INTERIM REPORT

JULY 2023–DECEMBER 2023

IMPROVED RESULTS AND CONTINUED STRONG FINANCES

Second quarter, October 2023–December 2023

- Net sales fell by 12 percent to MSEK 769.4 (876.6). Organic growth** was -5 percent. Falling raw material prices reduced sales, as they also reduce the price to the end customer to a significant extent.
- Adjusted EBITDA* increased by 240 percent to total MSEK 27.1 (8.0), equivalent to an adjusted EBITDA* margin of 3.5 percent (0.9).
- Adjusted EBIT* increased to MSEK 2.1 (-20.6).
- Operating profit (EBIT) totaled MSEK 1.3 (-220.7).
- Cash flow from operating activities totaled MSEK 2.0 (-4.7).
- Earnings after tax totaled MSEK 2.0 (-210.7)
- Adjusted earnings per share totaled SEK 0.07 (-0.27).
- Earnings per share totaled SEK 0.05 (-5.40).
- Equity totaled MSEK 1,016.1 (1,045.2) and the equity/assets ratio was 60 percent (51).
- At the beginning of November, Duroc announced a strategic collaboration with LKAB regarding the sale of 49 percent of the shares in Duroc Rail AB at a preliminary sale price of approximately MSEK 75 together with the joint investment in a completely new production facility in Luleå. This will enable an increased production capacity to meet the growing demand from the industrial investments taking place in The northern part of Sweden.

First six-month period, July 2023–December 2023

- Net sales fell by 14 percent to MSEK 1,496.2 (1,739.3). Organic growth** for the remaining operations was -8 percent. Falling raw material prices reduce sales, as they also reduce the price to the end customer to a significant extent.
- Adjusted EBITDA* increased by 100 percent to total MSEK 48.0 (23.9), equivalent to an adjusted EBITDA* margin of 3.2 percent (1.4).
- Adjusted EBIT* increased to MSEK -3.6 (-32.9).
- Operating loss (EBIT) totaled MSEK -3.8 (-233.0).
- Cash flow from operating activities totaled MSEK 25.8 (127.2).
- Earnings after tax totaled MSEK -0.9 (-221.7)
- Adjusted earnings per share totaled SEK -0.02 (-0.55).
- Earnings per share totaled SEK -0.02 (-5.68).
- As of December 31, cash and cash equivalents totaled MSEK 21.1 (23.7), and net debt excluding lease liabilities from IFRS 16 totaled MSEK 119.5 (151.9), an increase of MSEK 19.4 since the previous quarter. Unutilized credit facilities totaled MSEK 249.4 (250.0).

Group (MSEK)	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2023/2024 R12 DEC	2022/2023 JUL-JUN
Net sales	769.4	876.6	1,496.2	1,739.3	3,250.0	3,493.1
EBITDA	26.4	-12.8	47.7	3.1	148.6	104.0
Adjusted EBITDA*	27.1	8.0	48.0	23.9	138.0	114.0
Adjusted EBITDA*-margin, %	3.5	0.9	3.2	1.4	4.2	3.3
Operating profit/loss (EBIT)	1.3	-220.7	-3.8	-233.0	41.5	-187.6
Adjusted EBIT*	2.1	-20.6	-3.6	-32.9	33.8	4.6
Profit/loss after tax	2.0	-210.7	-0.9	-221.7	-17.3	-238.1
Profit per share, SEK	0.05	-5.40	-0.02	-5.68	-0.44	-6.10
Adjusted profit per share, SEK*	0.07	-0.27	-0.02	-0.55	-0.64	-1.17
Cashflow from operating activities	2.0	-4.7	25.8	127.2	115.8	217.2
Net debt excl. lease liability from IFRS 16	119.5	151.9	119.5	151.9	119.5	115.0
Net debt incl. lease liability from IFRS 16	236.7	280.2	236.7	280.2	236.7	251.1
Net debt/Equity ratio, %	23	27	23	27	23	23

*Adjusted for items affecting comparability. A reconciliation of amounts can be found on page 20.
**Refers to growth adjusted for exchange rate fluctuations and structural changes such as the acquisition and disposal of companies.

Duroc acquires, develops and manages companies with a focus on trade and industry. Using their profound knowledge of technology and markets, the Group's companies aim to achieve leading positions in their respective industries. As the owner, Duroc actively contributes to their development. Duroc is listed on Nasdaq Stockholm (short name: DURC). www.duroc.se

DUROC

CEO'S COMMENT

During the second quarter, the Group's earnings improved while sales fell somewhat. The Technology- and Trading Units (DMT, Rail, and Smaller Company Portfolio) improved their performance from an already high level and the polymer companies (IFG, Drake, Cresco, and Plastibert) also improved their earnings, however from a weak starting point. The previously announced deal with LKAB constitutes in a minority stake in Duroc Rail and brings a liquidity increase of MSEK 75 which strengthens Durocs already strong financial position.

Second quarter, October–December 2023

Net sales decreased by 12 percent to MSEK 769.4 (876.6) whereas the organic growth was -5 percent and the adjusted EBIT totaled MSEK 1.3 (-20.6). Among the technology and trading units (TH-units) , Duroc Machine Tool delivered strong earnings while also increasing sales. In the run-up to the quarter, the company had robust order levels due in part to unusually long delivery times from suppliers. During the quarter, orders were adjusted to normal levels as the ability to deliver improved and totaled MSEK 191 at the end of the quarter. Although the new interest rate situation has extended customer purchasing processes, the industry continued to invest in increased machine capacity. Rail increased both its earnings and sales, and demand for maintenance in the railroad sector was strong. Smaller Company Portfolio performed worse than the previous year, due to lower demand in Herber.

The collective view for the polymer companies showed increased sales and improved earnings by comparison, even if the baseline was weak. The fiber markets were characterized by overcapacity and price pressure. The Automotive segment was the driver in IFG, while the more niche-oriented segments developed weakly. An increase in demand for yarns was noted in the USA, but from a low level as the consumption of home furnishings was muted. Cresco has experienced good demand for replacement products to upgrade existing greenhouses. The current interest rate situation and construction component cost levels have reduced the number of new farming facilities.

In November, Duroc announced a deeper collaboration with LKAB in railroad wheel maintenance, which will involve an investment in a new facility in Luleå where Rail is scheduled to move in during 2026. This will be a new, strong platform to offer the market first-class service and the availability of railroad wheel maintenance for freight cars, passenger cars and locomotives in northern Sweden. The collaboration will mean that Duroc sells 49 percent of Duroc Rail to LKAB, and that LKAB will build the new facility at the Hertsöfältet industrial park in Luleå. Thus, the threat of closure of the operation was avoided, as the tenancy of the existing premises has been terminated by the landlord. The transaction is expected to be completed in the middle of February.

Duroc continues to be financially stable, and with the deal with LKAB, virtually debt-free (excl. IFRS 16).

First six-month period, July–December 2023

Net sales totaled MSEK 1,496.2 (1,739.3), constituting an organic sales decrease of 8 percent. Adjusted EBIT totaled MSEK -3.6 (-32.9). During the first six months, the Duroc Group has shown heterogenous development. Overall, the TH- units developed well, while the polymer companies underperformed as a result of the challenges that have characterized the market and entire industries. Synthetic fiber and coated textile operators have long been plagued by overcapacity and price pressure. The events in recent years have led to new purchasing behaviors

where orders are placed for the lowest possible volumes and inventories are kept at a minimum. This has led to an unstable volume development pattern. Overall, companies in TH-units have developed well while the polymer companies have largely recovered but are still at low levels. A number of operators in the fiber industry have disposed of their operations due to the challenging conditions.

Outlook

The TH- units are expected to continue delivering good returns on capital employed even though demand for machine tools may weaken during the coming quarters. The trend in interest rate levels and the economic climate in mechanical engineering will be of crucial importance moving forward. The demand for maintenance services in railroad is predicted to continue for the foreseeable future.

The recovery in the polymer companies will take longer than previously estimated. Even though cost pressure has abated significantly compared to the previous year, a continued adjustment of total capacity in the industry and an increase in demand are necessary if units are once again to generate acceptable earnings. Cost control and essential savings are carried out on an ongoing basis without hollowing out the long-term ability to respond to demand in a normalized market.

The new normal regarding the cost of capital has contributed to the fall in the price level of potential acquisition targets. This presents new opportunities for Duroc, where the ambition is to grow in the technology and trading area and carry out acquisitions which will bring value to Duroc's shareholders.

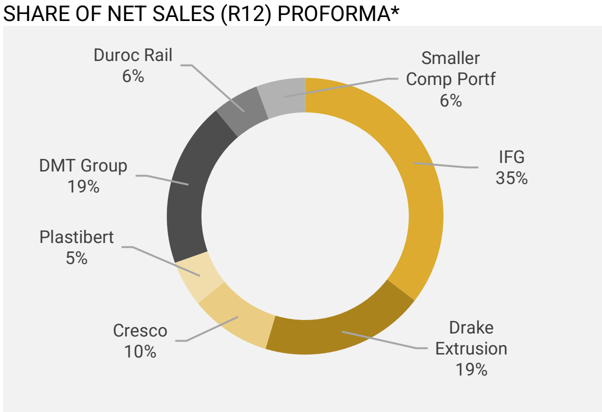
Duroc is in a strong financial position as a result of having navigated carefully and responsibly through the turbulence in recent years. Thus, Duroc is well-positioned for value-creating investments in existing holdings as well as in potential new additions to the portfolio.

John Häger
CEO

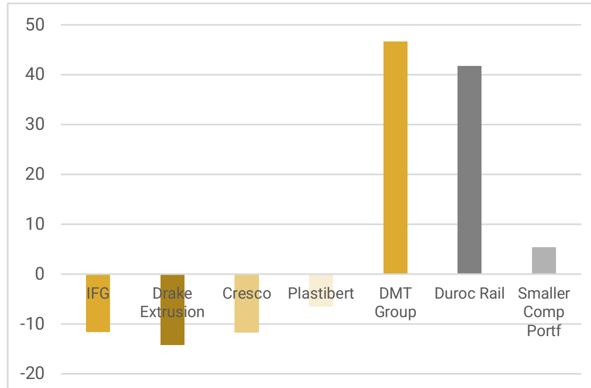
DEVELOPMENTS IN DUROC PORTFOLIO COMPANIES

Duroc's portfolio companies consist of International Fibres Group (IFG), Drake Extrusion, Cresco, Plastibert, Duroc Machine Tool (DMT), Duroc Rail and Smaller Company Portfolio (SCP), which comprises Universal Power Nordic (UPN), Herber and Duroc Laser Coating (DLC). Set forth below are each individual portfolio company's share of net sales and adjusted EBIT for the past 12-month period, January 2023–December 2023. Read more about developments company-by-company on pages 4–10 and in Duroc's segment report on page 19.

SHARE OF NET SALES (R12) PROFORMA*



ADJUSTED EBIT PER PORTFOLIO COMPANY (R12) PROFORMA*



*Proportion of net sales and adjusted EBIT per portfolio company.

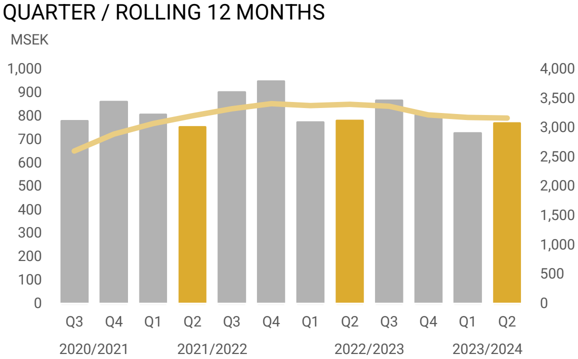
Second quarter, October 2023–December 2023

- Net sales decreased by 12 percent to MSEK 769.4 (876.6). Organic growth stood at -5 percent. This was mainly due to price mechanisms in agreements in the polymer-related companies, where lower purchase prices led to lower customer sales prices.
- Adjusted EBITDA totaled MSEK 27.1 (8.0) and the adjusted EBITDA margin totaled 3.5 percent (0.9) driven primarily by lower costs attributable to Griffine. Adjusted EBITDA in the comparison quarter included earnings from Griffine, where a negative EBITDA of MSEK -1.9 burdened the previous year's earnings.
- IFG and Plastibert presented a higher adjusted EBITDA than the previous year, largely due to weak results in the comparison period. Drake Extrusion and Duroc Rail also improved their EBITDA compared to the previous year.
- Adjusted EBIT totaled MSEK 2.1 (-20.6) and EBIT totaled MSEK 1.3 (-220.7).
- Earnings after tax totaled MSEK 2.0 (-210.7).

First six-month period, July 2023–December 2023

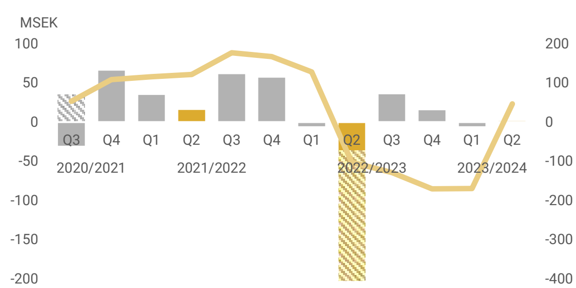
- Net sales decreased by 14 percent to MSEK 1,496.2 (1,739.3). Organic growth stood at -8 percent. The decrease is attributable to price mechanisms in agreements in the polymer-related companies, where lower purchase prices led to lower customer sales prices.
- Adjusted EBITDA totaled MSEK 48.0 (23.9) and the adjusted EBITDA margin totaled 3.2 percent (1.4); the comparison period's adjusted EBITDA included earnings from Griffine where a negative EBITDA of MSEK -5.6 burdened the previous year's earnings.
- All Group companies except Cresco and Smaller Company Portfolio showed a higher adjusted EBITDA than the comparison period.
- Adjusted EBIT totaled MSEK -3.6 (-32.9) and EBIT totaled MSEK -3.8 (-233.0).
- Earnings after tax totaled MSEK -0.9 (-221.7).

DEVELOPMENT OF DUROC'S NET SALES PROFORMA* PER QUARTER / ROLLING 12 MONTHS



*Duroc Group development excluding Griffine Enduction S.A.

DEVELOPMENT OF DUROC'S OPERATING PROFIT/LOSS (EBIT) PROFORMA* PER QUARTER / ROLLING 12 MONTHS

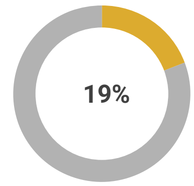


Q3 2020/2021 was affected by restructuring costs totaling MSEK 35.5. Q2 2022/2023 was affected by a Group-related impairment of assets totaling MSEK 179.3 related to Griffine Enduction S.A.

DUROC MACHINE TOOL

Duroc Machine Tool (DMT) is one of the biggest suppliers of machine tools, tools, machine service and support to mechanical engineering companies in the Nordics and Baltics. Its customers can be found in e.g. forestry, the automotive industry, construction machinery and power generation. Its most important products are processing machines from DN Solutions, one of the market's world leading brands. The DMT Group represents more than 60 internationally renowned brands and is alone in its activity in seven markets: Sweden, Norway, Denmark, Finland, Estonia, Latvia, and Lithuania.

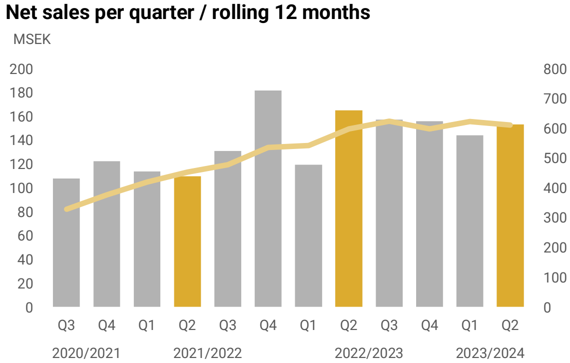
Share of Duroc's sales (R12)



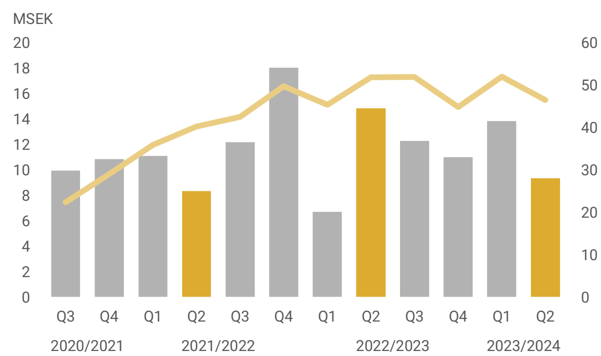
- Net sales totaled MSEK 153.8 (165.7), a reduction of 7 percent. Organic growth was -10 percent, mainly due to the almost record high sales in the comparison quarter, as well as, a few late deliveries, which will thus affect revenues positively in the next quarter. Sales continued strongly, but the interest rate situation affected willingness to invest in primarily Sweden and the Baltics.
- EBITDA totaled MSEK 11.3 (16.5) and the EBITDA margin to 7 percent (10), mainly due to investments in an increased labor force and increased travel and marketing expenses as part of the journey toward growth.
- Thanks to competitive products, a good service offering and a successful organization in general, DMT succeeded in taking market shares during the year. Demand continued to be strong throughout the region.
- The order stocks increased from an initially robust level.

Amounts in MSEK	2023/ 2024 Q2	2022/ 2023 Q2	2023/ 2024 Q1-Q2	2022/ 2023 Q1-Q2	2023/ 2024 R12 DEC
Net Sales	153.8	165.7	298.3	285.6	612.2
Growth, Net Sales %	-7.1	50.3	4.4	27.2	2.2
Organic growth %	-10.4	43.3	-0.4	22.3	-2.7
EBITDA	11.3	16.5	27.2	24.7	53.9
EBITDA margin %	7.4	9.9	9.1	8.7	8.8
EBIT	9.4	14.9	23.3	21.6	46.6
EBIT margin %	6.1	9.0	7.8	7.6	7.6
Net Debt/Net Cash (-)	-24.3	-44.1	-24.3	-44.1	-24.3
of which from leasing IFRS 16	8.1	7.3	8.1	7.3	8.1
Capital employed	81.7	58.4	81.7	58.4	81.7
ROCE %	59.8	132.9	59.8	132.9	59.8

Net sales per quarter / rolling 12 months



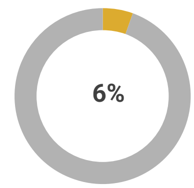
Adjusted EBIT per quarter / rolling 12 months



DUROC RAIL

Duroc Rail delivers complete, efficient, high-quality maintenance for railroad wheels for locomotives, railroad passenger cars and freight cars. Duroc possesses unique skills for locomotive wheel maintenance, which forms an important part of a greater system in which Rail enables efficient, predictable haulage along critical infrastructure systems such as the Iron Ore Line. Rail has its operation in Luleå.

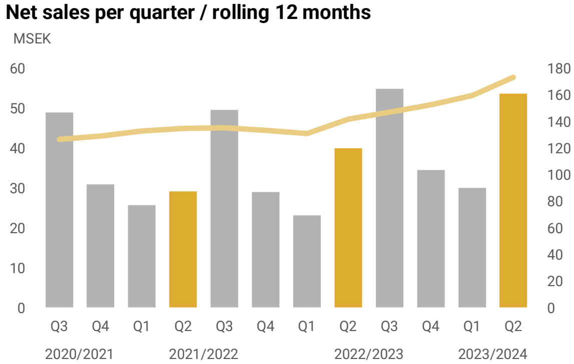
Share of Duroc's sales (R12)



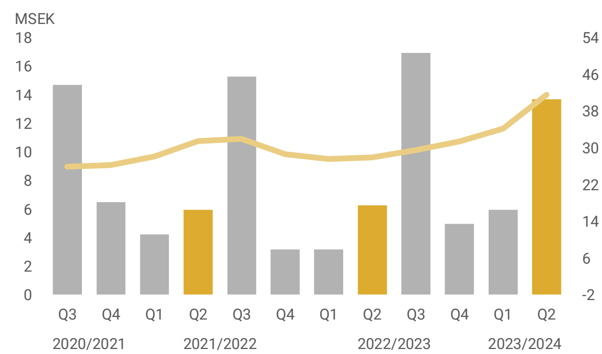
- Duroc Rail continued to note high order volumes. Sales growth was 34 percent, and the gross margin was 12 percent higher than the previous year.
- The increased production volume has resulted in an increase in variable costs. EBIT totaled MSEK 13.0 (6.3) and the EBIT margin was 24 percent (16).
- During the quarter, Rail enjoyed a historically high production rate for the season and demand for railroad wheel maintenance continued to increase. Continued good capacity utilization is expected in the coming quarter, which is the seasonally most intense for Rail.
- The deeper collaboration with LKAB began during the quarter and planning for the new production facility is proceeding. The production facility will enable Rail to increase capacity to meet an increasing need for wheel maintenance in the region.
- An investment of MSEK 5 was made in a wheel re-profiling lathe, for which the first payment was made during the quarter, affecting cash flow negatively.

Amounts in MSEK	2023/ 2024 Q2	2022/ 2023 Q2	2023/ 2024 Q1-Q2	2022/ 2023 Q1-Q2	2023/ 2024 R12 DEC
Net Sales	53.8	40.2	84.0	63.5	173.8
Growth, Net Sales %	34.1	36.8	32.4	15.0	22.1
Organic growth %	34.1	36.8	32.4	15.0	22.1
EBITDA	15.3	8.3	22.1	13.6	48.2
EBITDA margin %	28.4	20.7	26.3	21.4	27.7
EBIT	13.0	6.3	17.6	9.5	36.7
EBIT margin %	24.2	15.7	21.0	15.0	21.1
Adjusted EBIT	13.7	6.3	19.7	9.5	41.7
Adjusted EBIT margin %	25.5	15.7	23.5	15.0	24.0
Net Debt/Net Cash (-)	25.1	22.0	25.1	22.0	25.1
of which from leasing IFRS 16	5.8	8.5	5.8	8.5	5.8
Capital employed	50.2	42.9	50.2	42.9	50.2
ROCE %	84.2	61.3	84.2	61.3	84.2
Adjusted ROCE %	95.7	61.3	95.7	61.3	95.7

Net sales per quarter / rolling 12 months



Adjusted EBIT per quarter / rolling 12 months



DUROC LASER COATING

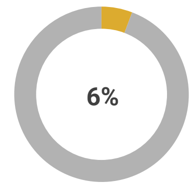
HERBER

UNIVERSAL POWER

Smaller Company Portfolio (SCP)

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, and Kohler.
Herber Engineering manufactures advanced bending machines for cold tube forming and profiles. It has customers worldwide in e.g. the automotive, aviation, furniture, and HVAC industries.
Duroc Laser Coating (DLC) is Sweden's leading laser surface treatment company. DLC offers the renovation and new manufacture of industrial components.

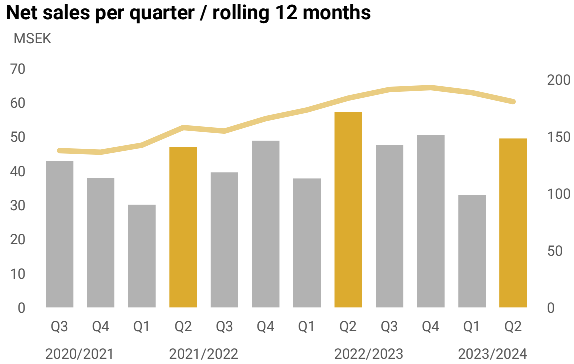
Share of Duroc's sales (R12)



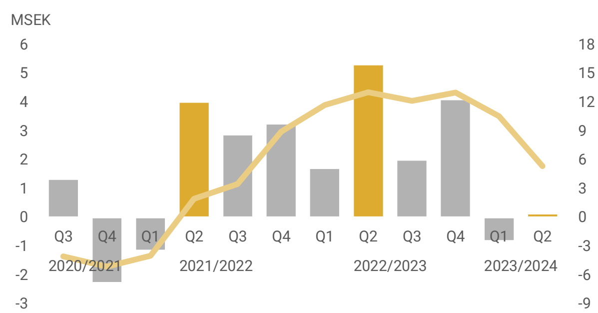
- Net sales for Smaller Company Portfolio totaled MSEK 49.7 (57.4) during the quarter, a decrease of 13 percent year-over-year.
- EBIT totaled MSEK 0.1 (5.3), corresponding to an EBIT margin of 0 percent (9).
- UPN's net sales decreased by 9 percent to MSEK 32.5 (35.7) during the second quarter. This was mainly due to lower sales of engines. Spare parts sales increased, which had a positive impact on gross margin. Personnel costs increased as part of the company's growth plan. EBIT totaled MSEK 2.3 (2.5). The EBIT margin was 7 percent (7).
- Herber's net sales decreased by 34 percent to MSEK 9.9 (15.1) due to lower machine sales. Herber saw an increase in order intake during the quarter, which will improve sales in the quarters ahead. The company's previously established cost-cutting initiative had a certain impact during the quarter. The EBIT totaled MSEK -2.5 (2.1). Delivery times for critical components were reduced considerably, which will improve the ability to plan and improve liquidity.
- Duroc Laser Coating increased net sales by 11 percent to MSEK 7.3 (6.6). Order levels continued to grow during the quarter. Other expenditures and personnel costs increased due to the higher sales and preparations for an upcoming production rate increase. This led to an EBIT total of MSEK 0.3 (0.7).

Amounts in MSEK	2023/ 2024 Q2	2022/ 2023 Q2	2023/ 2024 Q1-Q2	2022/ 2023 Q1-Q2	2023/ 2024 R12 DEC
Net Sales	49.7	57.4	82.9	95.4	181.2
Growth, Net Sales %	-13.4	21.5	-13.1	23.1	-1.6
Organic growth %	-13.4	21.5	-13.1	23.1	-1.6
EBITDA	2.7	7.7	4.5	11.6	16.1
EBITDA margin %	5.3	13.4	5.4	12.2	8.9
EBIT	0.1	5.3	-0.7	7.0	5.3
EBIT margin %	0.2	9.2	-0.9	7.3	2.9
Net Debt/Net Cash (-)	33.2	30.7	33.2	30.7	33.2
of which from leasing IFRS 16	20.5	27.0	20.5	27.0	20.5
Capital employed	58.8	58.0	58.8	58.0	58.8
ROCE %	8.7	26.5	8.7	26.5	8.7

Net sales per quarter / rolling 12 months

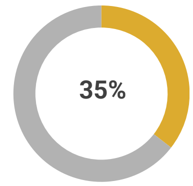


Adjusted EBIT per quarter / rolling 12 months



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, which means a diversified customer portfolio. IFG has production facilities in Belgium, the United Kingdom and Austria.

Share of Duroc's sales (R12)

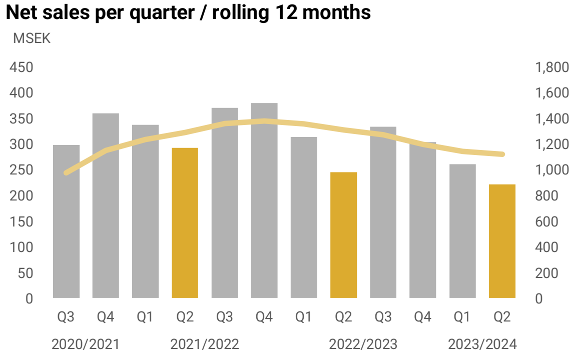


- Net sales decreased by -10 percent year-over-year. Organic growth stood at -14 percent, compared to the second quarter in the previous year, mainly due to lower prices for input goods*. Volumes decreased by 1 percent compared to the year-over-year quarter.
- The mix meant that the gross margin still increased, with Automotive, Construction and the Flooring/floor coverings segments seeing increased order entries, while those of Furniture, Geotextiles, Filters, and Paper were reduced.
- EBIT totaled MSEK -12.9 (-23.4), which was mainly due to reduced extra expenditures and an increased gross profit year-over-year.
- The company has initiated a cost-saving program to reduce both fixed and variable costs. Compulsory pay rises in Belgium and Austria were partially offset by layoffs and reduced labor forces.
- Net debt increased, mainly due to increased production and higher trade receivables related to deliberate payment restraint on the part of customers prior to annual accounts, and totaled MSEK 75.1 (7.7) excluding IFRS 16 effects.

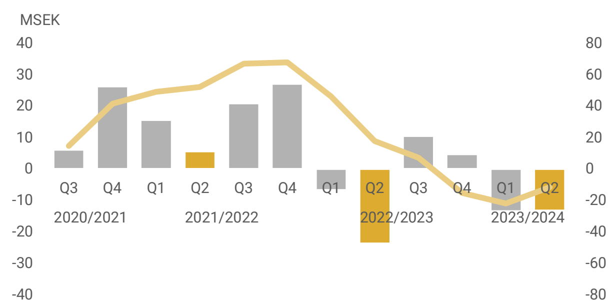
Amounts in MSEK	2023/ 2024 Q2	2022/ 2023 Q2	2023/ 2024 Q1-Q2	2022/ 2023 Q1-Q2	2023/ 2024 R12 DEC
Net Sales	222.6	246.4	484.9	561.5	1,124.9
Growth, Net Sales %	-9.7	-16.2	-13.6	-11.2	-14.4
Organic growth %	-13.6	-22.2	-19.9	-16.0	-20.2
EBITDA	-5.3	-16.5	-10.2	-16.0	18.5
EBITDA margin %	-2.4	-6.7	-2.1	-2.9	1.6
EBIT	-12.9	-23.4	-26.1	-29.8	-11.5
EBIT margin %	-5.8	-9.5	-5.4	-5.3	-1.0
Net Debt/Net Cash (-)	147.1	77.0	147.1	77.0	147.1
of which from leasing IFRS 16	72.0	69.3	72.0	69.3	72.0
Capital employed	463.1	460.5	463.1	460.5	463.1
ROCE %	-2.5	4.3	-2.5	4.3	-2.5

**Price mechanisms in customer agreements for polypropylene mean that sales increase as raw materials prices rise, and decrease as prices fall. Because raw materials prices affect both the sales price and raw materials costs, gross profit remains unchanged, but with a certain lag.*

Net sales per quarter / rolling 12 months

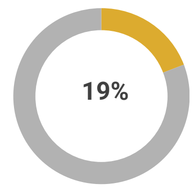


Adjusted EBIT per quarter / rolling 12 months



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. Staple fiber is used for production in a variety of areas including flooring, rugs, furniture, technical filters, car interiors and nonwoven fabrics. The business is located in Virginia, USA.

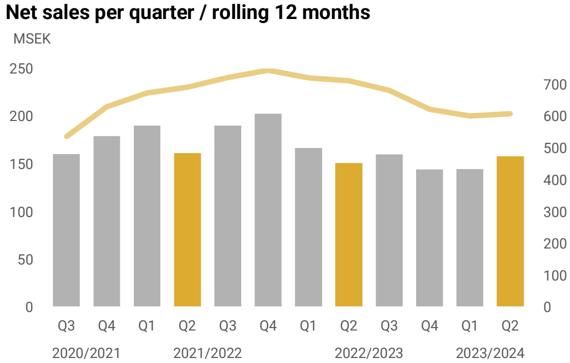
Share of Duroc's sales (R12)



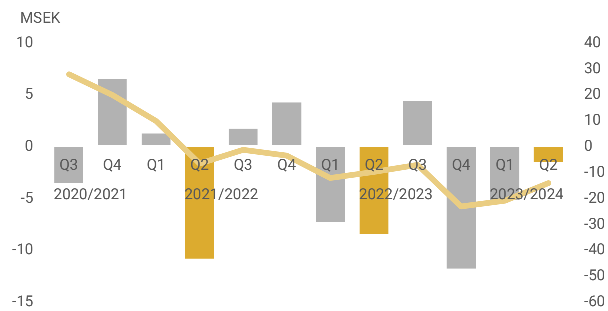
- Net sales increased by 5 percent compared to the year-over-year quarter and organic growth was 5 percent. This was mainly due to price increases to customers.
- Sales of staple fibers increased by 9 percent. At the same time, sales of filament yarn decreased by 29 percent compared to the same quarter during the previous year. The mix, together with a decrease in purchase prices, meant that gross profit increased by 25 percent.
- Adjusted EBIT totaled MSEK -1.6 (-8.5), mainly due to increased sales and gross margins. Drake noted slightly increased OPEX costs, primarily attributable to increased production.
- Net debt excluding IFRS declined due to lower capital employed.

Amounts in MSEK	2023/ 2024 Q2	2022/ 2023 Q2	2023/ 2024 Q1-Q2	2022/ 2023 Q1-Q2	2023/ 2024 R12 DEC
Net Sales	158.6	151.4	303.9	318.6	609.2
Growth, Net Sales %	4.8	-6.4	-4.6	-9.7	-14.5
Organic growth %	5.2	-22.6	-5.6	-25.7	-19.3
EBITDA	6.7	-19.8	11.8	-17.8	33.7
EBITDA margin %	4.2	-13.1	3.9	-5.6	5.5
EBIT	-1.6	-29.3	-4.9	-36.6	-0.5
EBIT margin %	-1.0	-19.3	-1.6	-11.5	-0.1
Adjusted EBIT	-1.6	-8.5	-6.7	-15.8	-14.2
Adjusted EBIT-margin %	-1.0	-5.6	-2.2	-5.0	-2.3
Net Debt/Net Cash (-)	13.5	26.5	13.5	26.5	13.5
of which from leasing IFRS 16	5.3	9.1	5.3	9.1	5.3
Capital employed	268.3	299.4	268.3	299.4	268.3
ROCE %	-0.2	-9.6	-0.2	-9.6	-0.2
Adjusted ROCE %	-4.8	-3.1	-4.8	-3.1	-4.8

Net sales per quarter / rolling 12 months

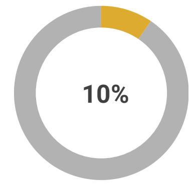


Adjusted EBIT per quarter / rolling 12 months



Cresco develops, produces, and sells textile-based solutions for the professional cultivation of crops and is one of the leading players on the global market. The products contribute to favorable environments in greenhouses, mushroom farms, and composting installations. The most important product is a climate screen for greenhouses that controls the cultivation climate, contributing to a more efficient process with lower energy consumption. Cresco's production facility is in Belgium.

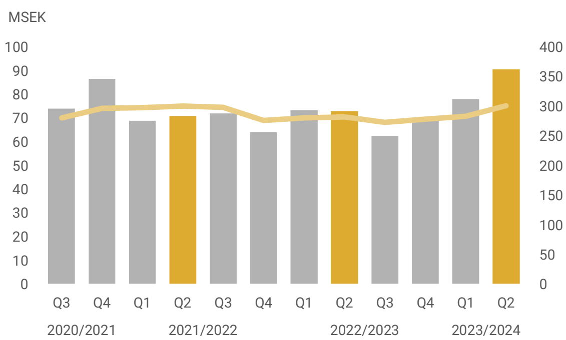
Share of Duroc's sales (R12)



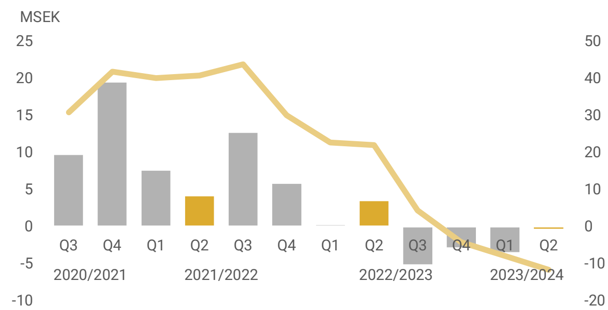
- Net sales increased by 15 percent. Organic growth was 18 percent. While sales volumes were 7 percent lower, the product mix affected sales positively. The industrial segment increased by 47 percent, while the agricultural segment decreased by 8 percent.
- EBIT was affected primarily by increased costs, which reduced the gross margin while earnings were also burdened by increased costs due to inflation-based pay rises and increased energy costs as production was higher than in the comparison quarter.
- Lower demand in major projects can still be discerned in the wake of last year's high energy prices, and the uncertain global situation that affects interest rates and material costs. However, there is still demand for replacement products and volumes in this respect were able to partly compensate for the loss of major projects.
- Moving forward, Cresco's efforts will focus on R&D, sales in new markets and continued cost adjustments. Demand for energy-saving climate screens for greenhouses and recyclable ground-cover fabric made from PLA (a biodegradable corn-based polymer) rose, as many countries seek to increase their self-sufficiency in food products.

Amounts in MSEK	**2023/ 2024 Q2**	**2022/ 2023 Q2**	**2023/ 2024 Q1-Q2**	**2022/ 2023 Q1-Q2**	**2023/ 2024 R12 DEC**
Net Sales	90.6	73.0	168.8	146.5	301.1
Growth, Net Sales %	24.1	2.8	15.2	4.7	6.5
Organic growth %	18.2	-5.2	6.9	-1.5	-1.5
EBITDA	0.9	4.9	-0.9	6.5	-5.9
EBITDA margin %	1.0	6.7	-0.5	4.4	-1.9
EBIT	-0.3	3.5	-3.7	3.6	-11.6
EBIT margin %	-0.3	4.7	-2.2	2.5	-3.9
Net Debt/Net Cash (-)	1.0	30.3	1.0	30.3	1.0
of which from leasing IFRS 16	3.7	4.4	3.7	4.4	3.7
Capital employed	179.2	221.3	179.2	221.3	179.2
ROCE %	-5.5	10.6	-5.5	10.6	-5.5

Net sales per quarter / rolling 12 months



Adjusted EBIT per quarter / rolling 12 months

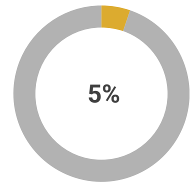


PLASTIBERT
COATED TEXTILES

Plastibert has been established in the international coated textiles market for more than 60 years. Its products comprise PVC and PU coated fabrics that are used in a variety of areas, including rainwear and protective clothing, PPE, furniture for public spaces, wall coverings and vehicle interiors. Plastibert's production facility is in Belgium.

**Plastibert was previously a part of Cotting Group together with the French Griffine Enduction SA, but now that Griffine is no longer consolidated with Group companies, it reports as its own business area.*

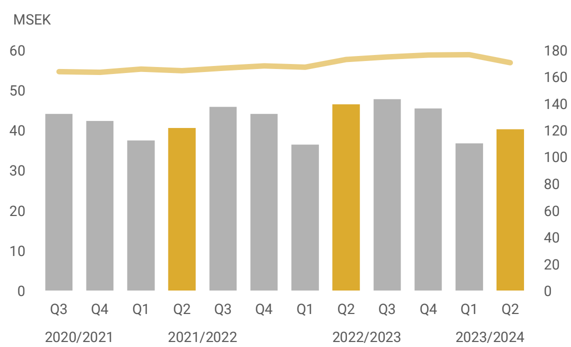
Share of Duroc's sales (R12)



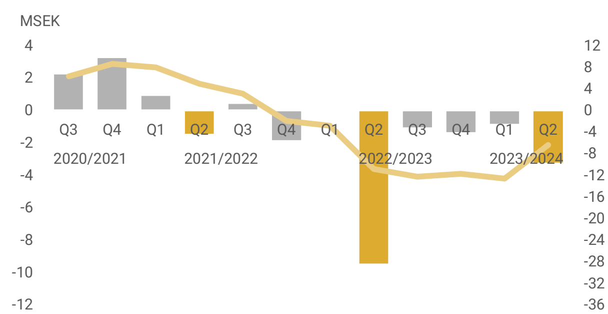
- Net sales decreased by 13 percent during the quarter and organic growth stood at -18 percent, mainly due to lower volumes than in the comparison quarter. The industry as a whole was affected by lower order intake, with demand in the European market significantly lower.
- EBIT totaled MSEK -3.2 (-9.4). Price increases to customers and a better mix meant that gross profit increased by 15 percent. Lower energy and shipping costs, various cost-saving initiatives, and the ability to compensate for increased personnel costs through lay-offs, mitigated the loss.
- The company continued its efforts to improve capacity utilization in the factory, which is expected to have a positive effect on EBIT moving forward.

Amounts in MSEK	2023/ 2024 Q2	2022/ 2023 Q2	2023/ 2024 Q1-Q2	2022/ 2023 Q1-Q2	2023/ 2024 R12 DEC
Net Sales	40.5	46.7	77.4	83.3	171.0
Growth, Net Sales %	-13.3	14.4	-7.1	6.2	-1.5
Organic growth %	-17.8	0.1	-13.9	0.1	-8.7
EBITDA	-2.3	-8.3	-2.0	-7.2	-2.3
EBITDA margin %	-5.6	-17.8	-2.6	-8.7	-1.4
EBIT	-3.2	-9.4	-4.1	-9.4	-6.4
EBIT margin %	-8.0	-20.2	-5.3	-11.3	-3.8
Net Debt/Net Cash (-)	3.2	14.6	3.2	14.6	3.2
of which from leasing IFRS 16	0.2	0.3	0.2	0.3	0.2
Capital employed	59.4	77.3	59.4	77.3	59.4
ROCE %	-9.4	-15.0	-9.4	-15.0	-9.4

Net sales per quarter / rolling 12 months



Adjusted EBIT per quarter / rolling 12 months



FINANCIAL INFORMATION

FINANCIAL PERFORMANCE AND POSITION

Net sales for the first six months totaled MSEK 1,496.2 (1,739.3). The operating loss totaled MSEK -3.8 (-233.0) and the loss after tax was MSEK -0.9 (-221.7). Other comprehensive income totaled MSEK -59.1 (38.8) including MSEK -60.9 (38.7) in translation differences.

At the end of the period, the Group's equity was SEK 1,016.1 million (1,045.2) and the equity ratio was 59.7 percent (51.4). Were cash and cash equivalents and interest-bearing liabilities to be reported net, the Group's adjusted equity/assets ratio would be 60.4 percent (52.0).

FINANCING

As of December 31, 2023, Duroc AB has a bank loan in the amount of MSEK 31.4, which will be fully repaid in February 2025 under the amortization plan. There are also local property loans in Austria and Belgium, and a local export credit in Austria. Duroc also has an open credit linked to a Group-wide cash pool. As of December 31, 2023, the Group had unutilized credit facilities totaling MSEK 249.

Duroc's financing agreement includes two financial covenants; one relating to net debt in relation to EBITDA, and one relating to equity ratio. Group Management and the Board regularly monitor forecasts relating to the limit values in the covenants. This ensures Duroc meets its obligations to creditors while minimizing liquidity and financing risks. As of Sunday, December 31, 2023, the loan terms in the covenants were met by a good margin.

The shares in the Group's holding companies, International Fibres Group AB, Duroc Machine Tool Holding AB and Duroc Produktion AB, are pledged as security for utilized credit under the loan agreement.

LIABILITIES RELATING TO RIGHT-OF-USE ASSETS

The Group has lease liabilities totaling MSEK 117.2 (129.7). Of these, MSEK 101.1 relates to lease contracts, of which a single contract for a production facility in Belgium accounts for MSEK 68.9. The remaining lease liabilities are mainly related to vehicles.

INVESTMENTS

During the first six months, the Group made investments in tangible and intangible fixed assets totaling MSEK 23.6 (45.3), of which MSEK 2.1 (10.0) is attributable to the lease of property, plant and equipment in accordance with IFRS 16. Cash flow from the purchase and sales of tangible and intangible fixed assets totaled MSEK -21.4 (-34.8).

CASH FLOW

During the first six months, consolidated cash flow from operating activities totaled MSEK 25.8 (127.2). The decrease is mainly due to a high level of cash flow from changes in working capital in the comparison period, where lower inventories and positive effects from accounts receivable were contributing factors. Cash flow from operating activities before changes in working capital increased by MSEK 14.3 compared to the previous year. Cash flow from investment activities totaled MSEK -21.4 (-35.1). Cash flow from financing activities totaled MSEK -18.0 (-97.4), where MSEK 23.4 (-55.7) was related to changes in utilized credit facilities, and MSEK -15,0 (-14.0) to the payment of lease liabilities in accordance with IFRS 16.

Cash and cash equivalents

The Group's cash and cash equivalents at the end of the reporting period totaled MSEK 21.1 (23.7). Interest-bearing liabilities totaled MSEK 257.8 (303.9) including lease liabilities from IFRS 16 in the amount of MSEK 117.2 (128.3) and the Group's net debt totaled MSEK 236.7 (280.2). Net debt excluding lease liabilities from IFRS 16 totaled MSEK 119.5 (151.9).

PARENT COMPANY

Duroc AB's primary functions are acquisitions, monitoring the development of Group companies, business development and financial reporting. Sales consist of internally invoiced services and totaled MSEK 3.0 (3.3) during the first six months. Earnings after tax totaled MSEK 76.1 (13.5), of which MSEK 75.5 (20.0) relates to dividends from subsidiaries. In addition to shares in subsidiaries the parent company's assets consist primarily of receivables from Group companies and bank deposits. Duroc AB's equity/assets ratio at the end of the period was 84.4 percent (80.9).

PERSONNEL

The average number of Duroc Group employees during the financial year's first six months was 865 (1,077). The average number of employees in the parent company was 5 (5) for the same period.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS FOR THE PARENT COMPANY AND GROUP

Duroc AB and the companies in the Duroc Group are through their operations subject to both financial and operative risks, which the companies themselves can affect to a greater or lesser degree. There are ongoing processes in the companies to identify existing risks and determine how they must be managed. A detailed description of risks and risk management in the parent company and subsidiaries was presented in Duroc's annual report for the financial year July 1, 2022 – June 30, 2023.

The macroeconomic situation with high inflation, the geopolitical situation with the ongoing war of aggression in Ukraine, and the war between Israel and Hamas, all affect Duroc's Group companies in various ways.

Generally higher energy prices and volatile raw material prices mainly affect the fiber companies Drake Extrusion, IFG, Cresco and Plastibert, where both production and input goods are energy-intensive, and where price mechanisms in agreements mean that sales prices to customers fluctuate with the purchase prices, and where there is a certain lag in price increases to customers.

Inflation affects all companies and has a negative impact on the cost base. In companies domiciled in Belgium, Austria and to a certain degree the UK, where mandatory inflation-based pay increases occur, personnel costs are also affected. Inflation also affects end consumers of the products the Duroc Group's companies produce and sell to. The market for sofas, beds, vehicles, and textiles, where it is mainly the fiber companies that form part of the production chain, shrank during the year.

Duroc Group's direct exposure to Ukraine and Russia is limited and concerns goods that are not currently listed among the EU's sanctions against Russia. However, the Board has taken an ethical decision not to sell goods that directly or indirectly can be of benefit to Russia. Despite limited direct exposure to Russia at group level, the effects of the war on the macroeconomic situation in general, together with overall price increases, have affected Duroc Group companies.

The current situation in Israel has no direct impact on Duroc's companies. However, geopolitical uncertainty affects willingness to invest, especially in neighboring countries. Moving forward, transport routes to Europe that are in or close to conflict zones may also affect the supply of materials and raw materials prices for companies with production in Europe.

The macroeconomic and geopolitical situation is an uncertainty factor moving forward. There is a risk that a more challenging business environment will continue to affect business negatively. At the same time, geographical changes in the supply chains, as European and American companies seek to reduce their dependency on China and other politically vulnerable countries while also shortening transport routes, will benefit Duroc. European and American companies control purchasing and production in their local markets to a greater extent, thereby presenting business opportunities for many of Duroc's companies.

Duroc continuously analyzes the global situation and acts accordingly to adapt the business. The Group is financially well-equipped to meet poorer economic conditions.

This report has not been reviewed by the auditors.

Stockholm, February 1, 2024

Peter Gyllenhammar
Chairman

Carina Heilborn
Board Member

Ola Hugosson
Board Member

Carl Östring
Board Member

John Häger
CEO

Duroc AB is obliged to publish this information under the Market Abuse Regulation EU/596/2014. The information was made available for publication at 08:30 on February 2, 2024.

CONSOLIDATED INCOME STATEMENT

Amounts in MSEK	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2022/2023 JUL-JUN
Net sales	769.4	876.6	1,496.2	1,739.3	3,493.1
Other operating income	4.2	4.1	8.4	8.8	33.1
Change in inventories	-8.0	-9.2	-17.0	-16.1	-27.2
Raw materials and consumables	-304.3	-386.9	-611.3	-829.4	-1,611.5
Goods for resale	-124.6	-139.1	-232.4	-240.6	-492.9
Other external costs	-131.6	-169.9	-256.3	-301.3	-579.7
Personnel costs	-177.5	-186.6	-337.2	-354.2	-704.5
Depreciation, amortisation and impairment of tangible and intangible assets	-25.1	-28.6	-51.5	-56.8	-112.3
Writedown of assets held for sale	-	-179.3	-	-179.3	-179.3
Other operating costs	-1.2	-1.8	-2.6	-3.3	-6.5
Operating profit/loss	**1.3**	**-220.7**	**-3.8**	**-233.0**	**-187.6**
Net financial items	**2.1**	**-1.9**	**2.3**	**-4.3**	**-27.8**
Profit before tax	**3.4**	**-222.6**	**-1.6**	**-237.3**	**-215.4**
Current tax	-9.1	-0.2	-11.8	-2.0	-10.8
Deferred tax	7.7	12.1	12.4	17.6	-11.8
PROFIT FOR THE PERIOD	**2.0**	**-210.7**	**-0.9**	**-221.7**	**-238.1**
Profit for the period attributable to:					
The Parent Company´s equity holders	2.0	-210.7	-0.9	-221.7	-238.1
Earnings per share					
Before and after dilution (sek)	0.05	-5.40	-0.02	-5.68	-6.10
Average number of shares before and after dilution	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2022/2023 JUL-JUN
PROFIT FOR THE PERIOD	**2.0**	**-210.7**	**-0.9**	**-221.7**	**-238.1**
Total other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences	-43.5	-3.1	-60.9	38.7	98.3
Hedge accounting (net)	0.9	-1.1	1.8	-2.4	-4.2
Items that will not be reclassified to the income statement					
Actuarial gains and losses(net)	-	2.8	-	2.5	1.7
Total other comprehensive income	**-42.6**	**-1.5**	**-59.1**	**38.8**	**95.8**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-40.6**	**-212.2**	**-60.0**	**-182.9**	**-142.3**
Total comprehensive inocome for the period attributable to:					
The Parent company´s equity holders	-40.6	-212.2	-60.0	-182.9	-142.3
non-controlling interests	-	-	-	-	-

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	2023-12-31	2022-12-31	2023-06-30
ASSETS			
Non-current assets			
Intangible assets	90.9	93.3	92.9
Property plant and equipment	493.0	527.0	538.2
Right of use assets	108.4	121.3	127.9
Financial assets	0.1	0.1	0.1
Deferred tax assets	52.2	75.4	45.6
Total non-current assets	**744.7**	**817.2**	**804.7**
Current assets			
Inventories	532.0	585.3	570.9
Trade receivables	353.1	387.8	425.4
Current tax receivables	5.6	4.8	4.2
Other receivables	26.2	22.2	18.7
Prepaid expenses and accrued income	20.6	20.8	29.3
Cash and cash equivalents	21.1	23.7	26.6
Assets held for sale	-	173.1	-
Total current assets	**958.6**	**1,217.7**	**1,075.0**
TOTAL ASSETS	**1,703.2**	**2,034.8**	**1,879.7**
EQUITY AND LIABILITIES			
Equity			
Share capital	39.0	39.0	39.0
Other capital provided	260.5	260.5	260.5
Reserves	207.3	208.8	266.3
Retained earnings including profit for the year	509.3	536.9	520.0
Equity attributable to shareholders of the parent company	**1,016.1**	**1,045.2**	**1,085.8**
Total equity	**1,016.1**	**1,045.2**	**1,085.8**
Long-term liabilities			
Provision for pensions	26.8	28.5	28.9
Other provisions	0.1	4.6	0.8
Non-current interest-bearing liabilities	27.8	63.3	46.4
Non-Current liabilities - right of use assets	90.5	101.2	105.7
Other non-current liabilities	1.0	2.0	1.1
Deferred tax liabilities	34.5	41.6	40.6
Total non-current liabilities	**180.7**	**241.3**	**223.3**
Current liabilities			
Öther provisions	6.1	3.6	7.1
Current interest-bearing liabilities	112.7	112.4	95.3
Current interest bearing liabilities - right of use assets	26.6	27.0	30.5
Advance payments from customers	39.3	65.7	69.3
Trade payables	180.6	216.4	201.9
Current tax liabilities	12.2	8.3	8.1
Other liabilities	39.7	50.8	55.7
Accrued expenses and prepaid income	89.2	91.0	102.6
Liabilities directly attributed to assets held for sale	-	173.1	-
Total current liabilities	**506.5**	**748.4**	**570.6**
Total liabilities	**687.2**	**989.7**	**793.9**
TOTAL EQUITY AND LIABILITIES	**1,703.2**	**2,034.8**	**1,879.7**

SUMMARY OF CHANGES IN CONSOLIDATED EQUITY

Amounts in MSEK	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2022/2023 JUL-JUN
Opening balance	**1,085.8**	**1,237.8**	**1,237.8**
Profit for the period	-0.9	-221.7	-238.1
Translation differences	-60.9	38.7	98.3
Actuarial gains and losses (net)	-	2.5	1.7
Hedge accounting (net)	1.8	-2.4	-4.2
Dividend	-9.8	-9.8	-9.8
Closing balance	**1,016.1**	**1,045.2**	**1,085.8**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2022/2023 JUL-JUN
OPERATING ACTIVITIES					
Profit before taxes	**3.4**	**-222.6**	**-1.6**	**-237.3**	**-215.4**
Adjustment for items not included in cash flow	20.5	232.5	46.9	260.7	317.3
Income tax paid	-2.8	0.5	-8.6	-1.0	-9.7
Cash flow from operating activities before changes in working capital	**21.1**	**10.4**	**36.7**	**22.4**	**92.2**
CASHFLOW FROM CHANGES IN WORKING CAPITAL					
Changes in inventories	14.5	-7.3	5.8	43.5	73.9
Changes in current receivables	17.2	1.4	49.3	157.5	137.6
Changes in current liabilities	-50.8	-9.2	-66.0	-96.2	-86.5
Cash flow from operating activities	**2.0**	**-4.7**	**25.8**	**127.2**	**217.2**
INVESTMENT ACTIVITIES					
Purchase and sales of intangible assets	0.0	-0.4	-0.0	-0.5	-1.5
Purchase and sales of tangible assets	-12.7	-18.5	-21.4	-34.2	-59.4
Cash flow from financial assets	-	-0.4	-	-0.4	-0.4
Cash flow from investment activities	**-12.7**	**-19.3**	**-21.4**	**-35.1**	**-61.3**
FINANCING ACTIVITIES					
New loans	-	0.9	2.0	0.9	1.1
Amortization of loans	-9.5	-9.1	-18.6	-18.8	-38.4
Amortization of liabilities regarding right of use-assets	-7.4	-5.9	-15.0	-14.0	-30.3
Changes in short term operating financing	25.6	24.7	23.4	-55.7	-68.2
Dividend	-9.8	-9.8	-9.8	-9.8	-9.8
Cash flow from financing activities	**-1.1**	**0.9**	**-18.0**	**-97.4**	**-145.6**
Cash flow for the period	**-11.8**	**-23.1**	**-13.6**	**-5.2**	**10.3**
Cash and cash equivalents at beginning of period	28.4	47.1	26.6	26.1	26.1
Transaltion difference in cash and cash equivalents	4.4	-0.3	8.0	2.9	-9.8
Cash and cash equivalents at end of period	**21.1**	**23.7**	**21.1**	**23.7**	**26.6**

PARENT COMPANY INCOME STATEMENT

Amounts in MSEK	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2022/2023 JUL-JUN
Net sales	1.5	1.6	3.0	3.3	5.9
Other operating income	-	-	-	-	0.1
Other external costs	-1.3	-2.3	-2.4	-3.8	-7.2
Personnel costs	-3.0	-2.9	-5.1	-5.0	-10.5
Depreciation and amortisation	-0.0	-0.1	-0.1	-0.1	-0.2
Operating result	**-2.8**	**-3.7**	**-4.6**	**-5.7**	**-11.9**
Result from shares in group companies	-	20.0	75.5	20.0	20.0
Financial income	7.6	2.3	13.1	3.4	4.7
Financial expense	-3.5	-0.7	-7.7	-5.4	-25.3
Net finance items	**4.1**	**21.5**	**80.9**	**18.0**	**-0.6**
Group contributions received/rendered	-	-	-	-	41.7
Profit before tax	**1.2**	**17.9**	**76.3**	**12.3**	**29.1**
Current tax	-0.3	0.8	-0.2	1.2	4.4
PROFIT AFTER TAX	**1.0**	**18.7**	**76.1**	**13.5**	**33.5**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2022/2023 JUL-JUN
PROFIT FOR THE PERIOD	**1.0**	**18.7**	**76.1**	**13.5**	**33.5**
Total Other comprehensive income	**-**	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1.0**	**18.7**	**76.1**	**13.5**	**33.5**

PARENT COMPANY BALANCE SHEET

Amounts in MSEK	2023-12-31	2022-12-31	2023-06-30
ASSETS			
Non current assets			
Other intangible assets	0.0	0.2	0.1
Tangible fixed assets	-	0.0	0.0
Shares in group companies	1,074.6	1,074.6	1,074.6
Receivables group companies	-	2.2	-
Deferred tax asset	10.4	7.4	10.6
Total non-current assets	**1,085.0**	**1,084.5**	**1,085.3**
Current assets			
Receivables group companies	127.3	74.1	106.7
Other recievables	2.7	1.6	1.2
Prepaid expenses and accrued income	0.6	1.3	1.0
Cash and cash equivalents	-	-	-
Total current assets	**130.5**	**77.0**	**108.9**
TOTAL ASSETS	**1,215.5**	**1,161.5**	**1,194.3**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	40.1	40.1	40.1
Unrestricted equity	986.3	900.0	919.9
Total equity	**1,026.4**	**940.1**	**960.0**
Long term liabilities			
Liabilities to credit institution	6.3	31.4	18.9
Total long term liabilities	**6.3**	**31.4**	**18.9**
Current liabilities			
Liabilities to credit institutions	50.8	50.2	27.5
Trade payables	0.9	1.1	0.7
Payables group companies	127.5	135.1	182.7
Other liabilities	0.4	0.3	0.3
Accrued expenses and prepaid income	3.3	3.3	4.2
Total current liabilities	**182.8**	**190.0**	**215.4**
Total liabilities	**189.1**	**221.4**	**234.2**
TOTAL EQUITY AND LIABILITIES	**1,215.5**	**1,161.5**	**1,194.3**

NOTES

NOT 1. ACCOUNTING PRINCIPLES

Duroc's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations (IFRIC) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. For the parent company, RFR 2 Accounting for Legal Entities is also applied. The Group's accounting policies are described in Note 2 in the 2022/2023 Annual Report.

Hedge accounting

The Group applies hedge accounting under IFRS 9 in respect of hedging for net investments in foreign operations. A small part of net investments in EUR are hedged via loans in that currency. Exchange rate differences for the period on foreign exchange loans after deduction of tax effects are reported, to the extent that the hedging is effective, in the item translation differences in other comprehensive income. In this way, translation differences arising from foreign operations are partially neutralized. There are also cash flow hedges, which are reported in the item hedge accounting – net.

Assets held for sale**.**

Assets held for sale where the sale is expected to be concluded in the immediate future, and where potential buyers have been identified, and where there is an identified market price, are reported on their own line in the balance sheet. If the sale refers to a subsidiary, its assets and liabilities are classified as if they were held for sale. Any impairment of net assets is reported as an impairment in operating earnings.

Accounting in legal entities

In accordance with RFR 2, Duroc has chosen not to apply IFRS 16 in the parent company. Duroc AB recognizes non-terminable leases as cost distributed linearly over the useful life of the asset.

In accordance with RFR 2, Duroc has chosen not to apply hedge accounting in respect of net investments in foreign operations by legal entities. The loans are carried at amortized cost. Exchange rate changes for these loans are reported as financial income and expenses.

Alternative key financial indicators

To facilitate comparison between the different periods and make it easier to monitor developments in the Duroc Group and its various companies, this report presents certain financial information known as alternative key financial indicators that are not defined in IFRS.

These should be regarded as complements to the financial information. The alternative key financial indicators used are defined where presented, or alternatively, at the end of this report. Losses excluded from earnings refer to bad debt losses related to market unrest, which is not expected to continue. Reconciliations are shown in Note 5.

Rounding

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.

NOT 2. HEDGING

The Group hedges some of its net investments in foreign operations. As of December 31, 2023, a small part of the Group's EUR exposure has been hedged through loans in foreign currency. At the beginning of the reporting period July 1, 2023 – December 31, 2023, the Group had a loan in the amount of MEUR 4.2 which at the end of the period totaled MEUR 3.0 against which hedges were applied. Related exchange rate changes of MSEK 2.1 before tax have thus been reported under the item exchange rate differences in the statement of comprehensive income.

NOT 3. EVENTS AFTER THE CLOSING DATE

No significant events have occurred after the closing date.

NOT 4. SEGMENT REPORTING

The Group's operating segments correspond to Duroc's portfolio companies. The segments correspond to the classifications used by the Group's chief operating decision-maker, the Board and the CEO, for evaluating financial performance and position, taking strategic decisions and distributing resources. Because Griffine Enduction S.A, which previously belonged to the Cotting Group together with Plastibert, is since March 2023 no longer included in the Group's financial accounts, Plastibert is reported as its own segment. Further information about these portfolio companies is available on pages 4–10 of this report.

Amounts in MSEK	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2023/2024 R12 DEC	2022/2023 JUL-JUN
Net sales						
IFG	222.6	246.4	484.9	561.5	1,124.9	1,201.5
Drake Extrusion	158.6	151.4	303.9	318.6	609.2	623.8
Cresco	90.6	73.0	168.8	146.5	301.1	278.9
Plastibert	40.5	46.7	77.4	83.3	171.0	176.9
DMT Group	153.8	165.7	298.3	285.6	612.2	599.5
Duroc Rail	53.8	40.2	84.0	63.5	173.8	153.2
Small Company Portfolio	49.7	57.4	82.9	95.4	181.2	193.8
Holding companies/group-wide functions	1.5	1.7	3.0	3.3	5.7	6.0
Eliminations	-1.7	-1.8	-7.0	-3.5	-9.4	-6.4
Griffine	-	*96.0*	-	*185.2*	*80.8*	*266.0*
	769.4	**876.6**	**1,496.2**	**1,739.3**	**3,250.5**	**3,493.1**
EBITDA						
IFG	-5.3	-16.5	-10.2	-16.0	18.5	12.7
Drake Extrusion	6.7	-19.8	11.8	-17.8	33.7	4.1
Cresco	0.9	4.9	-0.9	6.5	-5.9	1.5
Plastibert	-2.3	-8.3	-2.0	-7.2	-2.3	-7.5
DMT Group	11.3	16.5	27.2	24.7	53.9	51.4
Duroc Rail	15.3	8.3	22.1	13.6	48.2	39.6
Small Company Portfolio	2.7	7.7	4.5	11.6	16.1	23.2
Holding companies/group-wide functions	-2.9	-3.6	-4.7	-6.5	-11.2	-13.0
Griffine	-	*-1.9*	-	*-5.6*	*-2.4*	*-8.0*
Total	**26.4**	**-12.8**	**47.7**	**3.1**	**148.6**	**104.0**
Operating profit/loss						
IFG	-12.9	-23.4	-26.1	-29.8	-11.5	-15.2
Drake Extrusion	-1.6	-29.3	-4.9	-36.6	-0.5	-32.3
Cresco	-0.3	3.5	-3.7	3.6	-11.6	-4.2
Plastibert	-3.2	-9.4	-4.1	-9.4	-6.4	-11.8
DMT Group	9.4	14.9	23.3	21.6	46.6	45.0
Duroc Rail	13.0	6.3	17.6	9.5	36.7	28.6
Small Company Portfolio	0.1	5.3	-0.7	7.0	5.3	13.0
Holding companies/group-wide functions*	-3.2	-183.2	-5.2	-186.4	-12.3	-193.4
Griffine	-	*-5.4*	-	*-12.5*	*-4.8*	*-17.3*
Total	**1.3**	**-220.9**	**-3.8**	**-233.0**	**41.5**	**-187.6**
Net financial items	**2.1**	**-1.9**	**2.3**	**-4.3**	**-21.2**	**-27.8**
Profit before tax	**3.4**	**-222.7**	**-1.6**	**-237.3**	**20.3**	**-215.4**

*The holding companies' earnings include a Group-related impairment of assets in the amount of MSEK 179.3 relating to Griffine; see also Note 8. Griffine's earnings are consolidated up until March 4, 2023.

	Nettoskuld			Sysselsatt kapital			Eget kapital		
Amounts in MSEK	**2023-12-31**	**2022-12-31**	**2023-06-30**	**2023-12-31**	**2022-12-31**	**2023-06-30**	**2023-12-31**	**2022-12-31**	**2023-06-30**
IFG	147.1	77.0	116.9	463.1	460.5	483.4	295.3	362.5	343.3
Drake Extrusion	13.5	26.5	24.7	268.3	299.4	307.6	234.6	246.6	257.6
Cresco	1.0	30.3	31.2	179.2	221.3	224.1	198.2	232.8	214.2
Plastibert	3.2	14.6	6.0	59.4	77.3	70.1	55.7	62.0	63.5
DMT Group	-24.3	-44.1	-47.3	81.7	58.4	68.7	166.7	162.8	176.2
Duroc Rail	25.1	22.0	29.2	50.2	42.9	40.6	36.8	30.8	23.2
Small Company Portfoliio	33.2	30.7	35.5	58.8	58.0	62.6	32.9	33.4	34.3
Holding companies	37.9	-43.3	54.9	14.6	-233.5	16.6	-4.0	-141.0	-26.4
Griffine - disposed	-	*166.6*	-	-	*248.6*	-	-	*55.1*	-
Total	**236.7**	**280.2**	**251.1**	**1,175.2**	**1,232.9**	**1,273.5**	**1,016.1**	**1,045.2**	**1,085.8**

NOT 5. ALTERNATIVE KEY FINANCIAL INDICATORS

This section presents a reconciliation of alternative key financial indicators, i.e. financial information not defined in IFRS. Alternative key financial indicators are used routinely by Duroc's management to facilitate planning, comparisons between different periods, and to monitor developments in the operation. They are presented in Duroc's financial reports as an aid to investors and other stakeholders who analyze Duroc's financial information. Their definitions are presented at the end of this report. The alternative key financial indicators should be regarded as a complement to the financial information presented in compliance with IFRS.

Organic growth

Amounts in MSEK	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2
Net sales	**769.4**	**876.6**	**1,496.2**	**1,739.3**
Effect from change in exchange rates	-28.2		-71.4	
Effect from acquisitions/disposals	-	-96.0	-	-185.2
Adjusted Net sales	**741.1**	**780.6**	**1,424.8**	**1,554.1**
Organic growth (percent)	-5.1		-8.3	

Alternative earnings metrics

Amounts in MSEK	2023/2024 Q2	2022/2023 Q2	2023/2024 Q1-Q2	2022/2023 Q1-Q2	2023/2024 R12 DEC	2022/2023 JUL-JUN
Operating profit/loss	**1.3**	**-220.7**	**-3.8**	**-233.0**	**41.5**	**-187.6**
Depreciation, amortisation, write down of tangible and intangible non-current assets and write downs of asset held for sale	25.1	207.9	51.5	236.1	107.1	291.7
EBITDA	**26.4**	**-12.8**	**47.7**	**3.1**	**148.6**	**104.0**
Bad debt losses	-	20.8	-	20.8	-	20.8
Items affecting comparability						
Restructuring costs/dissolution of reserve	-	-	-	-	1.0	1.0
Government grants	-	-	-1.9	-	-13.6	-11.7
Project costs - business relocation	0.7	-	2.1	-	2.1	-
Adjusted EBITDA	**27.1**	**8.0**	**48.0**	**23.9**	**138.0**	**114.0**
Depreciation, amortisation, write down of tangible and intangible non-current assets and write downs of asset held for sale	-25.1	-207.9	-51.5	-236.1	-107.1	-291.7
Items affecting comparability						
Write down of tangible assets	-	-	-	-	2.9	2.9
Writedown of assets held for sale	-	179.3	-	179.3	-	179.3
Adjusted EBIT	**2.1**	**-20.6**	**-3.6**	**-32.9**	**33.8**	**4.6**
Net financial items	2.1	-1.9	2.3	-4.3	-21.2	-27.8
Net tax	-1.4	11.9	0.6	15.6	-37.6	-22.6
Adjusted profit for the period	**2.8**	**-10.6**	**-0.7**	**-21.6**	**-25.0**	**-45.8**
Adjusted earnings per share (SEK)	**0.07**	**-0.27**	**-0.02**	**-0.55**	**-0.64**	**-1.17**
Average number of shares	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000

Net debt

Amounts in MSEK	2023-12-31	2022-12-31	2023-06-30
Long-term interest bearing liabilities	27.8	63.3	46.4
Long-term interest bearing liabilities, right of use assets	90.5	101.2	105.7
Short-term interest bearing liabilities	112.7	112.4	95.3
Short-term interest bearing liabilities, right of use assets	26.6	27.0	30.5
Derivatives	-0.1	-	-0.1
Cash and cash equivalents	-21.1	-23.7	-26.6
Net debt	**236.7**	**280.2**	**251.1**

Capital employed

Amounts in MSEK	2023-12-31	2022-12-31	2023-06-30
Equity	1,016.1	1,045.2	1,085.8
Net debt	236.7	280.2	251.1
Intangible assets from acquisitions	-86.6	-87.1	-87.3
Pension liability	26.8	28.5	28.9
Deferred tax	-17.7	-33.8	-5.0
Capital employed	**1,175.2**	**1,232.9**	**1,273.5**

NOT 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers between levels or valuation categories during the period. The fair value of the Group's other financial assets and liabilities is estimated to correspond to their book values.

NOT 7. RELATED PARTY TRANSACTIONS

During the financial year's first six months, Group companies bought services totaling MSEK 0.5 (0.5) and sold services totaling MSEK 0.0 (0.0) in transactions with companies in which Bronsstädet AB is the majority owner. The transactions were carried out on market terms.

NOT 8. ASSETS HELD FOR SALE

During the previous financial year's first six months, the Board resolved to sell the wholly-owned subsidiary Griffine Enduction S.A., Cotting Group's French component, and for Griffine's assets and liabilities to be reported in accordance with IFRS 5.

As Griffine's net assets, including a shareholder loan in the amount of MSEK 124.8 as of December 31, 2022, totaled MSEK 179.3 and the recovery value of the investment at the time was uncertain, the net assets were written down in their entirety. Thus, the table shows assessments of assets and liabilities at the time the company was reported in accordance with IFRS 5.

In the beginning of March 2023, Griffine filed for restructuring in accordance with French insolvency legislation, and control of the company is no longer of such a nature that the company can be consolidated in the Group's accounts from that date onward. Therefore, all that remains is the group-related loss in respect of the impairment made during the second quarter of the 2022/2023 financial year. The balance sheet items relating to Griffine have thus been removed entirely from the Group's financial accounts.

This has no impact on parent company Duroc AB's equity as the receivable from Griffine and the shares were written down in their entirety during previous financial years.

Assets and liabilities held for sale	Before Write Down	Write Down	After Write Down
Intangible assets	12.1	-12.1	-
Tangible assets	111.5	-111.5	-
Other non-current assets	11.7	-11.7	-
Inventories	132.6	-44.1	88.5
Receivables	64.5	-	64.5
Other current assets	9.8	-	9.8
Cash and cash equivalents	10.4	-	10.4
Total assets	**352.4**	**-179.3**	**173.1**
Interest-bearing loans and borrowings	53.1	-	53.1
Other liabilities and provisions	120.0	-	120.0
Total liabilities	**173.1**	**-**	**173.1**

DEFINITION OF KEY FINANCIAL INDICATORS

Organic growth	Net sales growth adjusted for acquisitions, disposals and currency translation effects
Equity	Total share capital, reserves and retained earnings including annual profit/loss
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
Adjusted EBITDA	EBITDA adjusted for items affecting comparability and bad debt losses
EBIT	Operating profit/loss
Adjusted EBIT	EBIT adjusted for items affecting comparability and bad debt losses
Equity/assets ratio	Equity divided by the balance sheet total
Adjusted equity/assets ratio	Equity divided by the adjusted balance sheet total where cash and cash equivalents and interest-bearing liabilities are reported on a net basis
Items affecting comparability	Items in the income statement which, unless highlighted, make it difficult to understand developments in the underlying business
Earnings per share	Earnings after tax divided by the average number of outstanding shares
Adjusted earnings per share	Earnings after tax adjusted for items affecting comparability and bad debt losses divided by the average number of outstanding shares
+Net debt/-Net cash & cash	Interest-bearing liabilities less cash and bank balances
equivalents	Net debt/equity
Net debt/equity ratio	
Capital employed	Equity plus net debt, adjusted for deferred tax, acquisition-related intangible assets, pension provisions and strategic holdings
Return on capital employed	Rolling 12-month EBIT divided by average capital employed during the past 12 months
Adjusted return on capital employed	Adjusted rolling 12-month EBIT divided by average capital employed during the past 12 months

INFORMATION CALENDAR

Interim Report July 2023–March 2024	May 3, 2024
Year-End Report July 2023–June 2024	August 23, 2024
Interim Report July 2024–September 2024	November 5, 2024

FOR MORE INFORMATION

John Häger, CEO, phone +46 70 248 72 99.

DUROC AKTIEBOLAG

Box 5277, SE-102 46 Stockholm. Street address: Linnégatan 18
Phone: +46 70 835 40 52
www.duroc.com
Corporate ID number: 556446 – 4286

DUROC