

Profil Gruppen.



ANNUAL REPORT CONSOLIDATED
FINANCIAL STATEMENTS
SUSTAINABILITY REPORT
2023

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SUSTAINABILITY REPORT 2023

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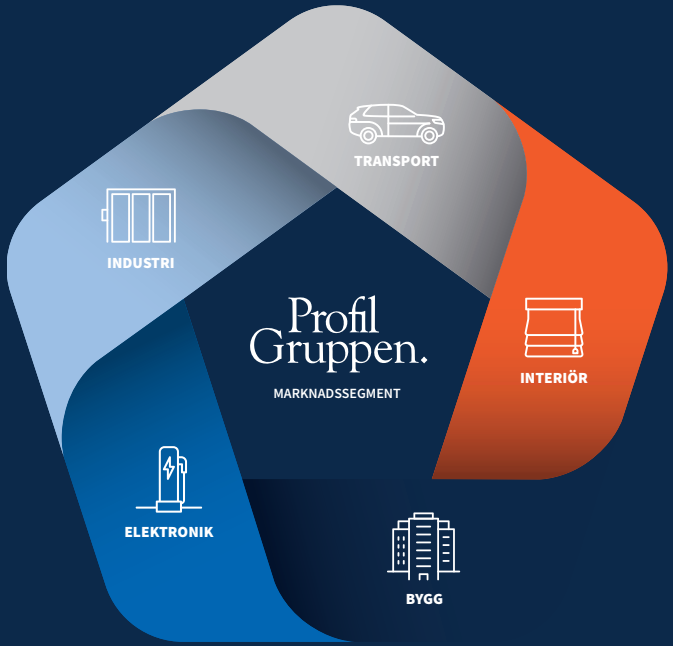
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2023

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ALUMINIUM – 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





SUSTAINABILITY REPORT

ProfilGruppen supplies its customers with production and logistical services relating to extrusions, components and other products made from extruded aluminium. Our strength is that we act as advisors based on a broad offering and have the customer's needs at heart. A high degree of processing enables us to deliver very advanced products.

OUR BUSINESS

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 we also have sales offices in Stockholm and Skellefteå. Our export customers are mainly served from our regional sales offices in Germany, Norway and Finland.

ProfilGruppen's geographical location affords us many advantages. It makes it easier to get an overview of the organisation and flow of materials. We have short decision-making pathways which helps to foster a strong sense of community. It also gives us a good degree of 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 RELATIONSHIPS WITH NEARBY SUPPLIERS

Our providers of processing services are an important part of our offering. The challenges faced in recent years in global supply chains have demonstrated the strength of our local supplier relationships, which simplify our control over our supply chain.

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, and individuals.

ALUMINIUM IS OUR MATERIAL

Aluminium is a sought-after material due to its light weight, longevity and recyclability. Aluminium's high strength also means that aluminium extrusions can also be used in load-bearing structures. The need for aluminium extrusions is thus increasing among our customers across a range of industries. The automotive industry has been a long-term user of aluminium. 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. In light of the material's excellent thermal conductivity, it is also commonly used in various types of cooling extrusions. The construction sector uses aluminium extrusions for applications such as doors and balconies due to their good anti-corrosive properties in combination with their high load-bearing capacity and low weight. Aluminium is also widely used in the telecom industry, where it is the low weight and the possibility of integrating multiple functions drives demand.

OUR ROLE

Continuing to grow and develop in the long term requires good profitability and value-creating customer 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 it takes in order for us to meet our objectives.

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 4–15.

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 shares are owned by WIP Industries AB.

THE EU TAXONOMY REGULATION

ProfilGruppen is a listed company with more than 500 employees, which means the company is obliged to reports its turnover, capital expenditure, operating expenses and to what extent these adhere to the six environmental goals set out in the EU taxonomy regulation.

However, it should be noted that ProfilGruppen’s operations, consisting of the manufacture of aluminium extrusions,

is not subject to the EU’s taxonomy regulation. The economic activity covered by the EU’s taxonomy regulation “Manufacture of aluminium” relates to the manufacturing of primary and second aluminium, which takes place at an earlier stage in the supply chain prior to ProfilGruppen’s own activities. This means that all reporting relating to these six environmental goals is detailed beneath the table heading “Non-eligible economic activity”.

SHARE OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES TURNOVER

| Proportion of turnover from products or services associated with Taxonomy-aligned economic activities | | | | Criteria for substantial contribution | | | | | | Does not significantly harm (DNSH) criteria | | | | | | | | | | |
|--|----------------|-------------------|-------------------|---------------------------------------|---------------------------|----------------------------|-----------------------|-----------------------|-----------------------------|---|---------------------------|----------------------------|-----------------------|-----------------------|-----------------------------|-----------------------|--|--------------------------------|------------------------------------|---|
| Economic activities | Code/codes (b) | Absolute turnover | Share of turnover | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Taxonomy-aligned share of turnover, 2022 | Category (enabling activities) | Category (transitional activities) | |
| | | | | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | % | E | T |
| A. Taxonomy-aligned activities | | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - | |
| Environmentally sustainable activities (Taxonomy-aligned) | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - | |
| of which enabling | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - | |
| of which transitional | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - | |
| A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | N/EL | | | |
| Capital expenditure for Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | N/EL | | | |
| Total (A.1 + A.2) | | 0.0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | | |
| B. Taxonomy-non-eligible activities | | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities (B) | | 2,439.1 | | | | | | | | | | | | | | | | | | |
| Total (A + B) | | 2,439.1 | | | | | | | | | | | | | | | | | | |

- (a) Y = YES, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
- N = NO, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
- N/EL = not eligible, Taxonomy non-eligible activity for the relevant environmental objective
- EL = Taxonomy eligible activity for the relevant objective

PROPORTION OF TURNOVER/TOTAL TURNOVER

| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
|-----|--------------------------------|---------------------------------|
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |

(b) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution.

- CCM: Climate change mitigation
- CCA: Climate change adaptation
- WTR: Water and marine resources
- CE: Circular economy
- PPC: Pollution
- BIO: Biodiversity and ecosystems

CAPITAL EXPENDITURE (CAPEX¹)

| Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities | | | Criteria for substantial contribution | | | | | | | Does not significantly harm (DNSH) criteria | | | | | | | | | |
|--|----------------|------------------------------|---------------------------------------|---------------------------|---------------------------|----------------------------|-----------------------|-----------------------|-----------------------------|---|---------------------------|----------------------------|-----------------------|-----------------------|-----------------------------|-----------------------|---------------------------|--------------------------------|------------------------------------|
| Economic activities | Code/codes (b) | Absolute capital expenditure | Proportion of capital expenditure | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Proportion of CapEx, 2022 | Category (enabling activities) | Category (transitional activities) |
| | | | | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | % |
| A. Taxonomy-aligned activities | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - |
| of which enabling | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - |
| of which transitional | | 0.0 | N/EL | N/EL | - | - | - | - | - | - | - | - | - | - | - | - | N/EL | - | - |
| A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - |
| Capital expenditure for Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | - | N/EL | - | - |
| Total (A.1 + A.2) | | 0.0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| B. Taxonomy-non-eligible activities | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities (B) | | 104.4 | | | | | | | | | | | | | | | | | |
| Total (A + B) | | 104.4 | | | | | | | | | | | | | | | | | |

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.

- (a) Y = YES, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
- N = NO, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
- N/EL = not eligible, Taxonomy non-eligible activity for the relevant environmental objective
- EL = Taxonomy eligible activity for the relevant objective

PROPORTION OF CAPEX/TOTAL CAPEX

| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
|-----|--------------------------------|---------------------------------|
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |

(b) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution.

- CCM: Climate change mitigation
- CCA: Climate change adaptation
- WTR: Water and marine resources
- CE: Circular economy
- PPC: Pollution
- BIO: Biodiversity and ecosystems

OPERATING EXPENDITURE (OPEX²)

| Economic activities | Code/codes (b) | Criteria for substantial contribution | | | | | | | | Does not significantly harm (DNSH) criteria | | | | | | | | | |
|--|----------------|---------------------------------------|-------------------------------------|---------------------------|---------------------------|----------------------------|-----------------------|-----------------------|-----------------------------|---|---------------------------|----------------------------|------------------|-----------|-----------------------------|--------------------|--------------------------|--------------------------------|------------------------------------|
| | | Absolute operating expenditure | Proportion of operating expenditure | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Proportion of Opex, 2022 | Category (enabling activities) | Category (transitional activities) |
| | | MSEK | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N EL N/EL (a) | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| A. Taxonomy-aligned activities | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | N/EL | - | - | |
| Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1) | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | N/EL | - | - | |
| of which enabling | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - | - | - | N/EL | - | - | |
| of which transitional | 0.0 | N/EL | N/EL | | | | | | | - | - | - | - | - | - | N/EL | - | - | |
| A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | N/EL | | | |
| Operational expenditure for Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | 0.0 | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | N/EL | | | |
| Total (A.1 + A.2) | 0.0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | 0% | | | |
| B. Taxonomy-non-eligible activities | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities (B) | 63.2 | | | | | | | | | | | | | | | | | | |
| Total (A + B) | 63.2 | | | | | | | | | | | | | | | | | | |

- 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.
- (a) Y = YES, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
 N = NO, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
 N/EL = not eligible, Taxonomy non-eligible activity for the relevant environmental objective
 EL = Taxonomy eligible activity for the relevant objective

PROPORTION OF OPEX/TOTAL OPEX

| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
|-----|--------------------------------|---------------------------------|
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |

- (b) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution.
 CCM: Climate change mitigation
 CCA: Climate change adaptation
 WTR: Water and marine resources
 CE: Circular economy
 PPC: Pollution
 BIO: Biodiversity and ecosystems

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

| Nuclear energy related activities | | |
|-----------------------------------|---|----|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades | No |
| Fossil gas related activities | | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

Organisation & Governance

ProfilGruppen's sustainability management is based on several certified quality assurance systems and the 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.

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.

The company's activities must contribute to long-term sustainability for society, including the provision of advice to customers on their choice of materials.

A conscious choice of materials with a lower carbon footprint is of the greatest importance.

Our customers will be offered raw aluminium which is advantageous from a lifecycle perspective.

Our business should be permeated by commitment and concern for our environment.

SUSTAINABILITY-RELATED POLICIES

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

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.

* The partly-owned subsidiary PG&WIP AB is not included and is an exception to this.

CARING FOR THE BUSINESS

ProfilGruppen's extensive experience and expertise in the extrusion of aluminium enables the creation of innovative and profitable business solutions in partnership with our customers.

LONG-TERM PROFITABILITY

ProfilGruppen's business is built around long-term profitability goals, which is the basis for continued trust from our customers. This is necessary in order to ensure that we are able to continue to invest in sustainable processes and resource efficiency.

We strive to ensure that ProfilGruppen is perceived as a reliable and problem-solving partner with a genuine commitment to everything we do. Our deliverables are characterised by their high quality and added value for the customer in our production and logistics services for aluminium extrusions and components. Ever since its founding, ProfilGruppen has chosen to work exclusively with aluminium due to the material's good physical, environmental and business-driven qualities. Today, this offering also forms the basis for the addition of new services that enhance the transaction both for us and for our customers.

When transacting with our customers, we hold an advisory role and the customer is able to actively select sustainable raw materials that have a smaller carbon footprint. As part of our strategy, we also offer a high degree of processing as part of services, which add value for the customer. One example of this are our ready-made assembly kits that simplify customer logistics.

BUSINESS FOR THE CLIMATE

As a result of the global greenhouse effect, demand for sustainable fossil-free energy production is on the rise as well as for aluminium grades with a smaller carbon footprint.

There are a limited number of extrusion companies located in areas with sustainable energy sources available to them and where society is stable and structured.

Furthermore, the use of extruded aluminium is increasing at the expense of environmentally inferior alternative materials. Additionally, several suppliers of aluminium and extruded aluminium face political difficulties in being accepted as serious customers.

All in all, this means that our opportunities outweigh our climate risks.

Sustainable production and supply services are not a problem but are instead opportunities, and represent the service that ProfilGruppen markets.

OUR CODE OF CONDUCT

ProfilGruppen's activities are all grounded in our code of conduct and characterised by appropriate and versatile competition. Naturally, we adhere to all 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. According to the Code of Conduct, employees who witness non-compliance with the rules – whether by other employees or by suppliers – must report their suspicions using our whistleblowing system. No such suspicions were reported in 2023.

DOING BUSINESS THE SMÅLAND WAY

The Småland way is our way: we want to show that it is possible to combine cost-consciousness with high quality. Our customers should perceive us as reliable, open and honest in our conduct and actions. 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. You can read more about governance and audits relating to our certificates on page 8. Our customers are of course also afforded the opportunity to conduct their own reviews and assessments.

CARING FOR THE ENVIRONMENT

In our business, the choice of raw material has the greatest environmental impact, followed by our own energy use. Since aluminium can be infinitely recycled, we have an opportunity to develop new circular processes.

PRIMARY AND RECYCLED ALUMINIUM

CIRCULAR SERVICES

Customers have the opportunity through ProfilGruppen to develop their own circular business models. We offer our customers the ability to recycle their own scrap aluminium through us. Together with our partners, we take responsibility for dismantling, sorting and remelting, and manufacture new products.

INFINITELY RECYCLABLE

Aluminium is made from bauxite, which is found in large quantities in the earth's crust. It is strong, durable, lightweight and malleable, and is also infinitely recyclable. Aluminium can be re-smelted without losing its inherent properties. That's why aluminium is the perfect material for a circular economy. When the material is recycled, it only requires five per cent of the energy used in virgin production, which means that most aluminium that can be collected is already recycled.

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

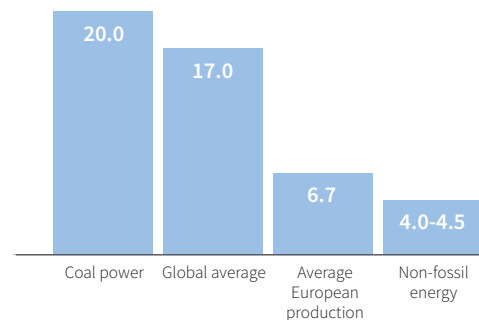
PRIMARY ALUMINIUM

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 kilos of carbon dioxide equivalents per kilo of aluminium, with the average being pushed up by a large proportion of coal-based production. In Europe, which has a different energy mix, average emissions are below seven kilos. If aluminium is produced using fossil-free energy then the emissions of carbon dioxide equivalents can be reduced to around four kilos.

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.

Our untreated and anodised aluminium extrusions contain no hazardous substances, and comply with both the EU regulation REACH and the EU Directive RoHS.

Industry emissions of carbon dioxide equivalents per kilogram of aluminium produced

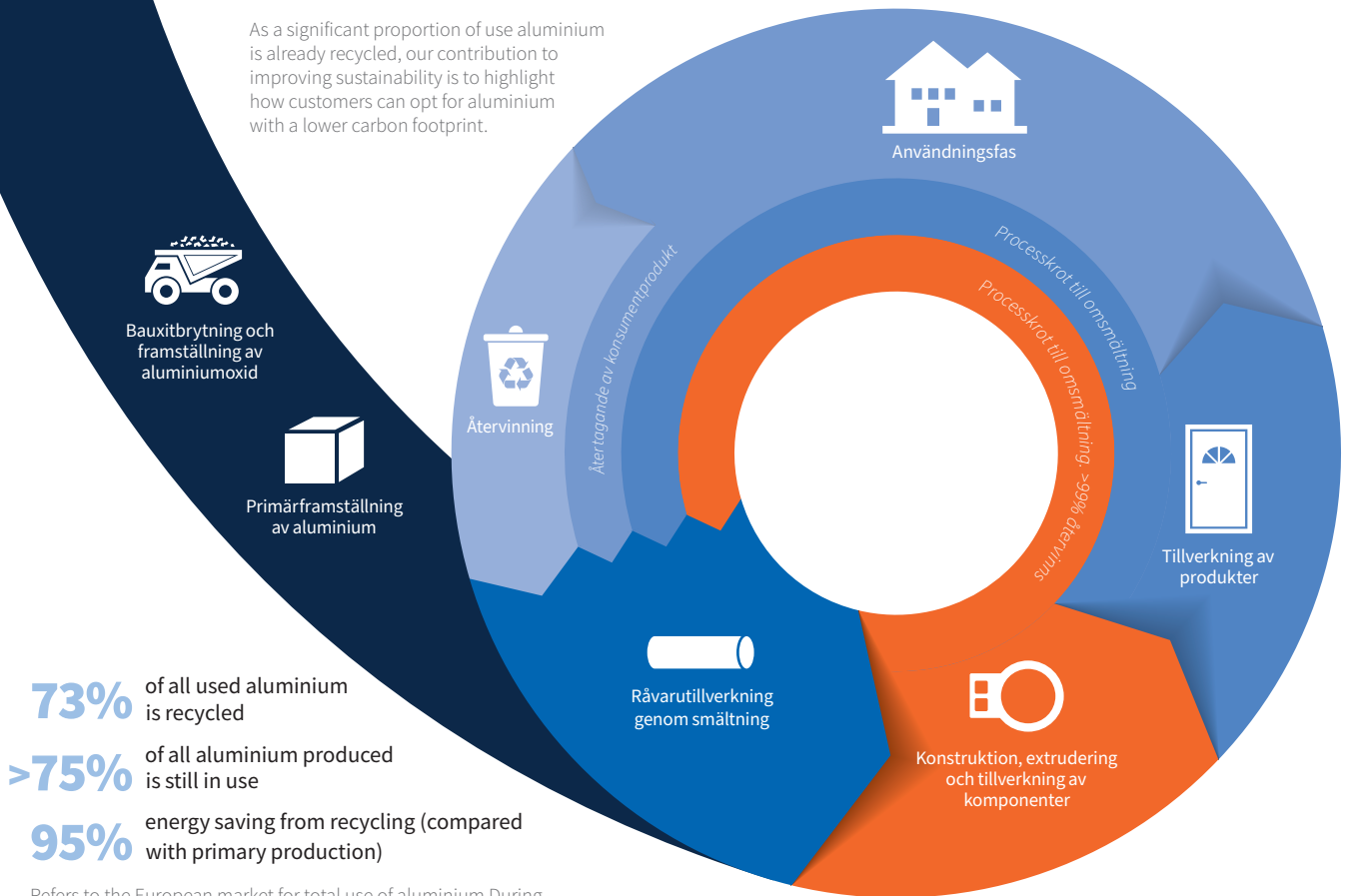


DEMAND FOR RECYCLED MATERIAL

We can use aluminium scrap from our own or our customers' manufacturing process, or from aluminium recycled from various products. It is currently estimated that these recycled materials account for a third of total use in the European market.

Aluminium products have a long service life which means that 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.

As a significant proportion of use aluminium is already recycled, our contribution to improving sustainability is to highlight how customers can opt for aluminium with a lower carbon footprint.



EFFICIENT MATERIALS MANAGEMENT

We always use materials sparingly and strive to reduce resource consumption. All scrap generated in our manufacturing process is recovered. The largest amount of scrap is generated in the extrusion production process, partly because the first and last bits of the product are deformed. Depending on different extrusion designs and tolerance or surface requirements, the proportion of scrap varies between different extrusions.

The processing of extrusions generates chips and waste material. The share of scrap generated depends on the design of the product and can in some cases be considerable. We send the scrap to a local smelter, which returns it to us in the form of new ingots. Although the process scrap 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. By optimising the life cycle aspect at the design stage, we can ensure during development that products are easy to dismantle and recycle.

CLIMATE

OPERATIONAL GOALS YIELD CLEAR RESULTS

ProfilGruppen has made a number of choices in order to reduce its greenhouse gas emissions. Many of our business goals also lead to reduced carbon emissions. We endeavour to keep our goals as relevant to our operations as possible.

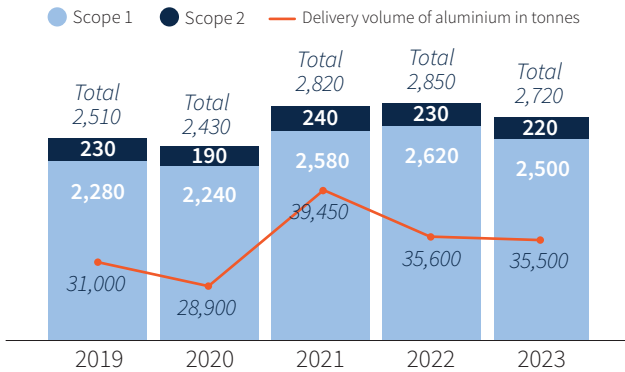
An example of this is our measurement of our use of materials. In absolute terms, emissions in scopes 1 and 2 (2023) as per the GHG protocol terms amounted to approximately 3,000 tonnes. Since we only buy certified fossil-free electricity, we are also able to report using the market based method. According to the market based method, our carbon emissions in scopes 1 and 2 amount to 2,700 tonnes of carbon dioxide equivalents.

Carbon dioxide emissions in scopes 1 and 2 calculated per kilo of aluminium delivered amount to approximately 0.086 kilos.

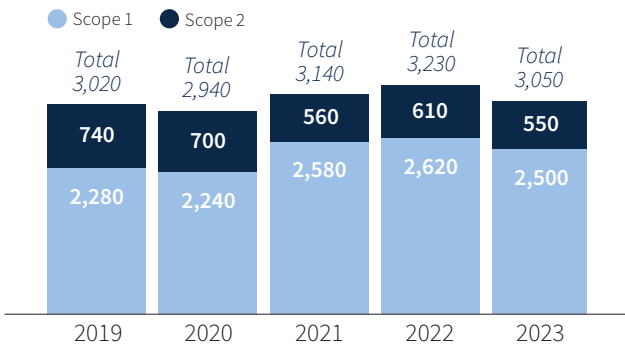
However, emissions from scopes 1 and 2 are a fraction of the emissions generated in the production of aluminium.

The biggest Scope 3 factor for us is the purchase of raw material. In this respect, we and our customers have an opportunity to make a difference by choosing aluminium that has been produced with the right type of energy. Theoretically, our customers saved around 570,000 tonnes of greenhouse gas emissions in 2023 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 120,000 tonnes.

Work is currently underway to develop a life cycle analysis/ EPD for our activities. The EPD will be third-party audited but is currently late due to a delay in the receipt of production data from our suppliers.



Carbon dioxide emissions according to the Market Based method.
According to the market based method, our carbon emissions in scopes 1 and 2 amount to 2,700 tonnes of carbon dioxide equivalents.



Carbon dioxide emissions according to the Location Based method.
Compared to 2022, consumption of electricity, LPG and district heating during 2023 was slightly lower, which resulted in a somewhat smaller carbon footprint in scopes 1 and 2.

INCREASED ENERGY EFFICIENCY

After aluminium, energy use accounts for ProfilGruppen's second largest environmental impact.

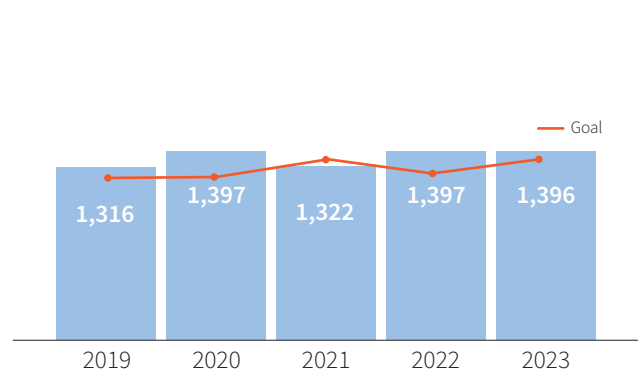
We only use fossil-free electrical energy and set annual target for energy efficiency in our operations. The goal is to reduce our energy use per kilogram of output in our extrusion production by three per cent per year. This will be done through improvements to existing systems, new investments and technological development. Examples include the rebuilding of cooling systems, the use of passive cooling in the anodising process and the recovery of residual energy. Idling will be kept to a minimum by ensuring that compressed air systems, ventilation and lighting are all switched off when production is not taking place. We did not meet our goal of reducing specific energy use in extrusion manufacturing in 2023. This was due to a reduction in production in relation to base loads.

Residual energy that we do not manage to reuse in our operations is sold on where possible, in the first instance to our local district heating supplier.

In 2023, 1,170 MWh of energy was sold by ProfilGruppen, which is less than the year before due to the fact that we increased reuse of residual energy for our own activities. We have also carried out work to allow for the storage of excess heat in the rock at one of our extrusion plants. This opportunity for reuse has not as yet been exercised.

PG&WIP has a photovoltaic plant that produced a total of 346 MWh of energy, of which 79 MWh was sent to the grid.

* The partly-owned subsidiary PG&WIP AB is not included and is an exception to this.



Energy use in extrusion, kWh/produced tonne
The relationship between energy consumed and net production is comparable between 2022 and 2023 which means that the result is similar.

REDUCED WATER USE

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

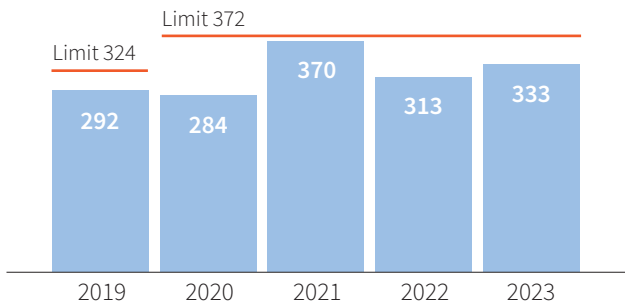
We are working continuously to convert the systems carrying water to our extrusion facilities into closed systems, which will in turn minimise water consumption. In 2023, we used approximately 76,000 m³ water, compared with 100,000 m³ in 2022.

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 one of our plants and our further processing operations.

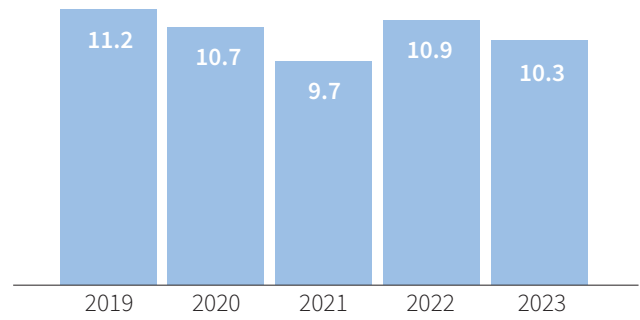
We use sulphuric acid in our anodising process. Sulphates are formed during neutralisation in the treatment plant. This gives rise to emissions of sulphates into water. ProfilGruppen has conditions for emissions of up to 372 tonnes per calendar year, which is controlled through continuous testing and monthly analyses. The environmental impact caused by sulphates 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. Due to increased production needs, we have applied for a revised permit.

The permit allows for emissions of aluminium of up to 15 kilos per month. Emission levels are checked monthly through sampling. In 2023, two minor disruptions to operation were reported. One was in the form of a leak from a container. The investigation showed that approximately 20-40 litres of vegetable cutting fluid leaked and reached a surface water manhole. The second incident related to an excess oil index value of 13 mg/l in purified compressed air condensate. The permit allows up to 5 mg/l.



Sulphate emissions, tonnes

Sulphate emissions have increased slightly during 2023. Following a correction to the plant’s handling of cover losses, emissions have once again decreased.



Carbon dioxide emissions relating to our purchased transports, kg per transported tonne of aluminium extrusion.

The decrease is due to a change in the distribution of volume between domestic and foreign transports compared with 2022, which has enabled a great fill rate in booked transports.

TRANSPORT

EFFICIENT LOGISTICS SOLUTIONS

Transport is a natural part of our 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. Optimising resource efficiency and minimising our carbon footprint requires close collaboration with our customers and suppliers as well as clear instructions and procedures on our part. In collaboration with the suppliers, we choose to where possible transport the raw material by sea to a port in our vicinity. Furthermore, many of our subcontractors are in geographic proximity to us, which provides ample scope for synergies.

Our logistics professionals are working actively to increase our coordination and fill rate. 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 are able to further minimise our environmental impact in connection with our transports.

In 2023, we marked the completion of a tunnel which now connects our two production facilities in Åseda together. The fixed-route trucks operated between these two sites will transition to being electrically powered. This will result in increased efficiency and lower emissions from our internal logistics.

WASTE MANAGEMENT

LIMITED ENVIRONMENTAL IMPACT

Waste generated in the Group’s factories is sorted and sent for recycling. In 2023, we handled approximately 260 tonnes of hazardous waste which largely consisted of emulsions, waste oil and contaminated water. Around 86 per cent of the hazardous waste is recycled, around 13 per cent is incinerated or vapourised, and the remaining one per cent is sent to landfill. In 2023, 2,000 tonnes of aluminium hydroxide sludge was generated in the anodising process, of which around 65 per cent could be recycled. In addition to hazardous waste and aluminium fractions, other waste fractions are also generated. In 2023, a total of approximately 569 tonnes of other waste was sorted into fractions for recycling, including iron (203 tonnes), alternative raw materials, wood waste including combustible material (255 tonnes) and paper (67 tonnes).

CARING FOR THE INDIVIDUAL

Our employees' knowledge and engagement form the basis of ProfilGruppen's business. We want to be an appealing employer that is able to attract talent across all areas.

OUR CORE VALUES

Respect for the individual is fundamental to ProfilGruppen's activities. We strive 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: personally committed; professional; quick; responsive; and focused on improvement.

WORKING CONDITIONS AND CODE OF CONDUCT

ProfilGruppen has employees in Sweden, Norway and Germany. These countries all have extensive regulations in place in terms of employee protection, and we follow all applicable laws and collective agreements. In the autumn of 2023, ProfilGruppen Extrusions decided to change employer organisation, which also resulted in a change of collective agreement.

To ensure that there are no unreasonable pay differences, we carry out wage surveys, which show 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). In addition, we are regularly audited by Det Norske Veritas, a third party organisation, and these reviews encompass human rights. So far, we have never identified any shortcomings, either in our own operations or when scrutinising any supplier. The majority of subcontractors are located in the Nordic countries, which means that we feel confident that they follow the guidelines relating to occupational safety and other human rights. ProfilGruppen includes local union branches* for the Swedish trade unions IF Metall, Union and Ledarna. The presence of these local branches ensures 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

At ProfilGruppen, we have employees hailing from more than twenty different countries who all work together. 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 drawn up a joint plan for preventing discrimination. We ensure ongoing evaluation of our group compositions takes place to minimise the risk that employees are subjected to any type of discrimination. 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 25 per cent. The proportion of women in senior positions is only 12 per cent. Our goal is for the proportion of women leaders and managers to reflect the proportion of female employees.

SAFE WORKING ENVIRONMENT

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 the ISO 45001 standard. The goal of 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.

SAFETY TRAINING

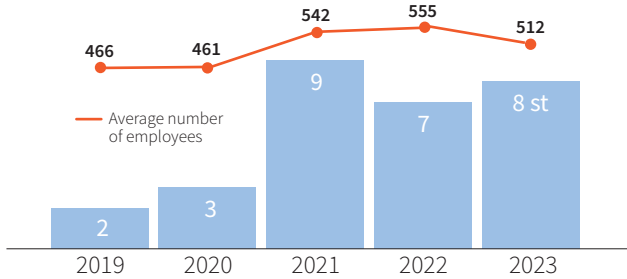
To avoid injuries, we provide continuous safety training and carry out health and safety inspections. We also have procedures for ensuring that all necessary protective equipment and lifting aids are in place. The risks in the physical working environment are primarily injuries caused by crushing and cutting. Our operations also use chemicals such as sulphuric acid and sodium hydroxide.

In our chemicals team, we continuously evaluate chemicals from an environmental and worker perspective with the goal of finding better alternatives.

The year marked the inauguration of the new tunnel between our two production sites in Åseda which has led to safer, more efficient internal transport practices.

* The partly-owned subsidiary PG&WIP AB is not included and is an exception to this.

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. Reporting takes place via an HSE deviation system. In 2023, there were a total of eight incidents, of which three were serious incidents in the form of injuries sustained in falls and from cuts.



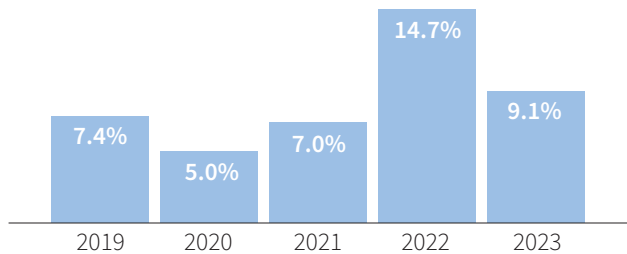
Number of workplace accidents leading to at least one day of absence

In 2023, there were eight incidents. Five of these were minor lifting, slipping and crushing injuries while three were more serious incidents relating to falls and cuts. This resulted in a total of 179 days of absence, compared with 19 days of absence in 2022.

PREVENTIVE HEALTH INITIATIVES

ProfilGruppen's employees are offered health and wellness training in the form of activities and wellness allowances. In 2023, all employees were offered a bicycle as an employee benefit.

We regularly carry out surveys on our working environments with a focus on the organisational and psychosocial working environment. These surveys include themes such as leadership, working situations, autonomy, job satisfaction, etc. We also use this opportunity to capture instances of poor health, stress and so on, and the same thing is done through individual performance review dialogues. We encourage our employees to follow our



Staff turnover, per cent

The high turnover rate is due to a round of redundancies and a higher number of retirements than in a normal year.

working environment policy and let us know if a colleague seems stressed or does not feel well.

ProfilGruppen has a zero tolerance policy towards the abuse of alcohol and drugs in the workplace. As such, we carry out pre-employment testing and also randomly drug test current employees. We always seek to support our employees in the workplace to work their way past destructive behaviour of this kind.

STAFF TURNOVER

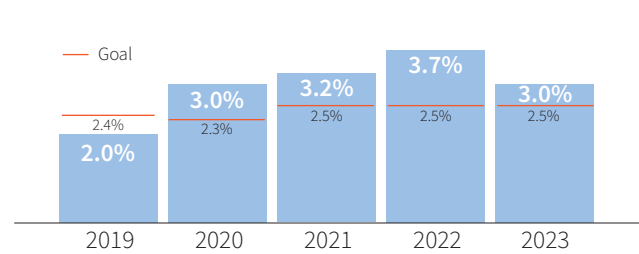
In January 2023, ProfilGruppen announced the redundancy of 25 employees, primarily among white-collar positions. However, during the spring we hired new operators to our production team to support increased demand. This, together with a higher number of retirements than usual, led to a turnover rate of 9.1 per cent (14.7) which is higher than in a normal year. From a skills supply perspective, we are delighted that our new production employees have quickly taken to their new roles, with thanks to the commitment of our more experienced colleagues in helping to make this happen.

LOWER ABSENCE DUE TO SICKNESS

Short-term absences due to sickness have continued to fall during 2023 and are now at 3 per cent (3.7). We have seen the post-pandemic effects continue to reduce and we are continuing our preventive work to improve employee health.

WHISTLEBLOWING SYSTEM

Our Code of Conduct encourages employees to report any situation in which they perceive non-compliance with the Code of Conduct. Reporting unsatisfactory issues can be done anonymously through a whistleblower system. No reports were submitted in 2023 that led to any action being taken.



Short-term sick leave, per cent

The post-pandemic effects continued to reduce, which has had a positive impact on short-term absences due to sickness in 2023.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY STATEMENT

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

ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2023 on pages 4-15 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

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

OPINIONS

A statutory sustainability statement has been prepared.

VÄXJÖ, 28 MARCH 2024
Ernst & Young AB

Marika Sengoltz
Authorised Public Accountant

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 2023.

THE GROUP

The Group supplies customised extrusions, components and other products made from extruded aluminium, in addition to related production and logistics services. 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 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 co-operation with a number of subcontractors.

The company PG&WIP AB, in which a 70 per cent stake is owned, produces consumer packaged interior fittings. The company is 30 per cent owned by WIP Industries Sweden AB.

REVENUE AND PROFIT

The Group generated revenues of MSEK 2,439.1 (2,696.6) in 2023, which is a decrease of around 10 per cent on the year before. This decrease is primarily due to lower raw material costs. Delivery volumes were on a level with the previous year and amounted to 35,475 tonnes (35,625) of aluminium extrusions.

Export deliveries represented 56 per cent (52) of revenue.

The operating profit in 2023 amounted to MSEK 152.4 (150.3), which is equivalent to an operating margin of 6.2 per cent (5.6). The operating profit for the year includes compensation for high-cost electrical energy relating to 2022.

The operating profit before depreciation and amortisation (EBITDA) amounted to MSEK 243.2 (234.4).

The profit before tax was MSEK 127.2 (123.1). Earnings per share (no dilution) were SEK 12.27 (12.58). The average number of shares in thousands was 7,399 (7,399).

The adjusted operating profit* amounted to MSEK 135.1, which corresponds to an adjusted margin of 5.5 per cent. The total profit* of MSEK 154.9 includes the operating profit of MSEK 135.1 less a loss in metal positions* of MSEK 0.2 and income affecting comparability of MSEK 20.0 which includes electricity subsidies. The difference between the total profit and the operating profit is an accrual effect of MSEK 2.5. Both the operating and total profits are structured differently this year, which is why relevant comparative figures are unavailable.

It is essential to the assessment of our business to adjust for the accrual effect and thereafter to break down the profit or loss in relation to items affecting comparability, the effect of our exposed metal position, and how our earnings are based on transactions with our customers. In the event of large price fluctuations in the aluminium market, this accrual effect may be significant and provide a misleading profit or loss. The effect in 2023, however, was marginal.

INVESTMENTS, DEPRECIATION, AMORTISATION AND DISINVESTMENT

Investments in 2023 totalled MSEK 78.7 (101.8) excluding change in right-of-use assets. The investments relate mainly to machinery and equipment worth MSEK 39.4, as well as extrusion tools.

Total scheduled depreciation/amortisation for the year was MSEK 90.8 (84.1). 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 2023, net debt/EBITDA stood at 0.1 (1.4). Net debt has decreased during the year, largely because the total pandemic-related deferral of MSEK 246 is not included in the item. If this deferral were to be included, the net debt/EBITDA would be 1.1. The EBITDA has also increased slightly during 2023.

Return on capital employed in 2023 was 17.0 per cent (15.7).

The equity ratio at year-end was 42.7 per cent (37.2). The liquidity reserve at 31 December 2023 stood at MSEK 318.8 (185.7). Total assets at 31 December 2023 were MSEK 1,442.3 (1,474.6).

Cash flow from operating activities was MSEK 429.4 (108.7) and MSEK 358.0 (4.5) after investing activities. During the year, the company was granted a pandemic-related deferral, which means that previously paid levies of MSEK 162.8 were repaid. At the same time, amortisation of MSEK 28.9 has been made during the year on previously granted deferrals. Cash flow from operating activities excluding the impact of pandemic-related support amounted to MSEK 295.5. Capital tied up in stocks reduced during the year.

MARKET

The market for aluminium extrusions is estimated to have increased by 13 per cent in Europe as a whole in 2023 compared with the previous year, according to the European trade association EA's assessment at the end of 2023.

For ProfilGruppen, the year was characterised by a generally cautious market with a clear downturn in demand in the construction sector. Export deliveries compensated somewhat for declining volumes in the domestic market.

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 34,700 tonnes (34,750) in 2023.

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. A key developmental task is to prepare ordering and logistics services that provide optimal flexibility and tied-up capital.

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

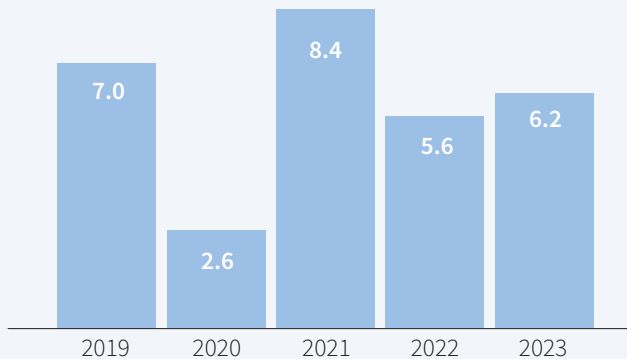
ProfilGruppen Extrusions AB was certified in accordance with the quality assurance system ISO 9002 in 1991. In 1999, ProfilGruppen became the first Nordic company in its sector to be certified in accordance with the automotive industry's quality system at the time. The company is today certified according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

* Definition and reconciliation of alternative key figures is available at www.profilgruppen.se

KEY FINANCIAL RATIOS

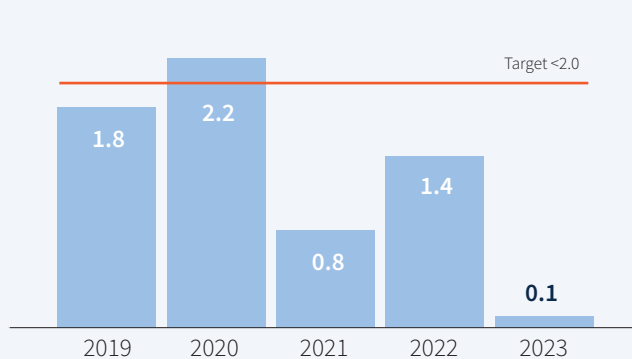
Operating margin, per cent

The operating margin for 2023 was 6.2 per cent. The increase compared with the previous year is primarily due to lower costs for raw materials.



Net debt to EBITDA, times

The net debt to EBITDA has reduced primarily due to a pandemic-related deferral of MSEK 246.



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.

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 our health and safety management in our largest company, ProfilGruppen Extrusions AB, was certified according to the ISO 45001 standard.

PERSONNEL

The average number of employees in the Group totalled 512 (555). The number of employees in the Group at 31 December 2023 totalled 517 (490). Women make up 27 per cent (23) of the Group's total workforce. Staff turnover during the year was 9.1 per cent (14.7). Payroll expenses totalled MSEK 256.7 (255.4).

SHARES AND SHAREHOLDERS

Each share in the company corresponds to one vote. The ownership interests exceeding ten per cent are those held by Bengt Stillström (29.3 per cent), Lars Johansson (14.5 per cent) and Mats and Kerstin Egeholm (10.6 per cent).

The number of shareholders was 4,227 at the beginning of the year and 3,637 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.

Largest individual shareholders

| Shareholder | Number of shares | Holding %, 2023 | Holding %, 2022 |
|------------------------------------|------------------|-----------------|-----------------|
| Bengt Stillström | 2,170,703 | 29.3 | 28.4 |
| Lars Johansson | 978,951 | 14.5 | 14.5 |
| Mats Egeholm | 539,400 | 7.3 | 7.3 |
| Hanna Kusterer | 365,000 | 4.9 | 4.8 |
| David Stillström | 273,500 | 3.7 | 3.4 |
| Kerstin Egeholm | 241,494 | 3.3 | 3.3 |
| Bo Larsson | 236,700 | 3.2 | 3.3 |
| Avanza Pension | 177,564 | 2.4 | 2.3 |
| Mats Anders Kårsrud | 152,500 | 2.1 | 2.1 |
| Mats Jonson | 138,500 | 1.9 | 1.9 |
| 10 largest individual shareholders | 5,274,312 | 71.3 | 71.2 |
| Other | 2,124,463 | 28.7 | 28.8 |
| 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. Two 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 2024 Annual General Meeting, 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 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 2021 Annual General Meeting and no changes are proposed for the 2024 Annual General Meeting.

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 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 five 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 2024 Annual General Meeting.

OUTLOOK FOR 2024

ProfilGruppen does not provide a forecast.

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.

FINANCIAL CONSEQUENCES OF CLIMATE RISKS In the preparation of its financial statements for the 2023 annual report, ProfilGruppen has considered the possible financial consequences of climate-related risks and opportunities, and concluded that these are very small, but that they are positive in nature as follows:

Climate-related change has begun to affect our customers' behaviour and an increase in demand for sustainable energy production and customers are likelier to seek out aluminium with a lower carbon footprint. ProfilGruppen is one of the few extrusion companies located in areas with sustainable energy sources available to them and where society is stable and structured. Furthermore, the use of extruded aluminium is increasing at the expense of environmentally inferior alternative materials. Several suppliers of aluminium and extruded aluminium have faced difficulties in being accepted as serious customers on political grounds. Sustainable production and supply services represent the service that ProfilGruppen markets. Based on which quality of aluminium customers choose for their product based on carbon footprint, the raw material has a significant environmental. Our own energy consumption in extrusion is much lower compared to the production of raw material. Our production process takes place in Sweden and we use an almost fossil-free electrical energy mix, which results in a very low environmental impact. We will offer our customers a green alternative in respect of our relatively low LPG use.

Based on customers' needs and willingness to pay, ProfilGruppen is already in a position to offer the lowest environmental impact in the industry.

The purchase prices for the raw materials for our customers' products have been subject to a degree of volatility and differentiation that can be connected to the origin and carbon footprint of those materials. We are in a very good geographical location that ought to ensure we do not suffer any material damage due to climate change. We have assessed the risks of unknown costs of emissions, regulatory requirements or exposure to litigation due to climate change to be small. Over time, changes in permit requirements and permitted emissions for the business ought to be minor and dealt with through standard operational change. Our assets for extrusion, surface treatment or further processing are not expected to be adversely affected by climate-related risks or new technologies that might arise as part of efforts to manage the climate. Furthermore, valuation risks relating to inventories and obsolescence risk are not affected by climate-related factors in our case.

Overall, we do not see any financial consequences in terms of income, costs (raw materials, energy, transport insurance, emissions adjustments, etc.), assets or liabilities (right-of-use periods, residual values, fair value, restoration liabilities, etc.) or financing which is affected by or potentially influenced by climate-related risks.

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 2023, the largest customer accounted for 9 per cent (9) 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. Around 60 per cent (60) of the Group's net sales are 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.

We strive to ensure we always offer the customer the most sustainable supplier solution and to encourage the customer to opt for this.

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

ProfilGruppen is dependent on its ability to continuously attract, retain and develop individuals with the right skills profile. Working consciously to ensure that we are viewed as an attractive workplace, for existing as well as potential employees, is therefore an important part of the company's strategy. The expansive phase that ProfilGruppen has gone through over the last few years has presented a challenge in terms of training our existing employees to meet growing capacity demands. We are supporting this process in a number of ways, including through our internal training programme.

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, invoicing 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 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 hedged. We are also keeping a close eye on the market and are closely following global developments as part of our risk analysis.

ProfilGruppen's main raw material is alloyed aluminium ingots. This expense item accounted for 54 per cent (56) of operating expenses in 2023. 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 2023, 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. The Board has authorised the company to take positions in the metals market.

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 carbon dioxide emissions for replacement supplies from overseas have pushed up the premium on green aluminium to an entirely new level. 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 without using fossil fuels.

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.

Additionally, sanctions, tariffs and a general reluctance to purchase Russian aluminium have reduced the amount of aluminium available that has been produced using fossil-free energy sources.

Energy

The Group's total energy consumption amounted to approximately 57 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. To manage the volatility in electricity prices, we have implemented internal energy efficiencies and introduced indexation in our customer contracts.

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. 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 Southern Swedish 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.

We have, however, been forced to proceed with an investment of MSEK 35 in order to secure our access to energy.

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. The currency that accounts for the greatest proportion of export sales is EUR. Currency exposure arises from the Group's sale of products where the price has been agreed on a long-term basis in a currency other than SEK (this does not apply to the aspect relating to the raw metal material which is adjusted for currency risk). This risk can be reduced through the forward selling of currency. The CEO has a mandate to hedge up to 100 per cent for periods of up to 24 months.

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 customer 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:

| | 2023 | 2022 |
|-----|-------------|-------------|
| EUR | MSEK +/- 18 | MSEK +/- 23 |
| DKK | MSEK +/- 2 | MSEK +/- 3 |

To finance investments in machinery for our latest extrusion line, we have taken out a bank loan of MEUR 8.6. The euro loan creates a currency exposure, which had a negative impact on earnings of MSEK -0.2 (-9.5) in 2023, 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

In addition to trade receivables which are described under the heading "Reliance on customers", ProfilGruppen's credit risks also arise when investing in financial instruments. To minimise this risk, trading is only permitted with a few counterparties approved by the Board of Directors.

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 2023 financial year of SEK 5.00 per share, equivalent to MSEK 37.0. 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 proposes that standing profits available as per the balance sheet, of SEK 213,328,767, be appropriated in the following manner:

| | |
|--|------------------------|
| Dividend to shareholders SEK 5.00 * 7,398,775 shares | SEK 36,993,875 |
| To be carried forward | SEK 176,334,892 |
| Total profits according to balance sheet | SEK 213,328,767 |

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 2023 are to be submitted for approval at the Annual General Meeting on 23 April 2024.

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.

| FIVE-YEAR SUMMARY, GROUP | | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-----------|-------------|-------------|-------------|-------------|-------------|
| Net sales/Revenue | MSEK | 2,439.1 | 2,696.6 | 2,119.6 | 1,414.1 | 1,622.1 |
| Profit before depreciation, amortisation and impairment | MSEK | 243.2 | 234.4 | 256.0 | 103.1 | 170.9 |
| Operating profit | MSEK | 152.4 | 150.3 | 178.6 | 36.4 | 113.2 |
| Operating margin | % | 6.2 | 5.6 | 8.4 | 2.6 | 7.0 |
| Profit before tax | MSEK | 127.2 | 123.1 | 165.7 | 31.3 | 101.9 |
| Profit margin | % | 5.2 | 4.6 | 7.8 | 2.2 | 6.3 |
| Return on equity | % | 16.9 | 18.1 | 26.6 | 5.5 | 20.3 |
| Return on capital employed | % | 17.0 | -15.7 | 22.4 | 5.0 | 18.0 |
| Cash flow from operating activities | MSEK | 429.4 | 108.7 | 124.8 | 179.4 | 110.7 |
| Investments | MSEK | 78.7 | 101.8 | 84.2 | 94.9 | 218.6 |
| Liquidity reserves | MSEK | 318.8 | 185.7 | 176.9 | 189.1 | 146.8 |
| Net interest-bearing debt | MSEK | 26.9 | 326.1 | 208.8 | 222.5 | 300.2 |
| Net debt to EBITDA | times | 0.1 | 1.4 | 0.8 | 2.2 | 1.8 |
| Interest-bearing liabilities and interest-bearing provisions | MSEK | 147.8 | 346.1 | 237.2 | 287.6 | 330.2 |
| Net debt/equity ratio | times | 0.0 | 0.6 | 0.4 | 0.5 | 0.7 |
| Total assets | MSEK | 1,442.3 | 1,474.6 | 1,450.5 | 1,150.4 | 1,090.1 |
| Equity ratio | % | 42.7 | 37.2 | 38.1 | 38.7 | 38.2 |
| Capital turnover rate | times | 2.9 | 3.2 | 2.8 | 1.9 | 2.6 |
| Proportion of risk-bearing capital | % | 48.8 | 42.7 | 42.9 | 44.3 | 43.3 |
| Interest coverage ratio | times | 10.0 | 14.0 | 36.9 | 6.8 | 9.7 |
| EMPLOYEES | | | | | | |
| Average number of employees | | 512 | 555 | 542 | 461 | 466 |
| Number of positions at year-end | | 517 | 490 | 582 | 489 | 455 |
| Staff turnover | % | 9.1 | 14.7 | 7.0 | 5.0 | 7.4 |
| Average age | years | 43 | 42 | 42 | 44 | 44 |
| Salary costs including social security contributions | MSEK | 361.1 | 359.6 | 346.2 | 286.6 | 292.6 |
| Revenue per employee (average) | kSEK | 4,764 | 4,859 | 3,911 | 3,068 | 3,481 |
| Profit before tax per employee (average) | kSEK | 248 | 222 | 306 | 68 | 219 |
| PER SHARE | | | | | | |
| Average number of shares ¹⁾ | thousands | 7,399 | 7,399 | 7,399 | 7,399 | 7,399 |
| Earnings per share | SEK | 12.27 | 12.58 | 17.26 | 2.45 | 9.98 |
| Equity per share | SEK | 80.86 | 72.35 | 72.82 | 56.99 | 53.90 |
| Dividend per share ²⁾ | SEK | 5.00 | 4.00 | 13.50 | 0.00 | 0.00 |

¹⁾ There is no dilution.

²⁾ For 2023, this refers to the dividend distribution proposed by the Board.

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CONSOLIDATED INCOME STATEMENT

| (MSEK) | Note | 2023 | 2022 |
|--|------------|--------------|--------------|
| Revenue | 2 | 2,439.1 | 2,696.6 |
| Cost of goods sold | | -2,177.0 | -2,412.4 |
| Gross profit | | 262.1 | 284.2 |
| Other operating income | 3 | 22.8 | 1.2 |
| Selling expenses | | -73.7 | -73.2 |
| Administrative expenses | | -58.5 | -60.7 |
| Other operating expenses | 3 | -0.3 | -1.2 |
| Operating profit | 4, 5, 6, 7 | 152.4 | 150.3 |
| Financial income | 8 | 5.6 | 1.1 |
| Financial expenses | 8 | -30.8 | -28.3 |
| Net financial items | | -25.2 | -27.2 |
| Profit before tax | | 127.2 | 123.1 |
| Tax | 10 | -28.7 | -23.5 |
| Profit for the year | | 98.5 | 99.6 |
| Of which attributable to: | | | |
| Parent company shareholders | | 90.8 | 93.0 |
| Non-controlling interests | | 7.7 | 6.6 |
| Earnings per share, SEK (no dilution) | 18 | 12.27 | 12.58 |

STATEMENT OF OTHER COMPREHENSIVE INCOME

| | | | |
|---|----|--------------|--------------|
| Profit for the year | | 98.5 | 99.6 |
| Hedging reserve | 21 | 4.0 | -0.8 |
| Translation reserve | | 0.0 | 0.3 |
| Deferred tax on the above items | | -0.8 | 0.1 |
| Total items that will be reclassified to net earnings | | 3.2 | -0.4 |
| Restatement of defined benefit pension obligations | | -1.8 | 4.7 |
| Deferred tax on the above items | | 0.4 | -1.0 |
| Total items that will not be reclassified to net earnings | | -1.4 | 3.7 |
| Other comprehensive income | | 1.8 | 3.3 |
| Comprehensive income for the year | | 100.3 | 102.9 |
| Of which attributable to: | | | |
| Parent company shareholders | | 93.0 | 96.3 |
| Non-controlling interests | | 7.7 | 6.6 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (MSEK) | Note | 31 Dec 2023 | 31 Dec 2022 |
|--|---------------|----------------|----------------|
| Assets | | | |
| Intangible assets | 11 | 13.9 | 20.5 |
| Property, plant and equipment | 12 | 595.6 | 607.6 |
| Right-of-use assets | 7, 13 | 27.8 | 15.3 |
| Financial fixed assets | 14 | 0.9 | 0.2 |
| Deferred tax asset | 10 | 0.4 | 0.2 |
| Total fixed assets | | 638.6 | 643.8 |
| Inventories | 15 | 377.8 | 471.4 |
| Trade receivables | 16 | 284.1 | 321.6 |
| Prepaid expenses and accrued income | 20 | 11.7 | 12.3 |
| Other receivables | 21 | 9.2 | 5.5 |
| Cash and cash equivalents | 24 | 120.9 | 20.0 |
| Total current assets | | 803.7 | 830.8 |
| Total assets | | 1,442.3 | 1,474.6 |
| Equity | | | |
| Share capital | | 37.0 | 37.0 |
| Other paid-up capital | | 29.5 | 29.5 |
| Reserves | 17, 21 | -2.2 | -5.4 |
| Retained earnings incl. profit/loss for the year | | 534.0 | 474.2 |
| Total equity, controlling interests | | 598.3 | 535.3 |
| Non-controlling interests | | 17.2 | 14.0 |
| Total equity | 17 | 615.5 | 549.3 |
| Liabilities | | | |
| Non-current interest-bearing liabilities | 7, 19, 21, 24 | 102.3 | 112.6 |
| Provisions for pensions | 4 | 15.0 | 12.6 |
| Deferred tax liabilities | 10 | 88.0 | 79.9 |
| Total long-term liabilities | | 205.3 | 205.1 |
| Current interest-bearing liabilities | 7, 19, 21, 24 | 30.5 | 220.9 |
| Trade payables | | 203.2 | 229.4 |
| Current tax liabilities | | 0.2 | 10.9 |
| Other liabilities | 21 | 270.3 | 143.8 |
| Accrued expenses and deferred income | 20 | 117.3 | 115.2 |
| Total current liabilities | | 621.5 | 720.2 |
| Total liabilities | | 826.8 | 925.3 |
| Total equity and liabilities | | 1,442.3 | 1,474.6 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (MSEK) | Note | Share capital | Other paid-up capital | Translation reserve | Hedging reserve | Retained earnings incl. profit/loss for the year | Non-controlling interests | Total equity | Number of shares |
|---------------------------------------|------|---------------|-----------------------|---------------------|-----------------|--|---------------------------|--------------|------------------|
| Consolidated equity | 17 | | | | | | | | |
| 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 |
| Opening balance 1 Jan 2023 | | 37.0 | 29.5 | 0.5 | -5.9 | 474.2 | 14.0 | 549.3 | 7,398,775 |
| Comprehensive income | | | | | | | | | |
| Profit for the year | | | | | | 90.8 | 7.7 | 98.5 | |
| Other comprehensive income | | | | 0.0 | 3.2 | -1.4 | 0.0 | 1.8 | |
| Transactions with shareholders | | | | | | | | | |
| Dividend | | | | | | -29.6 | -4.5 | -34.1 | |
| Closing balance 31 Dec 2023 | | 37.0 | 29.5 | 0.5 | -2.7 | 534.0 | 17.2 | 615.5 | 7,398,775 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| (MSEK) | Note | 2023 | 2022 |
|--|------|---------------|---------------|
| Operating activities | 24 | | |
| Profit before tax | | 127.2 | 123.1 |
| Adjustment for non-cash items | | 125.3 | 119.2 |
| Interest received | | 5.6 | 1.0 |
| Interest paid | | -21.4 | -10.3 |
| Income tax paid | | -33.1 | -4.4 |
| Cash flow from operating activities before changes in working capital | | 203.6 | 228.6 |
| Cash flow from changes in working capital | | | |
| Inventories | | 93.6 | -56.2 |
| Operating receivables | | 35.4 | 34.7 |
| Operating liabilities | | 96.8 | -98.4 |
| Cash flow from operating activities | | 429.4 | 108.7 |
| Investing activities | | | |
| Acquisition of property, plant and equipment | | -78.7 | -104.2 |
| Sale of property, plant and equipment | | 7.3 | 0.0 |
| Cash flow from investing activities | | -71.4 | -104.2 |
| Financing activities | | | |
| Dividend | | -34.1 | -106.2 |
| Change in drawn overdraft facility | | -194.6 | 131.6 |
| Borrowings | | 0.0 | 0.0 |
| Repayment of loans | | -18.8 | -30.8 |
| Repayment of lease liabilities | | -9.7 | -7.7 |
| Cash flow from financing activities | | -257.2 | -13.1 |
| Cash flow for the year | | 100.8 | -8.6 |
| Cash and cash equivalents at beginning of year | | 20.0 | 28.4 |
| Exchange rate differences in cash and cash equivalents | | 0.1 | 0.2 |
| Cash and cash equivalents, closing balance | | 120.9 | 20.0 |

PARENT COMPANY INCOME STATEMENT

| (MSEK) | Note | 2023 | 2022 |
|---|------|--------------|-------------|
| Revenue | 2 | 39.8 | 35.9 |
| Cost of goods sold | | -7.4 | -8.9 |
| Gross profit | | 32.4 | 27.0 |
| Administrative expenses | | -3.8 | -5.0 |
| Operating profit | 4, 5 | 28.6 | 22.0 |
| Income from investments in subsidiaries | 8 | 82.5 | 14.7 |
| Interest income and similar profit/loss items | 8 | 0.4 | 0.0 |
| Interest expense and similar charges | 8 | -1.6 | -1.3 |
| Profit after financial items | | 109.9 | 35.4 |
| Appropriations | 9 | 30.5 | -0.5 |
| Profit before tax | | 140.4 | 34.9 |
| Tax | 10 | -12.3 | -4.4 |
| Profit for the year | | 128.1 | 30.5 |

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

| (MSEK) | Note | 2023 | 2022 |
|---|------|--------------|-------------|
| Profit for the year | | 128.1 | 30.5 |
| 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 | | 128.1 | 30.5 |

PARENT COMPANY BALANCE SHEET

| (MSEK) | Note | 31 Dec 2023 | 31 Dec 2022 |
|--|------------|--------------|--------------|
| Assets | | | |
| Property, plant and equipment | 12 | 179.8 | 188.9 |
| Financial fixed assets | 23 | 87.9 | 87.9 |
| Total fixed assets | | 267.7 | 276.8 |
| Receivables from Group companies | | 78.8 | 0.0 |
| Prepaid expenses and accrued income | | 0.3 | 0.1 |
| Other receivables | | 0.0 | 0.4 |
| Total current receivables | | 79.1 | 0.5 |
| Cash and bank balances | 24 | 0.0 | 0.0 |
| Total current assets | | 79.1 | 0.5 |
| Total assets | | 346.8 | 277.3 |
| Equity and liabilities | | | |
| Restricted equity | | | |
| Share capital | | 37.0 | 37.0 |
| Non-restricted equity | | | |
| Share premium reserve | | 29.5 | 29.5 |
| Profit brought forward | | 55.7 | 54.8 |
| Profit for the year | | 128.1 | 30.5 |
| Total equity | 17 | 250.3 | 151.8 |
| Untaxed reserves | 9 | 79.0 | 67.5 |
| Deferred tax liabilities | 10 | 3.8 | 3.6 |
| 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 | | 0.2 | 0.1 |
| Liabilities to Group companies | 25 | 0.0 | 46.7 |
| Other liabilities | 19 | 12.7 | 6.4 |
| Accrued expenses and deferred income | 20 | 0.8 | 1.2 |
| Total current liabilities | | 13.7 | 54.4 |
| Total equity and liabilities | | 346.8 | 277.3 |

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 2022 | 37.0 | 29.5 | 154.7 | | 221.2 |
| Profit 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 |
| Opening equity 1 Jan 2023 | 37.0 | 29.5 | 85.3 | | 151.8 |
| Profit for the year | | | 128.1 | | 128.1 |
| Transactions with shareholders | | | | | |
| Dividend | | | -29.6 | | -29.6 |
| Closing equity 31 Dec 2023 | 37.0 | 29.5 | 183.8 | | 250.3 |
| Proposed dividend for the financial year 2023 | | | 37.0 | | 37.0 |

PARENT COMPANY STATEMENT OF CASH FLOWS

| (MSEK) | Note | 2023 | 2022 |
|--|------|--------------|--------------|
| Operating activities Assets | 24 | | |
| Profit before tax | | 140.4 | 34.9 |
| Adjustment for non-cash items | | -104.4 | -5.8 |
| Interest received | | 82.9 | 14.7 |
| Interest paid | | -1.6 | -1.3 |
| Income tax paid | | -6.3 | -1.4 |
| Cash flow from operating activities before changes in working capital | | 111.0 | 41.1 |
| Cash flow from changes in working capital | | | |
| Operating receivables | | -36.6 | 0.0 |
| Operating liabilities | | -0.1 | -2.7 |
| Cash flow from operating activities | | 74.3 | 38.4 |
| Investing activities | | | |
| Acquisition of property, plant and equipment | | -5.4 | -10.1 |
| Sale of property, plant and equipment | | 7.3 | 0.0 |
| Cash flow from investing activities | | 1.9 | -10.1 |
| Financing activities | | | |
| Dividend | | -29.6 | -99.9 |
| Change in drawn overdraft facility | | -46.6 | 46.7 |
| Cash flow from financing activities | | -76.2 | -53.2 |
| Cash flow for the year | | 0.0 | -24.9 |
| Cash and cash equivalents at beginning of year | | 0.0 | 24.9 |
| Cash and cash equivalents, closing balance | | 0.0 | 0.0 |

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 and CEO on 28 March 2024 and will be submitted for approval by the Annual General Meeting on 23 April 2024. Note that the original version of sustainability- and annual report is prepared in the format for uniform electronic reporting (ESEF) and is published on www.profilgruppen.se.

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 DURING PREPARATION OF THE PARENT COMPANY'S AND THE GROUP'S 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, as are derivative instruments and unlisted shareholdings.

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 STANDARDS

Amendments to IAS 1 Presentation of Financial Statements which came into effect on 1 January 2023 relating to the requirements for disclosure of the accounting policies applied have meant that Note 1 has been revised compared with the previous year. Some details pertaining to accounting principles have been moved to the notes where these disclosures are presented.

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.

IMPORTANT ESTIMATES AND JUDGMENTS

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 estimates and assessments have been made in the preparation of the consolidated financial statements and may have a material impact on both the comprehensive income and financial position.

Inventories

Inventories are measured at the lower of cost and net realisable value, which usually means measurement at cost, see also Note 15 Inventories.

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

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.

SEGMENT REPORTING

The Group's management follow 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 2 (relating to the geographical distribution of income), Notes 11, 12 and 13 (for investments and depreciation/amortisation) and Note 24 (for cash flow effects).

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.

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 INSTRUMENTS

The financial instruments held by the Group and recognised in the report on the Group's financial position are described below in terms of their content, classification and their valuation principles. In the case of those instruments valued at amortised cost, no discounting is applied if the duration is expected to be less than 1 year.

Financial fixed assets

Unlisted shares in external companies are valued at fair value via the income statement.

Trade receivables

The Group's trade receivables from the sale of goods are valued at amortised cost.

Other receivables

Current receivables are valued at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call balances with banks and are valued at amortised cost.

Interest-bearing liabilities

Bank loans and lease liabilities are valued at amortised cost. Those elements of any liability where no unconditional right to postpone settlement for at least twelve months after the reporting period exists are classified as current.

Trade payables

Trade payables are recognised when goods or services that have been ordered are delivered and approved. Valuation is at amortised cost.

Accrued expenses

Accrued expenses, which are primarily personnel-related, are valued at amortised cost.

Other liabilities

Other liabilities are valued at amortised cost.

Derivatives and hedge accounting

The Group's derivative instruments have been procured in order to hedge the risks associated with currency exposure to which the Group is subjected. Currency exposure regarding future contracted and forecast flows is hedged through foreign exchange forward contracts. Derivatives are recognised in the statement of the Group's 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. 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.

PROPERTY, PLANT AND EQUIPMENT

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.

Property, plant and equipment that comprise elements with different useful lives are treated as separate components of property, plant and equipment.

Depreciation methods

Depreciation is performed on a straight-line basis 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.

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

PENSION PLANS**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 the 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.

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.

KG 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

The Group's revenue essentially comprises the sale of customised aluminium extrusions with different degrees of processing used in different industries.

| Revenue by industry | 2023 | 2022 |
|-----------------------|----------------|----------------|
| Transport | 841.4 | 795.1 |
| General industry | 546.1 | 511.8 |
| Construction | 473.6 | 535.5 |
| Electronics | 328.9 | 285.8 |
| Furnishing | 205.7 | 430.1 |
| Wholesalers and other | 43.4 | 138.3 |
| | 2,439.1 | 2,696.6 |

| Revenue by degree of product processing | 2023 | 2022 |
|---|----------------|----------------|
| Processed products | 1,850.7 | 2,075.2 |
| Wholesalers and other | 588.4 | 621.4 |
| | 2,439.1 | 2,696.6 |

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 | 2023 | 2022 |
|-------------------|----------------|----------------|
| Sweden | 1,079.2 | 1,394.1 |
| Germany | 594.0 | 479.4 |
| Other exports | 765.9 | 823.1 |
| | 2,439.1 | 2,696.6 |

No single customer accounted for more than 10 per cent of revenues in 2023. 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

| Other operating income | Group | | Parent company | |
|-------------------------------------|-------------|------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Electricity support | 20.0 | 0.0 | 0.0 | 0.0 |
| Remuneration for bad debt | 2.7 | 0.0 | 0.0 | 0.0 |
| Repayment group health insurance | 0.0 | 0.8 | 0.0 | 0.0 |
| Subsidy for charging infrastructure | 0.0 | 0.2 | 0.0 | 0.0 |
| Other operating income | 0.1 | 0.2 | 0.0 | 0.0 |
| | 22.8 | 1.2 | 0.0 | 0.0 |

| Other operating expenses | 2023 | 2022 | 2023 | 2022 |
|--|------|------|------|------|
| Loss on sale and disposal of non-current asset | 0.3 | 1.2 | 0.0 | 0.0 |

4 EMPLOYEES AND PERSONNEL COSTS

| Average number of employees | 2023 | | 2022 | |
|--------------------------------|------------|------------|------------|------------|
| | Total | Men | Total | Men |
| Parent company | 0 | 0 | 0 | 0 |
| Group companies in Sweden | 508 | 424 | 552 | 424 |
| Group companies outside Sweden | | | | |
| Norway, sales company | 1 | 1 | 1 | 1 |
| Germany, sales company | 2 | 2 | 2 | 2 |
| | 3 | 3 | 3 | 3 |
| Group, total | 511 | 427 | 555 | 427 |

Gender distribution of the Board and management

During the year, the Board of ProfilGruppen AB (the parent company) consisted of 80 per cent (86) men. The Group's management team (including CEO) consisted of 67 per cent (83) men. The Group's other boards and management teams consisted of 67 per cent (75) men.

Salaries, other remuneration and payroll overheads

| | 2023 | | 2022 | |
|-----------------|---------------------------------|--|---------------------------------|--|
| | Salaries and other remuneration | Social security contributions (of which pension costs) | Salaries and other remuneration | Social security contributions (of which pension costs) |
| Parent company | 0.9 | 0.3 (0.0) | 1.0 | 0.3 (0.0) |
| Group companies | 255.8 | 105.1 (32.6) | 254.3 | 103.9 (30.5) |
| Group, total | 256.7 | 105.4 (32.6)¹⁾ | 255.4 | 104.2 (30.5)¹⁾ |

1) Of which MSEK 0.8 (1.0) relates to the Board and CEO in the Group's different companies.

Salaries and other remuneration, divided between Board, CEO and other employees

| | 2023 | | 2022 | |
|--------------------------------|---------------|-----------------|---------------|-----------------|
| | Board and CEO | Other employees | Board and CEO | Other employees |
| Parent company | 0.9 | 0.0 | 1.0 | 0.1 |
| Group companies in Sweden | 2.3 | 250.0 | 3.3 | 247.4 |
| Group companies outside Sweden | | | | |
| Norway, sales company | 0.0 | 1.1 | 0.0 | 1.1 |
| Germany, sales company | 0.0 | 2.5 | 0.0 | 2.5 |
| | 0.0 | 3.6 | 0.0 | 3.6 |
| Group, total | 3.2 | 253.6 | 4.3 | 251.1 |

Profit sharing

In 2023, no payments were due to permanent employees of ProfilGruppen under the company's profit-sharing scheme. Consolidated earnings after financial items constituted the basic criterion for profit sharing, and the cost for 2023 was MSEK 0 (0) including social security contributions.

Pensions

| Cost of defined contribution plans recognised in income statement | Group | | Parent company | |
|---|-------------|-------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| as cost of goods sold | 17.3 | 14.9 | 0.0 | 0.0 |
| as selling expenses | 7.2 | 7.9 | 0.0 | 0.0 |
| as administrative expenses | 7.4 | 7.3 | 0.0 | 0.0 |
| | 31.9 | 30.1 | 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 2023, 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 2.5 (2.0) 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 2023, Alecta's surplus in the form of the collective funding ratio was 158 per cent (172).

There are other defined-benefit pension schemes 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 | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Obligation balance, 1 January | 14.4 | 19.4 | 20.0 | 20.2 | 18.2 |
| Correction, payroll tax | 0.2 | -1.3 | -0.2 | 0.0 | 0.3 |
| Cost for pensions earned during the year | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Interest expense | 0.6 | 0.3 | 0.2 | 0.2 | 0.4 |
| Payments | -0.8 | -0.7 | -0.6 | -0.6 | -0.6 |
| Actuarial gains/losses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Actuarial gains/losses recognised through other comprehensive income | 1.4 | -3.5 | -0.2 | 0.3 | 1.7 |
| Translation differences | -0.1 | 0.1 | 0.1 | -0.2 | 0.1 |
| Obligation balance 31 December | 15.8 | 14.4 | 19.4 | 20.0 | 20.2 |
| of which unrecognised actuarial losses | - | - | - | - | - |
| Plan assets balance 1 January | 2.1 | 1.9 | 1.8 | 2.0 | 1.9 |
| Expected return on plan assets | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Costs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payments in | 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 | -0.1 |
| Translation differences | -0.1 | 0.1 | 0.1 | -0.2 | 0.1 |
| Plan assets balance 31 December | 2.0 | 2.1 | 1.9 | 1.8 | 2.0 |
| Net debt recognised in the balance sheet relating to defined benefit pension plans | 13.8 | 12.3 | 17.5 | 18.2 | 18.2 |
| Cost recognised in profit or loss | 0.7 | 0.4 | 0.2 | 0.3 | 0.5 |
| of which selling expenses | 0.2 | 0.1 | 0.1 | 0.1 | 0.2 |
| of which administrative expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| of which financial expenses | 0.5 | 0.3 | 0.1 | 0.2 | 0.3 |
| Cost recognised in other comprehensive income | 1.5 | -3.5 | -0.1 | 0.4 | 1.7 |
| of which caused by experience-based adjustments | 0.9 | 0.7 | -0.2 | -0.1 | -0.4 |
| of which caused by changed assumptions | 0.6 | -4.2 | 0.1 | 0.5 | 2.1 |

Sensitivity analysis for estimated net debt at balance sheet date

| | |
|--|------|
| Change in obligation for discount rate -0.5 percentage points | 1.0 |
| Change in obligation for discount rate +0.5 percentage points | -0.9 |
| Change in obligation for inflation assumption -0.5 percentage points | -0.9 |
| Change in obligation for inflation assumption +0.5 percentage points | 0.9 |
| Change in obligation for duration assumption -1 year | -0.7 |
| Change in obligation for duration assumption +1 year | 0.7 |

| The most important actuarial assumptions as of the closing day | Sweden | | Norway | |
|--|----------|----------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Discount rate | 3.2% | 4.0% | 3.7% | 3.2% |
| Long-term inflation assumption | 1.7% | 2.1% | - | - |
| Expected return on on plan assets | - | - | 3.7% | 3.2% |
| Future salary increases | - | - | 3.8% | 3.8% |
| Future increases in pensions | 1.7% | 2.1% | 3.5% | 3.5% |
| Staff turnover | - | - | 0.0 | 0.0 |
| Expected remaining employment period | 0 years | 0 years | 1 year | 2 years |
| Average remaining maturity of the obligation | 10 years | 11 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 10 years.

Administrative assets only exist in the Norwegian plan and consist chiefly of interest-bearing securities 76 per cent (78). Other assets are shares 13 per cent (10), real estate 11 per cent (11) and other 0 per cent (1).

The actual return on plan assets in the Norwegian plan in 2023 is not known (2022: not known).

Our best estimate of payments to defined benefit pension plans in 2024 is MSEK 1.3.

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.

Directors' fees and other remuneration paid to senior executives

| Directors' fees paid, kSEK | | 2023 | 2022 |
|---------------------------------|------------------------------|------------|--------------|
| Mats R Karlsson | Chairman of the Board | 0 | 200 |
| Klaus Wiemers | Chairman of the Board | 0 | 233 |
| Jörgen Abrahamsson | Board member | 0 | 78 |
| Monica Bellgran | Board member | 0 | 78 |
| Anders Birgersson | Board member | 78 | 78 |
| Bengt Stillström | Chairman of the Board | 196 | 155 |
| Mari-Katharina Jonsson Kadowaki | Board member | 142 | 78 |
| Tomas Berggren | Board member | 155 | 108 |
| Mats Johansson | Chairman of the Board | 300 | 0 |
| Thomas Widstrand | Board member | 0 | 78 |
| Employee representatives | two members and two deputies | - | - |
| Total fees | | 871 | 1,086 |

Total remuneration of the Board consists only of a fixed fee and consultancy services

The cost of remuneration including benefits (excluding social security contributions) for the CEO of ProfilGruppen AB in 2023 was kSEK 1,378 (2,409) in fixed remuneration and SEK 0 (0) in variable remuneration.

For other senior executives, a total of seven people (six), the cost of fixed remuneration including benefits (excluding social security contributions) was kSEK 6,519 (9,312) and the cost of variable remuneration kSEK 0 (0).

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 414 (631), excluding special payroll tax of kSEK 100 (153). There are no agreements for early retirement.

Other senior executives during the year, seven people (six), are covered by the pension plan for salaried employees in Sweden (ITP). The annual pension costs for these people was kSEK 1,420 (2,338), excluding special payroll tax of kSEK 345 (567). The pensions are transferable and so are not conditional on future employment.

5 AUDITORS' FEES AND EXPENSES

| | Group | | Parent company | |
|-----------------------------|-------|------|----------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Ernst & Young AB | | | | |
| Audit engagement | 1.0 | 1.0 | 0.4 | 0.2 |
| Other engagements | 0.0 | 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

| | Group | |
|---------------------------------|----------------|----------------|
| | 2023 | 2022 |
| Raw materials | 1,249.8 | 1,416.0 |
| Personnel costs | 361.6 | 359.6 |
| External machining services | 220.2 | 207.3 |
| Depreciation/amortisation | 90.8 | 84.1 |
| Impairment of trade receivables | 0.0 | 0.0 |
| Other operating expenses | 387.1 | 480.5 |
| | 2,309.5 | 2,547.5 |

The cost of developing products and the business amounts to MSEK 7.1 (6.8) 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 is only a lessee and recognises a right-of-use asset in the balance sheet and a lease liability at the present value of future lease payments. The right of use 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. 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. The lease expense is recognised as depreciation in operating profit and interest expense in net financial items. 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 2023 is three per cent (three).

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.

If the lease is considered to include an asset with a value of less than USD 5,000, has a term due to expire within the next 12 months or if it includes service components, these lease payments are recognised as cost of goods sold in the income statement over the term of the lease.

| Amounts recognised in the balance sheet | Group | |
|--|-------------|-------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| Right-of-use assets | | |
| Commercial premises | -15.7 | 8.1 |
| Vehicles | 7.3 | 7.1 |
| Production equipment | 0.5 | 0.0 |
| IT equipment | 4.3 | 0.1 |
| | 27.8 | 15.3 |
| Lease liabilities | | |
| Non-current interest-bearing liabilities | 16.1 | 7.9 |
| Current interest-bearing liabilities | 12.3 | 7.9 |
| | | |
| Amounts recognised in the income statement | 2023 | 2022 |
| Commercial premises | 3.4 | 3.4 |
| Vehicles | 5.0 | 4.4 |
| Production equipment | 1.1 | 0.0 |
| IT equipment | 1.2 | 0.2 |
| | 10.7 | 8.0 |
| Of which interest expense | 1.0 | 0.6 |
| Right-of-use assets not recognised in the balance sheet | 2023 | 2022 |
| Short-term leases included in cost of goods sold | 5.1 | 4.0 |
| Underlying low-value asset included in cost of goods sold | 6.4 | 7.0 |
| | 11.5 | 11.0 |

No significant variable lease payments not included in the lease liability have been identified. Total lease-related cash flow in 2023 was MSEK 21.8 (18.1). For information on undiscounted cash flows for the lease liability, see Note 21.

8 FINANCIAL ITEMS

For the Group, financial income comprises interest income derived from bank deposits and receivables. Financial expenses comprise interest expenses on loans, lease liabilities and exchange rate differences.

| | Group | |
|--|----------------|-------------|
| | 2023 | 2022 |
| Interest income | 5.6 | 0.1 |
| Financial income | 5.6 | 0.1 |
| Interest part of pension expenses for the year | 1.0 | 0.4 |
| Interest expenses | 24.7 | 13.0 |
| Exchange rate adjustment EUR loan | 0.2 | 9.5 |
| Other expenses | 5.0 | 5.4 |
| Financial expenses | 30.9 | 28.3 |
| | | |
| | Parent company | |
| | 2023 | 2022 |
| Dividends from subsidiaries | 82.5 | 14.7 |
| Interest income ProfilGruppen Extrusions AB | 0.4 | 0.0 |
| Financial income | 82.9 | 14.7 |
| Interest expenses ProfilGruppen Extrusions AB | 1.5 | 1.3 |
| Interest expenses, other | 0.1 | 0.0 |
| Financial expenses | 1.6 | 1.3 |

9 APPROPRIATIONS AND UNTAXED RESERVES

| Parent company | Appropriations | | Untaxed reserves | |
|---|----------------|-------------|------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Accumulated depreciation in excess of plan | | | | |
| Allocated (+) / dissolved (-) | | | | |
| buildings | 0.0 | 0.0 | 0.0 | 0.0 |
| equipment | 5.6 | 4.1 | 27.6 | 22.0 |
| | 5.6 | 4.1 | 27.6 | 22.0 |
| Tax allocation reserves | | | | |
| Allocated (+) / dissolved (-) per tax year | | | | |
| 2016 | 0.0 | -10.3 | 0.0 | 0.0 |
| 2017 | -13.8 | 0.0 | 0.0 | 13.8 |
| 2018 | 0.0 | 0.0 | 17.7 | 17.7 |
| 2019 | 0.0 | 0.0 | 1.7 | 1.7 |
| 2021 | 0.0 | 0.0 | 5.6 | 5.6 |
| 2022 | 0.0 | 6.7 | 6.7 | 6.7 |
| 2023 | 19.7 | 0.0 | 19.7 | 0.0 |
| | 5.9 | -3.6 | 51.4 | 45.5 |
| Group contribution submitted | -42.0 | 0 | - | - |
| | -30.5 | 0.5 | 79.0 | 67.5 |

10 TAXES

| | Group | | Parent company | |
|---|-------------|-------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Reported tax expense | | | | |
| Paid tax | 21.1 | 13.9 | 12.1 | 4.2 |
| Deferred tax related to temporary differences | 7.6 | 9.6 | 0.2 | 0.2 |
| Total reported tax expense | 28.7 | 23.5 | 12.3 | 4.4 |
| | | | | |
| | Group | | Parent company | |
| Reconciliation effective tax, per cent | 2023 | 2022 | 2023 | 2022 |
| Tax as per applicable tax rate for the parent company | 21 | 21 | 21 | 21 |
| Dividends, subsidiaries | - | - | -12 | -9 |
| Non-tax-deductible expenses | 2 | -2 | 0 | 1 |
| Reported effective tax | 23 | 19 | 9 | 13 |

Endowment insurances have given rise to a temporary difference which requires the recognition of a deferred tax asset. This temporary difference has arisen due to direct pension/endowment insurance and associated payroll tax only being deductible upon payment of the pension to the recipient.

| Change in reported deferred tax liability | 2023-01-01 | Recognised | Recognised in | 31 Dec 2023 |
|---|-------------|------------------------------|------------------------------------|-------------|
| | | in profit or loss | comprehensive income | |
| Group | | | | |
| Property, plant and equipment | 56.1 | 6.1 | 0.0 | 62.2 |
| Pension provisions | 0.1 | 0.2 | -0.4 | -0.1 |
| Tax allocation reserves | 25.3 | 1.3 | 0.0 | 26.6 |
| Items recognised in hedging reserve | -1.6 | 0.0 | 0.9 | -0.7 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| | 79.9 | 7.6 | 0.5 | 88.0 |
| Parent company | | | | |
| Property, plant and equipment | 3.6 | 0.2 | 0.0 | 3.8 |
| | 3.6 | 0.2 | 0.0 | 3.8 |
| | 1 Jan 2022 | Recognised in profit or loss | Recognised in comprehensive income | 31 Dec 2022 |
| 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 |

11 INTANGIBLE ASSETS

| | Group | |
|---------------------------------------|-------------|-------------|
| | 2023 | 2022 |
| Goodwill | | |
| <i>Accumulated cost</i> | | |
| Opening balance | 12.8 | 12.8 |
| At the end of the year | 12.8 | 12.8 |
| <i>Acc. impairment</i> | | |
| Opening balance | 2.8 | 2.8 |
| At the end of the year | 2.8 | 2.8 |
| Carrying amount at end of year | 10.0 | 10.0 |
| IT systems | | |
| <i>Accumulated cost</i> | | |
| Opening balance | 33.7 | 33.7 |
| New acquisitions | 0.0 | 0.0 |
| Disposals and scrapping | -2.3 | 0.0 |
| At the end of the year | 31.4 | 33.7 |
| <i>Acc. depreciation</i> | | |
| Opening balance | 23.2 | 16.7 |
| Amortisation for the year | 6.6 | 6.5 |
| Disposals and scrapping | -2.3 | 0.0 |
| At the end of the year | 27.5 | 23.2 |
| Carrying amount at end of year | 3.9 | 10.5 |

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 11.0 per cent before tax (10.7), 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.

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.

12 PROPERTY, PLANT AND EQUIPMENT

| | Group | | Parent company | |
|---|--------------|--------------|----------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Land and buildings | | | | |
| <i>Accumulated cost</i> | | | | |
| Opening balance | 254.5 | 253.6 | 220.1 | 219.2 |
| New acquisitions | 4.1 | -0.5 | 2.7 | -0.5 |
| Reclassifications | 8.5 | 1.4 | 8.3 | 1.4 |
| Disposals and scrapping | -7.3 | 0.0 | -7.3 | 0.0 |
| At the end of the year | 259.8 | 254.5 | 223.8 | 220.1 |
| <i>Acc. depreciation and impairment</i> | | | | |
| Opening balance | 95.4 | 89.3 | 71.0 | 65.5 |
| Disposals and scrapping | 0.0 | 0.0 | 0.0 | 0.0 |
| Scheduled depreciation for the year | 6.5 | 6.1 | 5.6 | 5.5 |
| At the end of the year | 101.9 | 95.4 | 76.6 | 71.0 |
| <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 the end of the year | 2.7 | 2.7 | 2.7 | 2.7 |
| Carrying amount at end of year | 155.2 | 156.4 | 144.5 | 146.4 |
| of which buildings | 136.3 | 137.5 | 126.1 | 128.0 |
| land | 6.3 | 6.3 | 5.9 | 5.9 |
| land improvements | 12.6 | 12.6 | 12.5 | 12.5 |

| | Group | | Parent company | |
|---------------------------------------|----------------|----------------|----------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Machinery and equipment | | | | |
| <i>Accumulated cost</i> | | | | |
| Opening balance | 1,079.7 | 1,004.0 | 41.0 | 34.8 |
| New acquisitions | 57.7 | 52.1 | 0.8 | 2.4 |
| Reclassifications | 42.7 | 40.9 | 0.0 | 3.8 |
| Translation differences | 0.0 | 0.0 | 0.0 | 0.0 |
| Disposals and scrapping | -19.0 | -17.3 | 0.0 | 0.0 |
| At the end of the year | 1,161.1 | 1,079.7 | 41.8 | 41.0 |
| <i>Acc. scheduled depreciation</i> | | | | |
| Opening balance | 668.4 | 612.8 | 6.8 | 5.6 |
| Disposals and scrapping | -10.2 | -8.5 | 0.0 | 0.0 |
| Translation differences | 0.0 | 0.0 | 0.0 | 0.0 |
| Scheduled depreciation for the year | 68.2 | 64.1 | 1.5 | 1.2 |
| At the end of the year | 726.4 | 668.4 | 8.3 | 6.8 |
| <i>Acc. impairment</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 the end of the year | 14.0 | 14.0 | 0.0 | 0.0 |
| Carrying amount at end of year | 420.7 | 397.3 | 33.5 | 34.2 |

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 360.0 (352.3). At 31 December 2023, Profilgruppen had contractual obligations to acquire property, plant and equipment of MSEK 1.7.

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 | |
|--|--------------|--------------|----------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Construction in progress and advance payments for property, plant and equipment | | | | |
| Opening balance | 53.9 | 46.0 | 8.3 | 5.4 |
| Reclassifications | -51.2 | -42.3 | -8.3 | -5.2 |
| New acquisitions | 17.0 | 50.2 | 1.8 | 8.1 |
| Carrying amount at end of year | 19.7 | 53.9 | 1.8 | 8.3 |
| Total carrying amount, property, plant and equipment | 595.6 | 607.6 | 179.8 | 188.9 |

| | Group | | Parent company | |
|---|-------------|------|----------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| 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 | |
|---------------------------------|-------------|-------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Depreciation by function | | | | |
| Cost of goods sold | 61.2 | 58.4 | 7.1 | 6.7 |
| Selling expenses | 0.0 | 0.0 | 0.0 | 0.0 |
| Administrative expenses | 3.3 | 3.3 | 0.0 | 0.0 |
| | 64.5 | 61.7 | 7.1 | 6.7 |

13 RIGHT-OF-USE ASSETS

| | Group | |
|---|-------------|-------------|
| | 2023 | 2022 |
| Right-of-use assets | | |
| <i>Accumulated cost</i> | | |
| Opening balance | 32.9 | 28.1 |
| New acquisitions | 25.6 | 8.9 |
| Disposals and scrapping | -14.4 | -4.1 |
| At the end of the year | 44.1 | 32.9 |
| <i>Acc. depreciation and impairment</i> | | |
| Opening balance | 17.6 | 14.2 |
| Disposals and scrapping | -11.0 | -4.0 |
| Scheduled depreciation for the year | 9.7 | 7.4 |
| At the end of the year | 16.3 | 17.6 |
| Carrying amount at end of year | 27.8 | 15.3 |

14 FINANCIAL FIXED ASSETS

Of this item, MSEK 0.7 (0.0) pertains to pension assets including payroll tax due on defined benefit pensions, and MSEK 0.2 (0.2) relates to shares in external companies. These shareholdings are unlisted and are measured in accordance with Level 3.

15 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. MSEK 18.5 (0.0) of inventory is valued at net realisable value, and this has reduced the value of the finished-goods inventory by MSEK 1.8 (0.0).

| Inventories | Group | |
|--|--------------|--------------|
| | 2023 | 2022 |
| Raw materials and consumables | 151.2 | 145.1 |
| Work in progress | 98.9 | 188.4 |
| Finished products and goods for resale | 127.7 | 137.9 |
| | 377.8 | 471.4 |

16 TRADE RECEIVABLES

| | Group | |
|--------------------------------------|--------------|--------------|
| | 2023 | 2022 |
| Trade receivables | 284.4 | 322.1 |
| Provision for expected credit losses | -0.3 | -0.5 |
| | 284.1 | 321.6 |

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. For other information on customer credits, see Note 21. For other information on customer credits, see Note 21.

17 EQUITY

AShare 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 2023 financial year of SEK 5.00 per share, equivalent to MSEK 37.0. The calculated average number of shares in 2023 is 7,398,775 (7,398,775). During the year, MSEK 29.6 (99.9) in dividends were paid to the shareholders. It is proposed that the available profits be appropriated as follows:

| | |
|---|------------------------|
| Dividend to shareholders | SEK 36,993,875 |
| To be carried forward | SEK 176,334,892 |
| Total profits according to balance sheet | SEK 213,328,767 |

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 90.8 (92.6) and a weighted average number of shares in 2023 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 12.27 (12.58).

19 INTEREST-BEARING LIABILITIES

| Interest-bearing liabilities | Group | | | |
|------------------------------|--------------|--------------|-------------|--------------|
| | Long-term | | Current | |
| | 2023 | 2022 | 2023 | 2022 |
| Bank loans | 86.2 | 104.7 | 18.2 | 18.3 |
| Bank overdraft facilities | - | - | 0.0 | 194.7 |
| Lease liabilities | 16.1 | 7.9 | 12.3 | 7.9 |
| | 102.3 | 112.6 | 30.5 | 220.9 |

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 2023. Of total non-current interest-bearing liabilities, MSEK 79.1 (96.1) was raised in EUR, see Note 21.

20 PREPAID AND ACCRUED INCOME AND EXPENSES

| Prepaid expenses and accrued income | Group | | Parent company | |
|-------------------------------------|-------------|-------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Prepaid licence costs | 6.5 | 4.7 | 0.0 | 0.0 |
| Prepaid insurance costs | 1.8 | 1.6 | 0.0 | 0.0 |
| Other prepaid expenses | 3.4 | 6.0 | 0.3 | 0.1 |
| | 11.7 | 12.3 | 0.3 | 0.1 |

| Accrued expenses and deferred income | Group | | Parent company | |
|--|--------------|--------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Holiday pay and other personnel expenses | 65.6 | 65.9 | 0.0 | 0.4 |
| Accrued Board fees | 0.4 | 0.7 | 0.4 | 0.7 |
| Deferred income | 27.2 | 32.5 | 0.0 | 0.0 |
| Other accrued expenses | 24.1 | 16.1 | 0.4 | 0.1 |
| | 117.3 | 115.2 | 0.8 | 1.2 |

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 within set limits. The Group has foreign exchange forwards that are entered into to hedge for future transactions in other currencies.

In the consolidated statement of financial position, foreign exchange forwards have been recognised as current assets in the amount of MSEK 0.0 (0.0) and as other current liabilities in the amount of MSEK 3.4 (7.4).

There is no ineffectiveness related to forward contracts either for 2022 or 2023.

Derivatives have the following impact on the consolidated statement of financial position and income statement:

| Forward contracts foreign exchange | Group | |
|---|-------------|-------------|
| | 2023 | 2022 |
| Carrying amount (asset) | 0.0 | 0.0 |
| Carrying amount (liability) | 3.4 | 7.4 |
| Notional amount, EUR | 12.2 | 96.0 |
| Maturity (last maturity date of concluded forward contracts) | 15 Dec 2025 | 29 Nov 2024 |
| Hedge ratio for 12 months from close, EUR | 50% | 25% |
| Change in value of outstanding derivatives since 1 Jan. | 3.2 | -4.6 |
| Change in value of hedged item to determine effectiveness | 3.2 | -4.6 |
| Weighted average of forward rates for the year (including forward points) EUR | 10.34 | 10.27 |

| Hedging reserve, forward contracts | Foreign exchange | Commodities | Total |
|---|------------------|-------------|-------------|
| Hedging reserve, opening balance 1 Jan 2022 | -1.3 | -9.1 | -10.4 |
| Plus: change in fair value of hedging instruments recognised in OCI | -6.6 | 0.0 | -6.6 |
| Plus: effect on cost of inventory | 1.3 | 0.0 | 1.3 |
| Plus: deferred tax | 0.9 | 0.0 | 0.9 |
| Less reclassified to income | 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 |
| Hedging reserve, opening balance 1 Jan 2023 | -5.9 | 0.0 | -5.9 |
| Plus: change in fair value of hedging instruments recognised in OCI | -0.2 | 0.0 | -0.2 |
| Plus: deferred tax | 0.1 | 0.0 | 0.1 |
| Less reclassified to income | 4.2 | 0.0 | 4.2 |
| Less reclassified to cost of goods sold | 0.0 | 0.0 | 0.0 |
| Less deferred tax | -0.9 | 0.0 | -0.9 |
| Hedging reserve, closing balance 31 Dec 2023 | -2.7 | 0.0 | -2.7 |

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. Sales in foreign currencies represent about 40 per cent of total revenue. The currency that accounts for the greatest proportion of export sales is EUR. Currency exposure arises from the Group's sale of products where the price has been agreed on a long-term basis in a currency other than SEK (this does not apply to the aspect relating to the raw metal material which is adjusted for currency risk). This risk can be reduced through the forward selling of currency. The CEO is mandated to vary the Group's hedging between 0 and 100 per cent of the risk.

At year-end, the unhedged element of framework agreements with customers amounted to MEUR 9 in 2024. The Group is also exposed to currency risk through a loan in the amount of MEUR 9. This currency risk balances the net risk on customer agreements.

At 31 December, receivables in a foreign currency amounted to MSEK 93.8 (86.0) and liabilities in a foreign currency to MSEK 154.9 (207.1). Of the liabilities in foreign currency, MSEK 95.8 (112.9) are interest-bearing. The interest-bearing liability is a loan in EUR. At year-end, the outstanding loan amount was MEUR 8.6 and the effect on net financial items was MSEK -0.2 (-9.5).

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% | +/- 18 | +/- 14 |
| DKK | Change +/- 10% | +/- 2 | +/- 2 |

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 2024 were to rise by one percentage point, this would increase the interest expense by MSEK 1.0 on a full-year basis.

Market risks

Our market risks consist primarily of declines in customer demand. Our customers' market risk and their customers in turn are the main driving factors in our own market risk. In order to minimise this risk, we have many customers in different industries, and we have a long-term approach to our customer relationships.

The price of aluminium has been volatile in recent years. In our operational relationship with customers, it is the customer who assumes the risk relating to any variations in the price of raw materials. The objective is for our operations to entail no risk. Raw material purchases for periods longer than six months are based on contracts with customers. Raw materials are purchased in Swedish krona or euro.

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 2023 was MSEK 288.6 (323.7). The largest individual receivable amounts to 8 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 2023 | Number of customers | Per cent of number of customers | Amount |
|---|---------------------|---------------------------------|--------------|
| Exposure < MSEK 1.0 | 257 | 79% | 63.7 |
| Exposure MSEK 1.0-5.0 | 55 | 17% | 103.4 |
| Exposure > MSEK 5 | 14 | 4% | 117.0 |
| | 326 | 100% | 284.1 |

| 31 Dec 2023 | Not past due | 1-30 days past due | 30+ days past due | Total |
|----------------------------------|--------------|--------------------|-------------------|------------|
| Expected credit loss | 0.0 | 0.0 | -0.3 | -0.3 |
| Value of gross trade receivables | 274.0 | 8.5 | 1.9 | 284.4 |
| Provision for losses | 0.0 | 0.0 | 0.3 | 0.3 |

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 197.9 (165.7).

The agreement with lenders contains covenants that the company is required to meet. These had been met at 31 December 2023.

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 | | > 5 years |
|---|--------------|--------------|--------------|--------------|--------------|-----------|
| | | 1-5 years | 6-12 months | 13-24 months | 25-36 months | |
| Interest-bearing liabilities | 0.0 | 4.5 | 13.7 | 73.0 | 13.2 | |
| Lease liabilities | 0.0 | 3.1 | 9.2 | 16.1 | 0.0 | |
| Other liabilities | 39.6 | 298.9 | 184.8 | 64.3 | 0.0 | |
| Derivatives | 0.0 | 0.7 | 2.3 | 0.4 | 0.0 | |
| Total at 31 Dec 2023 | 39.6 | 307.2 | 210.0 | 153.8 | 13.2 | |
| 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 | |

Carrying amount and fair value of financial instruments

| Class | Group | | | | Category |
|---|-----------------|--------------|--------------|--------------|---|
| | Carrying amount | | Fair value | | |
| | 2023 | 2022 | 2023 | 2022 | |
| Financial assets | 0.9 | 0.2 | 0.9 | 0.2 | Financial assets at fair value |
| Trade receivables | 284.1 | 321.6 | 284.1 | 321.6 | Financial assets at amortised cost |
| Accrued income | 0.0 | 0.0 | 0.0 | 0.0 | Financial assets at amortised cost |
| Other receivables | 9.2 | 5.5 | 9.2 | 5.5 | Financial assets at amortised cost |
| of which foreign exchange forwards | 0.0 | 0.0 | 0.0 | 0.0 | Derivatives designated as hedging instruments |
| Cash and cash equivalents | 120.9 | 20.0 | 120.9 | 20.0 | Financial assets at amortised cost |
| Total assets | 415.1 | 347.3 | 415.1 | 347.3 | |
| Interest-bearing liabilities ¹ | 132.8 | 333.5 | 119.7 | 324.6 | Financial liabilities at amortised cost |
| Trade creditors | 203.2 | 229.4 | 203.2 | 229.4 | Financial liabilities at amortised cost |
| Accrued expenses | 90.1 | 82.7 | 90.1 | 82.7 | Financial liabilities at amortised cost |
| Other liabilities | 270.3 | 143.8 | 270.3 | 143.8 | Financial liabilities at amortised cost |
| of which foreign exchange forwards | 3.4 | 7.4 | 3.4 | 7.4 | Derivatives designated as hedging instruments |
| Total liabilities | 696.4 | 789.4 | 683.3 | 780.5 | |

¹ The fair value corresponds to the discounted present value of future cash flows of amortisation and interest payments.

No reclassification between categories has taken place 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.

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 0.04 (0.59). Interest-bearing liabilities do not include pandemic-related deferrals of MSEK 246. If these are included, the net debt/equity ratio is 0.44.

| | Group | |
|--------------------------------------|--------------|--------------|
| | 2023 | 2022 |
| Interest-bearing liabilities | 132.8 | 333.5 |
| Interest-bearing provisions | 15.0 | 12.6 |
| Cash and cash equivalents | -120.9 | -20.0 |
| Total net debt | 26.9 | 326.1 |
| Equity | 615.5 | 549.3 |
| Reserves in equity | 2.2 | 5.4 |
| Equity to administrate | 617.7 | 554.7 |
| Total capital to administrate | 644.6 | 880.8 |
| Net debt/equity ratio | 0.04 | 0.59 |

22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

| | Group | | Parent company | |
|---|-------|-------|----------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Pledged assets for Group companies' liabilities to credit institutions | | | | |
| Property mortgages | 82.9 | 82.9 | 76.7 | 76.7 |
| Floating charges | 440.0 | 440.0 | 0.0 | 0.0 |
| Assets whose title is restricted | 0.0 | 0.0 | 0.0 | 0.0 |
| Shares in subsidiaries | 328.7 | 383.6 | 73.8 | 73.8 |
| Contingent liabilities | | | | |
| Guarantees for | | | | |
| ProfilGruppen Extrusions AB | - | - | 24.2 | 22.2 |
| Guarantee commitments FPG/PRI | 0.3 | 0.2 | 0.0 | 0.0 |

23 INVESTMENTS IN GROUP COMPANIES

| Company | Corp. ID no. | Holding in number of shares | Holding as a percentage | Equity incl. portion of untaxed reserves ¹ | Carrying amount ² |
|--------------------------------|--------------|-----------------------------|-------------------------|---|------------------------------|
| <i>Subsidiary</i> | | | | | |
| PG&WIP AB | 556248-8949 | 1,000 | 70 | 43.3 | 14.1 (14.1) |
| ProfilGruppen Extrusions AB | 556206-5119 | 940,000 | 100 | 313.3 | 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.

The purchase method is applied in accounting for the Group's business combinations. The 30 per cent shareholding in PG&WIP AB is recognised and relates to a non-controlling interest.

| Non-controlling interests | 2023 | 2022 |
|---------------------------|------|------|
| Fixed assets | 3.6 | 5.3 |
| Current assets | 25.4 | 22.9 |
| Equity | 17.2 | 14.0 |
| Non-current liabilities | 2.5 | 2.1 |
| Current liabilities | 9.3 | 12.1 |
| Revenue | 60.0 | 61.9 |
| Profit or loss | 7.8 | 6.6 |
| Comprehensive income | 7.8 | 6.6 |

24 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. 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.

| | Group | | Parent company | |
|--|--------------|--------------|----------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Adjustment for non-cash items | | | | |
| Depreciation, amortisation and impairment of assets | 90.8 | 84.1 | 7.1 | 6.7 |
| Gain/loss on sale of non-current assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial income/expenses | 25.2 | 27.3 | -81.3 | -13.3 |
| Unrealised exchange rate differences | 0.1 | 0.4 | 0.0 | 0.0 |
| Provisions for pensions | 0.4 | -1.3 | 0.0 | 0.0 |
| Other profit/loss items not affecting liquidity | 8.8 | 8.7 | -30.2 | 0.8 |
| | 125.3 | 119.2 | -104.4 | -5.8 |
| Investments in fixed assets | | | | |
| Capitalised in balance sheet | 78.9 | 101.9 | 5.4 | 10.1 |
| Unpaid | -1.7 | -1.5 | 0.0 | 0.0 |
| Investments from previous year, paid this year | 1.5 | 3.8 | 0.0 | 0.0 |
| | 78.7 | 104.2 | 5.4 | 10.1 |
| Exchange rate differences in cash and cash equivalents | | | | |
| Exchange rate gains (+)/losses (-) in opening cash and cash equivalents | 0.0 | 0.1 | 0.0 | 0.0 |
| Exchange rate gains (+)/losses (-) in changes in cash and cash equivalents | 0.1 | 0.1 | 0.0 | 0.0 |
| | 0.1 | 0.2 | 0.0 | 0.0 |

| Interest-bearing liabilities | Group | | Parent company | |
|---------------------------------------|--------------|--------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Opening balance | 333.5 | 219.5 | 0.0 | 0.0 |
| New leases | 22.2 | 8.9 | - | - |
| Borrowings | 0.0 | 0.0 | 0.0 | 0.0 |
| Repayments | -28.4 | -38.5 | 0.0 | 0.0 |
| Foreign exchange gains (-)/losses (+) | 0.2 | 12.0 | 0.0 | 0.0 |
| Change in overdraft facility | -194.7 | 131.6 | 0.0 | 0.0 |
| At the end of the year | 132.8 | 333.5 | 0.0 | 0.0 |

25 RELATED PARTIES AND TRANSACTION

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 29.3 per cent (28.4). The other Board members together control 0.8 per cent (0.02) of the voting rights. In total, senior executives control slightly less than 0.8 per cent (0.01) 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 RELATED PARTIES AND TRANSACTIONS EVENTS AFTER THE END OF THE FINANCIAL YEAR

CFO Jonny Sandstedt's employment came to an end on 31 January 2024. The recruitment process for a new CFO is currently under way.

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 a fair representa-

tion 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, 28 MARCH 2024

Bengt Stillström
Chairman of the Board

**Mari-Katharina
Jonsson Kadowaki**
Board member

Tomas Berggren
Board member

Magnus Gabrielsson
Board member
Appointed by the employees

Sebastian Nilsson
Board deputy*
Appointed by the employees

Our auditor's report was submitted on 28 March 2024
Ernst & Young AB

Marika Sengoltz
Authorised Public Accountant

*Signs as deputy for ordinary board member Mikael Ekbring



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 2023. The annual accounts and consolidated accounts of the company are included on pages 16-38 in this document.

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

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

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

Basis of 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 2023 inventories amounts to 377,8 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. Any errors in these estimates and judgements may have a significant effect on the financial statements of the Group. Overall, this means that inventories have been a key audit matter of the audit.

How our audit addressed this key audit matter

In our audit of inventory valuation, our audit procedures as response to the risk that inventory not is correctly valued has included, among others, the following:

- audit of 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.

- audit of 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.

Furthermore, 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 1-15 and 45-48. 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.

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 2023 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 2023.

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 of 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 ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual 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 18th of April 2023 and has been the company's auditor since the 31st of March 2007.

VÄXJÖ, 28 MARCH 2024
Ernst & Young AB

Marika Sengoltz

Authorised Public Accountant

CORPORATE GOVERNANCE REPORT FOR PROFILGRUPPEN 2023

ProfilGruppen is a Swedish public company, whose shares are listed on Nasdaq Stockholm's Small Cap list. The corporate governance of ProfilGruppen is based on the Articles of Association and the Swedish Companies Act, as well as other laws and regulations. We adhere to a stock exchange contract and apply the principles of the Swedish Code of Corporate Governance (the Code), the Swedish Annual Accounts Act, the Market Abuse Regulation, and the Nasdaq rules. Furthermore, we also adhere to our own internal regulations, CEO instructions, policies 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 2023

The Annual General Meeting was held on 18 April 2023. The Annual General Meeting was attended by shareholders, personally or by proxy, representing 66.4 per cent of the total number of votes in the company. Acting CEO Jonny Sandstedt and other members of the Group's management team, the company's auditor and six members of the board were present at the meeting.

Mats Johansson was elected to chair the meeting. The minutes from the meeting have been published on the company's website. 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.

CHANGE OF CHAIRMAN

The Chairman of the Board, Mats Johansson, resigned from the Board at the end of June, after which the Board appointed member Bengt Stillström as Chairman.

ANNUAL GENERAL MEETING 2024

The Annual General Meeting 2024 will be held on 23 April 2024. Information about the date, place and deadline for submission of proposals was notified in connection with the interim report for the third quarter of 2023.

NOMINATION COMMITTEE

At the 2023 Annual General Meeting, it was resolved following a proposal from the four largest shareholders (Bengt Stillström, Lars Johansson, Mats Egeholm and Hanna Kusterer) that the Nomination Committee consist of four members as follows: Bengt Stillström as Chairman, with members Lars Johansson, Mats Egeholm and Petter Stillström.

In the event of the resignation of any member of the Nomination Committee, the remaining members may appoint, if the committee so decides, a suitable replacement to the Nomination Committee to serve out the remaining term.

Furthermore, the Annual General Meeting also resolved in accordance with the proposal of the Nomination Committee that it would propose the Chairman of the Board and other members of the Board to the 2024 Annual General Meeting or another general meeting, the chair of said meeting, and that it would propose the fees payable to members of the Board, committees and the auditors.

The Nomination Committee also proposes the auditors, and where applicable, addresses procedural matters pertaining to the appointment of a new Nomination Committee.

The Nomination Committee's proposals must be submitted to the Board in sufficient time to allow for the proposal to be published at the same time as notice of the Annual General Meeting is issued. The Nomination Committee carries out its work on the basis of the Swedish Corporate Governance Code.

The Nominating Committee for the 2024 Annual General Meeting comprises the following shareholders:

| | |
|--|--------------|
| Bengt Stillström, Chairman of the Nomination Committee | 29.3% shares |
| Lars Johansson | 14.5% shares |
| Mats Egeholm | 7.3% shares |
| Petter Stillström (representing Hanna Kusterer) | 4.9% shares |

BOARD COMPOSITION AND REMUNERATION

At the 2023 Annual General Meeting, it was resolved that there should be four members: Mats Johansson, Tomas Berggren, Bengt Stillström and Mari Kadowaki. In addition, the Board normally comprises two members and two deputies appointed by the employees. Mats Johansson was elected Chairman of the Board.

At the 2023 Annual General Meeting, all four elected members of the Board were independent in relation to the company, while one was a major shareholder. One of the members has resigned and another has become CEO. There remain two elected members of the Board who are independent of the company, of which one is a major shareholder. As such, the Board composition has deviated from the Code's rule that two members elected by the Annual General Meeting must be independent of the company and not be major shareholders. For practical reasons, the Board has opted to leave this deviation unaddressed until the next Annual General Meeting. The composition of the Board of Directors at year-end is set out in the presentation found on page 45.

In accordance with decisions made at the Annual General Meeting, the fee paid to Board members for the period until the next Annual General Meeting amounts to a total of kSEK 865 (1,020), of which kSEK 155 is payable to each elected member, in addition to kSEK 400 to the Chairman. Fees are paid only to Board members elected by a general meeting of shareholders for 2023 as shown below.

| Board member | Role | Fee |
|-------------------|-----------------------------------|----------------|
| Mats Johansson | Chairman until the end of July | 133,333 |
| Bengt Stillström | Chairman from beginning of August | 266,667 |
| Bengt Stillström | Board member until end of July | 51,667 |
| Mari Kadowaki | Board member. CEO from September | 64,583 |
| Tomas Berggren | Board member | 155,000 |
| Total fees | | 671,250 |

THE WORK OF THE BOARD OF DIRECTORS

In connection with the election of the Board of Directors, the Board 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 2023 Annual General Meeting, the Board has met on eleven 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:

2023

| | |
|-----------|---|
| April | interim report for the first quarter |
| April | inaugural meeting |
| May | CEO recruitment |
| May | Strategy review and board meeting |
| July | Chairman of the Board Mats Johansson resigns from the Board |
| July | interim report, second quarter |
| September | Board meeting |
| October | Interim Report Third Quarter and Audit Committee Matters |
| December | Board meeting |

2024

| | |
|----------|---|
| February | year-end close, year-end report, auditors' review and Remuneration Committee issues |
| March | Multi-year plan |

Before the Board concludes its activities for 2023, at least one further meeting will be held in April, where the interim report for the first quarter of 2024 will be discussed among other matters.

Board member attendance and number of meetings

| Board of Directors | Board meetings |
|---|----------------|
| Mari Kadowaki | 10 (0") |
| Mikael Ekbring ¹ | 9 (1") |
| Magnus Gabrielsson ¹ | 10 (1") |
| Anders B Johansson ² | 10 (0") |
| Sebastian Nilsson ² | 10 (0") |
| Mats Johansson | 4 (0") |
| Bengt Stillström | 10 (1") |
| Tomas Berggren | 10 (1") |
| Total number of meetings since 2023 Annual General Meeting | 10 (1") |

1) Appointed by the employees, regular Board member

2) Appointed by the employees, deputy

") Remote meetings

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.

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 2024 Annual General Meeting.

At the constituent meeting, the Board appointed a Remuneration Committee consisting of Bengt Stillström and Mats Johansson. Upon Mats Johansson's resignation, he was replaced by Tomas Berggren. 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 2023 Annual General Meeting, the committee has held two meetings, with all members present, and has communicated several times by e-mail and telephone.

Salary for management in 2023 consisted of one fixed element and one variable element. The criteria for variable remuneration have been linked to the consolidated operating profit after financial items.

The total variable remuneration for 2023 is SEK 0, distributed among five persons (SEK 0, seven persons). The remuneration principles set out a ceiling for variable remuneration of the CEO of 40 per cent of their fixed salary, and for other senior executives of 30 per cent of their fixed salary.

CEO AND SENIOR MANAGEMENT

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

The composition of the management team is presented on page 46. 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 2023 Annual General Meeting, the registered accountancy firm Ernst & Young AB was appointed as auditor for the period until the 2024 Annual General Meeting. 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 2023 Annual General Meeting 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 21 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 the Company's website.

THE BOARD'S REPORT ON INTERNAL CONTROL FOR 2023

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 follow-up.

Control environment

An important element of the Board's work is creating a relevant and effective control environment. All decisions concerning, for example, the overall strategy, acquisitions, major investments and general financial issues are prepared by the CEO and adopted by Board resolution.

Risk assessment

The purpose of the company's risk assessment in relation to financial reporting is to identify and evaluate the most significant risks in the company's reports and processes. The assessment and management of significant risks for ProfilGruppen are described in greater detail in the Directors' Report.

Control activities

Checks of authorisations, access rights for IT systems and similar are carried out on a daily basis. A review is underway to improve internal reporting to management and the Board. We do not see any risks relating to external financial reporting in accordance with IFRS, but this work will improve our internal analytical capabilities and the speed of decision making processes for the operational business and its accountancy processes.

Information and communication

Governing documents are disseminated via an encrypted cloud-based solution or via solutions such as the intranet depending on the nature of the documentation. There are guidelines for external communication which ensure that ProfilGruppen meets the stringent requirements concerning provision of accurate information to the financial markets.

Monitoring

Since its meeting in September, the Board has engaged in ongoing monitoring of its working practices, as well as those of the Chairman and CEO, in addition to general meeting culture. The Board has proposed a series of desirable changes and improvements to the Board's work in terms of work between meetings, at meetings and in relation to how work has previously been carried out. In view of the changed composition to the Board and management as a whole, as well as to its working practices during the year, a standardised survey has not been statistically meaningful.

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 will report their findings to the Board at least once a year.

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, 28 March 2024

The Board of Directors of ProfilGruppen AB

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

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

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2023 on pages 42-44 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

VÄXJÖ, 28 MARCH 2024

Ernst & Young AB

Marika Sengoltz

Authorised Public Accountant

CONTACTS

Mari Kadowaki
President and CEO
Telephone +46 474 551 10
mari.kadowaki@profilgruppen.se

OTHER INFORMATION

The relevant information is always available on our website:
www.profilgruppen.se

Graphic design/photography: Proud and ProfilGruppen



BOARD OF DIRECTORS

1. Bengt Stillström²

Born 1943

M.Sc.Eng

Board member since 2012, Chairman since 2023

Other directorships/positions: Chairman of the Board of AB Traction (founder and former CEO) and member of the board of Ringvägen Venture AB.

Shareholding in ProfilGruppen: 2,170,703

2. Mari Kadowaki¹

Born 1964

M.Sc.Eng

Board member since 2022

Other directorships/positions: Member of the board of Garo AB and Chair of Teknikföretagen Region Öst. CEO of ProfilGruppen AB

Shareholding in ProfilGruppen: 61,494

3. Tomas Berggren³

Born 1971

Mechanical Engineering and Economics (B.Sc.)

Board member since 2022

Other directorships/positions: No other board appointments at present.

Shareholding in ProfilGruppen: 0

4. Magnus Gabrielsson¹

Born 1980

Employed at ProfilGruppen since 2000

Appointed by the employees

Employee representative since 2018

Shareholding in ProfilGruppen: 0

5. Anders B Johansson¹

Born: 1971

Employed at ProfilGruppen since 1989

Appointed by the employees

Employee representative, deputy, since 2021

Shareholding in ProfilGruppen: 900

6. Sebastian Nilsson¹

Born 1992

Employed at ProfilGruppen since 2020

Appointed by the employees

Employee representative, deputy, since 2022

Shareholding in ProfilGruppen: 0

7. Mikael Ekbring¹

Born 1966

Employed at ProfilGruppen since 1986

Appointed by the employees

Employee representative, deputy, since 2019

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.



Mari Kadowaki



Fredrik Uhrbom



Ulrika Svensson



Fredrik Gustafsson



Pierre Thuresson



Özkan Kosmaz

SENIOR MANAGEMENT

Mari Kadowaki

President and CEO
Born 1964
Employed since 2023
Holding: 61,494

Fredrik Uhrbom

Marketing and Sales Manager
Born 1972
Employed since 2013
Holding: 0

Ulrika Svensson

Head of HR
Born 1974
Employed since 2000
Holding: 1,000

Fredrik Gustafsson

Supply Chain Manager
Born 1980
Employed since 2020
Holding: 0

Pierre Thuresson

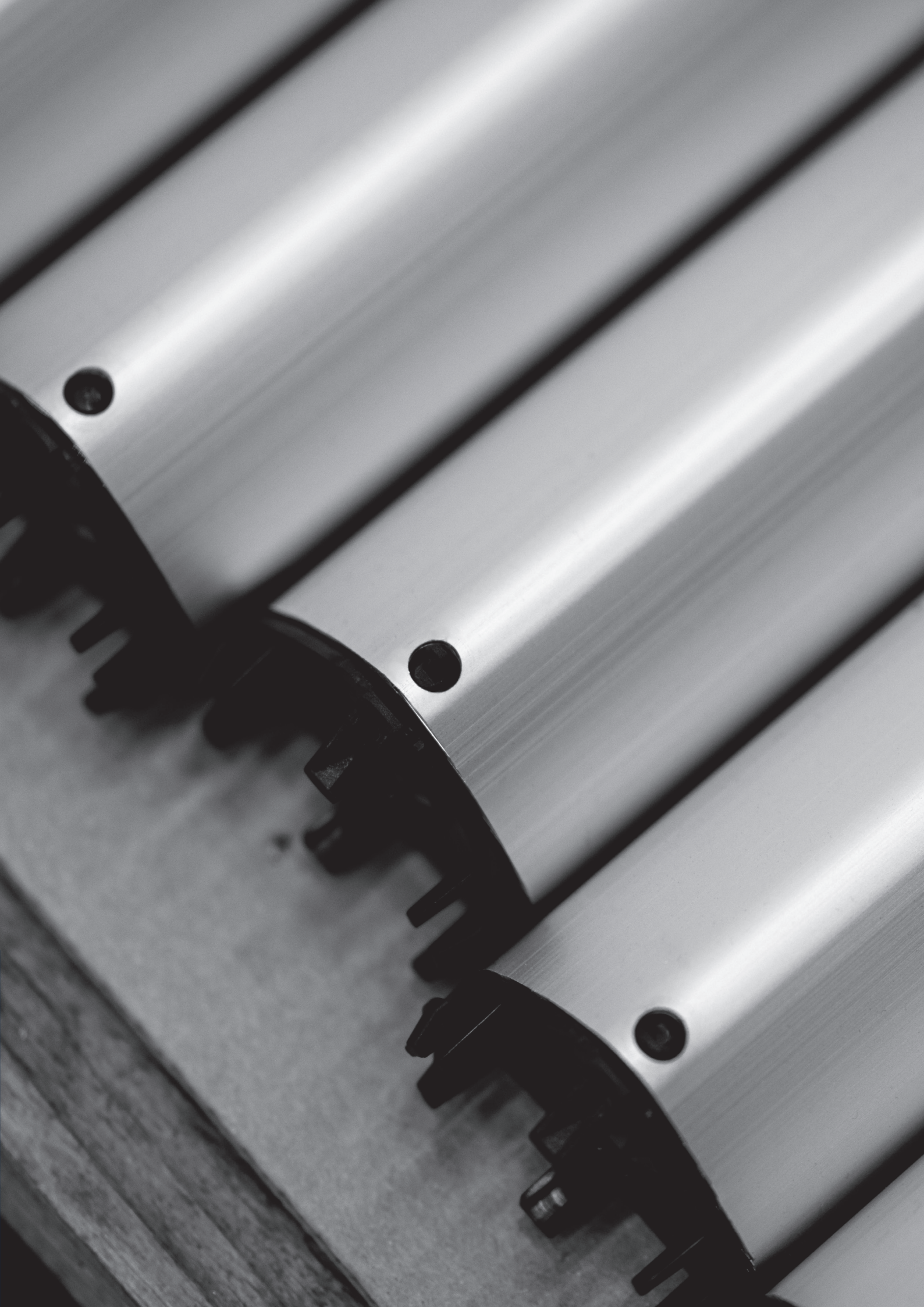
Chief Technology Officer
Born 1972
Employed since 2015
Holding: 0

Özkan Kosmaz

Extrusion Manufacturing Officer
Born 1981
Employed since 2023
Holding: 0

The above shareholdings refer to ProfilGruppen AB.

**M.Sc.Eng Board member since 2022. Other directorships/positions: Member of the board of Garo AB.*

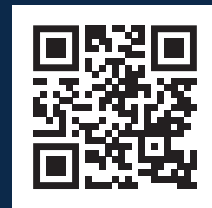




next
level

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.

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