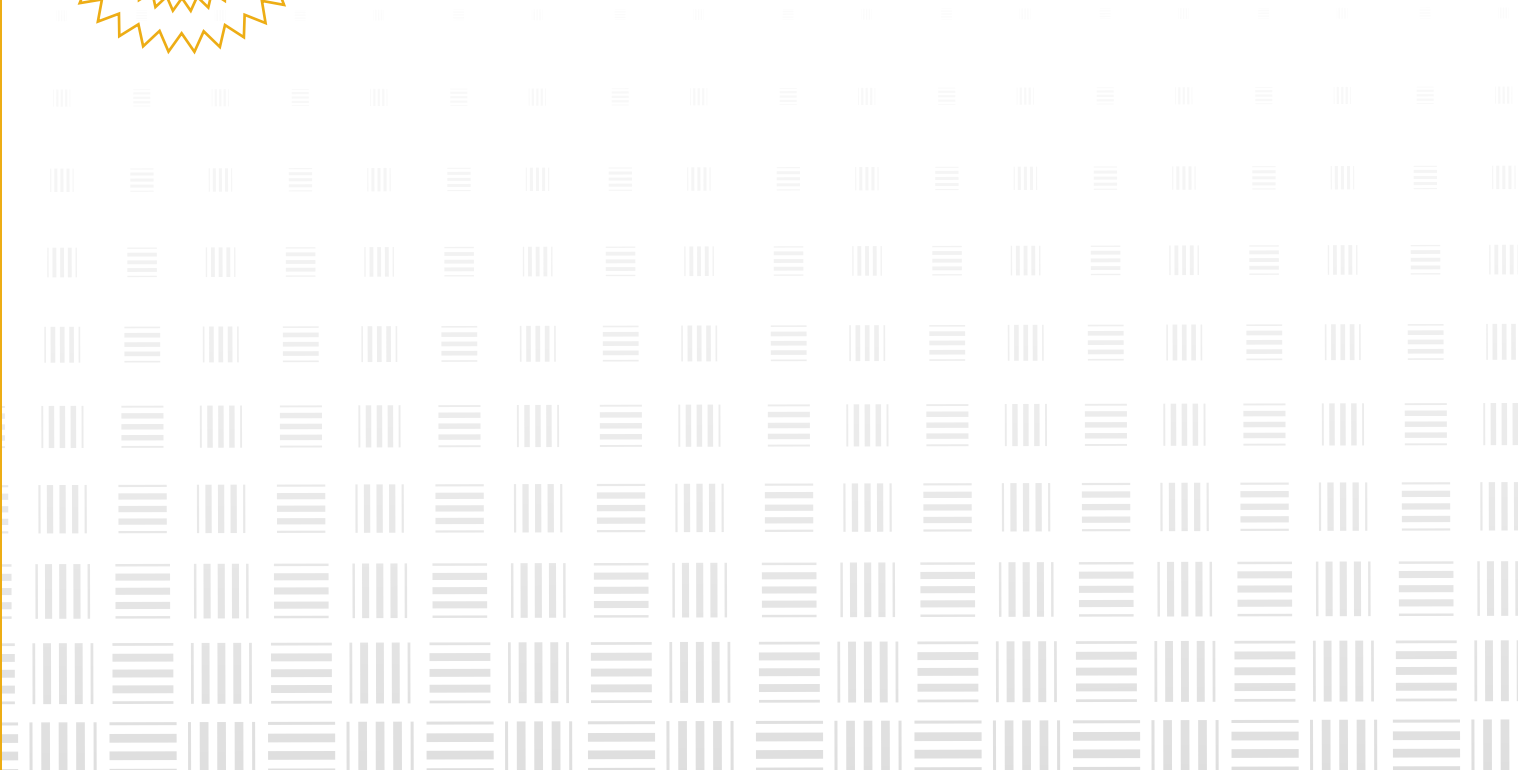


SUSTAINABILITY REPORT

JULY 1, 2023 – JUNE 30, 2024



LIST OF CONTENTS

3	Important events July 1, 2023 – June 30, 2024	26	The auditor's opinion on the statutory sustainability report
4	A word from the CEO		
5	Business concept, business model and values	27	Appendix
7	Duroc's Portfolio Companies – Duroc Machine Tool	28	Corporate Governance Report July 1, 2023 – June 30, 2024
8	Duroc's Portfolio Companies – Duroc Rail	32	Consolidated income statement
9	Duroc's Portfolio Companies – Smaller company portfolio	32	Consolidated statement of comprehensive income
10	Duroc's Portfolio Companies – International Fibres Group	33	Consolidated balance sheet
11	Duroc's Portfolio Companies – Drake Extrusion	34	Parent company income statement
12	Duroc's Portfolio Companies – Cresco	34	Parent company statement of comprehensive income
13	Duroc's Portfolio Companies – Plastibert	35	Parent company balance sheet
14	Our approach to sustainability	36	Important accounting policies
14	Duroc acquires and develops companies	37	GRI Index
15	The Duroc Group		
17	The Duroc Share	39	Addresses and phone numbers
19	Sustainable value creation		

Unless otherwise indicated, Duroc's sustainability report was prepared in accordance with the Swedish Annual Accounts Act and covers the parent company Duroc AB and work on sustainability issues during the 2023/2024 financial year. This is Duroc's sixth sustainability report. As before, this year's sustainability report was prepared according to the GRI Standards Core, which is described at www.globalreporting.org/standards.



IMPORTANT EVENTS JULY 1, 2023 – JUNE 30, 2024

- Net sales decreased by 11 percent during the financial year. Organic growth stood at -1 percent.
- Adjusted EBIT totaled MSEK 46.1 (4.6).
- Net debt fell during the year to MSEK 5.1 (115.0) excluding lease liabilities.
- DMT gained market share during the year despite a more hesitant market in general. EBIT totaled MSEK 38.5 (45.0), with an EBIT margin of 6.6 percent (7.5).
- An increase in demand was noted in the European fiber market during the last months of the financial year following a long period characterized by low volume and weakening demand. The increase is volatile, but if the trend continues, IFG – the Group's biggest company – will see significantly improved earnings.
- The transaction with LKAB regarding the sale of 49 percent of the shares in Duroc Rail AB was concluded during the year. The final price was MSEK 79.2. The contract also means LKAB will erect a new production facility for Rail to provide capacity for continued growth in order to meet the industrial expansion in northern Sweden. Duroc Rail, which increased its sales by 23 percent during the financial year and reported an adjusted EBIT of MSEK 49.2 (31.5), is considered to have good growth potential.
- Investments of MSEK 32.7 have been made to increase capacity and to streamline and develop operations in the portfolio companies.
- At the end of the financial year, Duroc had MSEK 275 in unutilized credit facilities and a continued low loan-to-value ratio with an equity/assets ratio of 63 percent (58).
- In the light of Duroc's strong cash flow and sound finances, the Board proposes a dividend of SEK 0.30 per share, an increase of 20 percent over the previous year.

MSEK
3,111.1

Net sales

MSEK
46.1

Adjusted EBIT

860

Average number of employees

SUMMARY OF THE FINANCIAL YEAR

Group	July 2023 – June 2024	July 2022 – June 2023
Net sales	3,111.1	3,493.1
Adjusted EBIT	46.1	4.6
Operating profit (EBIT)	46.4	-187.6
Profit/loss after tax	29.9	-238.1
Net debt excl. lease liabilities from IFRS 16	5.1	115.0

A WORD FROM THE CEO

In recent years, Duroc's development has followed a clear pattern. With few exceptions, the industrial trading companies have developed according to plan and have delivered good earnings. The polymer-related companies operate in industries hit by a recession whose depth is almost unprecedented. Many compare conditions to those that prevailed in 2008–2009. This applies equally to the fiber, coated textiles and cultivation industries. Events in recent years, with consequences such as abnormally high costs for input materials and energy, logistical problems and higher interest rates than before, have had a profound effect on the industries in which Duroc's polymer companies operate. While Duroc has had the perseverance to continue investing and prepare its companies for recovery through such things as new product offerings, we have seen contenders throw in the towel and leave the ring due to tougher competition and price pressure.

I'm convinced that the competitiveness and earnings capacity of Duroc's subsidiaries remain excellent during normal market conditions. Despite a harsher climate, we have continued to invest in product development and efficiency improvements based on the belief that the weakening markets will rebound. Because the industrial trading companies have stood for our earnings in recent years, while our other companies have not contributed at all, but have instead burdened the Group with losses, the Group as a whole has underperformed due to these unusual conditions.

Duroc's strategy is not to put itself in a position of dependence on external capital, so in the meantime we have honed the capabilities of our subsidiaries. With the independence that low debt affords comes freedom of action and endurance, i.e. we are not compelled to dismantle fundamentally sound companies due to short-term industry challenges. I'm now able to declare that the Group is ready for an upswing in the severely battered markets. During the last quarter we saw signs of improvement in IFG, the European fiber operation. With fewer players, there are opportunities to gain market share faster once the market picks up speed in earnest.

Were all of the Duroc Group's businesses to enjoy more normal economic circumstances, I believe us to have an earnings capacity far exceeding our performance in recent years. It seems reasonable to believe that the worst is already behind us and our financial strength puts us in a good position to await the upswings we can expect over time.

Overall, the financial year came in below expectations. Net sales decreased by 11 percent to MSEK 3,111.1 (3,493.1). Adjusted EBIT improved significantly from a low level and totaled MSEK 46.1 (4.6). During the last quarter we saw signs of improvement in IFG, the European fiber operation.

Duroc is virtually debt-free and there are significant values in the Group's real assets. Unutilized credits create room for maneuver for attractive acquisition opportunities.

In the light of our strong cash flows and sound financial position together with the great confidence in Duroc's opportunities shared by management and Duroc's Board, the latter proposes a dividend of SEK 0.30 per share, an increase of 20 percent from 2022/2023.

Outlook

We note a certain slowdown in the mechanical engineering industry which could affect the companies operating in this sector. In Europe, there are signs of recovery in the fiber markets in which IFG operates. In the United States, the same market is expected to pick up speed but at a much slower pace. All in all, the probable outcome moving forward is a certain slowdown in industrial trade and a slow rise in the polymer businesses. The unrest in the world at large affects developments and demand and the willingness of industry to invest going forward. In spite of all this, I'm optimistic about Duroc's future. We're in a good position, in great condition and ready to seize the opportunities ahead.

I would like to take this opportunity to thank our dedicated, capable employees all of whom have made such a strong contribution to Duroc's sound financial position and excellent prospects going forward. I would also like to thank our shareholders for their continued support and confidence in our business.

John Häger
CEO



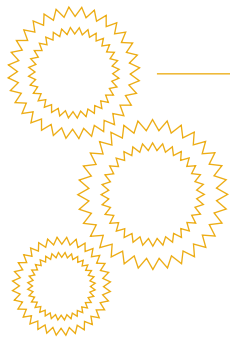
BUSINESS CONCEPT, BUSINESS MODEL AND VALUES

BUSINESS CONCEPT

Duroc seeks to create value through strategic acquisitions and long-term development of its subsidiaries.

THE DUROC WAY





Promoting an entrepreneurial climate is at the core of The Duroc Way. It reflects a business environment characterized by trust and freedom of action. Its distinguishing qualities are Teamwork, Responsibility, Commitment, Trust and Respect.



ACQUISITION STRATEGY

- We constantly monitor the market for potential acquisition opportunities.
- A flexible approach leads to more closed deals.
- Our professional network allows us to seek acquisition opportunities across different industries as well as bolt-ons to our existing companies.
- We apply a sound, conservative valuation model.
- The acquisition price prioritizes tangible assets, not goodwill.
- We seek to acquire businesses that are fundamentally sound with good development potential.
- Synergies with operations and/or skills areas within the existing structure.
- Our ready-made financing solutions allow us to close deals quickly once good opportunities are identified.



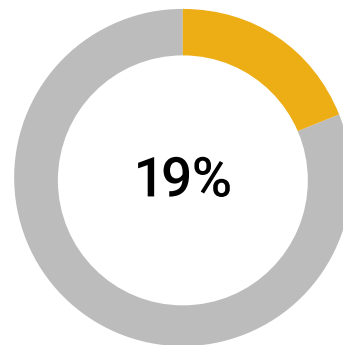
DUROC'S PORTFOLIO COMPANIES – DUROC MACHINE TOOL

Duroc Machine Tool (DMT) is one of the biggest suppliers of machine tools, tools, machine service, support, training and financing solutions to mechanical engineering companies in the Nordics and Baltics. Its customers are in the automotive and forestry industries, and in construction equipment and power generation. Duroc Machine Tool represents a large number of internationally renowned brands. Its most important products are processing machines from Korean DN Solutions, one of the market's world leading brands. The product range also includes the high-end Italian brand FPT with machining centers for the manufacture of large, high-precision components. DMT is the only distributor operating in the following seven markets: Sweden, Norway, Denmark, Finland, Estonia, Latvia and Lithuania, and it has high market shares in most of its geographical markets.

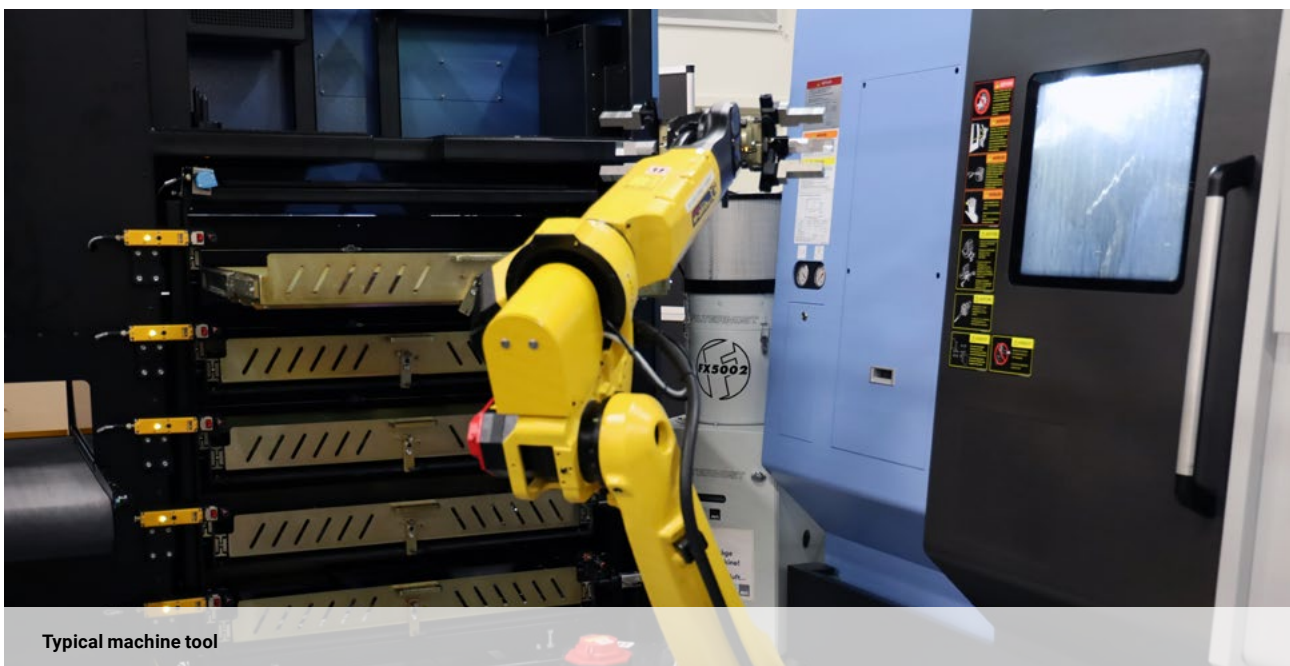
DMT's organic sales growth since the previous year was -5 percent, mainly due to a slightly more hesitant market in terms of investments in machinery. The loss of sales was mitigated by continued good sales efforts and investments in more efficient customer outreach and organization. During the year, essential strategic investments were made in the form of a larger workforce and continued investments in the ERP system, structural capital and digital marketing. This is expected to create added value moving forward and is necessary to enable DMT's continued growth.

To further strengthen DMT's product offering for automation in unmanned production cells, Duroc acquired a Danish automation solutions company after the end of the financial year.

SHARE OF DUROC'S SALES (2023/2024)



Amounts in MSEK	2023/2024	2022/2023
Net sales	584.9	599.5
Sales growth %	-2.4	11.4
Organic growth %	-4.8	6.6
EBITDA	45.3	51.4
EBITDA margin %	7.8	8.6
EBIT	38.5	45.0
EBIT margin %	6.6	7.5
Net debt / Net cash & cash equivalents (-)	8.9	-47.3
excl. lease liabilities from IFRS 16	-0.5	-57.3
Capital employed	107.7	68.7
Return on capital employed %	42.3	83.4



Typical machine tool

DUROC'S PORTFOLIO COMPANIES

– DUROC RAIL

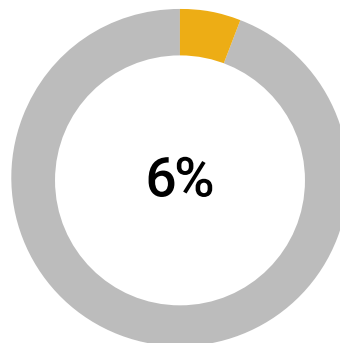
Duroc Rail delivers complete, efficient, high-quality maintenance for railroad wheels for locomotives, railroad passenger cars and freight cars. From Luleå, Duroc Rail mostly meets northern Sweden's maintenance needs for railroad wheels and related components. Thanks to its efficient wheel maintenance, Duroc Rail contributes to lower operating costs per kilometer.

The availability of iron ore in Norrland results in a great deal of heavy haulage, which means constant wear on railroad wheels. Railroad transportation is also increasing in terms of people and goods due to the focus on the environment. Rail freight and passenger transportation consume less than half of the energy consumed by road traffic. If we compare CO₂ emissions, railroad haulage has but a fraction of the emissions from road haulage. By securing the supply of railroad wheels for its customers, Duroc Rail helps reduce environmental impact.

Increased rail traffic, higher axle loads and faster trains increase demand for wheels and maintenance with high quality and performance. Duroc Rail's sales increased by 23 percent compared to the previous year, which was due to extremely high demand. Efficiency gains in production and the high order volumes have resulted in an adjusted EBIT margin of 26 percent (21).

During the financial year, Duroc sold 49 percent of Duroc Rail AB to LKAB, a strategically important customer and partner. As part of the transaction, LKAB will build a new production facility for rail at Hertsöfältet in Luleå. Construction began in late fall and is scheduled for completion in the fall of 2025. The new construction means Rail will have a tailor-made facility enabling a more efficient flow and improved production capacity, and it will allow further expansion of Rail's operations.

SHARE OF DUROC'S SALES (2023/2024)



Amounts in MSEK	2023/2024	2022/2023
Net sales	188.8	153.2
Sales growth %	23.2	14.3
Organic growth %	23.2	14.3
EBITDA	55.1	39.6
EBITDA margin %	29.2	25.9
EBIT	47.9	28.6
EBIT margin %	25.4	18.7
Adjusted EBIT	49.2	31.5
Adjusted EBIT margin %	26.0	20.6
Net debt / Net cash & cash equivalents (-)	1.9	29.2
excl. lease liabilities from IFRS 16	0.4	21.8
Capital employed	50.7	40.6
Return on capital employed %	99.3	64.3
Adjusted return on capital employed %	101.9	70.8



Wheel-axle assemblies awaiting shipment

DUROC'S PORTFOLIO COMPANIES – SMALLER COMPANY PORTFOLIO

Universal Power Nordic (UPN) supplies diesel engines for industrial and marine applications in Sweden and Norway, along with associated spare parts, service and repairs. The company represents well-known brands such as Perkins, Kubota, Kohler and Nanni.

UPN's sales decreased by 11 percent, mainly due to lower volumes in machine sales. However, gross profit only decreased by 2 percent thanks to a favorable mix. Personnel costs increased as investments in the workforce were made during the year to meet future demand. This led to an EBIT reduction of 24 percent.

The year was characterized by essential investments in training and personnel with the right skills in technology and sales to gain the capacity to meet increased demand. A new sales strategy was developed which is expected to bear fruit in the years ahead.

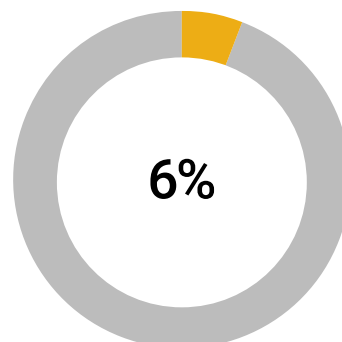
Herber Engineering manufactures advanced bending machines for cold tube forming and profiles. It has customers worldwide in e.g. the automotive, aviation and furniture industries and the heat exchanger sector. Herber is a well-known brand that stands for high-quality products. The business is characterized by projects, and sales can fluctuate significantly from one period to the next.

The year was characterized by lower sales of machines, where interest rates and the global situation led to a reluctance to invest on the part of customers. Sales decreased by 14 percent. However, delivery times, which had forced the companies to make major strategic purchases in previous years, were back to the situation before the Covid-19 pandemic, allowing significant reductions in working capital to be made. Cost savings in the form of e.g. essential personnel reductions reduced the loss.

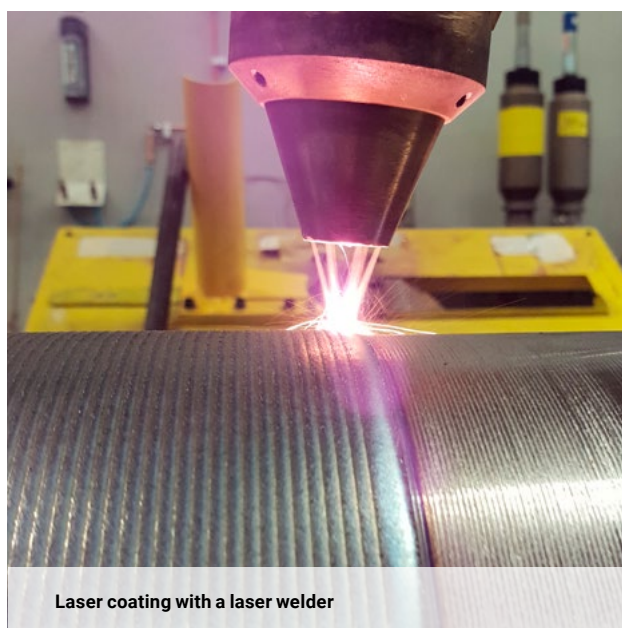
Under new management, a new strategy is being developed to increase sales and streamline the organization. The company has the potential to achieve good profitability in the coming years.

Duroc Laser Coating is Sweden's leading industrial laser surface treatment company. DLC offers the renovation and new manufacture of industrial components. DLC's laser coating technology is an important building block in the transition to cost-effective, sustainable industrial production. Scrappage and the need for spare parts can be minimized by renewing and strengthening the surface of metal components. Often, components exposed to wear, corrosion and high temperatures can be given better function and extended durability of up to four years by using a laser welder to build up materials with more suitable properties. DLC developed well during the year and sales increased by 6 percent. New customers with larger projects accounted for most of the increase. These projects are expected to continue moving forward. The cost base increased due to investments in personnel and equipment the new ventures involved, which burdened operating profit during the year.

SHARE OF DUROC'S SALES (2023/2024)



Amounts in MSEK	2023/2024	2022/2023
Net sales	174.6	193.8
Sales growth %	-9.9	16.5
Organic growth %	-9.9	16.5
EBITDA	13.1	23.2
EBITDA margin %	7.5	12.0
EBIT	4.3	13.0
EBIT margin %	2.5	6.7
Adjusted EBIT	4.6	13.0
Adjusted EBIT margin %	2.6	6.7
Net debt / Net cash & cash equivalents (-)	30.9	35.5
excl. lease liabilities from IFRS 16	12.1	10.8
Capital employed	57.6	62.6
Return on capital employed %	7.1	23.2
Adjusted return on capital employed %	7.6	23.2



DUROC'S PORTFOLIO COMPANIES

INTERNATIONAL FIBRES GROUP

International Fibres Group (IFG) is one of Europe's leading manufacturers of polypropylene-based staple fibers, an input product with reinforcing, insulating, separating or draining properties. The fiber is used in the production of e.g. flooring, rugs, furniture, filters, foodstuff packaging, car interiors and nonwoven fabrics. Thus the customer portfolio is diversified. Synthetic materials are competitive costwise; they can be adapted according to the application and contribute to a longer product life. IFG's production facilities are located in Belgium, the United Kingdom and Austria.

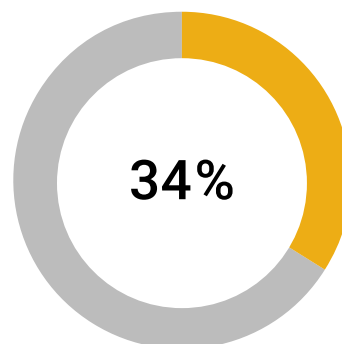
IFG has a long-term collaboration with the University of Maastricht in the Netherlands. The aim of the collaboration is to develop new fibers that will meet future requirements in terms of performance and sustainability, such as degradability and recyclability. Also, IFG is involved in a number of customer and international projects related to sustainable product solutions. During the financial year, numerous development projects based on PLA (organic polymer) were carried out together with new and existing customers.

The European staple fiber market is characterized by over-capacity and tough competition. Good profitability and growth can be found in applications for various niche products. IFG is an established manufacturer with extensive experience and sound knowledge of the material's potential. During the financial year, IFG continued the change management program it initiated in 2019 with the aim of strengthening its position in the technical fiber segment, where fiber is used in various filtration applications and as packaging materials for the food industry. The changes have not only affected the organization and its focus in the development of new products, but also the size of production capacity.

IFG's volume decreased by 6 percent year on year. However, over the past few months there was an increase and the order books were replenished. The previous year's price increases in respect of wages, materials and energy slackened and prices to customers were able to compensate for them. In addition, a major effort to reduce the cost base has yielded results and has had a positive impact on EBIT.

Demand is expected to gradually increase again. The strategic efforts will continue with a focus on innovation and increased sales of niche products where the margins are significantly higher than in the standard product segment.

SHARE OF DUROC'S SALES (2023/2024)



Amounts in MSEK	2023/2024	2022/2023
Net sales	1,061.9	1,201.5
Sales growth %	-11.6	-13.2
Organic growth %	-15.5	-18.4
EBITDA	21.0	12.7
EBITDA margin %	2.0	1.1
EBIT	-9.9	-15.2
EBIT margin %	-0.9	-1.3
Net debt / Net cash & cash equivalents (-)	139.4	116.9
excl. lease liabilities from IFRS 16	68.2	37.7
Capital employed	453.1	483.4
Return on capital employed %	-2.1	-3.2



Recovered raw materials for fiber production

DUROC'S PORTFOLIO COMPANIES – DRAKE EXTRUSION

Drake Extrusion is North America's leading producer of polypropylene-based colored filament yarn and staple fiber. Filament yarn is used mostly by customers who produce fabrics for the furniture industry, and can also be used in the manufacture of sports clothing i.e. functional garments. Filament yarns make garments and fabrics durable and easy to look after. Staple fiber is used for production in a variety of areas including flooring, rugs, furniture, technical filters, car interiors and nonwoven fabrics. Drake Extrusion comprises two production units located in Virginia and North Carolina, USA. Drake Extrusion has almost 80 percent of the North American market for filament yarns.

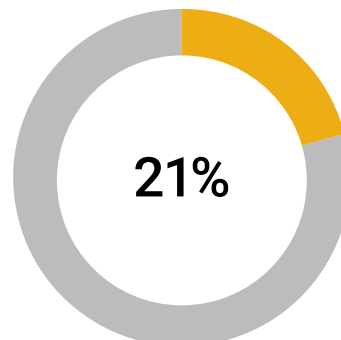
During the year, Drake noted a certain recovery in volumes, with an increase of 8 percent in staple fibers and 30 percent in filament yarns. However, filament yarn volumes remain low as demand for durable goods such as outdoor furniture was restrained by the high interest rates in the United States.

The economic uncertainties of previous years continued, leading to fundamental changes in purchasing patterns, where customer inventories, unlike during the pandemic, are kept to a minimum. A gradual but volatile increase in demand to normal levels can be expected when interest rates improve and end-customer appetite for consumption increases again.

Drake Extrusion is well-invested with good equipment and an ability to deliver strong earnings under the right conditions.

The strategic work with retaining and training personnel has been successful, and personnel turnover has been dramatically reduced.

SHARE OF DUROC'S SALES (2023/2024)



Amounts in MSEK	2023/2024	2022/2023
Net sales	649.7	623.8
Sales growth %	4.2	-16.4
Organic growth %	3.3	-27.5
EBITDA	24.7	4.1
EBITDA margin %	3.8	0.7
EBIT	-8.3	-32.3
EBIT margin %	-1.3	-5.2
Adjusted EBIT	-10.2	-23.3
Adjusted EBIT margin %	-1.6	-3.7
Net debt / Net cash & cash equivalents (-)	-15.5	24.7
excl. lease liabilities from IFRS 16	-19.1	17.1
Capital employed	252.5	307.6
Return on capital employed %	-3.0	-10.2
Adjusted return on capital employed %	-3.6	-7.3



Furniture fabrics made from Drake Extrusion yarns

DUROC'S PORTFOLIO COMPANIES

— CRESCO

Cresco develops, produces and sells textile-based solutions for the professional cultivation of crops and is one of the leading suppliers on the global market. The products contribute to favorable environments in greenhouses, mushroom farms and composting installations. They are also found in park settings where they are used to prevent weed growth. The most important product is climate screens, which enable the control of climate in greenhouses. The screens contribute to a more efficient cultivation process with lower energy consumption. Cresco's production facility is in Belgium.

The market remained weak during the year due to inflation, interest rates and the troubled global situation. The customer investment rate slowed and there were fewer major projects than before. Prices stabilized during the year and there was a slowdown in the large inflation-based wage increases from previous years. However, this has put pressure on margins. Prices to customers could be increased, but not to full effect. During the year, Cresco successfully reduced costs through a review of day-to-day and personnel costs, and this has mitigated the negative impact on EBIT.

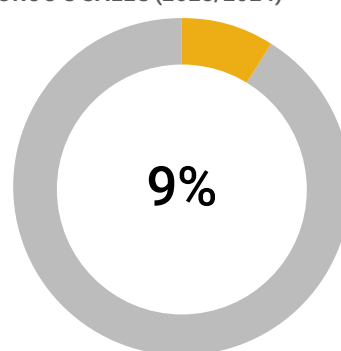
The market is expected to return to normal levels, where Cresco will be able to deliver strong, positive EBIT earnings. Replacement investments deferred by customers will have to be made in due course and the market for climate screens in the short and long terms will grow ever more attractive as energy prices rise, the availability of energy grows more volatile and the demand for local produce increases, while a more challenging climate will require advanced cultivation technology.

Cresco puts constant effort into development where finding new, sustainable products is an important driving force. Cresco developed its climate control offering with several products that combine up to four different materials and help to reduce energy consumption in greenhouses. The products allow an increasing number of characteristics such as an optimal balance between humidity, light dissipation and heat shielding to be combined in a single product. Cresco has continued developing PLA, a bio-degradable polymer made from corn that has long been used in ground cover products. The material is currently used in many product categories, and Cresco is always looking for product development opportunities for the application of next-generation materials. Cresco collaborates with industry specialists, growers

and universities on an ongoing basis to stay at the forefront in the development of technological solutions such as multiple climate screen layers for various functions.

Increasing demand for healthy, locally grown plant-based food-stuffs together with a growing need for sustainable, technological investment in more energy-efficient installations that allow cost-effective year-round cultivation means that Cresco once again enjoys good conditions for further profitable growth in its business over the long term.

SHARE OF DUROC'S SALES (2023/2024)



Amounts in MSEK	2023/2024	2022/2023
Net sales	283.4	278.9
Sales growth %	1.6	0.9
Organic growth %	-2.5	-5.8
EBITDA	-6.7	1.5
EBITDA margin %	-2.4	0.5
EBIT	-12.1	-4.2
EBIT margin %	-4.3	-1.5
Net debt / Net cash & cash equivalents (-)	17.2	31.2
excl. lease liabilities from IFRS 16	13.7	26.3
Capital employed	191.0	224.1
Return on capital employed %	-6.0	-1.9



Climate screens for greenhouses

DUROC'S PORTFOLIO COMPANIES

– PLASTIBERT

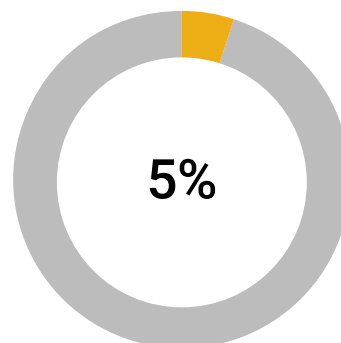
Plastibert has been established in the international coated textiles market for more than 50 years. Its products consist of PVC and PU coated fabrics that are used in a variety of areas, including the fashion industry, protective clothing, hospital beds, car interiors, dental chairs, furniture and wall coverings. Plastibert's production facility is located in Belgium.

The operation is characterized by a sharp focus on R&D and customization. While Plastibert offers standardized fabrics, it can also offer customized coated textiles developed together with the customer to create products where motifs, reinforcement, color, quality and texture are incorporated. Plastibert also has the equipment and know-how to make specialized products on a small scale, with resultant higher margins. The production capacity is 20,000 meters per day. New materials and qualities are developed constantly. In recent years, the company has increased product development linked to sustainability in which it offers products with bio-based PU, recycled polyester and bio-certified cotton. It also uses Oeko-tex 100 Class 1 labeling, guaranteeing production in which no hazardous substances are used.

Plastibert recovered from the effects of the sharp price increases for materials and the compulsory pay increases that characterized the previous financial year. Increased order volumes, price increases to customers and successful cost-cutting measures improved profitability significantly. The company ended the year with full order books and it added shifts to meet the demand for its products. Competition from manufacturers in low cost countries was noted across the industry, and this resulted in lower volumes in standard products. Plastibert's niche regarding more advanced, customized goods and the quality offered renders the company resistant to this.

During the year, Plastibert carried out investments to enable production of DMF-free* technical textiles, which are in demand in a market that is looking for sustainable, toxin-free alternatives. DMF-free textiles formed an important part of the increased order intake noted during the quarter.

SHARE OF DUROC'S SALES (2023/2024)



Amounts in MSEK	2023/2024	2022/2023
Net sales	172.1	176.9
Sales growth %	-2.7	4.8
Organic growth %	-6.7	-0.2
EBITDA	2.0	-7.5
EBITDA margin %	1.2	-4.2
EBIT	-1.8	-11.8
EBIT margin %	-1.1	-6.7
Net debt / Net cash & cash equivalents (-)	7.8	6.0
excl. lease liabilities from IFRS 16	7.7	5.7
Capital employed	67.3	70.1
Return on capital employed %	-2.8	-16.2

*DMF is a toxic solvent common in chemical products such as acrylic fibers, synthetic leather and other plastic products.



Dental chairs with Plastibert's coated textiles

OUR APPROACH TO SUSTAINABILITY

Duroc is a long-term investment company that acquires industrial companies and trading companies. Sound finances, low leverage, diversification and conservative valuation of potential acquisitions are some of the strategy's key elements. This long-term investment horizon makes sustainability a crucial concept when we acquire companies as well as when we develop and manage them. Sustainability is not only about all of our futures, but also a concern for tomorrow that will only grow in importance. The companies in the Duroc Group are sustainable and they

benefit the communities they do business in. They are goal-oriented and concentrate on growing enduring businesses, not least by delivering sustainable solutions to customers while minimizing exposure to sustainability-related risks.

Duroc achieves the greatest impact in its role of proactive owner in the portfolio companies. The development of companies that are competitive over the long term leads to sustainable development and allows value to grow over time. Sustainability work is also carried out in the parent company.



DUROC ACQUIRES AND DEVELOPS COMPANIES

Duroc's business concept is to acquire the right companies at the right price and to constantly develop its existing company portfolio through successive improvements. In our acquisition process, we identify companies that show clear potential and where we are able, by concentrating on proper governance, the right management, investments, product development and commitment to the business and its employees, to create a company that can provide long-term value growth not only for customers and employees, but also for its owners, society and other stakeholders. Sustainability issues are becoming an increasingly important part of the acquisition process due to the global insistence that businesses be responsible and sustainable over the long term. Duroc does not invest in companies that:

- produce tobacco products, weapons or are associated with pornography
- have as their core business the production of energy in a non-sustainable manner
- operate businesses in which child labor is exploited
- or whose operations do not comply with the UN Universal Declaration of Human Rights

Duroc is a long-term owner and as a rule our companies are not for sale. Our goal is to create enduring, stable relationships and partnerships. We create profitability and grow together with our companies over time. We are convinced that this provides the best conditions for enduring, sustainable solutions and value creation.

THE DUROC GROUP

MULTI-YEAR OVERVIEW

Key financial indicators (amounts in MSEK)	DUROC			
	2307 – 2406	2207 – 2306	2107 – 2206	2007 – 2106
Income statement				
Net sales	3,111.1	3,493.1	3,720.5	3,254.5
EBITDA	143.4	104.0	199.4	189.9
Operating profit (EBIT)	46.4	-187.6	83.0	88.6
Profit after net financial items	37.8	-215.4	74.8	78.5
Profit/loss after tax	29.9	-238.1	64.9	55.4
Return on equity %	2.6	-21.9	5.2	5.2
Balance sheet				
Balance sheet total	1,848.5	1,879.7	2,376.9	2,086.3
Cash and cash equivalents	94.5	26.6	26.1	59.9
Interest-bearing liabilities	209.8	277.9	422.1	343.2
Net debt / Net cash & cash equivalents excl. lease liabilities from IFRS	5.1	115.0	265.7	139.9
Net debt / Net cash & cash equivalents incl. lease liabilities from IFRS	115.2	251.1	396.0	283.3
Capital employed	1,196.1	1,273.5	1,591.2	1,318.8
Equity	1,156.5	1,085.8	1,237.8	1,070.3
Equity/assets ratio %	63	58	52	51
Equity per share, SEK	29.7	27.8	31.7	27.4
Cash flow				
Cash flow from operating activities before changes in working capital	126.3	92.2	171.6	201.6
Cash flow from operating activities	96.6	217.2	-36.8	70.6
Cash flow from investing activities	-36.8	-61.3	-61.7	-75.3
Cash flow from financing activities excl. dividends	12.9	-135.8	60.7	-71.5
Dividend	-9.8	-9.8	–	–
Cash flow for the period	62.9	10.3	-37.8	-76.1
Personnel				
Average number of employees	860	1,017	1,099	1,122
Net sales/average number of employees	3.6	3.4	3.4	2.9

Geographical areas

2023 – 2024

GROUP MSEK	Duroc Ma- chine Tool	Duroc Rail	Smaller Company Portfolio	International Fibres Group	Drake Extrusion	Cresco	Plastibert	Group-wide functions	Group
Net sales									
Sweden	172.4	129.0	134.4	0.7	–	1.2	22.4	-4.3	455.7
Rest of Nordics	272.5	3.4	24.3	16.1	–	4.5	10.7	–	331.4
Europe	140.0	56.5	8.5	966.8	–	253.6	132.6	–	1,558.0
USA	–	–	6.1	55.4	577.0	5.1	2.1	–	645.8
Other markets	–	–	1.4	22.9	72.7	19.0	4.3	–	120.3
Total	584.9	188.8	174.6	1,061.9	649.7	283.4	172.1	-4.3	3,111.1
Property, equipment and right-of-use assets									
Sweden	9.9	22.0	21.7	–	–	–	–	1.3	54.9
Rest of Nordics	6.8	–	–	–	–	–	–	–	6.8
Europe	4.3	–	–	248.1	–	73.1	13.9	–	339.4
USA	–	–	–	–	189.4	–	–	–	189.4
Total	21.0	22.0	21.7	248.1	189.4	73.1	13.9	1.3	590.5
Investments excl. IFRS 16									
Sweden	0.6	7.6	1.2	–	–	–	–	–	9.3
Rest of Nordics	0.7	–	–	–	–	–	–	–	0.7
Europe	0.3	–	–	15.2	–	3.6	3.4	–	22.4
USA	–	–	–	–	0.3	–	–	–	0.3
Total	1.5	7.6	1.2	15.2	0.3	3.6	3.4	–	32.7

Revenues are based on the areas in which customers are located. Assets are reported according to their location.

2022 – 2023

GROUP MSEK	Duroc Machine Tool	Duroc Rail	Smaller Company Portfolio	Internation- al Fibres Group	Drake Extrusion	Cresco	Plastibert	Group-wide functions	Griffine	Group
Net sales										
Sweden	183.3	102.9	154.3	1.3	–	0.8	20.1	-0.5	1.7	463.9
Rest of Nordics	279.2	3.3	20.1	13.2	–	4.9	14.3	–	0.9	335.8
Europe	137.1	47.1	7.6	1,080.7	0.3	237.8	132.1	–	224.7	1,867.4
USA	–	–	9.5	80.8	549.5	12.3	2.6	–	2.7	657.4
Other markets	–	–	2.3	25.5	74.1	23.0	7.1	–	41.4	173.3
Total	599.5	153.2	193.7	1,201.5	623.8	278.9	176.9	-0.5	266.0	3,493.1
Property, equipment and right-of-use assets										
Sweden	8.9	25.0	27.2	–	–	–	–	1.4	–	62.5
Rest of Nordics	7.7	–	–	–	–	–	–	–	–	7.7
Europe	5.8	–	–	271.7	–	77.0	14.5	–	–	369.0
USA	–	–	–	–	226.7	0.1	–	–	–	226.8
Total	22.4	25.0	27.2	271.7	226.7	77.0	14.5	1.4	–	666.0
Investments excl. IFRS 16										
Sweden	0.0	3.7	1.8	–	–	–	–	–	–	5.6
Rest of Nordics	1.8	–	–	–	–	–	–	–	–	1.8
Europe	0.7	–	–	33.9	–	2.1	3.3	–	6.0	46.0
USA	–	–	–	–	8.2	–	–	–	–	8.2
Total	2.5	3.7	1.8	33.9	8.2	2.1	3.3	–	6.0	61.5

Revenues are based on the areas in which customers are located. Assets are reported according to their location.

THE DUROC SHARE

Duroc Class B shares are listed on Nasdaq Stockholm, Small Cap. During 2023/2024, a total of 2.3 (2.2) million shares were traded for a total of MSEK 41.2 (92.2). Average daily turnover was 9,184 shares (8,840), or TSEK 164 (372). The share price at the beginning of the year was SEK 19.5 and at the end of the year SEK 18.1. The annual peak for the Duroc share was SEK 21.5 as noted on August 8, 2023, while the annual trough was SEK 16.0 as noted on September 22, 2023. The number of shareholders at year-end totaled 2,004 (2,083).

SHARE CAPITAL

Share capital in Duroc AB (publ) at the end of the financial year totaled SEK 39,000,000 divided into 39,000,000 shares, of which 29,066,783 were Class B shares and 9,933,217 Class C shares. Each share corresponds to one vote. The quota value per share is SEK 1. The total number of votes was 39,000,000, of which 29,066,783 were Class B and 9,933,217 were Class C.

DIVIDEND

Within the framework of the Group's conservative finance policy, the Duroc dividend must be adapted to suit the Group's plans for looking after investments assessed as value-creating. The dividend policy must be forward-looking, i.e. dividend decisions must be based on future prospects, not history. When planned investments roughly correspond to reported depreciation according to plan, it is reasonable for at least 50 percent of profit after tax to be distributed to the shareholders. It must be stressed that because Duroc's goal is to continue acquiring businesses and companies, compliance with our conservative financial policy may reduce the dividend potential in any given year.

In the light of Duroc's strong cash flow and sound finances, the Board proposes a dividend of SEK 0.30 per share to a total of SEK 11,700,000 (9,750,000), an increase of 20 percent over the previous financial year.

AUTHORIZATIONS

The Annual General Meeting (AGM) of November 7, 2023 authorized the Board to resolve on one or more occasions during the period up until the next AGM on a new issue of a total of no more than 4,300,000 Class B shares. The Board has not used the authorization during the financial year.

The AGM of November 7, 2023 further resolved to authorize the Board to decide on the acquisition or transfer of shares in the company. Acquisitions may be made to a maximum number of Class B shares such that following each acquisition Duroc holds no more than 10 percent of the total number of shares in the company. During the 2023/2024 financial year, no repurchase or sale of own shares took place.

OPTIONS

No options were issued by the company.

SHARE CAPITAL DEVELOPMENT

Year	Transaction	Nominal value per share SEK	Change in share capital SEK	Total share capital SEK	Number of Class A shares	Number of Class B shares	Number of Class C shares	Total number of shares
1992	Formation of the company	100	50,000	50,000	500	0		500
1993	New share issue	100	600,000	650,000	6,500	0		6,500
1995	New share issue	100	34,200	684,200	6,500	342		6,842
1995	Split	1	0	684,200	650,000	34,200		684,200
1996	New share issue	1	300,000	984,200	650,000	334,200		984,200
1996	New share issue	1	200,000	1,184,200	250,000	934,200		1,184,200
1997	New share issue	1	592,100	1,776,300	375,000	1,401,300		1,776,300
1998	Bonus issue	1	1,776,300	3,552,600	750,000	2,802,600		3,552,600
1999	New share issue	1	1,776,300	5,328,900	750,000	4,578,900		5,328,900
2006	Share conversion A-B	1	0	5,328,900	350,000	4,978,900		5,328,900
2007	New share issue	1	2,000,000	7,328,900	350,000	6,978,900		7,328,900
2017	New share issue	1	31,671,100	39,000,000	350,000	6,978,900	31,671,700	39,000,000
2017	Share conversion A-B	1	0	39,000,000	0	7,328,900	31,671,100	39,000,000
2017	Share conversion C-B	1	0	39,000,000	0	29,066,783	9,933,217	39,000,000

BIGGEST SHAREHOLDERS AS OF 06/30/2024

Owner	Class B shares	Class C shares	Proportion of equity %	Proportion of votes %	Market value Class B shares (TSEK)
Bronsstädets AB	21,066,783	9,933,217	79.5 %	79.5 %	559,550,000
AB TRACTION	2,925,341	–	7.5 %	7.5 %	52,802,405
Thomas Blixt	412,000	–	1.1 %	1.1 %	7,436,600
Insurance company, Avanza Pension	388,605	–	1.0 %	1.0 %	7,014,320
Nordnet Pensionsförsäkring AB	231,753	–	0.6 %	0.6 %	4,183,142
Fredrik Öberg	225,130	–	0.6 %	0.6 %	4,063,597
eQ Asset Management	200,000	–	0.5 %	0.5 %	3,610,000
John Skogman	198,611	–	0.5 %	0.5 %	3,584,929
SEB Investment Management AB	185,894	–	0.5 %	0.5 %	3,355,387
Björn Andersson	174,890	–	0.4 %	0.4 %	3,156,765
Handelsbanken Fonder AB	172,314	–	0.4 %	0.4 %	3,110,268
Johan Markensten	151,018	–	0.4 %	0.4 %	2,725,875
Henrik Strid	150,569	–	0.4 %	0.4 %	2,717,770
Gunnar Lindberg	100,000	–	0.3 %	0.3 %	1,805,000
PSG Capital AB	98,671	–	0.3 %	0.3 %	1,781,012
Other	2,385,204	–	6.1 %	6.1 %	43,052,932
Total	29,066,783	9,933,217	100.0	100.0	703,950,000

NUMBER OF SHARES HELD AS OF 06/30/2024

Number of shares	Number of share-holders	Class B shares	Class C shares	Proportion of equity %	Proportion of votes %
1 – 500	1,511	180,282	0	0.5	0.5
501 – 1,000	186	155,412	0	0.4	0.4
1,001 – 5,000	204	489,114	0	1.3	1.3
5,001 – 10,000	45	366,343	0	0.9	0.9
10,001 – 15,000	9	118,583	0	0.3	0.3
15,001 – 20,000	11	181,656	0	0.5	0.5
20,001 –	38	27,575,393	9,933,217	96.2	96.2
Total	2,004	29,066,783	9,933,217	100.0	100.0

SUSTAINABLE VALUE CREATION

GOVERNANCE FRAMEWORK

Duroc stands behind the UN's global goals for sustainable enterprise. We also adhere to global initiatives such as the OECD Guidelines for Multinational Enterprises and the eight Fundamental ILO Conventions. Because we are convinced that the most competitive companies will be those able to deliver sustainable products sustainably produced in corporate cultures that are committed to making good things responsibly, we work constantly at strengthening our companies' sustainability efforts.

SUSTAINABILITY MANAGEMENT

Duroc's sustainability management begins and ends with the Board. The Board bears ultimate responsibility for group-wide strategy and sustainability efforts, while Duroc's CEO bears operational responsibility. Responsibility is allocated similarly in the portfolio companies. The companies' boards have sustainability as a standing agenda item at all meetings, and one of the four quarterly meetings has sustainability as the topic for the entire meeting. There is always an employee appointed in Duroc and each portfolio company who prepares, manages and communicates sustainability issues in the respective companies.

Duroc requires systematic work for constant improvements and development to take place in the portfolio companies. Because the companies have greatly diversified operations, a small number of shared non-financial key indicators are monitored centrally. Development in the companies is monitored in monthly business reviews and Board meetings in which representatives of Duroc's management always participate. We shared the groundwork by setting common sustainability targets in 2019/2020, and we ensure continuity by reviewing and developing these targets annually. In addition to our common goals, each company has its own business-specific sustainability goals.

Systematic environmental and quality management is well established, with eight of our eleven production units certified under the ISO 9001 quality standard and the ISO 14001 environmental standard. The systematic work includes risk management, goal management and the development of action plans.

The many activities related to sustainability in the past years' projects aimed at strengthening the Group's sustainability work clearly demonstrate the increased priority accorded to sustainability by the Board and company management. Meanwhile, the portfolio companies have shown their own commitment to the issue, and they note increasing pressure from the market and the outside world, which has shown responsible sustainability work to be ever more important for long-term profitable business. All in all, this has led to a sought-after cultural change in which sustainability issues have assumed greater importance in our portfolio companies and the incorporation of sustainability into their strategic plans. This cultural change is ongoing and we feel humility and respect in recognizing that we have much left to learn and much left to do.

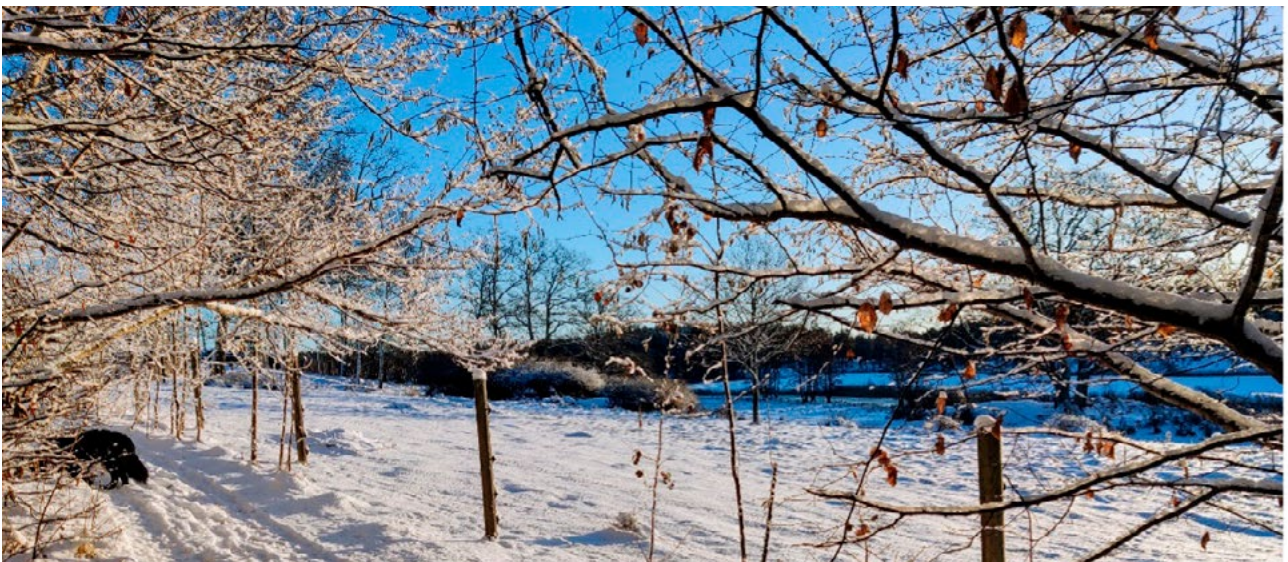
MATERIALITY ANALYSIS

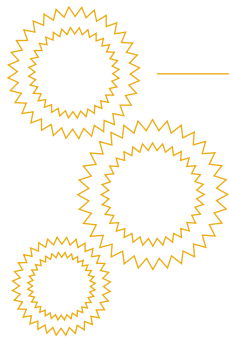
To make sure we work with the sustainability areas considered most urgent by our stakeholders, we conduct ongoing interviews with owners, employees, representatives from the portfolio companies and investors. We use this information to update our materiality analysis. The outcomes of the analysis form the basis for actions in the parent company and in directives to the portfolio companies.

The areas of particular interest to stakeholders are acquisitions, climate impact, anti-corruption and business ethics, health and safety, diversity and equality, and responsible, long-term business.

GROUP REQUIREMENTS FOR SUBSIDIARIES

- a) Implement the Code of Conduct.
- b) Implement the uniform group-wide process of risk identification and action.
- c) Conduct a materiality analysis based on input from stakeholders.
- d) Identify the main environmental impact and create an action plan to mitigate it.
- e) Measure, follow-up and report CO₂ emissions, water consumption, waste, energy consumption, health and safety, and diversity.
- f) Set sustainability targets and follow them up on a monthly basis.
- g) Institute an anonymous whistleblower system.





OUR FOCUS AREAS AMONG THE UN SUSTAINABILITY DEVELOPMENT GOALS



Goal 3: Good health and well-being

Regulated under the Corporate Responsibility Policy and also under the HR Policy. Goals are updated annually in Duroc's business and action plans, and those of all portfolio companies. Followed up through monthly reports and Board meetings.



Goal 5 – Equality

Regulated under the Corporate Responsibility, Code of Conduct and HR policies. Followed up through monthly reports.



Goal 7 – Sustainable energy

Regulated under the Corporate Responsibility Policy. Goals and action plans are updated annually. Followed up in monthly reports and also forms part of the theme for one of the four annual Board meetings.



Goal 8 – Decent work and economic growth

Regulated under the Corporate Responsibility Policy and also under the HR Policy. Included in the annual business plans and followed up monthly.



Goal 9 – Sustainable industry, innovation and infrastructure

Regulated under the Corporate Responsibility Policy. Goals and action plans are updated annually. Followed up in monthly reports and also forms part of the theme for one of the four annual Board meetings.



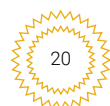
Goal 12 – Sustainable consumption and production

Regulated under the Corporate Responsibility Policy. Goals and action plans are updated annually. Followed up in monthly reports and also forms part of the theme for one of the four annual Board meetings.



Goal 13– Climate action

Regulated under the Corporate Responsibility Policy. Goals and action plans are updated annually. Followed up in monthly reports and also forms part of the theme for one of the four annual Board meetings.



RESPONSIBLE BUSINESS

Key financial indicators	June 30, 2024	June 30, 2023	June 30, 2022
Net debt (+) / Net cash & cash equivalents (-) ¹	5.1	115.0	237.7
Equity/assets ratio ¹	63 %	58 %	55 %
Adjusted equity/assets ratio ^{1,2}	66 %	59 %	57 %

¹Excluding effects from IFRS 16

² Equity divided by the adjusted balance sheet total where cash and cash equivalents and interest-bearing liabilities are reported on a net basis.

Responsible business involves creating long-term values and sustainable solutions for our employees, society, customers and partners. Duroc's group-wide Code of Conduct includes guidelines for the way employees are expected to behave in their day-to-day work in areas such as health and safety, conduct, human rights, environmental considerations, their impact on society and business ethics. It is through our actions that we demonstrate to our customers and other stakeholders our commitment to the obligations described in our Code of Conduct. Our group-wide Code of Conduct creates a common point of reference for our companies.

To ensure compliance with the way we wish to do business as a Group, we use a self-assessment tool in which we evaluate policies and guidelines etc. The tool also enhances our ability to identify common weaknesses so that we can act on them jointly.

BUSINESS ETHICS AND ANTI-CORRUPTION

Duroc's Code of Conduct is based on the fundamental values expressed in the Global Compact's Sustainable Enterprise Guidelines, the OECD Guidelines for Multinational Enterprises and other internationally accepted standards. Responsible business requires respect for the equal value of all humans and an active stand against corruption. Failure to comply with anti-corruption laws and regulations can have serious consequences for Duroc. Based on our risk assessment, we conduct targeted, in-depth scrutiny in order to counter corruption. Examples of measures include reviewing transactions within selected businesses and targeted control issues. We also have a whistleblower system in place which provides the ability to remain anonymous.

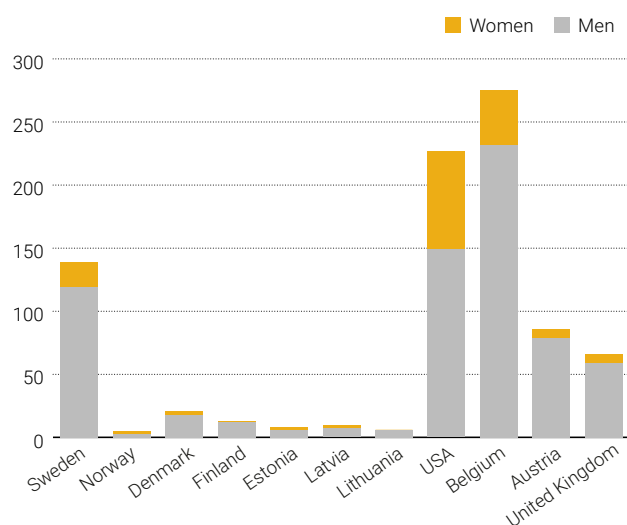
The self-assessment tool launched in 2019/2020 was used in all portfolio companies during the past year. We have found absolutely no signs of corruption or other discrepancies.

EMPLOYEES

Employees*, June 2024	Number of em- ployees	Broken down by gender		Broken down by age		
		Women	Men	< 30 years	30 – 49 years	> 50 years
Duroc Machine Tool Group	92	14	78	5	47	39
Duroc Rail	49	11	38	20	23	13
Smaller Company Portfolio	57	6	51	6	32	19
International Fibres Group	208	16	193	39	96	77
Drake Extrusion	214	82	132	24	101	89
Cresco	147	30	117	11	62	75
Plastibert	56	7	49	6	34	24
Holding company	5	2	3	1	2	2
Total	828	168	660	113	397	339

*Full-time fixed-term employment is included in the number of employees.

Average number of employees by country July 2023 – June 2024



The Duroc Group currently employs around 830 people, distributed across 11 countries. Our success depends entirely on our ability to attract, retain and develop these employees. Working for the Duroc Group must be an attractive proposition. No matter what your position or where in the world you work, you should be able to feel confident that the Group's values characterize the workplace. We must have safe and appropriate workplaces and tools.

Accidents with absence per 1 million hours worked

	2023 – 2024	2022 – 2023	2021 – 2022
Parent Company	–	–	–
Group	13.0	19.7	19.1

We collaborate with many universities in our various operations. We see this as a great way to give-and-take in the communities where we operate. Because we have many knowledge-intensive operations where constant learning is essential for our development, it is also a means to attract new employees and add to our competences.

Sick leave continued to fall from the levels of pandemic years.

Sick leave as a percentage of time worked

	2023 – 2024	2022 – 2023	2021 – 2022
Parent Company	0.5	0.6	0.6
Group	2.9	3.3	6.1

True entrepreneurship requires a decentralized management system, good development opportunities, good leadership and decent working conditions in an environment characterized by equality and diversity.

For us, diversity, inclusion and equality mean an environment with a good gender balance, where everyone is respected and encouraged to contribute and enjoys the same opportunities.

The proportion of women in senior positions is a driving factor behind greater gender equality. The table below shows the proportion of female managers in the Group, the proportion of women in Group management, and the proportion of women on the Group's Board of Directors.

Percentage of women

	2023 – 2024	2022 – 2023	2021 – 2022
Managers	19.0 %	22.0 %	23.9 %
Group management	33.3 %	33.3 %	33.3 %
Board of Directors	20.0 %	20.0 %	20.0 %

Duroc does not tolerate any form of discrimination, harassment, bullying or abuse.

Duroc seeks to achieve a culture in which we all benefit from diversity and the opportunity to see things from multiple standpoints. We are convinced that this favors our business and leads to better, more sustainable solutions.

Along with many others, we see signs today that the type of industrial work we offer is becoming increasingly less attractive, especially among young potential employees. For this reason, two of our companies are running programs to become more attractive as employers, starting from the ground up. Because this is no quick fix it will impact many areas. Work will continue over the coming year and probably for several years ahead.

The Group continued to focus on activities to increase our attractiveness as an employer during the year and we note positive outcomes in several of our companies.

ENVIRONMENTAL AND CLIMATE IMPACT

As of next year, we will report CO₂ emissions for the entire Group. CO₂ emissions for the parent company continue to be lower than before the pandemic as new practices become established, and we expect levels to remain lower than before the pandemic.

Emissions of CO₂ equivalents in the parent company, scope 1–2

Parent Company	2023 – 2024	2022 – 2023	2021 – 2022
Energy use	2,916 kWh	3,410 kWh	3,447 kWh
Greenhouse gases (tonnes)	15,690	16,040	8,390

CIRCULAR ECONOMY

The circular economy aims to promote circular resource flows. It is basically a matter of husbanding our resources and making sure our products, materials and resources remain in the economy as long as possible, and of preventing and minimizing waste. Materials and resources must be kept in circulation for as long as practicable to avoid incineration or disposal in landfills, so that only essential virgin resources need to be extracted. The importance of increased reuse and recycling is growing in line with the rise in global living standards, as ever more people have access to more resource-intensive lifestyles.

SUSTAINABLE PRODUCTS AND SERVICES

Global demands for sustainable products and services are growing steadily. Gradually, laws and regulations are becoming more stringent, and ever more customers are demanding sustainable alternatives. Descriptions and examples can be found under the heading Our customer offerings.

A large proportion of the products from Duroc's portfolio companies are made with fossil-based plastics. Because society's increasing demands for sustainable plastics affect Duroc's operations to a great extent, the demands must be transformed into strategic developments.

The circular economy continues to form a common basis for the Group's development efforts. For Duroc, the circular economy not only concerns developing new products and materials, but also finding new circular business models for our services. The transition to more sustainable production, using e.g. renewable energy, also forms part of our circular perspective.

The plastics used in many of the yarns, fibers and coated textiles from Duroc companies give the materials specific, desirable properties that natural fibers often lack. For example, they can be produced in different colors and rendered durable for longer life, and can be made moisture-resistant, flame-resistant, light, highly draining, absorbent or filtering.

Together with their customers, Duroc companies push the development and use of ever greater amounts of recycled materials and bioplastics, both of which have significantly more favorable climate footprints.

These increasing demands can be regarded both as a risk and as an opportunity. The Duroc Group endeavors to achieve long-term sustainable use of plastics, and we are taking on the

challenges our materials pose. We can gain market advantages by staying at the forefront of development. One difficulty arises from the great extent to which the materials are used in complex products that today usually lack systems for dismantling and recycling. On the other hand, our materials help extend the life of the products they are used in, which is one of the most important aspects of reducing the environmental impact of a product from a lifecycle perspective.

The table below shows the amount of recovered material used by the fiber companies and the amount of biobased fiber produced, also within the fiber companies.

	2023 – 2024	2022 – 2023	2021 – 2022
Recovered material (tonnes)	703	824	924
Biobased material (tonnes)	392	346	286

EFFICIENT, SUSTAINABLE PRODUCTION

If we are to offer sustainable products and services, our production must also be sustainable. Here, efficiency and sustainability often go hand-in-hand, e.g. by reducing the use of energy and resources and minimizing resource wastage through spillage. Constant improvements in this area take their natural place in all of our ISO-certified production units, although targets and key financial indicators vary between operations. Sustainable production also requires a good work environment and a high degree of safety. Because most of the Duroc portfolio companies are producing units, they are monitored monthly for energy consumption, the proportion of clean energy used, water consumption, CO₂ emissions and where relevant, recycled materials, the proportion of biobased production and waste. The information is used to produce new, ambitious annual targets and action plans to reduce negative climate impact. Duroc encourages its portfolio companies to use renewable energy as far as possible. During the year, Cresco, Plastibert and IFG Exelto continued installing solar panels at their installations.

We are investing in our own energy production capacity for electricity and steam in IFG Asota, with a climate impact lower than the previous supplier is able to offer. Drake Extrusion has installed more efficient compressors, thereby reducing energy consumption by 6 percent.

	2023 – 2024	2022 – 2023	2021 – 2022
Electricity consumption, Group, MWh	73,367	73,477	86,400
Proportion of renewable electricity, Group %	20.5	34.2	27.3
Natural gas, Group, MWh	37,640	45,378	49,584
Electricity consumption, parent company, MWh	0.29	0.34	0.34
Proportion of renewable electricity, parent company %	100	100	100

All of our production units have long been working to minimize waste. This is followed up systematically in the fiber and technical textiles businesses. A large part of the wastage can be recovered through good collaboration with suppliers and thoughtful waste management.

The table shows wastage as a percentage of total volume.

	2023 – 2024	2022 – 2023	2021 – 2022
Fiber & technical textiles	2.9	3.1	3.9

EU TAXONOMY

The EU taxonomy for sustainable investments is a classification system that provides companies, investors and decision-makers with definitions of financial activities that can be deemed environmentally sustainable. As of 2021, all European companies with more than 500 employees must report suitability based on the EU taxonomy's selected sectors. The taxonomy approves activities within selected sectors and which contribute substantially to at least one of the EU's climate goals or environmental goals while not causing significant harm to any of the other goals, and which meet minimum social requirements (in compliance with the taxonomy).

The Duroc Group currently conducts no applicable activities within the sectors covered by the taxonomy. This will change in the years ahead as the taxonomy will cover more industries and activities. Thus currently the proportion of CAPEX and OPEX turnover is zero.

TYPICAL EXAMPLE OF OUR SUSTAINABLE CUSTOMER OFFERINGS

DUROC RAIL

Duroc Rail's business concept is circular in essence as its offer is based on repairing and reusing components for wheels for railroad locomotives and wagons for rail operators in Scandinavia. Wheels are critical safety and reliability components in railroad transportation. By securing the supply of wheels to our customers, we increase confidence in rail transportation and help more traffic switch to railroads, which in turn helps reduce the ecological burden and above all greenhouse gas emissions.



CRESCO

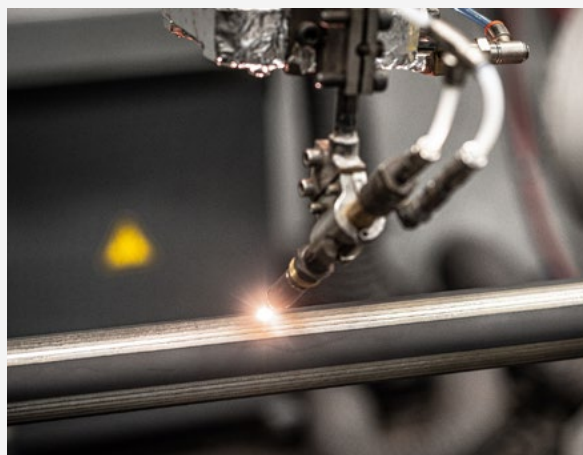
Cresco produces several types of greenhouse climate screens whose various properties optimize the cultivation process and thus reduce its impact on the environment and climate. The advantages of cultivation in controlled environments such as greenhouses and the use of climate screens include the reduced need for water and pesticides compared to conventional outdoor cultivation. It also allows crops to be grown in climates where they would not otherwise have grown, thus helping to increase food production and production efficiency.

Also, Cresco's product range includes ground cover fabrics made from PLA biobased plastic, a biodegradable material that is better for the climate than products made from e.g. polypropylene produced from fossil raw materials.



DUROC LASER COATING

Duroc laser coating also has a circular business concept as it offers the repair of steel surfaces and new production of customer-specific surface-treated components in small and large series. Surfaces exposed to wear, heat or corrosion are restored and reinforced by laser build-up welding, laser impregnation or laser hardening. For customers, this not only means longer service life for coated products, but also financial gains as it is possible to use cheaper materials in the product as a whole, while applying the desired properties precisely where they are needed.



TYPICAL EXAMPLE OF OUR SUSTAINABLE CUSTOMER OFFERINGS

DRAKE

Demand for personal protective equipment such as face-masks and aprons in healthcare remains at a high level following the Covid-19 pandemic. In the United States, Drake together with its customer STI Fabrics, has developed a PFAS-free protective apron with a longer service life than other common disposable products used in the American health-care sector.

PFAS (highly fluorinated substances) are a group of chemicals that have dirt and water repellent properties and are often used in textiles and beauty products. Among other things, they have been proven to disrupt reproduction and hormone production, and are also extremely difficult to break down. Problems occur when the chemicals are released from e.g. textiles and are spread in water and the environment. In the yarn manufactured by Drake for protective aprons, the water-repellent component is encapsulated in the yarn itself, which prevents the component from being washed away. Thus the aprons can be washed at least 50 times without losing their protective effect. This is very different from other commonly used fabrics made from polyester or a mix of polyester and cotton that use PFAS to achieve their water repellent effect. In the more common fabrics, this effect disappears after around 15 washes, resulting in the release of the substances and their leakage into nature.



SUSTAINABILITY IN OUR BUSINESS WORLD

Because Duroc's corporate portfolio is highly differentiated, it is difficult to describe a common market development. However, we are able to say that there has been a great focus on the environment and climate issues in the European market, where most of the Group's sales take place.

The demand for sustainable products and services is growing and we see increasing demands from customers for e.g. recovered plastic in new products, as well as for these materials also to be recoverable. We take a positive view of this development and are actively engaged in material R&D. We also note an increased consumer willingness to pay more in order to cover the costs of establishing circular, sustainable solutions.



THE AUDITOR'S OPINION ON THE STATUTORY SUSTAINABILITY REPORT

**TO THE ANNUAL GENERAL MEETING OF DUROC
AKTIEBOLAG, CORPORATE IDENTITY NUMBER
556446-4286**

ASSIGNMENT AND DIVISION OF RESPONSIBILITIES

The Board of Directors is responsible for the sustainability report for the financial year 7/1/2023 – 06/30/2024 and for its preparation in accordance with the Swedish Annual Accounts Act.

FOCUS AND SCOPE OF THE REVIEW

Our review was carried out in accordance with FAR Recommendation RevR 12 *The auditor's opinion on the statutory sustainability report*. This means our review of the sustainability report is substantially less in scope and has a different focus compared to the scope and focus of an audit according to International Standards on Auditing and good auditing practice in Sweden. We feel this review provides us with sufficient grounds for our opinion.

OPINION

A sustainability report has been prepared.
Stockholm, dated as shown in our electronic signature

PricewaterhouseCoopers AB

Johan Wirén
Authorized Public Accountant

APPENDIX

28	Corporate Governance July 1, 2023 – June 30, 2024
32	Consolidated income statement
32	Consolidated statement of comprehensive income
33	Consolidated balance sheet
34	Parent company income statement
34	Parent company statement of comprehensive income
35	Parent company balance sheet
36	Important accounting policies
37	GRI-Index

CORPORATE GOVERNANCE REPORT

JULY 1, 2023 – JUNE 30, 2024

This report has been reviewed by the company's auditor in accordance with the requirements of the Swedish Companies Act.

CORPORATE GOVERNANCE

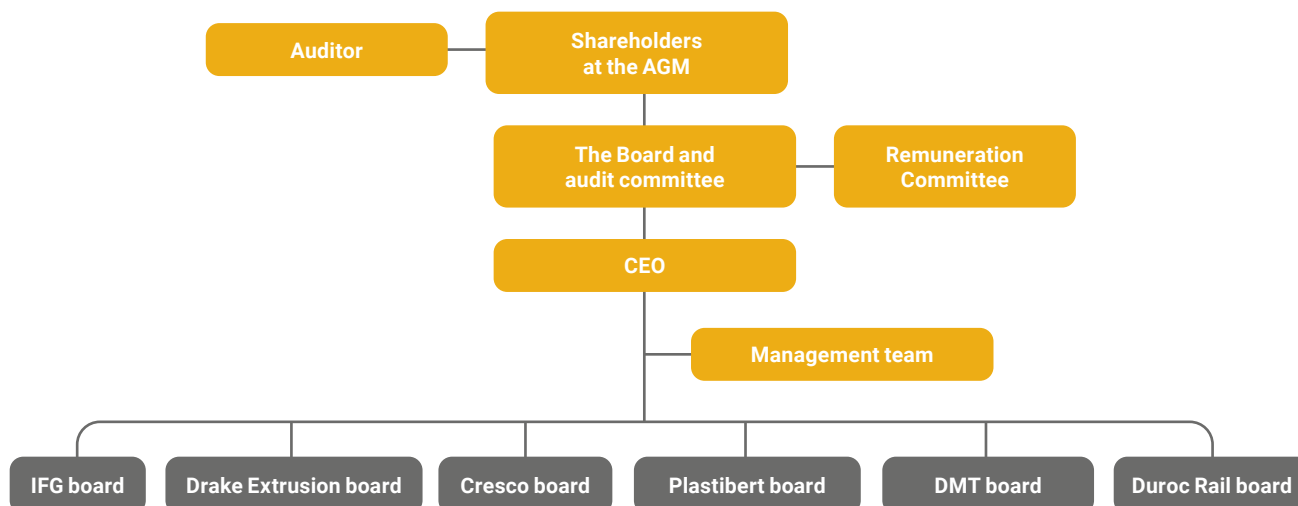
Duroc AB is a Swedish public limited liability company whose Class B shares are listed on Nasdaq Stockholm. Governance is based on external regulations and policy documents internally prepared and approved which set guidelines for the entire Duroc Group's operations. The policy documents are based on the fundamental values and principles which must characterize Duroc's operations and the conduct of its employees.

Duroc applies the Swedish Code of Corporate Governance ("the Code"). No departures from the Code took place during the 2023/2024 financial year, with the exception of the Nomination Committee area (see Nomination Committee below).

Other important external regulations with which Duroc complies include the Swedish Companies Act, Nasdaq Stockholm's rules for issuers and accounting legislation and recommendations. There are also a number of other applicable laws and regulations.

The company's corporate governance also forms the basis of its Articles of Association, the Board of Directors' and the Board's rules of procedure, the CEO's instructions and internal policy documents such as the Code of Conduct and the communication, insider, whistleblower, CSR and financial policies.

The content of the Articles of Association as adopted by the AGM is governed by the Swedish Companies Act. The Articles of Association do not contain any specific provisions concerning the appointment or dismissal of Board members or amendments to the Articles of Association. Duroc's Articles of Association are available on the Duroc website, www.duroc.com.



Duroc's organization. The main tasks of portfolio company boards include monitoring operational and financial developments, setting strategies and monitoring their implementation and ensuring good internal control. The chairman of the portfolio companies consists of, or reports to, the CEO of Duroc AB.

OWNERSHIP STRUCTURE, SHARES AND VOTING RIGHTS

As of June 30, 2024, Duroc's share capital totaled MSEK 39 distributed across 39,000,000 shares of which 29,066,783 were Class B shares and 9,933,217 Class C shares. The share quota value is SEK 1 per share. Each share corresponds to one vote and carries the same right to a share of the company's assets and entitles the holder to an equal dividend. Duroc sets no limit on the number of votes a shareholder may cast at an AGM.

As of June 30, 2024, Duroc had 2,004 (2,083) shareholders according to statistics from Euroclear Sweden. The three biggest owners were Bronsstadet AB with 79.5 percent, AB Traction with 7.5 percent, and Thomas Blixt with 1.1 percent. The 10 biggest owners accounted for 92.2 percent of the votes and an equally large share of the assets.

Further information about Duroc shareholders and the Duroc share is available on pages 14–15.

ANNUAL GENERAL MEETING

Shareholders exercise influence in Duroc at the AGM, which is the company's highest decision-making body. At the AGM, which is held within six months of the end of the financial year, shareholders

decide on key issues such as the adoption of income statements and balance sheets, the dividend to shareholders, the composition of the Board of Directors, discharge from liability for the members of the Board and the CEO, any amendments to the Articles of Association, the election of auditors and the principles for remuneration to senior management. The AGM must be prepared and implemented such that it creates conditions for shareholders to exercise their rights in an active, well-informed manner. Shareholders who are listed in Euroclear Sweden's shareholder register on the record date and who notify their participation in the meeting no later than the date specified in the notice to attend are entitled to attend and vote at the meeting, either in person or via proxy. Each shareholder has the right to have a matter addressed by the AGM.

Information about the time and place of the AGM will be available on the Duroc website no later than in conjunction with the third quarter report. There is also information on how shareholders must proceed in order to have a matter addressed by the AGM. The CEO and an auditor must attend the meeting. The Chairman of the Board must attend and if possible all Board members, otherwise a number of Board members sufficient to form a quorum.

ANNUAL GENERAL MEETING 2023

Duroc's 2023 AGM was held on November 7. Shareholders representing 87.1 percent of the votes and shares participated in the voting procedure. Carl Östring was appointed Chairman of the AGM.

The 2023 AGM resolved on the following matters, among others:

- Adoption of the parent company and consolidated balance sheets and income statements and that earnings be carried forward.
- That a dividend of SEK 0.25 per share be paid, in total SEK 9,750,000.
- The CEO and all Board members were discharged from liability for the past financial year.
- Re-election of all Board members, namely Peter Gyllenhammar, Carina Heilborn, Carl Östring and Ola Hugoson. Peter Gyllenhammar was re-elected Chairman of the Board.
- PricewaterhouseCoopers AB was elected as auditor. Johan Wirén is the auditor in charge.
- Board member fees totaling SEK 800,000, i.e. 200,000 to each member. Auditor's fee to be paid against approved invoice.
- Approval of the remuneration report submitted for 2022/2023.
- Authorization for the Board to resolve on a new issue of no more than 4,300,000 shares in Duroc AB.
- Authorization for the Board to resolve on the repurchase and transfer of own shares. Acquisitions may be made to no more than 10 percent of the total number of shares.
- Authorization to the Board of Directors during the period until the next Annual General Meeting to resolve on the transfer of holdings in the Group's own shares, at a minimum price per share that corresponds closely to the price on Nasdaq Stockholm, with or without deviation from shareholders' preferential rights and with or without provisions concerning payment in kind or offset rights.

**Duroc's 2024 Annual General Meeting
will be held on November 5 at 15:00
at Strandvägen 7A, Stockholm.**

NOMINATION COMMITTEE

In view of the concentrated ownership structure, where 87 percent of the votes are owned by Peter Gyllenhammar via Bronsstädet AB and Traction AB, the AGM of November 7, 2023 resolved not to appoint a Nomination Committee.

BOARD OF DIRECTORS

Duroc's Board of Directors comprises Peter Gyllenhammar, member and Chairman, and the members Carina Heilborn, Ola Hugoson and Carl Östring. All Board members were re-elected at the AGM on November 7, 2023.

Peter Gyllenhammar

Stockholm, born 1953.

Background: Chairman of the Board since the AGM of April 27, 2017. Owner of Peter Gyllenhammar AB (including Bronsstädet AB). Education: Unfinished studies at the Stockholm School of Economics.

Other board assignments: Galjaden Holding AB, Glasbtt AB, Galjaden Invest AB, VB Value Research AB, Sonsa Business AB and Hanhammar Holding AB. Member of the boards of Peter Gyllenhammar AB, Bronsstädet AB, Galjaden Fastigheter AB with subsidiaries, Browallia Holdings Ltd. with subsidiaries, HVA Holdings Ltd. with subsidiaries, Fastighets AB Häggatorp, and Gyllenhammar Maskinuthyrning AB.

Number of shares: indirectly via Bronsstädet AB: 21,066,783 Class B and 9,933,217 Class C.

Carina Heilborn

Täby, born 1973.

Background: Board member since 2016. Auditor at KPMG, in charge of reporting and tax issues at Nordisk Renting and Carema, CFO and Investment Manager at Bronsstädet AB since 2010. Education: Graduate in business administration.

Other board assignments: Chairman of ScandBook AB and Protean Funds Scandinavia AB. Member of the boards of Sonsa Business AB with subsidiaries, Scandbook Holding AB, Equuleus AB, Galjaden Real AB, HVA Holdings Ltd. with subsidiaries, Silversläggan Invest AB and VB Value Research AB.

Number of shares: 0.

Member	Elected	Fee ¹	Attendance		Independent in relation to	
			Board meetings ²	Statutory Board meetings	Company and management	Major shareholders
Peter Gyllenhammar	2017	200,000	7/7	1/1	Yes	No
Carina Heilborn	2016	200,000	7/7	1/1	Yes	No
Ola Hugoson	2017	200,000	7/7	1/1	Yes	Yes
Carl Östring	2013	200,000	6/7	1/1	Yes	Yes
		800,000				

¹ Refers to the fee approved at the AGM on November 7, 2023.

² Refers to meetings during the financial year July 1, 2023 – June 30, 2024.



Board, continued

Ola Hugoson

Ystad, born 1957.

Background: Board member since 2017. Has worked with the family-owned company Polykemi AB since 1982; president and CEO since 1997 Education: Graduate in business administration. Other board assignments: Member of the board of Polykemi AB and subsidiaries.

Number of shares: 35,000 Class B shares.

Carl Östring

Lidingö, born 1974.

Background: Board member since 2013. Corporate lawyer, Vice President Legal, Scan Sverige AB and the founder of Generalcounsel.se. 2011–2019 General Counsel and Investment Manager at AB Traction. Former lawyer and partner in law firm. Education: Bachelor of laws.

Other board assignments: Chairman of the Board of Drillcon AB and Stenhusgruppen AB and board member of Belnord Capital AB. Number of shares: 10,000 Class B shares.

THE WORK OF THE BOARD

The Board has overall responsibility for the company's organization and the management of the company's affairs. It decides on the Group's overall goals, strategies, acquisitions, disposals and investments, and determines the financial reporting and makes decisions regarding the Group's financial structure. The Board is responsible for ensuring adequate supervision of the company's compliance with laws and other regulations and that its disclosures are transparent, accurate, relevant and reliable.

The Board's rules of procedure and instructions regarding the division of responsibilities between the Board and the CEO are evaluated, updated and adopted annually. If the Board sets up internal committees, the Board's rules of procedure must describe the tasks and decision-making rights delegated to said committees and how the latter must report to the Board.

The Board must evaluate its own working methods and effectiveness annually. At least once a year, the Board must evaluate the work of the CEO in particular. When this matter is addressed, no member of company management may be present.

The Board holds seven regular meetings and one statutory meeting per year. The regular meetings take place in conjunction with the release of interim or full-year accounts, and the adoption of the budget and the long-term financial plan. In addition, extraordinary Board meetings are held as necessary. Proposals for the agenda, including documentation, are sent to all Board members before each Board meeting.

Seven regular meetings were held during the financial period July 1, 2023 – June 30, 2024; one extraordinary meeting and one statutory meeting were held in connection with the AGM. All of the regular meetings discussed strategic issues, the financial position and development of the company and the Group, financial reporting and control, personnel and organizational issues, legal issues and developments in the financial market. Three of the meetings

were attended by the company's auditors, who presented the audit plan and audit reports. All resolutions passed during the financial period July 1, 2023 – June 30, 2024 were unanimous.

AUDIT

The auditor is appointed annually by the AGM. The auditor reviews the annual report and consolidated accounts of Duroc AB, the administration of the Board of Directors and the CEO, remuneration to senior executives, the sustainability report and the corporate governance report. The auditor also submits his statutory opinion in respect of the remuneration. The audit and auditor's report are presented at the AGM. The auditor's fee is approved by the Annual General Meeting.

The AGM of November 7, 2023 resolved that the auditor's fee be paid against approved invoice. At the same AGM, PricewaterhouseCoopers AB was re-elected as auditor with Johan Wirén as auditor-in-charge. PwC carried out the audit for the financial period July 1, 2023 – June 30, 2024.

AUDIT COMMITTEE

The main tasks of the audit committee are, without prejudice to the Board's responsibilities and tasks in general, to monitor the company's financial reporting and in this regard also the effectiveness of the company's internal control, internal audit and risk management; to stay informed of the audit of the annual accounts and the consolidated accounts; to review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditor provides the company with services other than audit services, and to assist in drawing up proposals for the AGM to resolve on the election of an auditor. The Board must make sure the company's second quarter or third quarter report is reviewed by the company's auditor. At least once a year, the Board meets with the company auditor, without the presence of the CEO or other member of senior management.

During the July 2023 – June 2024 financial year, the Board completed the work of the committee in full. This resolution was passed in view of the size of the company and the scope of its business.

REMUNERATION AND THE REMUNERATION COMMITTEE

The principles for remuneration to the CEO and other senior executives are proposed by the Board and govern fixed annual salaries, variable remunerations, pensions and other benefits. These principles must then be adopted by the AGM. The statutory Board meeting held in conjunction with the AGM on November 7, 2023, resolved to appoint Peter Gyllenhammar and Carl Östring as members of the Remuneration Committee, with Peter Gyllenhammar as Chairman.

Resolutions regarding remuneration and other terms of employment for the CEO are made by the Board. Guidelines for remuneration and other terms of employment for other senior executives are prepared by the Board through its remuneration committee, adopted by the AGM and negotiated and agreed with the CEO under review by the remuneration committee.

CEO

The CEO is responsible for the day-to-day management and control of the Group's operations. This includes implementing the Group's overall strategy, business governance, controlling and compiling financial reports, allocating financial resources, and the responsibility for financing and risk management. The Board's rules of procedure govern the division of duties between the Board and the CEO. The Board evaluates the work of the CEO once a year at a meeting in which no member of company management participates. John Häger has been Duroc's CEO since May 2016.

John Häger

Stockholm

Born 1964.

Background: Employed 2016. Many years' experience in managerial positions nationally and internationally in the engineering industry. Multiple positions at Sandvik Coromant, including responsibility for the Nordics, Baltics and Poland, and former CEO of Sandvik Coromant Sverige AB.

Education: Master of Science in Engineering, Luleå Technical University.

Other board assignments: Circle Energy Sweden AB (publ)

Number of shares: 21,511 Class B shares

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL AND RISK MANAGEMENT REGARDING FINANCIAL REPORTING FOR THE FINANCIAL PERIOD JULY 1, 2023 – JUNE 30, 2024

Under the Swedish Companies Act, the Board is responsible for internal control and governance of the company. The Board makes sure the principles it lays down for financial reporting and internal control are complied with and that an appropriate dialog is maintained with the company's auditors.

The Board has evaluated the need to establish a special internal audit function and in said evaluation has deemed that Duroc's legal and operational structure, together with management processes and control systems, does not require any specific function or internal audit.

The Board as a whole is responsible for the management and control of the company, while the CEO is responsible for the day-to-day management and control of the Group's strategies and business processes, as well as financial reporting and planning. The latter regularly reports to the Board based on established procedures.

The Board must safeguard management and control of the company by making sure the CEO and other key individuals in the company management team have the right competences and that the organization is appropriate for the Group's needs. The organization per se, with its decision pathways, authority and responsibility, together with the culture prevailing within the company and which is expressed in internal policy and procedures, is important for governance. The Board has also laid down a number of fundamental guidelines and policies that constitute the basis for a good control environment. These include Duroc's Code of Conduct and

its policies for corporate responsibility, finance and IT. There is also an authorization system that regulates the financial decisions that are taken by the Board of Duroc AB, by the CEO and by the boards or CEOs of the subsidiaries.

The Board has adopted a written procedure that clarifies its responsibilities and the division of duties between its members and the Chairman. The Board's rules of procedure also regulate the division of duties between the CEO and the Board and provides an instruction for financial reporting to the Board.

Company management continuously analyzes risks and the efficacy of internal control in the companies' business processes. A substantial part of the company's internal control can be found in the processes linked to financial reporting. In these processes, a series of control activities are conducted to ensure the accuracy of internal and external reporting. The Board's ongoing dialog with the company's auditors also forms an important part in this regard. Duroc's finance department reports according to approved routines through reliable reporting and business systems. The Board receives monthly internal reports and assessments of the financial situation in the Group's companies. Forecasts and analyses are made in conjunction with quarterly reporting to evaluate the companies' strategies and to make sure financial reporting is accurate.

Also, the Group's companies must complete an annual form and conduct an evaluation of internal controls. The answers are compiled and evaluated at group level and discussed with the relevant company boards. The results are taken into account in the Group's risk analysis.

Duroc has an approved information policy to make sure its internal and external information processing is carried out properly. Regarding Duroc's external communication of financial information and other information that may affect the company's market value, there are approved procedures and distribution channels that guarantee compliance with Nasdaq Stockholm's rules for issuers. Duroc deviates from the Swedish Code of Corporate Governance in that the 2023 AGM resolved not to appoint a Nomination Committee.

The resolution was justified by Duroc's ownership structure, where 87 percent of the votes are owned by Bronsstadet AB and Traction AB.

Stockholm, September 2024

Board of Directors, Duroc AB

CONSOLIDATED INCOME STATEMENT

MSEK	July 1, 2023 – June 30, 2024	July 1, 2022 – June 30, 2023
Net sales	3,111.1	3,493.1
Other operating income	24.7	33.1
Change in inventories	-10.6	-27.2
Raw materials and consumables	-1,325.5	-1,611.5
Goods for resale	-451.5	-492.9
Other external costs	-521.2	-579.7
Personnel costs	-678.3	-704.5
Depreciation, amortization and impairment of tangible and intangible assets	-97.0	-112.3
Impairment of assets intended for sale	–	-179.3
Other operating costs	-5.3	-6.5
Operating profit/loss	46.4	-187.6
Financial income	8.0	1.7
Financial expenses	-16.6	-29.5
Net financial items	-8.6	-27.8
Profit/loss before taxes	37.8	-215.4
Current taxes	-16.3	-10.8
Deferred taxes	8.4	-11.8
Profit/loss for the year	29.9	-238.1
Attributable to:		
Parent company shareholders	22.6	-238.1
Holdings without controlling interests	7.3	–
Earnings per share, SEK, attributable to the parent company's shareholders		
Before and after dilution	0.58	-6.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	July 1, 2023 – June 30, 2024	July 1, 2022 – June 30, 2023
Profit/loss for the year	29.9	-238.1
TOTAL OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to the income statement		
Translation differences	-29.1	98.3
Hedge accounting	0.9	-5.2
Tax related to items that may later be reversed to the income statement	-0.1	1.0
Items that cannot be reversed to the income statement		
Actuarial gains and losses	-0.1	2.6
Tax related to items that will not be reversed to the income statement	0.0	-0.9
Total other comprehensive income	-28.5	95.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1.4	-142.3
Of which comprehensive income attributable to		
parent company shareholders	-5.9	-142.3
holdings without controlling interests	7.3	–
COMPREHENSIVE INCOME FOR THE YEAR	1.4	-142.3

CONSOLIDATED BALANCE SHEET

MSEK	June 30, 2024	June 30, 2023
ASSETS		
Non-current assets		
Goodwill	84.8	84.8
Intangible assets	5.0	8.0
Property, plant and equipment	487.8	538.2
Right-of-use assets	102.7	127.9
Non-current securities holdings	0.0	0.0
Other non-current receivables	3.4	0.1
Deferred tax assets	58.1	45.6
Total non-current assets	741.8	804.7
Current assets		
Inventories	543.2	564.8
Advance payments to suppliers	6.1	6.1
Trade receivables	416.7	425.4
Current tax receivables	4.3	4.2
Other receivables	21.9	18.7
Prepaid expenses and accrued income	19.9	29.3
Cash and cash equivalents	94.5	26.6
Total current assets	1,106.7	1,075.0
TOTAL ASSETS	1,848.5	1,879.7
EQUITY AND LIABILITIES		
Equity		
Share capital	39.0	39.0
Other capital provided	260.5	260.5
Reserves	237.8	266.3
Retained earnings including profit for the year	597.1	520.0
Equity attributable to owners of the parent company	1,134.4	1,085.8
Holdings without controlling interests	22.1	–
Total equity	1,156.5	1,085.8
Long-term liabilities		
Provisions for pensions	23.9	28.9
Warranty provisions	0.0	0.0
Other provisions	0.1	0.7
Non-current interest-bearing liabilities	14.8	46.4
Non-current interest-bearing liabilities – right-of-use assets	83.6	105.7
Other non-current liabilities	–	1.1
Deferred tax liabilities	45.0	40.6
Total non-current liabilities	167.5	223.3
Current liabilities		
Warranty provisions	6.4	5.2
Other provisions	0.7	2.0
Current interest-bearing liabilities	84.8	95.3
Current interest-bearing liabilities – right-of-use assets	26.5	30.5
Advance payments from customers	51.3	69.3
Trade payables	193.6	201.9
Current tax liabilities	9.5	8.1
Other liabilities	51.8	55.7
Accrued expenses and prepaid income	99.7	102.6
Total current liabilities	524.4	570.6
Total liabilities	691.9	793.9
TOTAL EQUITY AND LIABILITIES	1,848.5	1,879.7

PARENT COMPANY INCOME STATEMENT

MSEK	July 1, 2023 – June 30, 2024	July 1, 2022 – June 30, 2023
Net sales	6.0	5.9
Other operating income	–	0.1
Other external costs	-5.6	-7.2
Personnel costs	-11.4	-10.5
Depreciation/amortization	-0.1	-0.2
Operating profit/loss	-11.1	-11.9
Earnings from participations in Group companies	171.5	20.0
Financial income	14.3	4.7
Impairment of participations in subsidiaries	-120.8	–
Financial expenses	-15.2	-25.3
Net financial items	49.8	-0.6
Appropriations		
Group contributions made/received	9.9	41.7
Profit/loss before taxes	48.6	29.1
Current taxes	–	–
Deferred taxes	-0.5	4.4
Profit/loss for the year	48.1	33.5

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

MSEK	July 1, 2023 – June 30, 2024	July 1, 2022 – June 30, 2023
Profit/loss for the year	48.1	33.5
Total other comprehensive income	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	48.1	33.5

PARENT COMPANY BALANCE SHEET

MSEK	June 30, 2024	June 30, 2023
ASSETS		
Non-current assets		
Other intangible assets	–	0.1
Property, plant and equipment	–	0.0
Participations in Group companies	953.8	1,074.6
Receivables from Group companies	9.9	–
Deferred tax assets	10.1	10.6
Total non-current assets	973.8	1,085.3
Current assets		
Receivables from Group companies	75.6	106.7
Other receivables	1.4	1.2
Prepaid expenses and accrued income	0.9	1.0
Cash and cash equivalents	55.8	–
Total current assets	133.6	108.9
TOTAL ASSETS	1,107.4	1,194.3
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	39.0	39.0
Reserve fund	1.1	1.1
Non-restricted equity		
Share premium reserve	821.5	821.5
Retained earnings	88.7	64.9
Profit/loss for the year	48.1	33.5
Total equity	998.4	960.0
Long-term liabilities		
Liabilities to credit institutions	–	18.9
Total non-current liabilities	–	18.9
Current liabilities		
Liabilities to credit institutions	18.9	27.5
Trade payables	0.5	0.7
Liabilities to Group companies	84.4	182.7
Other liabilities	0.3	0.3
Accrued expenses and prepaid income	4.9	4.2
Total current liabilities	109.0	215.4
Total liabilities	109.0	234.2
TOTAL EQUITY AND LIABILITIES	1,107.4	1,194.3



IMPORTANT ACCOUNTING POLICIES

The most important accounting policies applied when preparing these consolidated financial statements are set forth below. Duroc's consolidated financial statements have been prepared pursuant to the Swedish Annual Accounts Act, RFR 1 Supplementary Reporting Regulations for Groups, International Reporting Standards (IFRS) and related interpretations (IFRIC) as adopted by the EU. Assets and liabilities are recognized at historical cost with the following exceptions:

- Long-term securities holdings have been measured at fair value.
- Deferred tax assets and tax liabilities have been calculated by applying the current tax rate and the evaluation is based on how the carrying amount of the underlying assets and liabilities are expected to be realized or settled.
- Inventories are valued at the lower of acquisition value or net sales value.
- Provisions are valued at the amount required to settle an obligation with a current value calculation.
- Defined benefit plans are valued at the net of estimated future benefits calculated to current value and plan assets measured at fair value.

In most cases, preparing reports in accordance with IFRS requires the use of important estimates for accounting purposes. In addition, management must make certain assessments when applying the Group's accounting policies.

The financial statements are presented in Swedish kronor (SEK). Unless otherwise specified, amounts are stated in millions of Swedish kronor (MSEK) to one decimal place. Rounding may occur in tables and statements, the effect of which can be totals that are not always the sum of the rounded component amounts.

GRI INDEX

Standard		Page*	Remarks
GRI 102: GENERAL INFORMATION			
1. Organizational profile			
102-1	Name of the organization	1	
102-2	Business, brands, products and services	7	
102-3	Location of the head office	39	
102-4	Countries in which the organization operates	39	
102-5	Ownership structure and form of company	7	
102-6	Market presence	16	
102-7	The size of the organization	15	The parent company has 5 employees
102-8	Information about employees	21	The average number of employees in the group during the year was 860.
102-10	Significant changes in the organization and its supply chain	3	
102-11	The precautionary principle	36	
102-12	External guidelines	2	
102-13	Membership of organizations	19	
2. Strategy			
102-14	A word from the CEO	4	
3. Ethics and integrity			
102-16	Values and ethical guidelines	5, 6, 14	
4. Governance			
102-18	The organization's governance and Board	28	
5. Stakeholder commitment			
102-40	Stakeholder groups	19	
102-41	Proportion of employees with collective agreements	100 %	
102-42	Identification and selection of stakeholders	19	
102-43	Method for stakeholder dialogs	19	
102-44	Important issues for stakeholders	20	
6. Accounting profile			
102-45	Units included in the financial statements	7	
102-46	Process for identifying significant aspects and limitations	19	
102-47	List of significant sustainability issues	19	
102-48	Changes in information	None	
102-49	Changes in accounting	None	
102-50	Accounting period	1 July 2023 – 30 June 2024	
102-51	Publication date of last report	Sep-23	
102-52	Accounting cycle	Annual	
102-53	Contact details for questions about accounting	johan.hedlund@durocgroup.com	
102-54	Application level according to GRI	Core	
102-55	GRI Index	37	
102-56	External verification	26	

*Refers to page in Duroc's Sustainability Report.

IMPORTANT ISSUES

Standard		Page*	Remarks
GRI 200: FINANCE			
103-1	Delimitation of important issues within the organization	36	
103-2	Sustainability management	19	
103-3	Follow-up of sustainability management	19	
201-1	Generated and distributed financial value	32	
GRI 205: ANTI-CORRUPTION			
205-1	Analysis regarding the risk of corruption	21	
205-2	Communication and training regarding anti-corruption	21	
205-3	Confirmed corruption incidents and actions	21	
GRI 300: ENVIRONMENT			
103-1:3	Sustainability management	19	
305-1	Direct greenhouse gas emissions	22	Scope 1, cdp.net
305-2	Indirect greenhouse gas emissions	22	Scope 2, cdp.net
305-3	Other indirect greenhouse gas emissions		Not reported
GRI 400: SOCIAL ISSUES			
103-1:3	Sustainability management	19	
401-1	Employee turnover		0 % in the parent company
401-3	Parental leave		0 % in the parent company
403-2	Injuries and sick leave	21	
404-1	Training in hours		No reporting system
404-2	Competences development program	21	
404-3	The proportion of employees who receive a regular evaluation of their performance and career development	22	
405-1	Diversity in the Board, management and among employees	22	
406-1	Discrimination cases and actions		No such cases have been reported
419-1	Non-compliance with social and economic laws and regulations		No such non-compliance has been reported
GRI G4: SECTOR-SPECIFIC ISSUES			
FS 6	Percentages of the portfolio broken down by region, size and sector	7	
FS 10	Proportion of companies with which the organization has interacted on environmental or social issues		100 %

*Refers to page in Duroc's Sustainability Report.

DUROC

DUROC AB

P O Box 5277
SE-102 46 Stockholm, Sweden
Street address: Linnégatan 18
Phone: +46 708 354 052
Email address: info@durocgroup.com
CEO John Häger
www.duroc.com

DUROC MACHINE TOOL

Duroc Machine Tool AB

Snedgatan 1
SE-342 50 Vislanda, Sweden
Phone: +46 8 630 23 00
Fax: +46 8 630 2301

Duroc Machine Tool OÜ

Viljandi mnt 75/1, Össu küla,
Kambja vald,
Tartu Maakond 61713, Estonia
Phone: +372 57880 866

Duroc Machine Tool SIA

Jaunā Līgo iela 33, Berģi,
Garkalnes pag., Ropažu novads,
LV-1024, Lettland
Phone: +371 673 551 75
Fax: +371 673 551 76

Duroc Machine Tool Denmark

Branch of Duroc Machine Tool Holding AB
Ribevej 14
DK-8940 Randers SV, Denmark
Phone: +45 8641 2011
Fax: +45 8642 8102

Duroc Machine Tool AS

Anolitveien 7
NO-1400 Ski, Norway
Phone: +47 6491 4880
Fax: +47 6491 4890

Duroc Machine Tool OY

Äyritie 12C
FIN-01510 Vantaa, Finland
Phone: +358 207 35 06 80

DUROC RAIL

Duroc Rail AB

Svartöns Industriområde
SE-971 88 Luleå, Sweden
Phone: +46 920 23 39 00

SMALLER COMPANY PORTFOLIO

Herber Engineering AB

Silkesvägen 5
SE-331 53 Värnamo, Sweden
Phone: +46 370 69 95 50

Universal Power Nordic AB

Borgmästaregatan 21
SE-596 34 Skänninge, Sweden
Phone: +46 142 29 91 00

Universal Power Nordic, Norwegian branch

Borgmästaregatan 21
SE-596 34 Skänninge, Sweden
Phone: +47 6791 2800

Duroc Laser Coating AB

Fabriksvägen 16
SE-972 54 Luleå, Sweden
Phone: +46 920 43 22 20

INTERNATIONAL FIBRES GROUP

IFG Asota GmbH

Schachermayerstraße 22
A-4020 Linz, Austria
Phone: +43 (0)732 6985-0
Fax: +43 (0)732 6985-5526

IFG Drake

Victoria Mills, Victoria Lane,
Golcar, Huddersfield, West Yorkshire,
HD7 4JG, England
Phone: +44(0) 113 285 2202
Fax: +44 (0)113 285 2575

IFG Exelto Staple Fibres

Nederzwijsnaarde 2
B-9052 Gent Zwijnaarde, Belgium
Phone: +32 9 2414 437
Fax: +32 9 2414 562

DRAKE EXTRUSION

Drake Extrusion Inc

P.O. BOX 4868
Martinsville, VA
24115-4868, USA
Phone: +1 276 632 0159
Fax: +1 276 634 0224

CRESCO

IFG Exelto Staple Fibres

Weverslaan 15
B-9160 Lokeren, Belgium
Phone: +32 9 3409 811

Phormium Inc

543 Callahan Rd.
SE Dalton
GA 30722, USA
Phone: +1 336 778 6227

Michael S Becker, LLC

P.O. BOX 2382
Burlington
NC 27216, USA
Phone: +1 336 229 5887
Fax: +1 336 222 1969

PLASTIBERT

Plastibert & Cie NV

Molenstraat 207
B-8710 Wielsbeke, Belgium
Phone: +32 5666 5275
Fax: +32 5666 4130