

Global presence, local excellence

ANNUAL REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS

2022





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Annual Report and Consolidated Financial Statements for Ekman Invest Holding AB

The Board of Directors and the CEO of Ekman Invest Holding AB hereby submit the Annual Report and Consolidated Financial Statements for the financial year starting on January 1, 2022 and ending on December 31, 2022. The Annual Report is a translation of the original in Swedish.



Global sales and marketing of forest products

Ekman is a global sales and marketing organization, strategically aligning buyers and sellers of forest products around the world.

We create additional value by offering deep expertise, strong financial solutions, competitive sourcing and highly committed people, providing outstanding service to our partners.

Words from the CEO

A strong result in a turbulent global market

Ekman achieved a very strong result in 2022, despite continued turmoil in the global economy and disruption of global trade.

We are putting another challenging year behind us. The pandemic has subsided in large parts of the world, but the war in Ukraine has caused great human suffering. The sanctions introduced after the war broke out meant that we left two important forestry product sourcing areas for Ekman, Russia and Belarus. However, these lost flows have largely been replaced thanks to our strong global network of pulp and paper suppliers.

Buoyant demand

The pulp market was exceptionally strong in 2022. Paper and packaging materials were in high demand in all regions with the exception of China and Southeast Asia. Within Recovered Materials, we succeeded in establishing several new areas to purchase paper which was not suitable for its intended purpose, however is suitable for use in other applications.

The prices for many of Ekman's products, and in particular pulp, were at historical high levels during most of 2022. While several factors contributed to this fact, production disruptions and persistent logistics problems were two of the most significant. A combination of a positive pricing environment for many of our main product grades as well as our employees' exceptional ability to adapt and find new opportunities resulted in the Group reporting a record profit for 2022.

Sustainable business opportunities

While tackling challenges in our day-to-day operations, we are working to add new sustainable forest-based products to our portfolio. This creates future new business opportunities but should also be seen as our contribution to the transition to sustainable and circular solutions.

In just a few years, Ekman's Innovare business area has initiated several promising collaborations on innovative bio-based solutions. One example is the Swedish scaleup, Biosorbe, which together with Ekman launched a patented cellulose-based product that absorbs onshore and offshore oil spills.

Ekman Innovare also runs Challenge the Fabric (CTF), which since 2018 has been working to create a circular fashion industry by connecting the fashion, textile and forestry industries. CTF is a platform on which the entire supply chain of man-made cellulose fibres (MMCF) can meet, collaborate and create change. See you in Milan in May!

Responsible business

We are committed to doing what we can to protect people and the environment. This is a fundamental aspect of our business, and something our stakeholders expect from us. I'm proud of our employees who, in these challenging times, manage to stay focused on the best interests of our business partners in terms of ethical and responsible business conduct.

Since deals are made between people, it's important to me that we always treat each other and our business partners with honesty and respect. I would like to thank all of you – business partners, employees, and owners – for the past year, which once again has been a victory for the entire team.

With hopes for brighter times,

Jan Svensson

CEO, Ekman & Co

Directors' report

Ownership structure

Ekman Invest Holding AB (corporate registration number 556712-1602), with its registered office in Gothenburg, is the Parent Company of the Ekman Group, and is owned by the Ekman family both directly and via foundations, and by employees within the Group.

Nature and purpose of business

The Ekman Group is an international trading house with business that includes selling wood pulp, paper, packaging materials, recovered materials and products within the bioenergy sector. The business is conducted through subsidiaries and agents in all parts of the world.

Significant events during and after the financial year

The pulp market was exceptionally strong in 2022. Pulp prices were already high at the beginning of the year and strengthened further during the first six months, largely due to production disruptions and logistics problems. Demand slowed slightly towards the end of the year.

Demand for packaging materials was weak in China and Southeast Asia throughout the year, largely driven by the Covid-related lockdowns in China, which affected the entire region. The market for paper and packaging materials was significantly stronger in other regions until the autumn, when demand and prices also fell sharply.

The market for recycled paper got off to a strong start, with high demand and high prices. In the second half of the year, the trend was more volatile, with varying and difficult-to-estimate demand in different regions of the world. This resulted in significantly lower prices at the end of the year.

In general, for all of the Group's business areas, the logistics situation was a significant challenge during a large part of the year, which had a negative impact on delivery planning, sales volumes and freight solution costs. The situation gradually improved during the year and freight prices were significantly lower at the end of the year.

The war in Ukraine and its consequences had a significant negative impact on the Group's operations, as Russia in particular, but also to some extent Belarus, are impor-

tant supplier countries for forestry raw materials and paper products. The Group discontinued all operating activities in, and with, these countries during the year.

The pandemic continued to impact operations, primarily in terms of the Group's sales to China, where continued lockdowns had a negative impact on demand, but also due to the lingering negative effects on the freight market.

Despite these challenges, the Group had a strong year in 2022. The high prices for much of the product range pushed up revenue and the Group reported a record-high result in 2022. The Group has utilized its global diversification, extensive experience and strong business relationships to manage the effects of the market's difficulties throughout the year.

During the year, the Group sold its subsidiary in Denmark with activities in wood pellet trading. Furthermore, the Group acquired 100% of the shares in Roll Products s.r.l., with operations in Italy.

As of January 4, 2023, the Group also acquired 100% of the shares in Vuoksen Voima Oy, which in turn owns 100% of the shares in Karjalan Paperi Oy and Vuoksen Terminaalikiinteistöt Oy.

The Group's operating revenue amounted to SEK 20,681 (SEK 16,587) million. The business volume also includes agency business corresponding to sales of SEK 6,538 (4,282) million, which is not included in the reported revenue. The total business volume was therefore SEK 27,219 (20,869) million. The Group's profit after financial items amounted to SEK 212.2 (134.2) million. The transaction volume for the year amounted to 3.6 (3.8) million tonnes. The number of employees in the Group during the year was 310, compared to 298 the previous year.

Profit after financial items for the Parent Company Ekman Invest Holding AB was SEK 60.3 (52.8) million. There are no employees in the Parent Company.

Sustainability disclosures

The sustainability disclosures required to understand the Group's development, financial position or results of operations are published on the Group's website: www.ekmangroup.com.

Five-year summary

A summary of financial ratios for the last five years is presented below.

Group

SEK million	2022	2021	2020	2019	2018
Revenue, incl. agency sales	27,219	20,869	18,424	19,576	22,052
Result after financial items	212.2	134.2	105.0	-12.9	83.8
Net income	151.7	98.4	68.0	-41.1	53.7
Total assets	3,237	2,606	2,058	2,687	3,186
Equity	623.8	487.0	404.0	343.2	398.0
Return on equity, %	27.3	22.1	18.2	-11.1	14.1
Equity ratio, %	19.3	18.7	19.6	12.8	12.5
Average number of employees	310	298	298	301	296

Definitions

“Net income” refers to the net income for the year attributable to the Parent Company’s shareholders.

“Equity” refers to the equity attributable to the Parent Company’s shareholders.

“Return on equity” is calculated as net income less the share due to non-controlling interests, divided by average total equity attributable to the Parent Company’s shareholders.

“Equity ratio” is calculated as total equity attributable to the Parent Company’s shareholders divided by total assets.

Future outlook

The global geopolitical development after Russia’s invasion of Ukraine has created great uncertainty about how the world market will develop in the coming year. It is extremely difficult to assess how global trade in the Group’s products will develop, what disruptions may arise in the market, and how these can affect logistics, prices, trade patterns and demand in different parts of the world. In general, however, the Group has considerable strength and flexibility in dealing with uncertainty and changing conditions.

The Group will maintain its focus on new innovations related to forestry raw materials that are at various stages of development and may broaden its product portfolio in the future. The transition to sustainable solutions is accelerating, and the shift from fossil-based products to sustainable plastic-free products and the increasingly important circular economy are expected to bring greater demand for forestry products in the future. The Group is well positioned to meet these changes.

Significant risks and uncertainties

Management has a constant focus on minimizing various risks to avoid jeopardizing the Group’s balance sheet and income statement. The most significant risks can be divided into the following categories:

- Price risk
- Credit risk
- Interest rate risk
- Currency risk

Each risk category is described below, together with measures taken by the Group to limit its exposure to these risks.

Price risk

The Group’s main price risk is related to changes in the world market prices for pulp, containerboard, recovered paper and wood pellets. These risks are normally managed by structuring business transactions in such a way that the effects of price changes are minimized.

Credit risk

Credit risk is defined as the risk of counterparties being unable to meet their contractual obligations to the Group. Credit risks are mainly related to outstanding accounts receivable and outstanding advance payments to suppliers.

The Group has maintained a global credit insurance policy for many years, which substantially reduces its exposure to credit risks. The Group's credit policy defines the measures taken to minimize its exposure to credit risks. These measures include business intelligence analyses, a structured procedure for assessing the credit rating of counterparties and making credit decisions, use of individual credit limits, adaptation of credit terms, and collection procedures.

Credit risks are spread among a large number of different counterparties and also spread geographically among many different markets, which reduces concentration risk for the Group's receivables.

Interest rate risk

The Group's interest rate risk is mainly related to outstanding accounts receivable and external borrowing. The Group's policy is to match the terms of external borrowings with the average credit periods granted to customers to the greatest extent possible. In some cases, interest rate derivatives may be used to hedge financing in respect of capital employed. Interest rate derivatives may be used for longer-term financing, such as financing for acquisitions, if the interest rate risk is considered substantial.

Currency risk

The Group's business is global and exposed to currency risks through business transactions in different currencies, assets and liabilities recognized in different currencies and translation of the income statements and balance sheets of foreign subsidiaries to the Group's presentation currency. The Group's target is to eliminate currency risks to the greatest degree possible and several processes have been implemented to ensure that this target is met on an ongoing basis. In accordance with the Group's risk management policy, currency derivatives are used to hedge transaction exposure in currencies and to hedge against imbalances in foreign currency assets and liabilities.

Forward contracts are normally used for this type of hedging. In addition, the Group actively employs various methods to minimize the net exposure in different currencies between recognized foreign currency assets and liabilities for each Group company.

The Group also hedges exposure to currency risk in net investments in foreign subsidiaries using derivative instruments. The amount of the hedge is estimated quarterly, taking into account changes in net investment in different currencies.

The Group employs hedge accounting in cases where currency derivatives are used to hedge currency risks.

Proposed distribution of earnings

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

Retained earnings	137,640,224
Profit/loss for the year	60,817,072
SEK	198,457,296

The Board of Directors proposes that the following amount is to be

distributed to the shareholders	31,225,608
carried forward	167,231,688
SEK	198,457,296

Subject to approval by the Annual General Meeting, Group contributions totaling 94,032 have been paid to Ekman Invest Holding AB's subsidiaries.

It is the Board's view that the proposed dividend and the proposed Group contributions will not prevent the Company nor the Group from meeting their obligations in the short or long term, or from making necessary investments. The proposed value transfer can therefore be justified in accordance with the provisions of Chapter 17, section 3, paragraphs 2 and 3 of the Swedish Companies Act (prudence rule).

Information about the Group's and the Parent Company's results for the year, financial position on the reporting date, and financing and capital utilization during the year can be found in the following financial statements. All figures are reported in thousands of SEK unless otherwise indicated.

Consolidated Income Statement

SEK thousands	Note	Jan. 1, 2022 – Dec. 31, 2022	Jan. 1, 2021 – Dec. 31, 2021
Revenue			
Net sales	4, 5	20,548,884	16,501,061
Other operating income		132,186	86,394
		20,681,070	16,587,455
Operating expenses			
Goods for resale		–19,020,014	–15,273,728
Other external expenses	6, 7	–967,350	–733,557
Personnel costs	8	–478,231	–410,090
Depreciation/amortization of non-current assets	12	–13,012	–11,167
Operating profit/loss		202,463	158,913
Profit/loss from financial items			
Profit/loss from divestment of interests in Group companies		4,916	—
Profit/loss from holdings in affiliated companies	14	294	–1,142
Profit/loss from holdings in ownership interests in other companies	15	2,308	6,710
Profit/loss from other securities	17	44,064	—
Interest income and similar items	10	674	7,592
Interest expenses and similar items	10	–42,565	–37,884
Profit/loss after financial items		212,154	134,189
Tax on profit for the year	11	–55,969	–30,096
Profit/loss for the year		156,185	104,093
Share of net profit attributable to			
Parent Company's shareholders		151,679	98,368
Non-controlling interests		4,506	5,725

Consolidated Balance Sheets

SEK thousands	Note	Dec. 31, 2022	Dec. 31, 2021
Assets			
Non-current assets			
Intangible assets	12		
Goodwill		22,304	8,535
Other intangible assets		1,754	63
		24,058	8,598
Tangible assets	12		
Buildings and land		2,620	11,973
Machinery and equipment		25,919	27,924
		28,539	39,897
Financial assets			
Holdings in affiliated companies	14	5,855	4,811
Holdings in ownership interests in other companies	15	39,359	28,902
Other securities held as non-current assets		952	955
Deferred tax assets	16	14,031	14,702
Other financial assets	17	46,434	42,915
		106,631	92,285
Total non-current assets		159,228	140,780
Current assets			
Inventories			
Finished goods and goods for resale		637,683	347,076
Advance payments to suppliers		250,978	240,905
		888,661	587,981
Current receivables			
Accounts receivable		1,874,153	1,566,300
Tax receivable		6,164	9,413
Other receivables		161,684	59,889
Prepaid expenses and accrued income	18	108,821	156,190
		2,150,822	1,791,792
Cash and bank balances		38,358	85,104
Total current assets		3,077,841	2,464,877
Total assets		3,237,069	2,605,657

Consolidated Balance Sheets

SEK thousands	Note	Dec. 31, 2022	Dec. 31, 2021
Equity, provisions and liabilities			
Equity			
Share capital	19	43,369	43,369
Other paid-in capital		60,500	60,500
Other equity including profit/loss for the year		519,917	383,148
Equity attributable to Parent Company's shareholders		623,786	487,017
Non-controlling interests		17,429	19,098
Total equity		641,215	506,115
Provisions			
Provisions for pensions		34,064	20,044
Provision for deferred tax		3,006	7,292
Total provisions		37,070	27,336
Liabilities			
Other interest-bearing liabilities			
Liabilities to credit institutions	20	3,167	9,489
Non-current liabilities		—	179
		3,167	9,668
Current liabilities			
Liabilities to credit institutions	21	757,831	424,972
Advance payments from customers		83,653	69,805
Accounts payable		1,152,174	1,066,761
Tax liabilities		32,943	16,503
Other current liabilities		17,084	17,969
Accrued expenses and deferred income	22	511,932	466,528
		2,555,617	2,062,538
Total liabilities and provisions		2,595,854	2,099,542
Total equity, provisions and liabilities		3,237,069	2,605,657

Consolidated Statement of Changes in Equity

SEK thousands	Share capital	Other paid-in capital	Other equity incl. profit/loss for the year	Total equity attributable to Parent Company's shareholders	Non-controlling interests	Total equity
Opening balance, Jan. 1, 2021	43,369	60,500	299,763	403,632	22,635	426,267
Profit/loss for the year			98,368	98,368	5,725	104,093
Translation differences			-1,105	-1,105	347	-758
Total changes in value	—	—	97,263	97,263	6,072	103,335
Transactions with owners						
Payout to non-controlling interests					-9,609	-9,609
Dividends to shareholders			-13,878	-13,878	—	-13,878
Total transactions with owners	—	—	-13,878	-13,878	-9,609	-23,487
Closing balance, Dec. 31, 2021	43,369	60,500	383,148	487,017	19,098	506,115
Opening balance, Jan. 1, 2022	43,369	60,500	383,148	487,017	19,098	506,115
Profit/loss for the year			151,679	151,679	4,506	156,185
Translation differences			5,907	5,907	697	6,604
Total changes in value	—	—	157,586	157,586	5,203	162,789
Transactions with owners						
Payout to non-controlling interests					-6,872	-6,872
Dividends to shareholders			-20,817	-20,817	—	-20,817
Total transactions with owners	—	—	-20,817	-20,817	-6,872	-27,689
Closing balance, Dec. 31, 2022	43,369	60,500	519,917	623,786	17,429	641,215

Consolidated Cash Flow Statements

SEK thousands	Note	Jan. 1, 2022 – Dec. 31, 2022	Jan. 1, 2021 – Dec. 31, 2021
Operating activities			
Operating profit/loss		202,463	158,913
Adjustments for items not included in cash flow			
Depreciation and amortization		13,012	11,167
Change in provisions		13,907	3,181
Other items	23	8,081	–2,676
Profit/loss from holdings in ownership interests in other companies		56,456	—
Interest received		674	7,592
Interest paid		–34,097	–23,116
Income tax paid		–36,970	–25,891
Cash flow from operating activities before changes in working capital		223,526	129,170
Cash flow from changes in working capital			
Decrease(+)/increase(–) in inventories		–290,319	–58,696
Decrease(+)/increase(–) in accounts receivable		–300,262	–378,110
Decrease(+)/increase(–) in current receivables		–55,513	–57,021
Decrease(–)/increase(+) in accounts payable		74,318	269,537
Decrease(–)/increase(+) in current liabilities		40,708	218,023
Cash flow from operating activities		–307,542	122,903
Investing activities			
Acquisitions of affiliated companies		–4,243	—
Acquisition of Group companies		–10,427	—
Divestment of Group companies		4,916	—
Change in other securities held as non-current assets		3	–827
Investments in intangible assets		–1,731	–4,359
Investments in tangible assets		–9,856	–10,809
Cash flow from investing activities		–21,338	–15,995
Financing activities			
Change in utilization of credit facilities		326,358	–27,299
Changes in other financial assets		–14,799	–22,890
Change in non-current receivables		—	–250
Payout to non-controlling interests		–6,871	–9,609
Dividends paid		–20,817	–13,878
Cash flow from financing activities		283,871	–73,926
Cash flow for the year		–45,009	32,982
Cash and cash equivalents at beginning of year		85,104	57,124
Exchange rate differences in cash and cash equivalents		–1,737	–5,002
Cash and cash equivalents at end of year		38,358	85,104

Parent Company Income Statement

SEK thousands	Note	Jan. 1, 2022 – Dec. 31, 2022	Jan. 1, 2021 – Dec. 31, 2021
Operating expenses			
Other external expenses	6, 7	–150	–410
Operating profit/loss		–150	–410
Profit/loss from financial items			
Profit/loss from holdings in Group companies	9	60,817	53,878
Interest income and similar items	10	4	—
Interest income from Group companies		51	—
Interest expenses and similar items	10	–6	–6
Interest expenses to Group companies		–447	–681
Profit/loss after financial items		60,269	52,781
Appropriations			
Group contributions received		642	3,523
Group contributions paid		–94	–2,174
Profit/loss before tax		60,817	54,129
Tax on profit for the year	11	—	—
Profit/loss for the year		60,817	54,129

Parent Company Balance Sheet

Assets

SEK thousands	Note	Dec. 31, 2022	Dec. 31, 2021
Non-current assets			
Financial assets			
Holdings in Group companies	13	243,375	243,375
		243,375	243,375
Total non-current assets		243,375	243,375
Current assets			
Receivables from Group companies		10,894	—
		10,894	—
Cash and bank balances		8	468
Total current assets		10,902	468
Total assets		254,277	243,843

Equity, Provisions and Liabilities

SEK thousands	Note	Dec. 31, 2022	Dec. 31, 2021
Equity			
Restricted equity			
Share capital	19	43,369	43,369
		43,369	43,369
Unrestricted equity			
Share premium reserve		60,500	60,500
Retained earnings		77,140	43,828
Profit/loss for the year		60,817	54,129
		198,457	158,457
Total equity		241,826	201,826
Liabilities			
Current liabilities			
Liabilities to Group companies		12,450	42,017
		12,450	42,017
Total liabilities		12,450	42,017
Total Equity, Provisions and Liabilities		254,276	243,843

Parent Company

Statement of Changes in Equity

SEK thousands	Restricted equity	Unrestricted equity			Total equity
	Share capital	Share premium reserve	Profit or loss carried forward	Profit/loss for the year	
Opening balance, Jan. 1, 2021	43,369	60,500	52,551	5,155	161,575
Transfer of previous year's profit/loss			5,155	-5,155	—
Profit/loss for the year				54,129	54,129
Total changes in value	—	—	5,155	48,974	54,129
Transactions with owners					
Dividends			-13,878		-13,878
Total transactions with owners	—	—	-13,878	—	-13,878
Closing balance, Dec. 31, 2021	43,369	60,500	43,828	54,129	201,826
Opening balance, Jan. 1, 2022	43,369	60,500	43,828	54,129	201,826
Transfer of previous year's profit/loss			54,129	-54,129	—
Profit/loss for the year			—	60,817	60,817
Total changes in value	—	—	54,129	6,688	60,817
Transactions with owners					
Dividends			-20,817		-20,817
Total transactions with owners	—	—	-20,817	—	-20,817
Closing balance, Dec. 31, 2022	43,369	60,500	77,140	60,817	241,826

Parent Company Cash Flow Statement

SEK thousands	Note	Jan. 1, 2022 – Dec. 31, 2022	Jan. 1, 2021 – Dec. 31, 2021
Operating activities			
Operating profit/loss		–150	–410
Interest received		56	—
Interest paid		–453	–688
Cash flow from operating activities before changes in working capital		–547	–1,098
Cash flow from changes in working capital			
Decrease(+)/increase(–) in current receivables		–10,894	—
Decrease(–)/increase(+) in current liabilities		31,798	15,442
Cash flow from operating activities		20,904	15,442
Financing activities			
Dividends paid		–20,817	–13,878
Cash flow from financing activities		–20,817	–13,878
Cash flow for the year		–460	466
Cash and cash equivalents at the beginning of the year		468	2
Cash and cash equivalents at the end of the year		8	468

Notes

Parent Company and Group

Note 1 Accounting and measurement policies

Ekman Invest Holding AB's annual report and consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's General Recommendation BFNAR 2012:1 Annual Reports and Consolidated Accounts ("K3").

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the purchase method and include the Parent Company Ekman Invest Holding AB and companies in which the Parent Company directly or indirectly has a voting majority or otherwise exercises controlling influence. The revenue and expenses of a subsidiary are incorporated into the consolidated financial statements from the time of the acquisition until such a time as the Parent Company no longer exercises controlling influence over the subsidiary. The assets and liabilities of foreign subsidiaries are translated to SEK for the consolidated financial statements using the exchange rate on the balance sheet date. Revenue and expense items are translated using the average exchange rate for the period. Any translation differences that arise are recognized directly in equity.

Holdings in affiliated companies

An affiliated company is a company in which the Group exercises significant influence, but not a controlling influence. This normally includes companies in which the Group holds 20-50% of the votes. The Group generally recognizes holdings in affiliated companies using the equity method. Affiliated companies with negligible significance or which in another way meet the requirements of the Swedish Annual Accounts Act (Chapter 7) for exemption from the equity method are recognized at cost less any impairment and only distributions of profits received are recognized as revenue in such cases.

Revenue

Revenue relates primarily to the sale of goods and agency commissions. Revenue is recognized when the risks and rewards, in all significant respects, are transferred to the buyer, primarily based on the terms of delivery. Costs of materials are accrued to match the related sales revenue.

Leases

Leases are classified as either finance leases or operating leases in both the consolidated financial statements and the Parent Company's financial statements, depending on the economic significance of the lease. A finance lease is a lease according to which the economic risks and rewards of ownership of an asset are substantially transferred from the lessor to the lessee. Other leases are classified as operating leases.

Receivables and liabilities

Receivables are recognized at the amounts expected to be received. Liabilities are recognized at their nominal amount. Receivables and liabilities with a maturity period of more than one year are classified as non-current.

Translation of items in foreign currency

Monetary items in foreign currency are translated on each balance sheet date using the exchange rate on the balance sheet date. Non-monetary items measured at historical cost in a foreign currency are not translated. Exchange differences are recognized in the period they arise, except in the case of hedging transactions that qualify for hedge accounting.

Employee benefits

Employee benefits in the form of wages, salaries, bonuses, paid vacations, paid sickness absences etc. and pensions are recognized as earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The Group mainly has defined contribution pension plans. There are no other long-term employee benefits.

Income tax

Recognized income taxes include tax payable or recoverable in respect of the current year, adjustments relating to prior years' taxes and changes in deferred tax. All tax liabilities and assets are measured at their nominal amounts in accordance with the tax regulations and rates in effect on the balance sheet date.

Tax effects relating to items recognized in the income statement are also reported in the income statement. The

Note 1 cont.

tax effects of items recognized directly in equity are also recognized in equity. Deferred tax assets related to losses carried forward or other future tax deductions are recognized to the extent that it is probable that the deduction can be offset against a surplus in future taxation. Group tax estimates do not take into account the additional foreign taxation that could be charged against consolidated earnings if transferred to the Parent Company.

Tangible and intangible non-current assets

All tangible and intangible non-current assets are acquired externally and are recognized at cost less accumulated depreciation/amortization and any impairment. The amortization period for goodwill varies from 5 to 10 years depending on the estimated useful life. The amortization period for strategic acquisitions is considered to be 10 years. Depreciation of tangible assets is expensed in such a way that the cost of the asset, less its estimated residual value if applicable, is depreciated on a straight-line basis over its estimated useful life. The estimated useful lives of different non-current assets are as follows:

Goodwill	5–10 years
Other intangible assets	5 years
Capitalized expenses for computer software	5 years
Buildings	20–50 years
Computer equipment	5 years
Other equipment	5–7 years

The estimated useful lives and depreciation/amortization methods are reviewed in the event of indications that the expected consumption has changed significantly in comparison to the estimate as at the previous balance sheet date. The effect of such a change is recognized prospectively.

Financial instruments

A financial asset or liability is recognized in the balance sheet when the Group becomes a party to the contractual terms and conditions of the instrument. A financial asset is derecognized from the balance sheet when the contractual rights to receive the cash flows from the asset lapse or are settled, or when the Group loses control over it. A financial liability, or a component of a financial liability, is derecognized from the balance sheet when the contractual obligation is met or otherwise lapses.

Current assets and liabilities are measured at cost on initial recognition. Non-current receivables and liabilities are measured at amortized cost on initial recognition. Borrowing costs are accrued as part of the interest expenses for the borrowing.

After initial recognition, current assets are measured according to the lower value principle, i.e. at the lower of

cost and net realizable value on the balance sheet date. Current liabilities are measured at their nominal amount. Non-current receivables and liabilities are measured at amortized cost after initial recognition.

The Group uses hedge accounting to reduce fluctuations in its profit or loss resulting from currency risks. Currency forwards are mainly used for hedging foreign currency receivables or liabilities, but other derivative instruments may also be used. The hedged item is measured at the forward rate. In cases where there are substantial differences between the forward rate and the spot rate, the receivable or liability is measured at the spot rate and the forward premium is accrued over the term of the forward contract.

Future cash flows in foreign currencies are only hedged to the extent that they are related to binding contracts and are thereby highly likely to occur.

The Group uses currency forwards, and in some cases borrowings, in foreign currencies to hedge net investments in foreign currency. The hedging instrument and the hedged item are recognized in the consolidated financial statements at the exchange rate on the balance sheet date. The effective component of the re-measurements is recognized directly in equity on the line “Translation differences”.

Financial assets are tested at every balance sheet date for indications that one or more assets have decreased in value. For financial assets measured at amortized cost, the impairment is calculated as the difference between the carrying amount of the asset and the present value of management's best estimate of future cash flows. The asset is discounted at an interest rate equivalent to the original effective interest rate of the asset. The interest rate on the balance sheet date is used for assets at a variable interest rate.

For financial assets not measured at amortized cost, impairment is calculated as the difference between the carrying amount of the asset and the higher of fair value less costs of disposal and the present value of management's best estimate of the future cash flows which the asset is expected to generate.

Inventories

Inventories are measured at the lower of cost and net realizable value at the balance sheet date. Cost is calculated using the first-in first-out (FIFO) method.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and available balances with banks and other credit institutions, and other short-term liquid investments that are readily convertible to cash, that are subject to an insignificant risk of fluctuations in value and that have an original maturity of three months or less.

Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as the result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Obligations not recognized as liabilities or provisions are recognized as contingent liabilities.

Cash flow statement

The cash flow statement has been prepared using the indirect method.

Accounting and measurement policies specifically related to the Parent Company

This section covers the accounting policies of the Parent Company which deviate from the accounting policies of the Group or which are not applicable to the Group.

Holdings in subsidiaries are recognized at cost. Dividends from subsidiaries are recognized as revenue when the Parent Company's right to receive the dividend is established and can be calculated reliably.

Group contributions paid and received are recognized as appropriations in the income statement.

Note 2 Significant estimates and judgements

Significant sources of uncertainty in estimates and significant judgments in relation to the application of the Group's accounting policies

One of the main focuses of the Group is to minimize risks and uncertainties that may affect the Group's financial results and financial position. However, there is always a certain degree of uncertainty involving risks of losses in respect of accounts receivable, advances to suppliers, assessment of other risk provisions and measurement of

inventories. Management's assessment of the provision needs for such risks of loss and estimates of any inventory value provisions form the basis for the amounts at which these items are recognized in the consolidated balance sheet.

Estimates of future use and cash flows are used to determine impairment losses on non-current assets. In addition, the measurement of deferred tax assets related to tax loss carryforwards is based on estimates of the ability to utilize these tax loss carryforwards against future profits.

Note 3 Derivatives and financial instruments

Currency risk

The Group's business is global and exposed to currency risks through business transactions in different currencies, assets and liabilities recognized in different currencies and translation of the income statements and balance sheets of foreign subsidiaries to the Group's presentation currency.

The Group's policy is to minimize transaction and balance sheet risks related to currencies to the greatest possible extent by ensuring that there is generally a balance between the inflows and outflows in each currency and between receivables and liabilities in each currency. Net exposure is hedged primarily using currency forwards and currency swaps, but currency options may also be used under the Group's financial policy.

The Group's holdings in foreign businesses expose its net assets to currency risks. The currency exposure of net investments in foreign currencies is managed in some cases via borrowings, but primarily by taking out forward contracts in the same currency as the net investments. These instruments are identified as a hedge of net investments within the Group.

Hedge accounting is used in cases where currency derivatives are used to hedge risks related to contractual obligations for transactions and to hedge balance sheet risks related to currencies (defined as a fair value hedge below in the "Hedge Accounting" section).

Note 3 cont.

Hedge accounting

Fair values of derivatives identified as hedging instruments with maturities after the balance sheet date are shown below.

	Group	
	Dec. 31, 2022	Dec. 31, 2021
Currency forwards		
Fair value hedge	–1,833	–324
Hedge of net investment in foreign subsidiaries	—	21
Currency swaps		
Fair value hedge	13,894	–206
Hedge of net investment in foreign subsidiaries	2,404	–1,462
Total	14,466	–1,971

Note 4 Distribution of net sales

By geographic market	Group	
	2022	2021
Asia	64%	70%
Europe	21%	16%
Americas	10%	10%
Other	5%	4%
Total	100%	100%

By segment	Group	
	2022	2021
Pulp	71%	64%
Paper & Packaging	14%	19%
Recovered Materials	14%	15%
Bioenergy	1%	2%
Total	100%	100%

Note 5 Intra-group sales and purchases

The Parent Company did not have any purchases of goods from or sales of goods to any other Group company.

Note 6 Disclosure on auditors' fees

	Group		Parent Company	
	2022	2021	2022	2021
Deloitte				
Audit engagements	2,113	2,033	113	100
Tax advice	38	145	—	—
Other services	488	83	—	—
Other auditors				
Audit engagements	1,586	1,438		
Tax advice	582	564		
Other services	192	120		

The “Audit engagements” item refers to the auditor’s fee for the statutory audit, which involves auditing the Annual Report and Consolidated Financial Statements, accounting records and administration of the Board of Directors and the CEO, and includes any fees for advisory services related to the audit engagement.

Note 7 Leases

The Group is a lessee mainly for buildings and premises under operating leases. The Group has no material finance leases.

Expensed lease payments for the year for operating leases totaled 32,628 (32,502) for the Group and 0 (0) for the Parent Company. Future minimum lease payments for non-cancelable operating leases fall due as follows:

Due date	Group	
	2022	2021
Within one year	24,597	22,562
Later than one year but within five years	64,456	26,352
Later than five years	10,043	—
Total	99,096	48,914

Note 8 Number of employees, wages, salaries, benefits and social security expenses

Average number of employees	2022		2021	
	Number of employees	Whereof men	Number of employees	Whereof men
Subsidiaries in Sweden				
Gothenburg	55	25	50	25
Representative office in Russia	2	—	3	—
Total in subsidiaries in Sweden	57	25	53	25
Foreign subsidiaries				
Australia	3	1	3	1
Belarus	2	1	2	1
Brazil	3	1	3	2
China	63	27	65	29
Denmark	4	3	10	7
Germany	1	1	1	1
Italy	16	5	12	2
Japan	8	6	8	6
Poland	3	1	2	1
South Africa	10	5	9	4
South Korea	5	2	5	2
Spain	3	1	3	1
Switzerland	14	9	15	10
Turkey	4	1	4	1
UK	16	9	15	10
United Arab Emirates	12	11	11	10
USA	86	37	77	31
Total in subsidiaries	253	121	245	119
Total in Group	310	146	298	144

The representative office in Russia had no employees at the end of the year.

Distribution of senior executives at the balance sheet date	Group		Parent Company	
	2022	2021	2022	2021
Women				
Board members	—	—	1	1
Number with executive positions, including CEO	2	2	2	1
Men				
Board members	—	—	6	6
Number with executive positions, including CEO	6	8	4	4
Total	8	10	13	12

Note 8 cont.

Wages, salaries, other benefits etc.

Personnel	2022		2021	
	Wages, salaries, other benefits	Social security expenses (of which pension costs)	Wages, salaries, other benefits	Social security expenses (of which pension costs)
Parent Company	—	—	—	—
Subsidiaries	373,056	77,077	319,989	67,490
		(28,383)		(24,445)
	373,056	77,077	319,989	67,490
		(28,383)		(24,445)

Pension costs for the Board of Directors and CEO amounted to 0 (0) for the Parent Company and 1,923 (1,192) for the Group.

Distribution of salaries and other benefits by Board members and CEOs in Group companies, and other employees

Personnel	2022		2021	
	Board and CEO in Group companies (of which bonuses, etc)	Other employees	Board and CEO in Group companies (of which bonuses, etc)	Other employees
Parent Company	—	—	—	—
Subsidiaries	73,142	299,914	65,247	254,742
	(30,506)		(28,847)	
Total Group	73,142	299,914	65,247	254,742
	(30,506)		(28,847)	

The Group's CEO and Deputy CEO are entitled to 12 months' dismissal pay and a pension agreement based on the highest amount deductible for tax purposes. Other senior executives in the Group are entitled to 6–12 months' dismissal pay. There are no severance pay agreements in addition to this, regardless of which party initiates the termination.

Note 9 Profit/loss from holdings in Group companies

Parent Company	2022	2021
Dividends	60,817	53,878
	60,817	53,878

Note 10 Financial items

In addition to interest, the items "Interest income and similar items" and "Interest expenses and similar items" also include other income and expenses related to liquidity management and financing of the Group's operations. These items also include certain foreign exchange effects.

Note 11 Taxes

Tax on profit for the year	Group		Parent Company	
	2022	2021	2022	2021
Current tax	-53,550	-27,366	—	—
Deferred tax	-2,419	-2,730	—	—
Total	-55,969	-30,096	—	—

Some Group companies have unutilized tax loss carryforwards. These have been recognized in the form of deferred tax to the extent that it has been estimated that the losses can be offset against future taxable profit in the foreseeable future. Tax effects relating to hedging equity in foreign subsidiaries are recognized directly in the Group's equity, in the same way as the hedging effects.

Breakdown of tax expenses for the year	Group		Parent Company	
	2022	2021	2022	2021
Recognized profit/loss before tax	212,154	134,189	60,817	54,129
Tax calculated using Swedish tax rate 20.6%	-43,704	-27,643	-12,528	-11,151
Tax effect of permanently non-deductible expenses	-9,444	-8,155	—	—
Tax effect of permanently non-taxable income	701	2,975	12,528	11,098
Impact of differences in tax rates in different countries	-2,621	2,608	—	—
Total	-55,068	-30,215	—	—
Adjustments to current/deferred tax of previous years	-901	119	—	52
Reported tax expenses for the year	-55,969	-30,096	—	—

The "Tax effect of permanently non-taxable income" item also includes the effect of tax loss carryforwards for which no deferred tax asset has been recognized in the balance sheet as it is not considered sufficiently likely that they can be offset against future taxable profit.

Note 12 Intangible and tangible non-current assets

Goodwill	Group	
	Dec. 31, 2022	Dec. 31, 2021
Opening cost	121,432	169,528
Acquisitions	15,060	4,359
Disposals	-26,890	-63,164
Translation differences	10,220	10,709
Closing cost	119,822	121,432
Opening accumulated amortization	-112,897	-163,198
Amortization for the year	-2,955	-1,517
Disposals	27,343	62,298
Translation differences	-9,009	-10,480
Closing accumulated amortization	-97,518	-112,897
Closing carrying amount	22,304	8,535

Note 12 cont.

Other intangible assets	Group	
	Dec. 31, 2022	Dec. 31, 2021
Opening cost	22,482	22,280
Investments	1,701	—
Divestment of subsidiaries	–1,499	175
Translation differences	141	27
Closing cost	22,825	22,482
Opening accumulated amortization	–22,419	–22,166
Amortization for the year	–91	–57
Divestment of subsidiaries	1,499	–172
Translation differences	–60	–24
Closing accumulated amortization	–21,071	–22,419
Closing carrying amount	1,754	63

“Other intangible assets” consist primarily of capitalized expenses for computer software.

Buildings and land	Group	
	Dec. 31, 2022	Dec. 31, 2021
Opening cost	21,503	18,490
Investments	1,169	1,950
Disposals	–4,181	101
Divestment of subsidiaries	–12,467	—
Translation differences	1,541	919
Reclassifications	—	43
Closing cost	7,565	21,503
Opening accumulated depreciation	–9,530	–7,753
Depreciation for the year	–1,139	–978
Disposals	—	–47
Divestment of subsidiaries	2,738	—
Translation differences	–996	–651
Reclassifications	3,982	–101
Closing accumulated depreciation	–4,945	–9,530
Closing carrying amount	2,620	11,973

Equipment	Group	
	Dec. 31, 2022	Dec. 31, 2021
Opening cost	99,757	85,852
Investments	11,115	8,859
Disposals	–3,019	–766
Divestment of subsidiaries	–19,503	—
Translation differences	10,301	5,576
Reclassifications	2,909	236
Closing cost	101,560	99,757
Opening accumulated depreciation	–71,833	–59,924
Depreciation for the year	–8,827	–8,615
Disposals	2,454	746
Divestment of subsidiaries	13,766	—
Translation differences	–8,032	–4,239
Reclassifications	–3,169	199
Closing accumulated depreciation	–75,641	–71,833
Closing scheduled residual value	25,919	27,924

Note 13 **Holdings in Group companies**

Parent Company holdings (corporate reg. no.)	Registered office	Share of equity %	Number of shares	Carrying amount	
				Dec. 31, 2022	Dec. 31, 2021
Ekman & Co AB (556020-4595)	Gothenburg	100	60,000	237,970	237,970
Oakman Ventures AB (559156-6384)	Gothenburg	100	25,000	5,405	5,405
Subsidiary holdings					
AB Jan Liebig Ltd (556195-1525)	Gothenburg	100	500		
Consolidated Shipping AB (556819-0663)	Gothenburg	100	500		
Ekman Investment AB (556022-1268)	Gothenburg	100	400,000		
Jan Liebig International AB (556214-8857)	Gothenburg	100	500		
Percy von Schultz & Co AB (556050-1727)	Gothenburg	100	4,000		
Scandinavian Overseas Paper Co AB (556231-4004)	Gothenburg	100	5,000		
The Viscose Club AB (559162-3839)	Gothenburg	100	1,000		
Ekman Pty Ltd	AU	100	5,999		
Ekman Benelux SA	BE	100	619		
Ekman do Brasil Com. Ltda.	BR	100	665,500		
Scandinavian Overseas Paper Bel Co Ltd	BY	100	25,000		
Ekman Holding Canada Inc.	CA	100	1,000		
Secondary Pulp & Paper Inc	CA	100	1,020		
Ekman AG	CH	100	999		
Ekman & Co China Ltd	CN	100	10,000		
Ding Feng Paper (Shen Zhen)	CN	100	—		
Yuan Feng Paper (Shen Zhen)	CN	100	—		
Ekman & Co GmbH	DE	100	5,000		
Ekman Iberica S.A.	ES	100	10,000		
Coastal Pulp & Paper Ltd	HK	100	10,000		
Ekman Pulp & Paper Ltd	HK	100	99,999		
Kwok Fung Holding Ltd	HK	100 ¹⁾	165		
Kwok Fung (Sino HK) Enterprise	HK	100	3,500,000		
Ekman Italia S.R.L.	IT	100	1,938		
Franchi s.r.l.	IT	100	1		
Roll Products s.r.l.	IT	100	100		
Ekman Pulp & Paper Co Ltd	JP	51	2,394		
Ekman & Co (Korea) Ltd	KO	100	40,000		
Ekman Polska Sp.z.o.o.	PL	100	2,000		
Ekman Asia Pte Ltd	SN	100	2,400,000		
Ekman DIS ticaret Ltd Sirketi	TR	100	5,500		
Ekman Middle East (SAIF)	UAE	100	1,500		
Ekman Middle East General Trading Ltd	UAE	100	1,500		
Ekman Holding UK Ltd	UK	100	100		
Ekman Recycling Ltd	UK	100	100,000		
Ekman UK Ltd	UK	100	446,000		
Coastal Pulp & Paper LLC	US	100	—		
Ekman & Co Inc	US	100	1,000		
Ekman Holding Inc.	US	100	1,000		
International Cellulose Sales Inc	US	100	—		
International Cellulose Sales Inc	US	100	—		
K-C International LLC	US	100	—		
Oakman Ventures US LLC	US	100	1,000		
Ekman South Africa (Pty) Ltd.	ZA	100	200		

1) Non-controlling interests hold preferred shares that entitle them to a share of profits, but do not have a share in other capital.

Note 14 Holdings in affiliated companies

	Registered office	Share of equity %	Number of shares	Carrying amount	
				Dec. 31, 2022	Dec. 31, 2021
Subsidiary holdings					
Trade Tree Online	US	42.18	3,091,394	5,855	4,811

Dividends received were SEK 0 (0) thousand.

The Group's share of the profit/loss for the year is reported as "Profit/loss from holdings in affiliated companies". Changes in value on translation of the Group's share of the affiliated company's equity amount to 750 (508) and are recognised as currency effects in the consolidated income statement.

Note 15 Holdings in ownership interests in other companies

	Registered office	Carrying amount	
		Dec. 31, 2022	Dec. 31, 2021
Group holdings			
Biosorbe AB	SE	4,243	
White Rock Insurance Company PCC Limited	UK	35,116	28,902
Total		39,359	28,902

White Rock Insurance Company PCC Limited is an insurance company structured using various separate insurance cells. The Group's holdings in the insurance company are redeemable preferred shares in one of these specific cells (Cell Protector). The main purpose of the cell is to offer credit insurance solutions as well as other insurance solutions to a certain extent for the Group's operations.

The holding is recognized on an ongoing basis at fair value with changes in value recognized in the income statement as "Profit/loss from holdings in ownership interests in other companies". Exposure to changes in value on translation of the Group's share of the cell's equity has been hedged with currency derivatives to a significant extent. The Group does not have any equity share, control or significant influence in White Rock Insurance Company PCC Limited. However, the preferred shares give the Group a right to the capital of Cell Protector. The Group has a capital adequacy obligation concerning these insurance operations (see Note 24 below).

Note 16 Deferred tax assets

Deferred tax assets	Group	
	Dec. 31, 2022	Dec. 31, 2021
Deferred tax on tax loss carryforwards	3,577	7,439
Other items	10,454	7,263
Total	14,031	14,702

The "Other items" line item refers to temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases.

Note 17 Other financial assets

	Group	
	Dec. 31, 2022	Dec. 31, 2021
Interest rate derivatives	—	11,282
Pension-related assets	28,338	17,165
Other items	18,096	14,468
Total	46,434	42,915

Interest rate derivatives were sold during the year with a capital gain of 44,063. “Other items” refers to different types of deposits, investments and loan receivables.

Note 18 Prepaid expenses and accrued income

	Group	
	Dec. 31, 2022	Dec. 31, 2021
Accrued transactions (trade)	87,585	130,708
Other prepaid expenses	21,236	24,958
Accrued income	—	524
Total	108,821	156,190

All expense and income items related to incomplete transactions at the balance sheet date are recognized as accrued or prepaid expenses under the “Accrued transactions (trade)” line item.

Note 19 Share capital disclosures

The share capital comprises 3,469,512 shares.

Note 20 Non-current liabilities to credit institutions

Liabilities to credit institutions fall due for payment within five years of the balance sheet date.

Note 21 Current liabilities to credit institutions

The Group’s utilized facilities are reported in the “Liabilities to credit institutions” line item. Granted bank overdraft facilities amount to 942,976 (961,833) for the Group, including confirmed credit of 942,976 (961,833), and 0 (0) for the Parent Company. There are various types of loan terms, or covenants, and other related agreements, for the Group’s financing. These covenants have been met as at year-end.

Note 22 **Accrued expenses and deferred income**

	Group	
	Dec. 31, 2022	Dec. 31, 2021
Accrued transactions (trade)	296,469	275,501
Prepaid income	882	—
Accrued social security expenses	17,066	16,451
Vacation liabilities	8,992	8,126
Other personnel-related liabilities	104,641	88,845
Other items	83,882	77,605
Total	511,932	466,528

All expense and income items related to incomplete transactions at the balance sheet date are recognized as accrued or prepaid expenses under the “Accrued transactions (trade)” line item. “Other items” includes a provision for a claim raised against the subsidiary Ekman & Co AB concerning the recovery of amounts related to a supplier in a bankruptcy process. Court proceedings have been initiated, but the outcome is uncertain. The amount set aside is equivalent to the estimated outcome.

Note 23 **Other items in cash flow**

Other non-cash items in cash flow are attributable to unrealized exchange rate effects, employee remuneration that has been earned but not paid out and changes in non-cash reserves.

Note 24 **Pledged assets and contingent liabilities**

Pledged assets	Group	
	Dec. 31, 2022	Dec. 31, 2021
Import documents and other guarantees	1,485	880
Total Contingent liabilities	1,485	880

	Group	
	Dec. 31, 2022	Dec. 31, 2021
Capital adequacy obligation	83,497	72,350
Other contingent liabilities	—	—
Total	83,497	72,350

The “Capital adequacy obligation” item refers to a capital adequacy guarantee granted by Ekman & Co AB in relation to its holdings of ownership interests in other companies described in Note 15 above. The amount represents the maximum contingent liability in the form of capital adequacy. The company can only be held liable to contribute more capital if the loss level shows a material decline to the extent that statutory solvency requirements for the insurance operations cannot be met.

Note 25 **Ownership structure**

Ekman Invest Holding AB (corporate registration number 556712-1602), with its registered office in Gothenburg, is the Parent Company of the Ekman Group, and is owned by the Ekman family both directly and via foundations, and by employees within the Group.

Note 26 Events after the balance sheet date

As of January 4, 2023, the Group acquired 100% of the shares in Vuoksen Voima Oy, which in turn owns 100% of the shares in Karjalan Paperi Oy and Vuoksen Terminaaliintestöt Oy.

There have been no other events after the balance sheet date that are expected to significantly affect the Group's earnings or financial position or to require specific disclosure.

Note 27 Proposed distribution of earnings

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

Retained earnings	137,640,224
Profit/loss for the year	60,817,072
SEK	198,457,296

The Board of Directors proposes that the following amount is to be

distributed to the shareholders	31,225,608
carried forward	167,231,688
SEK	198,457,296

Subject to approval by the Annual General Meeting, Group contributions totaling SEK 94,032 have been paid to Ekman Invest Holding AB's subsidiaries and other Group companies.

It is the Board's view that the proposed dividend and the proposed Group contributions will not prevent the Company or the Group from meeting their obligations in the short or long term, or from making necessary investments. The proposed value transfer can therefore be justified in accordance with the provisions of Chapter 17, section 3, paragraphs 2 and 3 of the Swedish Companies Act (prudence rule).

Information about the Group's and the Parent Company's results for the year, financial position on the reporting date, and financing and capital utilization during the year can be found in the financial statements above. All figures are reported in thousands of SEK unless otherwise indicated.

Signatures of the Board

Gothenburg, 23 March, 2023

Matts Ekman
Chairman

Jan Svensson
CEO

Caroline Ekman
Board member

Oscar Ekman
Board member

Francis Graves
Board member

Michael Olsson
Board member

Gustaf Langenskiöld Folke
Board member

Camilla Angerbrandt
Employee Representative

Our auditor's report was submitted on 23 March, 2023
Deloitte AB

Hans Warén
Authorized Public Accountant

Signatures on Swedish original

Auditor's Report

To the general meeting of the shareholders of Ekman Invest Holding AB,
corporate identity number 556712-1602

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Ekman Invest Holding Aktiebolag for the financial year 2022-01-01–2022-12-31.

In our opinion, the annual accounts and consolidated 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 and the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with 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.

Basis for Opinions

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

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 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. 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.

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.

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

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 Ekman Invest Holding Aktiebolag for the financial year 2022-01-01–2022-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's

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

Auditor's responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Gothenburg, March 23, 2023

Deloitte AB

Signature on Swedish original

Hans Warén

Authorized Public Accountant



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