bearing debt divided by earnings before depreciation, amortisation and impairment. For interim periods, rolling 12 month earnings are used.	Relevant for assessing the company's ability to repay loans, which is of interest to lenders and investors.
Net interest-bearing debt	Interest-bearing liabilities and interest-bearing provisions (provisions for pensions) less cash and cash equivalents and interest-bearing assets.	Relevant for assessing the total interest-bearing debt used by the company.
Net debt/equity ratio	Net interest-bearing debt divided by equity.	Relevant for assessing the capital structure, the breakdown between equity and debt capital.
Profit/loss before depreciation, amortisation and impairment (EBITDA)	Operating profit/loss before scheduled depreciation, amortisation and impairment losses.	Relevant as a measure of the company's operational capacity to generate cash flow before capital tied up in operating activities and financial flows.
Earnings per share	Profit or loss for the period excluding earnings attributable to non-controlling interests divided by average number of shares.	Relevant for enabling investors to assess the return on and valuation of the shares.
Profit margin	Profit/loss before tax expressed as a percentage of revenue.	Relevant for assessing how large a share of revenue is retained as profits. Can also be used for comparisons between companies. The measure also shows the company's ability to sustain negative deviations.
Interest coverage ratio	Profit/loss before tax and financial expense divided by financial expense.	Relevant for lenders as a measure of the company's ability to meet interest expenses.
Operating margin	Operating profit/loss as a percentage of revenue.	Relevant for assessing how large a share of revenue is retained as profits from the company's operating activities. Can also be used for comparisons between companies.
Operating profit	Profit/loss before tax and financial items.	Relevant as a measure of the earnings generated by the company's operating activities.
Equity ratio	Equity expressed as a percentage of total assets.	Relevant as a measure of current self-financing, as it shows how large a portion of the assets is equity-funded.
Net asset value per share	See equity per share.	
Capital employed	Equity and interest-bearing liabilities.	Relevant for showing the share of total capital that is used in the operating activities, and is one component for measuring the operational return.

The key performance indicators are based on figures for the Group, including non-controlling interests, except for earnings per share and net asset value per share. For further information on the reconciliation of the Group's alternative performance measures, see ProfilGruppen's website, www.profilgruppen.se.

AUDITOR'S REPORT

To the general meeting of the shareholders of ProfilGruppen AB (publ), corporate identity number 556277-8943

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of ProfilGruppen AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 40-66 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INVENTORY VALUATION

Description

Per 31 of December 2022 inventories amounts to 471,4 MSEK and represent a significant share of the Group's total assets. Inventories consist of both raw materials, products in progress and finished products. As shown in Note 1 in the annual report, inventories are valued at the lowest of historical cost and net realizable value. Inventory valuation is based on manually prepared calculations, in which there are elements of estimates of production volumes, raw material prices and manufacturing costs. Changes in these estimates may affect the valuation significantly. There is also a risk of inventory obsolescence due to price sensitivity in both raw materials and finished products, which requires estimates and judgements when determining the obsolescence allowance. The inventory valuation thus includes key estimates and judgements. Any errors in these estimates and judgements may have a significant effect on the financial statements of the Group, see note 1. Overall, this means that inventories have been a key audit matter of the audit.

How our audit addressed this key audit matter

We have audited the Group's calculations through test checks and analysis of significant parameters such as production volumes, raw material prices and calculated surcharges of manufacturing costs. We have also audited the Group's accounting of obsolescence through analysis of slow-moving products, analysis of gross profit margins and test checks of purchase and selling prices in accordance with contracts. We have audited the appropriateness of the disclosures in the annual report.

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 1-39, 67 and 73-76. The other information also consists of the remuneration report which we obtained before the signing of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

A further description of our responsibilities for the audit of the annual accounts and the consolidated accounts is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen och koncernredovisningen finns på Revisorsinspektionens webbplats. Denna beskrivning är en del av revisionsberättelsen.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ProfilGruppen AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

A further description of our responsibilities for the audit of the administration is located at the Swedish Inspectorate of Auditors website. This description forms part of our 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 ProfilGruppen AB (publ) for the financial year 2022.

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

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

Basis for opinion

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

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

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Ernst & Young AB, Box 512, 351 06 Växjö, was appointed auditor of ProfilGruppen AB (publ) by the general meeting of the shareholders on the 26th of April 2022 and has been the company's auditor since the 26th of April 2022.

Ernst & Young AB, Box 512, 351 06 Växjö, was appointed auditor of ProfilGruppen AB (publ) by the general meeting of the shareholders on the 26th of April 2022 and has been the company's auditor since the 26th of April 2022.

VÄXJÖ 27 MARCH 2023

Ernst & Young AB

Marika Sengoltz

Authorized Public Accountant

PROFILGRUPPEN CORPORATE GOVERNANCE REPORT 2022

ProfilGruppen is a Swedish public company, whose shares are listed on Nasdaq Stockholm's Small Cap list. Corporate governance at ProfilGruppen is therefore based on the Swedish Corporate Governance Code (the Code), the Companies Act, the Annual Accounts Act, the Market Abuse Regulation, the Nasdaq rules, the Articles of Association, adopted formal work plans, and other applicable laws and regulations.

In accordance with the Swedish Companies Act, other laws and regulations, the applicable rules for listed companies, the company's Articles of Association and the Board of Directors' internal governing documents, responsibility for the management and governance of the Group is shared by the general meeting of shareholders, the Board of Directors and its elected committees, and the Chief Executive Officer.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting was held on 26 April 2022. The AGM was attended by shareholders, personally or by proxy, representing approximately 69.7 per cent of the total number of voting rights in the company. The meeting was attended by the CEO Fredrik Zöögling, the Group's management team, the company's auditor and three of the Board members.

Per Gruwberger was elected to chair the meeting. The minutes from the meeting have been published on the company's website. Among other resolutions, it was decided to elect Tomas Berggren, Anders Birgersson, Mari Kadowaki and Klaus Wiemers as new Board members and to re-elect Bengt Stillström to the Board. Klaus Wiemers was elected as a new Board member and as Chairman of the Board. It was also resolved to authorise the Board, during the period until the next Annual General Meeting, to approve the issuance of shares. The conditions for the authorisation are set forth in the minutes of the Annual General Meeting, which are available on ProfilGruppen's website.

EXTRAORDINARY GENERAL MEETING 2022

An extraordinary general meeting was held on 31 October 2022. The EGM was attended by shareholders, personally or by proxy, representing approximately 69.8 per cent of the total number of voting rights in the company. The meeting was attended by the CEO Fredrik Zöögling, some members of the Group's management team and Board members.

Per Gruwberger was elected to chair the meeting. The minutes from the meeting have been published on the company's website. It was unanimously resolved to appoint Mats Johansson as the new Chairman of the Board.

ANNUAL GENERAL MEETING 2023

The Annual General Meeting 2023 will be held on 18 April 2023. Shareholders wishing to submit proposals to the Nomination Committee may contact the Nomination Committee by e-mail at valberedningen@profilgruppen.se or by writing to:

Valberedningen, ProfilGruppen AB, Box 36, SE-364 21 Åseda. Shareholders wishing to submit an issue for discussion at the AGM may do so by writing to the Chairman of ProfilGruppen at the above address or by sending an e-mail to styrelsen@profilgruppen.se.

Information about the date, place and deadline for submission of proposals was notified in connection with the interim report for the fourth quarter of 2022.

NOMINATION COMMITTEE

At the 2022 Annual General Meeting it was resolved that the Nomination Committee should consist of four members and to charge the Chairman of the Board with the task of contacting the three largest shareholders before the end of the third quarter and, in consultation with the same, appoint members who, along with the Chairman of the Board, will constitute the Nomination Committee. The Nomination Committee appoints a chairman from among its members.

Prior to the Extraordinary General Meeting in 2022, the Nomination Committee elected at the Annual General Meeting worked to recruit a new Chairman of the Board proposed at the Extraordinary General Meeting in 2022.

At the EGM, Lars Johansson, Mats Egeholm, Bengt Stillström and Petter Stillström were elected as the new Nomination Committee. Within the Nomination Committee, it was decided to appoint Bengt Stillström as Chairman of the Nomination Committee.

Nomination Committee prior to the 2023 AGM, shareholder:

Bengt Stillström, Chairman of the Nomination Committee	28.4% shares
Lars Johansson	14.5% shares
Mats Egeholm	7.3% shares
Petter Stillström (represents Hanna Kusterer)	4.8% shares

Since its appointment the Nomination Committee has held four meetings at which minutes have been taken. The members of the Committee have also had contacts with each other and with the members of the Board and have studied the Board's evaluation of its work.

BOARD COMPOSITION AND REMUNERATION

At the 2022 Annual General Meeting, it was resolved to reduce the number of Board members to five, with no deputies. In addition, the Board normally comprises two members and two deputies appointed by the employees.

The composition of the Board since the end of the year is presented on page 73. All AGM-elected Board members were independent of the company in 2022. Bengt Stillström is a major shareholder of the company.

As regards the composition of the Board, the Nomination Committee bases its proposals on the requirements for diversity and breadth in respect of expertise, experience, background and gender prescribed in the Code. These guidelines also serve as a diversity policy. The goal is to achieve a Board composition that is appropriate with regard to the company's activities, stage of development and other circumstances.

In accordance with decisions made at the AGM, the fee paid to Board members for the period until the next AGM amounts to a total of kSEK 1,020 (1,020). Fees are paid only to Board members elected by a general meeting of shareholders, as shown below.

Board member	Role	Fee
Klaus Wiemers	Chairman until 30 Oct 2022	233,000
Mats Johansson	Chairman from 31 Oct 2022	167,000
Anders Birgersson	Board member	155,000
Mari Kadowaki	Board member	155,000
Bengt Stillström	Board member	155,000
Tomas Berggren	Board member	155,000
Total fees		1,020,000

THE WORK OF THE BOARD OF DIRECTORS

Following the election of its members, the Board of Directors holds a constituent Board meeting, at which the formal work plan for the coming year is adopted. The Board's mandate to the CEO is formulated in a set of instructions for the CEO.

Since the 2022 Annual General Meeting, the Board has met on seven occasions. Attendance at these is shown the following table. Key issues at these meetings are drawn from the formal work plan. Among others, the following matters were addressed during the year:

Profil Gruppen.

Manufacturing



2022

April	interim report for the first quarter
April	inaugural meeting
July	Q2 interim report, investments
September	economic discussions
October	interim report for the third quarter and Audit Committee matters
October	inaugural meeting

2023

February	year-end close, year-end report, auditors' review and Remuneration Committee issues
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Board member attendance and number of meetings

Board	Board meetings
Anders Birgersson	6 (2 ^{*)})
Mari Kadowaki	5 (2 ^{*)})
Mikael Ekbring ¹	7 (2 ^{*)})
Magnus Gabrielsson ¹	7 (2 ^{*)})
Anders B Johansson ²	6 (2 ^{*)})
Sebastian Nilsson ²	4 (2 ^{*)})
Mats Johansson	3 (2 ^{*)})
Bengt Stillström	7 (2 ^{*)})
Tomas Berggren	7 (2 ^{*)})
Total number of meetings since 2022 AGM	7 (2^{*)})

1) Appointed by the employees, regular Board member

2) Appointed by the employees, Deputy, Sebastian Nilsson was appointed in the summer

^{*)} Remote meetings

A telephone meeting to adopt the annual report was held.

Before ending its activities for 2022, the Board will hold at least one more meeting. The meeting has been planned for April, when the interim report for the first quarter of 2023 will be discussed, among other matters.

The company's CEO and CFO, who is also the Board's secretary, were present at these meetings.

The Chairman organises and leads the work of the Board, ensuring that this work is conducted in accordance with the applicable guidelines. The Chairman monitors the company's activities through ongoing contacts with the CEO and is responsible for ensuring that the other Board members receive relevant information and the necessary decision guidance documents. Members of the Board of Directors receive monthly reports from the management team on the company's current financial and operational development. The Chairman ensures that an annual evaluation of the work of the Board and the CEO is carried out. In 2022, a majority of Board members attended a verbal discussion about the work of the Board in general, their own performance and the work of the Board Chairman. The evaluation serves as a basis for an action plan for improvements and contributes to the work of the Nomination Committee.

REMUNERATION COMMITTEE AND AUDIT COMMITTEE

The Audit Committee consists of all members of the Board. The actions taken to quality-assure the company's financial statements and audits, contacts with the

auditors and internal control have been monitored and have thus been evaluated by all members of the Board. The work of the external auditors has been evaluated and the Board has made a recommendation to the Nomination Committee ahead of the appointment of auditors at the 2023 Annual General Meeting.

At its inaugural meeting at the extraordinary general meeting, the Board appointed a Remuneration Committee consisting of Anders Birgersson, Bengt Stillström and Mats Johansson. Guidelines and levels of remuneration for the management team are drafted by the Remuneration Committee and adopted by the Board. The committee also produces a draft set of principles for remuneration of senior executives, which is submitted for adoption by the Annual General Meeting. Neither the CEO nor the HR Manager are members of the committee, but are invited to attend meetings when their presence is appropriate. Since the Extraordinary General Meeting 2022, the committee has held one meeting, with all members present, and has communicated several times by e-mail and telephone.

Salary for management in 2022 consisted of one fixed element and one variable element. The criteria for variable remuneration have been linked to the consolidated operating profit.

The total variable remuneration for 2022 is SEK 0, distributed among seven persons (SEK 2,314,000, seven persons). The principles for remuneration define a ceiling for variable pay of 30 per cent of the fixed salary.

CEO AND SENIOR MANAGEMENT

ProfilGruppen's senior management comprises the CEO and six different Function Managers.

The composition of the management team is presented on page 74.

The CEO is responsible for planning, managing and following up on day-to-day operations. He runs the business in accordance with the framework established by the Board, which includes a set of work instructions. The CEO is also responsible for keeping the Board informed on the operations and for ensuring that the Board receives the necessary decision guidance documents.

The CEO holds regular management meetings. These meetings focus on the Group's strategic and operational progress and on assessments of results.

AUDITORS

At the 2022 Annual General Meeting, the registered accountancy firm Ernst & Young AB was appointed as auditor for the period until the 2023 AGM. At the same meeting Marika Sengoltz was appointed chief auditor.

For the purpose of examining the Board of Directors' management of the company and meeting the Board's need for information, the auditors have since the 2022 AGM participated in two meetings with the Board. Apart from the audit and consultancy tasks on auditing and tax issues, the auditors have no other tasks at the ProfilGruppen Group.

Information on remuneration for the auditors can be found in Note 5 to the financial statements.

ARTICLES OF ASSOCIATION

The Articles of Association are available on the company's website and can only be amended by a resolution of a general shareholders' meeting.

SHARE INFORMATION

Each share in ProfilGruppen corresponds to one vote. Information on major shareholders is found in the Directors' Report. More information about ProfilGruppen is found on page 75.

THE BOARD'S REPORT ON INTERNAL CONTROL FOR 2022

The Board is responsible for the company having good internal control. Responsibility for maintaining an effective control environment and the ongoing work on internal control and risk management has been delegated to the CEO. The five main activities included in ProfilGruppen's work on internal control are creation of a control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

An important element of the Board's work is creating a relevant and effective control environment. The Board's formal work plan and instructions for the company's CEO aim to ensure clear allocation of roles and division of responsibility, which promotes effective management of the operation's risks.

The Board has also established a number of governing documents that are important for internal control. Examples of such documents include policies for the granting of credit, raw material purchases, currency hedging, remuneration and information security.

The Board evaluates the company's operational performance and results through monthly reports submitted by management, assessing economic outcomes and key performance indicators.

ProfilGruppen has a simple legal and operational structure, which facilitates clarification of division of responsibility and swift action in the event of changed conditions. A clear delegation of responsibilities and authority form the basis for the Board's work to ensure compliance with internal control principles and applicable laws and regulations. All decisions concerning, for example, the overall strategy, acquisitions, major investments and general financial issues are prepared by management and made by the Board.

Risk assessment

The company's risk assessment regarding financial reporting aims to identify and evaluate the most significant risks affecting the internal control of financial reporting in the Group's companies and processes. The most significant risks identified regarding financial reporting are managed through control structures based on reporting of deviations from established standards, for example for the measurement of inventories and other significant assets. The assessment and management of the most significant risks for ProfilGruppen are described in greater detail in the Directors' Report.

Control activities

The principal means of control are the detailed financial follow-up reports that are compiled each month. Work to prepare these includes analysis of deviations from, among other things, set goals. In addition to these general quality checks, there are daily checks of authorisations, access rights for IT systems and similar.

Information and communication

The governing documents are distributed over the intranet and by other means. There are guidelines for external communication which ensure that ProfilGruppen meets the stringent requirements concerning provision of accurate information to the financial markets.

Monitoring

The Board has the task of evaluating how the company's internal control system functions, as well as keeping up to date on important evaluations and assessments that provide the basis for the financial statements. The company's CFO is responsible for regular follow-up of the internal control and reports her findings to the Board at least once a year. The basis for financial governance and control is produced by the company's finance department.

At least once a year the Board meets with the external auditors to discuss the auditors' assessment of the company's internal control. The auditors report their findings to the Board through regular reviews and a year-end audit of the third quarter's interim report and the annual accounts. In view of the above the Board has determined that there is currently no need for a separate internal audit or review function.

Åseda, 27 March 2023

The Board of Directors of ProfilGruppen AB

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE REPORT

To the general meeting of shareholders in ProfilGruppen AB (publ.) Corporate Identity Number 556277-8943

Assignment and allocation of responsibility

The Board of Directors is responsible for the corporate governance report for 2022, which is found on pages 68–69, and for ensuring this is prepared in accordance with the Annual Accounts Act.

Focus and scope of the examination

We have conducted our audit in accordance with FAR's statement RevU 16, *The auditor's examination of the corporate governance report*. Our review of the Corporate Governance Report has a different focus and significantly narrower scope than a full audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe our review provides a sufficient basis for our opinion.

Opinion

A corporate governance report has been prepared. Disclosures pursuant to Ch. 6 § 6 second para. items 2–6 of the Annual Accounts Act and Ch. 7 § 31 second para. of the same Act are consistent with the annual accounts and consolidated accounts and comply with the Annual Accounts Act.

KALMAR, 27 MARCH 2023
Ernst & Young AB

Marika Sengoltz
Authorised Public Accountant

CONTACTS

Fredrik Zöögling
President and CEO
Telephone +46 474 551 10
fredrik.zoogling@profilgruppen.se

Jonny Sandstedt
Acting CFO
Telephone +46 73 415 44 25
jonny.sandstedt@profilgruppen.se

OTHER INFORMATION

Up-to-date information is always available on our website: www.profilgruppen.se

Graphic design/photo: Effect reklambyrå & ProfilGruppen



BOARD OF DIRECTORS

1. Bengt Stillström²

Born 1943

M.Sc.Eng

Board member since 2012

Former CEO and founder of AB Traction, now Chairman of the same company.

Other directorships/principal positions: Board member of Ringvågen Venture AB

Shareholding in ProfilGruppen: 2,103,000

2. Anders Birgersson³

Born 1958

Mechanical Engineering and Economics

Board member since 2022

Other directorships/positions: Board member since 2022

Born: 1958

Mechanical Engineering and Economics

Other directorships/positions:

President and CEO of VBG Group AB (publ). Board member of Sparbanken Lidköping AB and the Herman Krefting Foundation for Allergy and Asthma Research.

Shareholding in ProfilGruppen: 0

3. Mari Kadowaki³

Born 1964

M.Sc.Eng

Board member since 2022

CEO of Saft AB. Board member of Saft AB and Garo AB. Vice Chairman of the Swedish Engineering Employers' Association and the Association of Swedish Engineering Industries.

Shareholding in ProfilGruppen: 0

4. Tomas Berggren³

Born 1971

Mechanical Engineering and Economics (B.Sc.)

Board member since 2022

Other directorships/positions: Board member of ScandBoost AB

Shareholding in ProfilGruppen: 0

5. Mats Johansson³

Born 1962

Chairman since 2022

M.Sc. in Economics and Business

Other directorships/positions:

Partner & Board member Orbit One AB and Chairman of the Board Markisol Holding AB.

Shareholding in ProfilGruppen: 0

6. Magnus Gabrielsson¹

Born 1980

Employed at ProfilGruppen since 2000

Employee Representative

Board member since 2018

Shareholding in ProfilGruppen: 0

7. Anders B Johansson¹

Born: 1971

Employed at ProfilGruppen since 1989

Appointed by the employees

Deputy since 2021

Shareholding in ProfilGruppen: 900

8. Sebastian Nilsson¹

Born 1992

Employed at ProfilGruppen since 2020

Appointed by the employees

Deputy since 2022

Shareholding in ProfilGruppen: 0

9. Mikael Ekbring¹

Born 1966

Employed at ProfilGruppen since 1986

Appointed by the employees

Deputy since 2019, Board member since 2021

Shareholding in ProfilGruppen: 400

1. According to the Swedish Code of Corporate Governance, a Board member is to be regarded as dependent in relation to the company and management.
2. This Board member is a major shareholder of the company.
3. Independent in relation to the company and its management, and in relation to major shareholders of the company.

The shareholdings include any indirect holdings through companies or related parties.



Fredrik Zöögling



Fredrik Uhrbom



Torgny Magnusson



Fredrik Gustafsson



Ulrika Svensson



Jonny Sandstedt

SENIOR MANAGEMENT

Fredrik Zöögling*
President and CEO
Born 1966
Employed 2019
Holding: 0

Fredrik Uhrbom
Marketing and Sales Manager
Born 1972
Employed 2013
Holding: 0

Torgny Magnusson
Production Manager Extrusion
Born 1961
Employed 1982
Holding: 0

Fredrik Gustafsson
Supply Chain Manager
Born 1980
Employed 2020
Holding: 0

Ulrika Svensson
HR Director
Born 1974
Employed 2000
Holding: 1,000

Jonny Sandstedt
Acting CFO
Born 1965
Employed 2022
Holding: 0

The above shareholdings refer to ProfilGruppen AB.

** M.Sc. in Mechanical Engineering. No significant directorships outside the company, no shareholdings in other companies which are significant for the company. No related parties have shareholdings or financial instruments in the company.*

SHARE INFORMATION

ProfilGruppen was listed on the OTC List of the Stockholm Stock Exchange on 19 June 1997 and is currently traded on the Small Cap list of Nasdaq Stockholm. The stock symbol is PROF B. At 30 December 2022, the company had a market capitalisation of MSEK 750.9. The number of shares traded in the market was 7,398,775.

DIVIDEND POLICY

ProfilGruppen's aim is to give shareholders a high total yield, partly through share dividends and partly through increased share value. The company's dividend policy is to distribute 40–50 per cent of earnings after tax over a business cycle, having regard to capital requirements and the capital structure. For 2022, the Board of Directors of ProfilGruppen has proposed a dividend of SEK 4.00 per share.

SHAREHOLDERS

At 30 December 2022, the company had 4,227 shareholders, which is an increase of 1,639 compared with 30 December 2021. The number of shareholders participating in the IPO was 2,922. Information on the company's major shareholders is found in the Directors' Report.

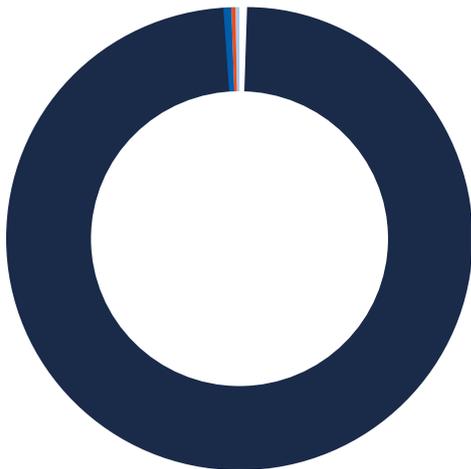
SHARE CAPITAL

ProfilGruppen has a share capital of MSEK 37.0. The shares have a quotient value of SEK 5 per share. All shares in the market carry the same voting rights and entitle the holder to the same share of the company's earnings and capital. There is no dilution.

SHARE PRICE PERFORMANCE

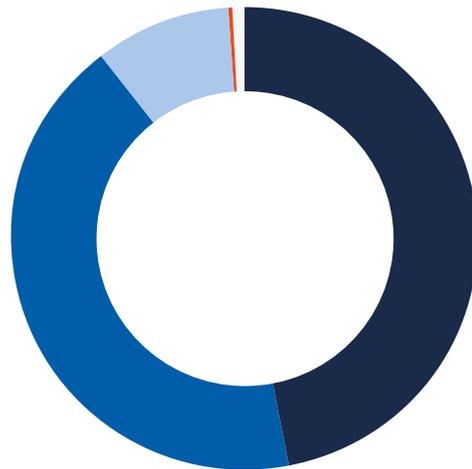
At year-end, the share price had decreased by 13 per cent from 30 December 2021. Over the same period, the Stockholm Stock Exchange's OMXSSCPI index (Small Cap industry) lost 19 per cent.

OWNERSHIP BY COUNTRY, % OF VOTING RIGHTS



● Sweden 99.4%
 ● UK 0.2%
 ● Denmark 0.1%
● Switzerland 0.1%
 ○ Rest of world 0.2%

SHAREHOLDER CATEGORIES, % OF VOTING RIGHTS



● Swedish natural persons
 ● Swedish legal entities
● Financial companies¹
 ● Associations²
○ Owners resident abroad

¹ Banks, investment firms & brokerages, fund managers, insurance companies and pension institutions, pension funds

² Aid organisations, trade unions, religious communities.

AT 30 DEC 2022

OWNERSHIP STRUCTURE

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	% OF VOTING RIGHTS
1 - 500	3,676	0.7
501 - 1,000	278	0.1
1,001 - 5,000	205	0.1
5,001 - 10,000	25	0.6
10,001 - 15,000	6	4.8
15,001 - 20,000	6	6.6
20,001 -	31	87.0
TOTAL	4,227	100.0

AT 30 DEC 2022



next
level

SMÅLAND ALUMINIUM SOLUTIONS – A DOWN- TO-EARTH FUTURE

There is potential in man and in the material. Developing and bringing out that potential is what makes us what we are, today and in the future. With knowledge, care and common sense, we realise opportunities, build relationships and move forward together.



Profil
Gruppen.

ProfilGruppen AB | Box 36 | SE-364 21 Åseda
Tel +46 474 550 00 | profilgruppen.se

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