

Empowering Global Trade

ANNUAL REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS

2023





Content

Words from the CEO	2
Directors' Report.....	3
Consolidated Income Statement.....	6
Consolidated Balance Sheet.....	7
Consolidated Statement of Changes in Equity	9
Consolidated Cash Flow Statement.....	10
Parent Company Income Statement	11
Parent Company Balance Sheet	12
Parent Company Statement of Changes in Equity.....	13
Parent Company Cash Flow Statement	14
Notes – Parent Company and Group.....	15

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, 2023 and ending on December 31, 2023. 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

Increased volumes in a weak market under price pressure

The Group's sales volume increased in 2023, almost reaching record-high levels, but sharp price drops for pulp and a weak market for paper had a significant impact on the profit for the year.

2023 was a very challenging year, however Ekman was able to benefit from our global diversification, our strong business relationships and our long experience in managing the effects of difficult market conditions.

Increased global market share

The pulp market weakened sharply during the first half of the year, while supply increased, and prices fell by between 15 and 35 percent. In this exceptionally rapid and sharp decline, more suppliers turned to Ekman for help in finding markets and customers for their products. The Group's pulp sales volume therefore increased compared to the previous year and reached close to record-high levels.

Restructuring in Asia

Overall demand and pricing for packaging materials remained weak in China and Southeast Asia for most of the year. Demand was also weak in other regions, which had a negative impact on our revenue.

To adjust the Group's costs, we reduced and streamlined our organization in China and Hong Kong during the year. This major restructuring combined with the appointment of a forceful new business management create the right conditions for increased profitability.

Our recycled paper business was also affected negatively by the weak market for packaging materials in many of our export markets. Additionally we experienced major price fluctuations and changed global flows. Nevertheless, we still see favourable business opportunities for recycled paper in the years ahead.

Business diversification

We are actively continuing to develop and add sustainable forest-based products to our portfolio. At the beginning of 2023, Ekman acquired the Finnish company Vuoksen Voima Oy, which refines waste paper for new uses. With the acquisition, we are further expanding this business, which was established two years ago.

Our business area Ekman Innovare develops and commercializes innovative bio-based solutions together with a number of partners. Through our small venture fund, we invest in companies with innovative solutions that are pivotal for the challenges of sustainability. One example is our investment in Bright Day Graphene, a toxic-free green graphene produced from wood based residual products from the paper industry.

Equipped for the future

We are prepared for rapid changes in the world market in the coming years. With the changes we have implemented, we are well-prepared to focus on the best interests of our business partners and seize the opportunities that arise.

I look forward to a new year of close cooperation between business partners, employees and owners, as we continue our successful and responsible business.

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, but weakened sharply in the first six months of 2023. Prices for different pulp qualities fell by between 15–35 percent from autumn 2022 until mid-2023. From a historical perspective, this was an exceptionally sharp and rapid decline. However, the weak market meant that more suppliers turned to Ekman for help in finding markets and customers for their products. The Group's pulp sales volume therefore increased compared to the previous year and reached close to record-high levels in 2023.

Demand for packaging materials was weak in China and Southeast Asia in 2022, but was expected to increase significantly in 2023 after China relaxed the previous severe restrictions related to the pandemic. However, the increase in demand did not materialize and Chinese requests for packaging materials stayed weak for most of the year. Demand was also weak in other regions, which had a negative impact on Group revenue. However, requests were stronger for certain paper qualities and certain markets, which mitigated the general negative effect of the weak economy.

Demand and prices for recycled paper in important markets for the Group, particularly Asia, were weak during the year, as a consequence of the weak demand for paper products. This had a negative impact on the Group's recycled paper sales volumes during the year.

The freight market and freight flows improved significantly in 2023 compared to the previous year, but towards the end of the year, some elements of operations were affected by the unrest in the Red Sea, with additional negative impacts on freight prices and delivery planning.

Overall, 2023 was a very challenging year, yet the Group could leverage its global diversification, extensive experience and strong business relationships to manage the effects of the market difficulties during the year.

As of January 4, 2023, the Group acquired 100 percent of the shares in Vuoksen Voima Oy, which in turn owns 100 per cent of the shares in Karjalan Paperi Oy and Vuoksen Terminaaliintestör Oy.

The Group's operating revenue amounted to SEK 19,626 (20,681) million. The business volume also includes agency business corresponding to sales of SEK 5,391 (6,538) million, which is not included in the reported revenue. The Group's total business volume was SEK 25,017 (27,219) million. The Group's profit after financial items totaled SEK 59.5 million, compared to SEK 212.2 million for the previous year. The transaction volume for the year amounted to 3.8 (3.6) million tonnes of forestry products. The number of employees in the Group during the year was 332, compared to 310 in the previous year.

Profit after financial items for the Parent Company was SEK 32.0 million in 2023, compared to SEK 60.3 million for 2022. 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	2023	2022	2021	2020	2019
Revenue, incl. agency sales	25,017	27,219	20,869	18,424	19,576
Result after financial items	59.5	212.2	134.2	105.0	-12.9
Net income	33.0	151.7	98.4	68.0	-41.1
Total assets	2,889	3,237	2,606	2,058	2,687
Equity	629.0	623.8	487.0	404.0	343.2
Return on equity, %	5.3	27.3	22.1	18.2	-11.1
Equity ratio, %	21.8	19.3	18.7	19.6	12.8
Average number of employees	332	310	298	298	301

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 is expected to continue to create great uncertainty about how the world market will develop in the coming year. It is difficult to assess how world trade in the Group’s products will develop, which 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 and recovered paper. 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 on-going 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	198,457,296
Profit/loss for the year	31,966,647
SEK	230,423,943

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

distributed to the shareholders	10,408,536
carried forward	220,015,407
SEK	230,423,943

Subject to approval by the Annual General Meeting, Group contributions totaling SEK 84,141 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, 2023 – Dec. 31, 2023	Jan. 1, 2022 – Dec. 31, 2022
Revenue			
Net sales	4, 5	19,460,271	20,548,884
Other operating income		165,827	132,186
		19,626,098	20,681,070
Operating expenses			
Goods for resale		–18,520,415	–19,020,014
Other external expenses	6, 7	–508,591	–967,350
Personnel costs	8	–467,208	–478,231
Depreciation/amortization of non-current assets	9	–32,329	–13,012
Operating profit/loss		97,555	202,463
Profit/loss from financial items			
Profit/loss from divestment of interests in Group companies		–247	4,916
Profit/loss from holdings in affiliated companies	10	–1,560	294
Profit/loss from holdings in ownership interests in other companies	11	21,366	2,308
Profit/loss from other securities	12	—	44,064
Interest income and similar items	13	6,779	674
Interest expenses and similar items	13	–64,439	–42,565
Profit/loss after financial items		59,454	212,154
Tax on profit for the year	14	–25,271	–55,969
Profit/loss for the year		34,183	156,185
Share of net profit attributable to			
Parent Company's shareholders		32,978	151,679
Non-controlling interests		1,205	4,506

Consolidated Balance Sheets

SEK thousands	Note	Dec. 31, 2023	Dec. 31, 2022
Assets			
Non-current assets			
Intangible assets	9		
Goodwill		133,196	22,304
Other intangible assets		1,827	1,754
		135,023	24,058
Tangible assets	9		
Buildings and land		45,441	2,620
Machinery and equipment		66,260	25,919
		111,701	28,539
Financial assets			
Holdings in affiliated companies	10	3,063	5,855
Holdings in ownership interests in other companies	11	60,361	39,359
Other securities held as non-current assets		524	952
Deferred tax assets	15	28,071	14,031
Other financial assets	12	56,427	46,434
		148,446	106,631
Total non-current assets		395,170	159,228
Current assets			
Inventories etc.			
Finished goods and goods for resale		445,706	637,683
Advance payments to suppliers		208,097	250,978
		653,803	888,661
Current receivables			
Accounts receivable		1,512,045	1,874,153
Tax receivable		25,653	6,164
Other receivables		124,488	161,684
Prepaid expenses and accrued income	16	117,508	108,821
		1,779,694	2,150,822
Cash and bank balances		60,735	38,358
Total current assets		2,494,232	3,077,841
Total assets		2,889,402	3,237,069

Consolidated Balance Sheets

SEK thousands	Note	Dec. 31, 2023	Dec. 31, 2022
Equity, provisions and liabilities			
Equity			
Share capital	17	43,369	43,369
Other paid-in capital		60,500	60,500
Other equity including profit/loss for the year		525,168	519,917
Equity attributable to Parent Company's shareholders		629,037	623,786
Non-controlling interests		16,523	17,429
Total equity		645,560	641,215
Provisions			
Provisions for pensions		35,833	34,064
Provisions for deferred tax		12,260	3,006
Total provisions		48,093	37,070
Liabilities			
Other interest-bearing liabilities			
Liabilities to credit institutions	18	22,395	3,167
		22,395	3,167
Current liabilities			
Liabilities to credit institutions	19	629,877	757,831
Advance payments from customers		73,259	83,653
Accounts payable		1,110,055	1,152,174
Tax liabilities		3,555	32,943
Other current liabilities		14,482	17,084
Accrued expenses and deferred income	20	342,128	511,932
		2,173,355	2,555,617
Total liabilities and provisions		2,243,843	2,595,854
Total equity, provisions and liabilities		2,889,403	3,237,069

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, 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
Opening balance, Jan. 1, 2023	43,369	60,500	519,917	623,786	17,429	641,215
Profit/loss for the year			32,978	32,978	1,205	34,183
Retroactive change in accounting policy			14,476	14,476	—	14,476
Translation differences			–10,977	–10,977	–2,111	–13,088
Total changes in value	—	—	36,477	36,477	–906	35,571
Transactions with owners						
Dividends to shareholders			–31,226	–31,226	—	–31,226
Total transactions with owners	—	—	–31,226	–31,226	—	–31,226
Closing balance, Dec. 31, 2023	43,369	60,500	525,168	629,037	16,523	645,560

Consolidated Cash Flow Statements

SEK thousands	Note	Jan. 1, 2023 – Dec. 31, 2023	Jan. 1, 2022 – Dec. 31, 2022
Operating activities			
Operating profit/loss		97,555	202,463
Adjustments for items not included in cash flow			
Depreciation and amortization		32,334	13,012
Change in provisions		–32,129	13,907
Other items	21	7,938	8,081
Profit/loss from holdings in ownership interests in other companies		—	56,456
Interest received		5,290	674
Interest paid		–64,439	–34,097
Income tax paid		–45,613	–36,970
Cash flow from operating activities before changes in working capital		936	223,526
Cash flow from changes in working capital			
Decrease(+)/increase(–) in inventories		297,207	–290,319
Decrease(+)/increase(–) in accounts receivable		388,183	–300,262
Decrease(+)/increase(–) in current receivables		30,787	–55,513
Decrease(–)/increase(+) in accounts payable		–64,761	74,318
Decrease(–)/increase(+) in current liabilities		–212,878	40,708
Cash flow from operating activities		439,474	–307,542
Investing activities			
Acquisitions of affiliated companies		–1,027	–4,243
Acquisition of Group companies		–193,068	–10,427
Divestment of Group companies		–247	4,916
Change in other securities held as non-current assets		2,013	3
Investments in intangible assets		–210	–1,731
Investments in tangible assets		–46,104	–9,856
Cash flow from investing activities		–238,643	–21,338
Financing activities			
Change in utilization of credit facilities		–134,116	326,358
Changes in other financial assets		–9,993	–14,799
Payout to non-controlling interests		—	–6,871
Dividends paid		–31,226	–20,817
Cash flow from financing activities		–175,335	283,871
Cash flow for the year		25,496	–45,009
Cash and cash equivalents at beginning of year		38,358	85,104
Exchange rate differences in cash and cash equivalents		–3,119	–1,737
Cash and cash equivalents at end of year		60,735	38,358

Parent Company Income Statement

SEK thousands	Note	Jan. 1, 2023 – Dec. 31, 2023	Jan. 1, 2022 – Dec. 31, 2022
Operating expenses			
Other external expenses	6, 7	–555	–150
Operating profit/loss		–555	–150
Profit/loss from financial items			
Profit/loss from holdings in Group companies	22	31,967	60,817
Interest income and similar items	13	2	4
Interest income from Group companies		389	51
Interest expenses and similar items	13	–31	–6
Interest expenses to Group companies		–1,149	–447
Profit/loss after financial items		30,623	60,269
Appropriations			
Group contributions received		1,428	642
Group contributions paid		–84	–94
Profit/loss before tax		31,967	60,817
Tax on profit for the year	14	—	—
Profit/loss for the year		31,967	60,817

Parent Company Balance Sheet

Assets

SEK thousands	Note	Dec. 31, 2023	Dec. 31, 2022
Non-current assets			
Financial assets			
Holdings in Group companies	23	243,375	243,375
		243,375	243,375
Total non-current assets		243,375	243,375
Current assets			
Receivables from Group companies		20,867	10,894
		20,867	10,894
Cash and bank balances		2	8
Total current assets		20,870	10,902
Total assets		264,244	254,277

Equity, Provisions and Liabilities

SEK thousands	Note	Dec. 31, 2023	Dec. 31, 2022
Equity			
Restricted equity			
Share capital	17	43,369	43,369
		43,369	43,369
Unrestricted equity			
Share premium reserve		60,500	60,500
Retained earnings		106,731	77,140
Profit/loss for the year		31,967	60,817
		199,198	198,457
Total equity		242,567	241,826
Liabilities			
Current liabilities			
Liabilities to Group companies		21,677	12,450
		21,677	12,450
Total liabilities		21,677	12,450
Total Equity, Provisions and Liabilities		264,244	254,276

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, 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
Opening balance, Jan. 1, 2023	43,369	60,500	77,140	60,817	241,826
Transfer of previous year's profit/loss			60,817	-60,817	—
Profit/loss for the year				31,967	31,967
Total changes in value	—	—	60,817	-28,850	31,967
Transactions with owners					
Dividends			-31,226		-31,226
Total transactions with owners	—	—	-31,226	—	-31,226
Closing balance, Dec. 31, 2023	43,369	60,500	106,731	31,967	242,567

Parent Company Cash Flow Statement

SEK thousands	Note	Jan. 1, 2023 – Dec. 31, 2023	Jan. 1, 2022 – Dec. 31, 2022
Operating activities			
Operating profit/loss		–555	–150
Dividends received		31,967	—
Interest received		391	56
Interest paid		–1,180	–453
Cash flow from operating activities before changes in working capital		30,623	–547
Cash flow from changes in working capital			
Decrease(+)/increase(–) in current receivables		–9,973	–10,894
Decrease(–)/increase(+) in current liabilities		10,570	31,798
Cash flow from operating activities		31,220	20,357
Financing activities			
Dividends paid		–31,226	–20,817
Cash flow from financing activities		–31,226	–20,817
Cash flow for the year		–6	–460
Cash and cash equivalents at the beginning of the year		8	468
Cash and cash equivalents at the end of the year		2	8

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
Production facilities	10–15 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 of 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, 2023	Dec. 31, 2022
Currency forwards		
Fair value hedge	–303	–1,833
Hedge of net investment in foreign subsidiaries	819	—
Currency swaps		
Fair value hedge	6,578	13,894
Hedge of net investment in foreign subsidiaries	7,881	2,404
Total	14,975	14,465

Note 4 Distribution of net sales

By geographic market	Group	
	2023	2022
Asia	70%	64%
Europe	14%	21%
Americas	9%	10%
Other	7%	5%
Total	100%	100%

By segment	Group	
	2023	2022
Pulp	77%	71%
Paper & Packaging	14%	14%
Recovered Materials	9%	14%
Bioenergy	1%	1%
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	
	2023	2022	2023	2022
Deloitte				
Audit engagements	2,135	2,113	113	113
Tax advice	138	38	—	—
Other services	1,726	488	—	—
Total	3,999	2,639	113	113
Other auditors				
Audit engagements	1,714	1,586		
Tax advice	1,289	582		
Other services	160	192		
Total	3,163	2,360		

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 34,293 (32,628) 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	
	2023	2022
Within one year	24,638	24,597
Later than one year but within five years	51,196	64,456
Later than five years	14,254	10,043
Total	90,088	99,096

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

Wages, salaries, other benefits etc.

Personnel	Group	
	2023	2022
Wages, salaries, other benefits	335,004	373,056
Social security expenses	79,579	77,077
(of which pension costs)	(32,563)	(28,383)
Total Group	414,583	450,133

Pension costs relating to the Board of Directors and CEO amounted to 1,571 (1,923) in the Group.

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

Personnel	Group	
	2023	2022
Board and CEO in Group companies	51,747	73,142
(of which bonuses, etc)	(1,380)	(30,506)
Other employees	283,257	299,914
Total Group	335,004	373,056

The Group's CEO and Deputy CEO are entitled to 12 months' dismissal pay. 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.

Average number of employees	2023		2022	
	Number of employees	Whereof men	Number of employees	Whereof men
Subsidiaries in Sweden				
Gothenburg	58	26	55	25
Representative office in Russia	—	—	2	—
Total in subsidiaries in Sweden	58	26	57	25
Foreign subsidiaries				
Australia	3	1	3	1
Belarus	0	0	2	1
Brazil	3	1	3	1
China	65	28	63	27
Denmark	—	—	4	3
Finland	29	23	—	—
Germany	1	1	1	1
Italy	21	7	16	5
Japan	8	6	8	6
Poland	2	1	3	1
South Africa	10	5	10	5
South Korea	5	2	5	2
Spain	3	1	3	1
Switzerland	13	8	14	9
Turkey	4	1	4	1
UK	16	9	16	9
United Arab Emirates	12	11	12	11
USA	79	34	86	37
Total in subsidiaries	274	139	253	121
Total in Group	332	165	310	146

Note 8 cont.

Distribution of senior executives at the balance sheet date	Group		Parent Company	
	2023	2022	2023	2022
Women				
Board members	1	1	1	1
Number with executive positions, including CEO	2	2	2	2
Men				
Board members	6	6	6	6
Number with executive positions, including CEO	6	6	3	4
Total	15	15	12	13

Note 9 Intangible and tangible non-current assets

Goodwill	Group	
	Dec. 31, 2023	Dec. 31, 2022
Opening cost	119,822	121,432
Acquisitions	130,766	15,060
Disposals	—	–26,890
Translation differences	–4,449	10,220
Closing cost	246,139	119,822
Opening accumulated amortization	–97,518	–112,897
Amortization for the year	–17,238	–2,955
Disposals	—	27,343
Impairment	–2,535	—
Translation differences	4,348	–9,009
Closing accumulated amortization	–112,943	–97,518
Closing carrying amount	133,196	22,304

Other intangible assets	Group	
	Dec. 31, 2023	Dec. 31, 2022
Opening cost	22,825	22,482
Investments	206	1,701
Acquisition of subsidiaries	460	—
Disposals	–3,977	—
Divestment of subsidiaries	—	–1,499
Translation differences	–28	141
Closing cost	19,486	22,825
Opening accumulated amortization	–21,071	–22,419
Amortization for the year	–587	–91
Disposals	3,977	—
Divestment of subsidiaries	—	1,499
Translation differences	22	–60
Closing accumulated amortization	–17,659	–21,071
Closing carrying amount	1,827	1,754

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

Note 9 cont.

Buildings and land	Group	
	Dec. 31, 2023	Dec. 31, 2022
Opening cost	7,565	21,503
Investments	15,580	1,169
Acquisition of subsidiaries	30,598	—
Disposals	–1,375	–4,181
Divestment of subsidiaries	—	–12,467
Translation differences	–1,664	1,541
Closing cost	50,704	7,565
Opening accumulated depreciation	–4,945	–9,530
Amortization for the year	–1,413	–1,139
Disposals	909	—
Divestment of subsidiaries	—	2,738
Translation differences	141	–996
Reclassifications	45	3,982
Closing accumulated depreciation	–5,263	–4,945
Closing carrying amount	45,441	2,620

Equipment	Group	
	Dec. 31, 2023	Dec. 31, 2022
Opening cost	101,560	99,757
Investments	30,157	11,115
Acquisition of subsidiaries	26,907	—
Disposals	–11,759	–3,019
Divestment of subsidiaries	—	–19,503
Translation differences	–4,372	10,301
Reclassifications	–604	2,909
Closing cost	141,889	101,560
Opening accumulated depreciation	–75,641	–71,833
Amortization for the year	–10,561	–8,827
Disposals	7,834	2,454
Divestment of subsidiaries	—	13,766
Translation differences	2,471	–8,032
Reclassifications	268	–3,169
Closing accumulated depreciation	–75,629	–75,641
Closing scheduled residual value	66,260	25,919

Note 10 Holdings in affiliated companies

Subsidiary holdings	Registered office	Share of equity %	Number of shares	Carrying amount	
				Dec. 31, 2023	Dec. 31, 2022
Trade Tree Online	US	43.1	3,678,798	3,063	5,855

Dividends received were 0 (0).

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 1,232 (750) and are recognized as currency effects in the consolidated income statement.

Note 11 Holdings in ownership interests in other companies

Group holdings	Registered office	Carrying amount	
		Dec. 31, 2023	Dec. 31, 2022
Biosorbe AB	SE	5,270	4,243
White Rock Insurance Company PCC Limited	UK	55,091	35,116
Total		60,361	39,359

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 12 Other financial assets

	Group	
	Dec. 31, 2023	Dec. 31, 2022
Pension-related assets	30,498	28,338
Other items	25,929	18,096
Total	56,427	46,434

"Other items" refers to different types of deposits, investments and loan receivables.

Note 13 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 14 Taxes

Tax on profit for the year	Group		Parent Company	
	2023	2022	2023	2022
Current tax	-18,912	-53,550	—	—
Deferred tax	-6,359	-2,419	—	—
Total	-25,271	-55,969	—	—

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	
	2023	2022	2023	2022
Recognized profit/loss before tax	59,454	212,154	31,967	60,817
Tax calculated using Swedish tax rate 20.6%	-12,248	-43,704	-6,585	-12,528
Tax effect of permanently non-deductible expenses	-14,735	-9,444	—	—
Tax effect of permanently non-taxable income	1,568	701	6,585	12,528
Impact of differences in tax rates in different countries	282	-2,621	—	—
Total	-25,133	-55,068	—	—
Adjustments to current/deferred tax of previous years	-138	-901	—	—
Reported tax expenses for the year	-25,271	-55,969	—	—

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 15 Deferred tax assets

Deferred tax assets	Group	
	Dec. 31, 2023	Dec. 31, 2022
Deferred tax relating to loss carryforwards	55,798	—
Valuation reserve, deferred tax relating to loss carryforwards	-50,810	—
Net deferred tax relating to loss carryforwards	4,988	3,577
Other items	23,083	10,454
Total	28,071	14,031

"Valuation reserve, deferred tax relating to loss carryforwards" reflects an impairment of the tax asset for those companies in the Group where it has not been deemed sufficiently probable that the loss carryforwards may be utilized for tax purposes against future profits.

Note 16 **Prepaid expenses and accrued income**

	Group	
	Dec. 31, 2023	Dec. 31, 2022
Accrued transactions (trade)	78,427	87,585
Other prepaid expenses	39,081	21,236
Total	117,508	108,821

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 17 **Share capital disclosures**

The share capital comprises 3,469,512 shares.

Note 18 **Non-current liabilities to credit institutions**

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

Note 19 **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 2,403,625 (2,479,834) for the Group, including confirmed credit of 1,735,315 (1,777,944), 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 20 **Accrued expenses and deferred income**

	Group	
	Dec. 31, 2023	Dec. 31, 2022
Accrued transactions (trade)	200,628	296,469
Prepaid income	750	882
Accrued social security expenses	10,838	17,066
Vacation liabilities	11,227	8,992
Other personnel-related liabilities	18,148	104,641
Other items	100,537	83,882
Total	342,128	511,932

Note 21 **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 22 **Profit/loss from holdings in Group companies**

Parent Company	2023	2022
Dividends	31,967	60,817
Total	31,967	60,817

Note 23 **Holdings in Group companies**

Parent Company holdings (corporate reg. no.)	Registered office	Share of equity %	Number of shares	Carrying amount	
				Dec. 31, 2023	Dec. 31, 2022
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
Total				243,375	243,375
Subsidiary holdings					
Ekman Investment AB (556022-1268)	Gothenburg	100	400,000		
AB Jan Liebig Ltd (556195-1525)	Gothenburg	100	500		
Scandinavian Overseas Paper Co AB (556231-4004)	Gothenburg	100	5,000		
Ekman Recycling Europe AB (556039-7142)	Gothenburg	100	1,000		
Challenge the Fabric 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		
Ekman Holding Canada Inc.	CA	100	1,000		
Secondary Pulp & Paper Inc	CA	100	1,020		
Ekman AG	CH	100	999		
Ekman & Co China	CN	100	10,000		
Yuan Feng Paper (Shen Zhen)	CN	100	—		
Ding Feng Paper (Shen Zhen)	CN	100	—		
Ekman & Co GmbH	DE	100	5,000		
Ekman Iberica S.A.	ES	100	10,000		
Vuoksen Voima Oy	FI	100	80,000		
Karjalan Paperi Oy	FI	100	100		
Vuoksen Terminaaliintestit Oy	FI	100	100		
Ekman Pulp & Paper Ltd	HK	100	99,999		
Coastal Pulp & Paper Ltd	HK	100	10,000		
Kwok Fung Holding Ltd	HK	100	165		
Kwok Fung (Sino HK)	HK	100	3,500,000		
Ekman Italia s.r.l.	IT	100	1,938		
Franchi s.r.l.	IT	100	1		
Roll Products	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 DIS ticaret Ltd Sirketi	TR	100	5,500		
Ekman Middle East(SAIF)	UAE	100	1,500		
Ekman Middle East General Trading	UAE	100	1,500		
Ekman Recycling Ltd	UK	100	100,000		
Ekman Holding UK Ltd	UK	100	100		
Ekman Holding Inc.	US	100	1,000		
Ekman & Co Inc.	US	100	1,000		
K-C International LLC	US	100	—		
International Cellulosa Sales Inc (NY)	US	100	—		
International Cellulosa Sales Inc (DE)	US	100	—		
Coastal Pulp & Paper LLC	US	100	—		
Oakman Ventures US Inc	US	100	1,000		
Ekman South Africa (Pty) Ltd.	ZA	100	200		

Note 24 Pledged assets and contingent liabilities

Pledged assets	Group	
	Dec. 31, 2023	Dec. 31, 2022
Concerning pension obligations	19,106	16,372
Import documents and other guarantees	—	1,485
Total	19,106	17,857

Contingent liabilities	Group	
	Dec. 31, 2023	Dec. 31, 2022
Capital adequacy obligation	80,333	83,497
Total	80,333	83,497

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

On February 25, 2024, one of the Group's suppliers, Renewcell, filed for bankruptcy. As of the date of signing this report, the business continues to be run by an insolvency administrator. It is currently not possible to assess how this will affect the agreement with the supplier and whether it will have a financial impact on the Group.

Note 27 Proposed distribution of earnings

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

Retained earnings	198,457,296
Profit/loss for the year	31,966,647
SEK	230,423,943

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

distributed to the shareholders	10,408,536
carried forward	220,015,407
SEK	230,423,943

Subject to approval by the Annual General Meeting, Group contributions totaling SEK 84,141 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 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, 19 March, 2024

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 Angerbrant Employee Representative

Our auditor's report was submitted on 19 March, 2024
Deloitte AB

Harald Jagner
Authorized Public Accountant

Signatures on Swedish original

Auditor's Report

To the general meeting of the shareholders of Ekman Invest Holding Aktiebolag
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 2023-01-01–2023-12-31.

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 2023 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 2023-01-01–2023-12-31 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 19, 2024

Deloitte AB

Signature on Swedish original

Harald Jagner

Authorized Public Accountant



Ekman

BRINGING THE WORLD TO YOUR BUSINESS

ekmangroup.com