INTERIM REPORT

JULY 2022 – MARCH 2023

CLEAR RECOVERY AT THE END OF THE QUARTER – CONTINUED REDUCTION OF NET DEBT

Third quarter January 2023 – March 2023

- Griffine Enduction S.A, a part of Cotting Group, filed for restructuring in March 2023 in accordance with French insolvency legislation. The primary objective was to enable another party to take over all or parts of the operation. Because of this Griffine is not consolidated into the group's accounts as of the commencement of the insolvency proceedings.
- Net sales fell by 5 percent to MSEK 947.2 (996.5). Organic growth** for the remaining operations was -9.9 percent.
- Adjusted EBITDA* decreased by 25 percent to total MSEK 59.4 (79.2), equivalent to an adjusted EBITDA* margin of 6.3 percent (7.9). Adjusted EBITDA excluding Griffine was MSEK 61.8 (83.4).
- Adjusted EBIT* totaled MSEK 32.2 (52.6). Adjusted EBIT excluding Griffine was MSEK 37.0 (61.0).
- Operating income (EBIT) totaled MSEK 30.5 (39.5).
- Cash flow from operating activities totaled MSEK 44.2 (62.3).
- Earnings after tax totaled MSEK 11.6 (24.8).
- Adjusted earnings per share totaled SEK 0.34 (0.97).
- Earnings per share totaled SEK 0.30 (0.63).
- Equity totaled MSEK 1,071.5 (1,148.1) and the equity/assets ratio was 57 percent (53).

July 2022 – March 2023

- Net sales were in line with the previous financial year and totaled MSEK 2,686.4 (2,686.8). Organic growth** stood at -7.4 percent.
- Adjusted EBITDA* decreased by 41 percent to total MSEK 83.3 (140.7), equivalent to an adjusted EBITDA* margin of 3.1 percent (5.2). Adjusted EBITDA excluding Griffine totaled MSEK 91.5 (169.8).
- Adjusted EBIT* totaled MSEK -0.6 (64.4). Adjusted EBIT excluding Griffine totaled MSEK 16.7 (105.3).
- Operating income (EBIT) totaled MSEK -202.5 (57.0), whereof MSEK 179.3 is related to write downs on consolidated level regarding Griffine, see further note 8.
- Cash flow from operating activities totaled MSEK 171.4 (40.5).
- Earnings after tax totaled MSEK -210.1 (34.8).
- Adjusted earnings per share totaled SEK -0.21 (1.08).
- Earnings per share totaled SEK -5.39 (0.89).
- Cash and cash equivalents as of March 31 totaled MSEK 26.2 (24.5), and net debt excluding lease liabilities (IFRS 16) totaled MSEK 124.2 (158.2). Unutilized credit facilities totaled MSEK 267.0 (258.7).
- In December 2022, The subsidiary IFG Holdings Ltd's pension fund purchased an annuity insurance from Aviva Life & Pensions UK Ltd by means of a buy-in solution. Which results in an annual reduction in expenditures of MSEK 6 and the cessation of all pension obligations within 12–14 months.

Group (MSEK)	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2022/2023 R12 MAR	2021/2022 JUL-JUN
Net sales	947.2	996.5	2,686.4	2,686.8	3,720.2	3,720.5
EBITDA	57.7	80.5	60.8	147.6	112.5	199.4
Adjusted EBITDA*	59.4	79.2	83.3	140.7	134.7	192.1
Adjusted EBITDA*-margin, %	6.3	7.9	3.1	5.2	3.6	5.2
Operating profit/loss (EBIT)	30.5	39.5	-202.5	57.0	-176.5	83.0
Adjusted EBIT*	32.2	52.6	-0.6	64.4	25.1	90.1
Profit/loss after tax	11.6	24.8	-210.1	34.8	-180.0	64.9
Profit per share, SEK	0.30	0.63	-5.39	0.89	-4.61	1.67
Adjusted profit per share, SEK*	0.34	0.97	-0.21	1.08	0.56	1.85
Cashflow from operating activities	44.2	62.3	171.4	40.5	94.0	-36.8
Net debt excl. lease liability from IFRS 16	124.2	158.2	124.2	158.2	124.2	265.7
Net debt incl. lease liability from IFRS 16	258.4	290.7	258.4	290.7	258.4	396.0
Net debt/Equity ratio, %	24	25	24	25	24	32

*Adjusted for items affecting comparability. A reconciliation of amounts can be found on page 18.

**Pertains to growth adjusted for currency fluctuations as well as structural changes, such as the deconsolidation of Griffine.

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

The third quarter ended with an adjusted EBIT of around MSEK 20 in March which indicates what Duroc is able to achieve under normal circumstances and without Griffine, whose results from the beginning of March is not consolidated into the group's accounts. In total, the adjusted operating profit for the quarter was MSEK 32, whereof -4.8 pertains to Griffine's result.

Our industrial trading operations showed good growth and entirely satisfactory profitability. These operations tie up a limited amount of capital employed and generate strong cash flows.

Market conditions continue to be difficult to assess, and we must take continued turbulence into consideration in certain markets for some time. Nevertheless, Duroc is well prepared to cope with periods of less favorable circumstances and our strong financial position provides us with good conditions for growing the Group.

Third quarter January 2023 – March 2023

Net sales decreased by 5% to MSEK 947.2 (996.5). Adjusted operating profit totaled MSEK 32.2 (52.6). Excluding Griffine, which is not consolidated into the group's accounts from the beginning of March, the adjusted EBIT totaled MSEK 37.0 (61.0).

The first two months of the quarter were characterized by low volumes and continued cost inflation, especially in the foreign production units. Falling raw materials prices led customers to postpone their orders, which resulted in significant short-term volume losses in the industrial units. Prices stabilized toward the end of the period and customers increased their call offs, based on their own low inventory levels. As this took place in parallel with improved cost developments, it created conditions for a better earnings trend especially in IFG, which also reduced its labor force and raised prices.

Volumes in Drake Extrusion fell by 20 percent, which reflects a weaker market for furniture and other consumer products in which the company's yarns are an input material. The market for staple fibers is more stable and an anticipated recovery for yarns would also have a strong positive effect on earnings.

Cresco and Plastibert noted reduced volume, due inter alia to the cessation of exports to Russia. Statutory salary increases in Belgium to compensate for runaway inflation contributed to poor earnings.

Altogether, adjusted EBIT amounted to MSEK 8.3 (35.3) in the production- and polymer-based units.

DMT and Smaller Company Portfolio (SCP) increased their sales by around 20 percent, which not only indicates a good investment appetite among our customers, but also that our company has an attractive product and service offering. DMT gained market share and begins Q4 with an order book worth around MSEK 230.

Once again, Rail had a strong quarter. Sales increased by 10 percent and the EBIT margin was maintained at a satisfactory level.

Altogether, adjusted EBIT amounted to MSEK 31.3 (30.4) in the industrial trade units.

Griffine SA filed for restructuring in March in accordance with French insolvency legislation, for which reason it is no longer consolidated in the Duroc Group as of the beginning of March. Thus, we are rid of a significant loss factor. As previously announced, all assets and liabilities related to Griffine was fully depreciated during the second quarter 2022-2023.

First nine months July 2022 – March 2023

Sales were in line with the previous year and totaled MSEK 2,686.4 (2,686.8). Adjusted EBIT came to MSEK -0.6 (64.4).

The initial quarters were characterized by weakening volumes in the capital-intensive production operations.

Weak volume trends in combination with skyrocketing costs and delayed price compensation led to a very negative performance, above all in IFG and Drake, in a situation we believe also to have impacted our competitors.

Adjusted EBIT in the production and polymer-based units amounted to MSEK -41.5 (63.1).

These losses concealed strong developments in DMT, Rail and SCP, who together reported good growth and most satisfactory rates of returns on capital employed in their operations, as well as a strong, positive cash flow. Adjusted EBIT amounted to MSEK 69.4 (63.1) MSEK in those units.

Signs from the period's last quarter indicate that the challenges for our production units have now abated. As mentioned, volumes have strengthened, and the cost situation is significantly milder. Price increases to the customer have gradually broken through and cash flow in the operations is once again positive.

Even though consolidated earnings for the nine-month period are unsatisfactory, I perceive Q3 to be the start of the trend toward gradual improvement.

Outlook

We are entering the final quarter with better prospects than at the start of the previous one, and even better than at the beginning of this financial year.

A normalization of raw material and energy prices, together with an improved average order situation and successively raised prices to the customer, has had a positive effect on the capital-intensive operations in IFG, Drake, Cresco and Plastibert. However, the demand situation continues to be irregular and difficult to forecast, which may entail periodically erratic capacity utilization in the production units.

Other parts of the Group, which represent around 30 percent of sales with a significantly lower proportion of capital employed, are expected to continue performing at a consistently high level even during the coming quarter.

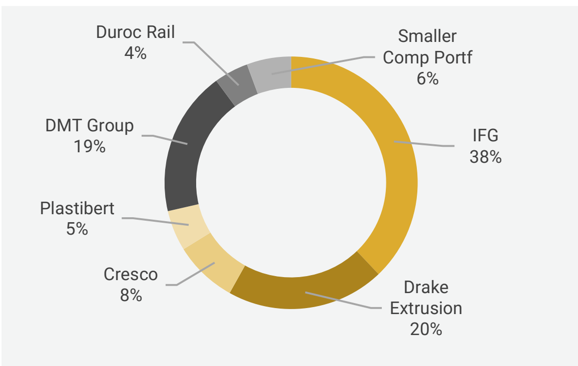
Duroc has a strong balance sheet with significant equity and low net debt, with investments mainly in operations and real assets that are expected to generate good cash flows moving forward. This, together with access to our competent management teams within the Group, provides us with the conditions to grow Duroc at low financial risk, both organically and through acquisitions.

John Häger
CEO

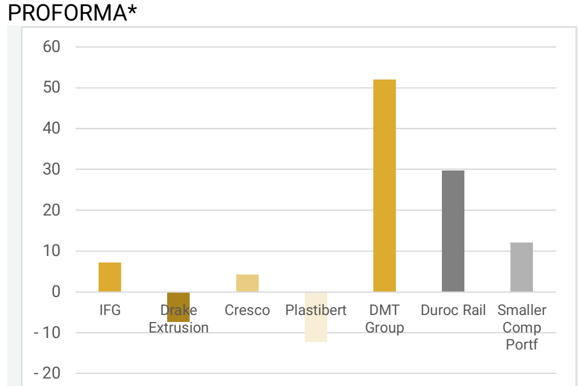
DEVELOPMENTS IN DUROC PORTFOLIO COMPANIES

Duroc's portfolio companies consist of International Fibres Group (IFG), Drake Extrusion, Cresco, Plastibert (formerly part of Cotting Group), Duroc Machine Tool (DMT), Duroc Rail and Smaller Company Portfolio, 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, April 2022 – March 2023. Read more about developments company-by-company on pages 4–7 and in Duroc's segment report on page 17.

SHARE OF NET SALES (R12) PROFORMA*



ADJUSTED EBIT PER PORTFOLIO COMPANY (R12) PROFORMA*



*Proportion of net sales and adjusted EBIT per portfolio company shown excluding the deconsolidated operation Griffine Enduction S.A.

Third quarter January 2023 – March 2023

Net sales decreased by 5 percent to MSEK 947.2 (996.5). Organic growth stood at -10 percent, where DMT, Duroc Rail Plastibert and Smaller Company Portfolio had increased sales. IFG, Cresco, Plastibert and Drake Extrusion reported lower sales than in the comparison quarter due to lower sales volumes.

Adjusted EBITDA totaled MSEK 59.4 (79.2) and the adjusted EBITDA margin was 6.3 percent (7.9), driven by lower gross earnings, higher energy and personnel costs in the capital-intensive production-based companies in Europe. Drake in the USA, together with DMT, Duroc Rail and Smaller Company Portfolio improved their profitability due to increased sales and good cost control.

Adjusted EBIT totaled MSEK 32.2 (52.6) and operating income MSEK 30.5 (39.5).

Earnings after tax totaled MSEK 11.6 (24.8).

July 2022 – March 2023

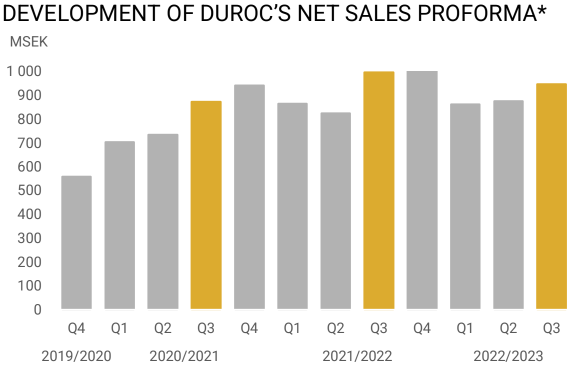
Net sales were in line with the previous period and totaled MSEK 2,686.4 (2,686.8). Organic growth stood at -7 percent, mainly due to lower sales volumes in IFG, Drake and Cresco, which was partly offset by increased sales in other companies.

Adjusted EBITDA totaled MSEK 83.3 (140.7) and the adjusted EBITDA margin was 3.1 percent (5.2), driven by higher energy, rent and labor costs. EBITDA increased in DMT, Rail and Small Company Portfolio in comparison with the same period in the previous year.

Adjusted EBIT totaled MSEK -0.6 (64.4) and operating income totaled MSEK -202.5 (57.0).

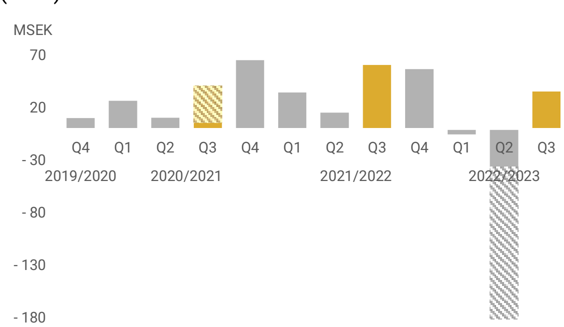
Earnings after tax totaled MSEK -210.1 (34.8).

DEVELOPMENT OF DUROC'S NET SALES PROFORMA*



*Duroc Group development excluding Griffine Enduction S.A.

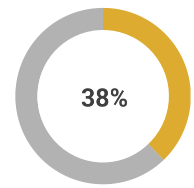
DEVELOPMENT OF DUROC'S OPERATING PROFIT/LOSS (EBIT) PROFORMA*



Q3 2020/2021 was affected by restructuring costs totaling MSEK 35.5. Q2 2022/2023 was affected by impairments of assets on consolidated level totaling MSEK 179.3 related to Griffine Enduction S.A.

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)



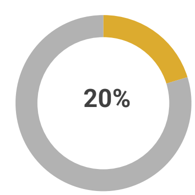
- Net sales decreased by 10 percent compared to the third quarter of the previous year, mainly due to lower prices for input goods*. Volumes increased by 3 percent year-over-year and a degree of normalization was discernible in the market. The geotextiles and automotive segments continued to enjoy high order intakes.
- EBITDA totaled MSEK 17.3 (29.8), mainly due to decreased sales. The cost base was on par with the comparison quarter mainly due to a reduction in energy costs that kept them level with the year-over-year costs. Compulsory salary increases in Belgium and Austria were partially offset by layoffs and reduced labor forces.
- Net debt remained low at MSEK 11.3 (31.2) excluding IFRS 16 effects.
- The change management program initiated during previous years with a specialist product offering that focuses on niche products continues and is having a positive impact on EBIT margins.

Amounts in MSEK	2022/ 2023 Q3	2021/ 2022 Q3	2022/ 2023 Q1-Q3	2021/ 2022 Q1-Q3	2022/ 2023 R12 MAR
Net Sales	334.8	371.4	896.2	1,003.9	1,277.2
Growth, Net Sales %	-9.9	23.9	-10.7	26.3	-6.4
Organic growth %	-14.5	19.1	-15.5	24.5	-10.8
EBITDA	17.3	29.8	1.3	68.6	33.6
EBITDA margin %	5.2	8.0	0.1	6.8	2.6
Adjusted EBITDA	17.3	26.8	1.3	60.0	33.2
Adjusted EBITDA-margin, %	5.2	7.2	0.1	6.0	2.6
EBIT	10.2	23.6	-19.6	49.7	7.5
EBIT margin %	3.0	6.3	-2.2	5.0	0.6
Net Debt/Net Cash (-)	87.4	98.6	87.4	98.6	87.4
of which from leasing IFRS 16	76.1	67.4	76.1	67.4	76.1
Capital employed	446.7	470.4	446.7	470.4	446.7
ROCE %	1.6	17.9	1.6	17.9	1.6
Adjusted ROCE %	1.5	15.7	1.5	15.7	1.5

**Price mechanisms in customer agreements for polypropylene mean that sales increase as raw material 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.*

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)



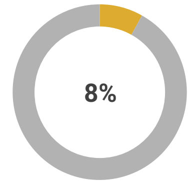
- Net sales decreased by 16 percent year-over-year for the quarter and organic growth was -25 percent. This was mainly due to a drop in volumes by 19 percent and because price mechanisms in contracts led to a reduction in sales prices.
- Demand for staple fibers remained good and sales increased by 19 percent compared to the previous year. We note a certain nervousness in the market due to the banking crisis, and in the short-term customers drew down on their inventories, which affected the order intake. Filament yarn sales remained weak. The macroeconomic situation affects the industry and end consumers.
- EBITDA increased by 28 percent and the EBITDA margin by 2.9 percentage points. This was mainly due to higher gross profit margins. Increased energy costs and higher personnel costs arising from an increased number of employees, burdened earnings.
- Net debt excluding IFRS 16 effects decreased by 33 percent to total MSEK 21.8 (32.9).

Amounts in MSEK	2022/ 2023 Q3	2021/ 2022 Q3	2022/ 2023 Q1-Q3	2021/ 2022 Q1-Q3	2022/ 2023 R12 MAR
Net Sales	160.6	190.5	479.2	543.2	682.2
Growth, Net Sales %	-15.7	19.0	-11.8	22.7	-5.6
Organic growth %	-24.6	6.2	-25.3	14.2	-19.4
EBITDA	13.0	10.0	-4.8	13.7	7.9
EBITDA margin %	8.1	5.2	-1.0	2.5	1.2
Adjusted EBITDA	12.8	10.0	15.8	13.7	28.6
Adjusted EBITDA-margin, %	8.0	5.2	3.3	2.5	4.2
EBIT	4.5	1.7	-32.2	-8.0	-28.0
EBIT margin %	2.8	0.9	-6.7	-1.5	-4.1
Net Debt/Net Cash (-)	29.9	43.9	29.9	43.9	29.9
of which from leasing IFRS 16	8.1	11.1	8.1	11.1	8.1
Capital employed	301.6	307.4	301.6	307.4	301.6
ROCE %	-8.7	-0.5	-8.7	-0.5	-8.7
Adjusted ROCE %	-2.3	-0.6	-2.3	-0.6	-2.3

IFG Cresco®

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 decreased by 13 percent during the third quarter. Organic growth was -19 percent. The year-over-year reduction is mainly due to a large order amounting to MEUR 1.1 to Russia in the comparation quarter. As a consequence of the war, all sales to Russia are halted for the time being.
- Positive currency effects from a strong Euro and Dollar mitigated the negative growth somewhat.
- The market continues to be impacted negatively by the energy crisis with margins under pressure from inflation, and the statutory inflation-based salary increases in Belgium.
- EBIT and EBITDA continue to be affected negatively by lower production volumes and inventory level adjustments, which led to negative production deviations.
- Price increases and structural cost adjustments were carried out, but these have not yet had a full effect on the earnings level due to natural economic lag.
- The market showed initial signs of recovery where the EU gas price cap contributed to a degree of market stabilization. The demand for energy-saving climate screens for greenhouses and recyclable ground cover fabric made from PLA (a biodegradable corn-based polymer) increased during the quarter as well as accumulated for the first nine months of the year.

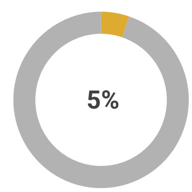
Amounts in MSEK	2022/ 2023 Q3	2021/ 2022 Q3	2022/ 2023 Q1-Q3	2021/ 2022 Q1-Q3	2022/ 2023 R12 MAR
Net Sales	62.6	72.1	209.1	212.1	273.4
Growth, Net Sales %	-13.1	-2.8	-1.4	0.9	-8.5
Organic growth %	-19.2	-6.0	-7.4	0.8	-13.5
EBITDA	-3.7	14.0	2.8	28.4	10.0
EBITDA margin %	-5.9	19.4	1.3	13.4	3.6
EBIT	-5.1	12.7	-1.4	24.3	4.3
EBIT margin %	-8.1	17.6	-0.7	11.5	1.6
Net Debt/Net Cash (-)	30.2	28.1	30.2	28.1	30.2
of which from leasing IFRS 16	4.7	5.1	4.7	5.1	4.7
Capital employed	218.0	198.3	218.0	198.3	218.0
ROCE %	2.0	24.9	2.0	24.9	2.0

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 French Griffine Enduction SA, but now that Griffine has initiated restructuring, it reports as its own business area.*

Share of Duroc's sales (R12)



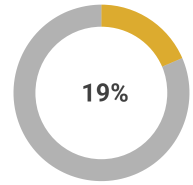
- Net sales increased by 4 percent during the quarter, and organic growth decreased by 3 percent mainly due to lower volumes that were partially offset by price rises, which began to effect the gross profit margin this quarter.
- During the quarter, EBIT totaled MSEK -1.0 (0.4) which was mainly due to an increase in cost for input goods and a lag in the effect of price increases.
- Increased pay costs arising from compulsory salary increases in Belgium burdened earnings, while lower energy prices helped to mitigate the losses.
- A project was launched aiming to improve capacity utilization in production. The EBIT margins are expected to improve moving forward as the price increases take effect.

Amounts in MSEK	2022/ 2023 Q3	2021/ 2022 Q3	2022/ 2023 Q1-Q3	2021/ 2022 Q1-Q3	2022/ 2023 R12 MAR
Net Sales	48.0	46.1	131.3	124.5	175.5
Growth, Net Sales %	4.1	4.3	5.4	2.6	5.0
Organic growth %	-2.6	1.2	-0.9	2.5	-0.4
EBITDA	0.0	1.4	-7.2	2.9	-8.0
EBITDA margin %	0.0	3.1	-5.5	2.3	-4.6
EBIT	-1.0	0.4	-10.4	-0.2	-12.3
EBIT margin %	-2.2	0.9	-8.0	-0.1	-7.0
Net Debt/Net Cash (-)	10.0	-0.7	10.0	-0.7	10.0
of which from leasing IFRS 16	0.3	0.5	0.3	0.5	0.3
Capital employed	72.5	68.5	72.5	68.5	72.5
ROCE %	-16.8	4.9	-16.8	4.9	-16.8

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)



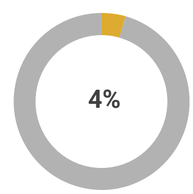
- Net sales totaled MSEK 157.7, an increase of 20 percent compared to the same period in the previous year. Increased sales contributed to an organic growth of 15 percent.
- EBIT totaled MSEK 12.3 (12.2) and the EBIT margin was 7.8 percent (9.3). Necessary strategic initiatives aimed at managing the strong growth were implemented in the form of investments in a larger labor force and continued investments in the ERP system and digital marketing. Together, the above factors reduced the EBIT margin in the short-term, but are expected to provide positive leverage in the longer term.
- DMT have with competitive products, a proper service offering, and a successful organization at large, gained market share in the Nordics during the year. Demand was strong in both the Nordics and Baltics in March and the beginning of April.
- Order levels continued to be high and totaled MSEK 228 at the beginning of the fourth quarter.

Amounts in MSEK	2022/ 2023 Q3	2021/ 2022 Q3	2022/ 2023 Q1-Q3	2021/ 2022 Q1-Q3	2022/ 2023 R12 MAR
Net Sales	157.7	131.5	443.3	355.9	625.4
Growth, Net Sales %	19.9	21.5	24.5	38.9	30.7
Organic growth %	15.1	19.0	19.6	38.4	26.4
EBITDA	13.9	13.7	38.6	36.0	58.1
EBITDA margin %	8.8	10.4	8.7	10.1	9.3
EBIT	12.3	12.2	33.9	31.7	52.0
EBIT margin %	7.8	9.3	7.7	8.9	8.3
Net Debt/Net Cash (-)	-41.4	-65.6	-41.4	-65.6	-41.4
of which from leasing IFRS 16	7.8	6.5	7.8	6.5	7.8
Capital employed	72.8	26.4	72.8	26.4	72.8
ROCE %	117.4	102.2	117.4	102.2	117.4

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 railroad wheel maintenance needs.

Share of Duroc's sales (R12)



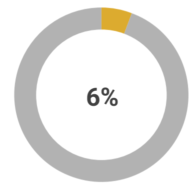
- Duroc Rail continued to enjoy fair weather. Net sales for the quarter totaled MSEK 55.0 (49.7), an increase of 11 percent compared to an already strong quarter the previous year.
- Operating profit (EBIT) totaled MSEK 17.0 (15.3) and the EBIT margin totaled 30.8 percent (30.8).
- Significantly increased volumes during the quarter at retained cost levels resulted in improved EBIT performance.
- Despite a historically high production rate and a relatively mild winter, the demand for railroad wheel maintenance continued to increase sharply and order levels are seasonally very high.

Amounts in MSEK	2022/ 2023 Q3	2021/ 2022 Q3	2022/ 2023 Q1-Q3	2021/ 2022 Q1-Q3	2022/ 2023 R12 MAR
Net Sales	55.0	49.7	118.5	104.9	147.7
Growth, Net Sales %	10.7	1.2	13.0	6.3	8.6
Organic growth %	10.7	1.2	13.0	6.3	8.6
EBITDA	18.9	16.8	32.4	30.3	37.3
EBITDA margin %	34.3	33.9	27.3	28.9	25.3
EBIT	17.0	15.3	26.5	25.6	29.7
EBIT margin %	30.8	30.8	22.4	24.4	20.1
Net Debt/Net Cash (-)	10.4	8.8	10.4	8.8	10.4
of which from leasing IFRS 16	8.5	10.2	8.5	10.2	8.5
Capital employed	48.1	46.0	48.1	46.0	48.1
ROCE %	65.0	69.3	65.0	69.3	65.0

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, Kohler and Nanni.
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 manufacturing of industrial components.

Share of Duroc's sales (R12)



- Net sales in the Smaller Company Portfolio totaled MSEK 47.4 (39.7) during the quarter, an increase of 20 percent.
- EBIT totaled MSEK 2.0 (2.8), corresponding to an EBIT margin of 4.1 percent (7.1).
- UPN increased net sales by 16.5 percent during the third quarter driven by volume increases in industrial engines from Perkins and Kubota, and increased service sales. EBIT performance was strong as a result of high sales. The EBIT margin stood at more than 10 percent.
- As a consequence of weaker order intake during the previous quarter, Herber had low sales. Operating earnings (EBIT) were negative at MSEK -1. Order intake improved again after the end of the quarter.
- Duroc Laser Coating increased sales by 3.7 percent during the quarter. Increased materials costs and inventory adjustments had a negative effect on EBIT. The EBIT margin totaled 5.5 percent during the quarter and 7.2 percent for the first nine months of the financial year. Market signals continued to be positive, and the order intake was good for the upcoming quarters.

Amounts in MSEK	2022/ 2023 Q3	2021/ 2022 Q3	2022/ 2023 Q1-Q3	2021/ 2022 Q1-Q3	2022/ 2023 R12 MAR
Net Sales	47.7	39.7	143.1	117.3	192.1
Growth, Net Sales %	20.0	-8.0	22.0	18.6	23.7
Organic growth %	20.0	-8.0	22.0	18.6	23.7
EBITDA	5.0	5.0	16.6	12.7	22.1
EBITDA margin %	10.4	12.6	11.6	10.9	11.5
Adjusted EBITDA	5.0	5.0	16.6	12.7	22.1
Adjusted EBITDA-margin, %	10.4	12.6	11.6	10.9	11.5
EBIT	2.0	2.8	8.9	5.7	12.1
EBIT margin %	4.1	7.1	6.2	4.9	6.3
Net Debt/Net Cash (-)	34.8	21.8	34.8	21.8	34.8
of which from leasing IFRS 16	26.6	28.4	26.6	28.4	26.6
Capital employed	64.0	44.2	64.0	44.2	64.0
ROCE %	23.6	6.9	23.6	6.9	23.6
Adjusted ROCE %	23.6	6.6	23.6	6.6	23.6

FINANCIAL INFORMATION

FINANCIAL PERFORMANCE AND POSITION

Net sales for the first three quarters totaled MSEK 2,686.4 (2,686.8). Operating income totaled MSEK -202.5 (57.0) and the loss after tax was MSEK -210.1 (34.8). Total other comprehensive income was MSEK 53.6 (42.7), including MSEK 53.7 (39.7) in translation differences.

At the end of the period, the Group's equity totaled MSEK 1,071.5 (1,148.1) and the equity/assets ratio was 56.6 percent (52.8). Were cash and cash equivalents and interest-bearing liabilities to be reported net, the Group's adjusted equity/assets ratio would be 57.4 percent (53.4).

FINANCING

As of March 31, 2023, Duroc AB has a bank loan in the amount of MSEK 50.3, 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 March 31, the Group had unutilized credit facilities for 2023 totaling MSEK 267.

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 Friday, March 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.

INVESTMENTS

During the first nine months of the financial year, the Group made investments in tangible and intangible fixed assets totaling MSEK 72.1 (48.7), of which MSEK 22.3 (4.6) 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 -49.5 (-39.4).

CASH FLOW

During the first nine months of the financial year, consolidated cash flow from operating activities totaled MSEK 171.4 (40.5). Reduced inventories, falling materials prices and somewhat restrained purchasing combined with positive effects from trade receivables are the main contributors to the increase. Cash flow from investing activities totaled MSEK -49.5 (-38.8). Cash flow from financing activities totaled MSEK -122.8 (-38.9), where MSEK -62.3 (11.3) was related to a reduction in utilized credit facilities and MSEK -22.7 (-21.4) 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 26.2 (24.5). Interest-bearing liabilities totaled MSEK 284.6 (315.3) including lease liabilities from IFRS 16 in the amount of MSEK 134.2 (132.5) and the Group's net debt totaled MSEK 258.4 (290.7). Net debt excluding lease liabilities from IFRS 16 totaled MSEK 124.2 (158.2).

PARENT COMPANY

Duroc AB's primary functions are acquisitions, monitoring the development of Group companies, business development and financial reporting. Sales consisted of internally invoiced services totaling MSEK 4.4 (4.4) during the first nine months of the financial year. Profit after tax totaled MSEK 1.7 (-3.1), of which MSEK 20.0 (65.3) relates to dividends from subsidiaries. In addition to participations 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 79.7 percent (80.1).

PERSONNEL

The average number of Duroc Group employees during the financial year's first three quarters was 1,063 (1,096). The average number of employees in the parent company was 5 (6) 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, 2021 – June 30, 2022.

The macroeconomic situation in the wake of the Covid-19 pandemic and the ongoing war in Ukraine have affected the Duroc Group's companies in different ways.

Generally higher energy prices and volatile raw materials prices mainly impact the fiber companies Drake Extrusion, IFG, Cresco and Plastibert where both production and input goods are energy intensive. There is a certain lag in price rises to customers, and this has affected the quarter negatively.

The temporary disruptions in delivery chains that have occurred since the outbreak of Covid-19, combined with great uncertainty in respect of delivery times and components supply, constitute a major uncertainty factor in certain parts of the Group. Greater emphasis is placed on planning and securing components supply through good purchasing planning.

All of the companies are affected to various extents by higher transport costs, but there are also certain positive effects from the companies' geographical locations that have led customers to revert to purchases from Europe instead of Asia.

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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 salary increases occur, cost structures are also affected in terms of labor. 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.

The Duroc Group's direct exposure to Ukraine and Russia is limited, and no pronounced effects on demand have been noted. However, the effects of the war on the macroeconomic situation in general, together with general price increases have affected Duroc Group companies. 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, which to a greater extent control purchasing and production in the various markets, present business opportunities for many of Duroc's companies.

Duroc is financially well-equipped to meet poorer economic conditions

Stockholm, May 4, 2023

John Häger
CEO

Duroc AB is obliged to publish this information under the Market Abuse Regulation EU/596/2014. The information was submitted for publication at 08:30 on May 5, 2023.

AUDITOR'S REPORT

Duroc Aktiebolag corp. reg. no. 556446-4286

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Duroc Aktiebolag as of 31 march 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm May 4, 2023

PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

Amounts in MSEK	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2021/2022 JUL-JUN
Net sales	947.2	996.5	2,686.4	2,686.8	3,720.5
Other operating income	6.8	5.4	15.6	14.9	20.4
Change in inventories	-9.2	22.0	-25.3	24.8	27.1
Raw materials and consumables	-420.7	-512.7	-1,250.1	-1,413.4	-1,935.9
Gods for resale	-129.3	-103.7	-369.9	-274.9	-410.2
Other external costs	-154.4	-144.0	-455.8	-385.1	-531.7
Personnel costs	-181.4	-181.5	-535.5	-502.5	-686.2
Depreciation, amortisation and impairment of tangible and intangible assets	-27.2	-41.0	-84.0	-90.6	-116.3
Writedown of assets held for sale	-	-	-179.3	-	-
Other operating costs	-1.3	-1.5	-4.6	-2.8	-4.6
Operating profit/loss	**30.5**	**39.5**	**-202.5**	**57.0**	**83.0**
Net financial items	**-13.5**	**-2.1**	**-17.8**	**-5.8**	**-8.2**
Profit before tax	**17.0**	**37.4**	**-220.3**	**51.2**	**74.8**
Current tax	-5.6	-5.9	-7.6	-13.2	-13.9
Deferred tax	0.2	-6.8	17.8	-3.2	4.0
PROFIT FOR THE PERIOD	**11.6**	**24.8**	**-210.1**	**34.8**	**64.9**
Profit for the period attributable to:					
The Parent Company´s equity holders	11.6	24.8	-210.1	34.8	64.9
Earnings per share					
Before and after dilution (sek)	0.30	0.63	-5.39	0.89	1.67
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	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2021/2022 JUL-JUN
PROFIT FOR THE PERIOD	**11.6**	**24.8**	**-210.1**	**34.8**	**64.9**
Total other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences	15.0	25.6	53.7	39.7	92.5
Hedge accounting (net)	-0.2	0.8	-2.6	1.6	3.8
Items that will not be reclassified to the income statement					
Actuarial gains and losses(net)	0.0	0.0	2.5	1.5	6.0
Total other comprehensive income	**14.8**	**26.5**	**53.6**	**42.7**	**102.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**26.4**	**51.2**	**-156.5**	**77.6**	**167.2**
Total comprehensive inocome for the period attributable to:					
The Parent company´s equity holders	26.4	51.2	-156.5	77.6	167.2
non-controlling interests	-	-	-	-	-

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	2023-03-31	2022-03-31	2022-06-30
ASSETS			
Non-current assets			
Intangible assets	93.0	107.3	106.8
Property plant and equipment	523.3	583.4	620.1
Right of use assets	126.6	128.5	125.8
Financial assets	0.1	6.3	5.0
Deferred tax assets	77.1	52.6	64.0
Total non-current assets	**820.1**	**878.0**	**921.7**
Current assets			
Inventories	553.2	666.0	739.1
Trade receivables	441.3	548.7	631.6
Current tax receivables	6.0	12.6	12.3
Other receivables	21.0	27.0	29.3
Prepaid expenses and accrued income	25.4	16.6	16.7
Cash and cash equivalents	26.2	24.5	26.1
Total current assets	**1,073.2**	**1,295.4**	**1,455.2**
TOTAL ASSETS	**1,893.3**	**2,173.5**	**2,376.9**
EQUITY AND LIABILITIES			
Equity			
Share capital	39.0	39.0	39.0
Other capital provided	260.5	260.5	260.5
Reserves	223.3	117.0	172.2
Retained earnings including profit for the year	548.7	731.7	766.1
Equity attributable to shareholders of the parent company	**1,071.5**	**1,148.1**	**1,237.8**
Total equity	**1,071.5**	**1,148.1**	**1,237.8**
Long-term liabilities			
Provision for pensions	28.1	64.9	58.3
Other provisions	5.2	15.4	14.9
Non-current interest-bearing liabilities	53.9	87.2	77.5
Non-Current liabilities - right of use assets	103.9	105.5	103.4
Other non-current liabilities	2.0	2.9	2.0
Deferred tax liabilities	42.1	42.1	50.4
Total non-current liabilities	**235.1**	**318.0**	**306.4**
Current liabilities			
Öther provisions	3.2	9.1	7.4
Current interest-bearing liabilities	96.6	95.6	214.3
Current interest bearing liabilities - right of use assets	30.2	26.9	27.0
Advance payments from customers	54.5	54.5	60.6
Trade payables	240.8	326.6	305.4
Current tax liabilities	11.4	16.5	12.7
Other liabilities	50.9	59.6	72.4
Accrued expenses and prepaid income	99.0	118.5	132.9
Total current liabilities	**586.7**	**707.4**	**832.7**
Total liabilities	**821.8**	**1,025.3**	**1,139.1**
TOTAL EQUITY AND LIABILITIES	**1,893.3**	**2,173.5**	**2,376.9**

SUMMARY OF CHANGES IN CONSOLIDATED EQUITY

Amounts in MSEK	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2021/2022 JUL-JUN
Opening balance	**1,237.8**	**1,070.3**	**1,070.3**
Profit for the period	-210.1	34.8	64.9
Translation differences	53.7	39.7	92.5
Actuarial gains and losses (net)	2.5	1.5	6.0
Hedge accounting (net)	-2.6	1.6	3.8
Dividend	-9.8	-	-
Closing balance	**1,071.5**	**1,148.1**	**1,237.8**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2021/2022 JUL-JUN
OPERATING ACTIVITIES					
Profit before taxes	**17.0**	**37.4**	**-220.3**	**51.2**	**74.8**
Adjustment for items not included in cash flow	6.5	37.3	267.2	81.1	109.1
Income tax paid	-3.9	-2.0	-4.9	-8.2	-12.3
Cash flow from operating activities before changes in working capital	**19.5**	**72.7**	**41.9**	**124.1**	**171.6**
CASHFLOW FROM CHANGES IN WORKING CAPITAL					
Changes in inventories	29.2	-38.2	72.7	-104.0	-155.9
Changes in current receivables	-52.7	-97.3	104.8	-2.4	-62.9
Changes in current liabilities	48.2	125.1	-48.0	22.8	10.4
Cash flow from operating activities	**44.2**	**62.3**	**171.4**	**40.5**	**-36.8**
INVESTMENT ACTIVITIES					
Purchase and sales of intangible assets	-0.4	-2.7	-0.9	-5.0	-6.5
Purchase and sales of tangible assets	-14.1	-8.8	-48.2	-34.4	-55.9
Cash flow from financial assets	0.0	-0.0	-0.4	0.7	0.6
Cash flow from investment activities	**-14.5**	**-11.5**	**-49.5**	**-38.8**	**-61.7**
FINANCING ACTIVITIES					
New loans	0.0	0.0	0.9	0.0	0.0
Amortization of loans	-10.2	-9.7	-29.0	-28.8	-38.5
Amortization of liabilities regarding right of use-assets	-8.6	-7.0	-22.7	-21.4	-28.3
Changes in short term operating financing	-6.6	-45.9	-62.3	11.3	127.5
Dividend	0.0	0.0	-9.8	0.0	0.0
Cash flow from financing activities	**-25.3**	**-62.6**	**-122.8**	**-38.9**	**60.7**
Cash flow for the period	**4.4**	**-11.8**	**-1.0**	**-37.1**	**-37.8**
Cash and cash equivalents at beginning of period	23.7	35.9	26.1	59.9	59.9
Transaltion difference in cash and cash equivalents	-1.9	0.5	1.1	1.7	4.0
Cash and cash equivalents at end of period	**26.2**	**24.5**	**26.2**	**24.5**	**26.1**

PARENT COMPANY INCOME STATEMENT

Amounts in MSEK	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2021/2022 JUL-JUN
Net sales	1.1	1.5	4.4	4.4	5.9
Other external costs	-3.0	-1.6	-6.8	-4.8	-6.9
Personnel costs	-2.6	-3.1	-7.6	-10.3	-13.8
Depreciation and amortisation	-0.1	-0.1	-0.2	-0.2	-0.2
Operating result	**-4.5**	**-3.2**	**-10.2**	**-10.9**	**-15.0**
Result from shares in group companies	-	-	20.0	65.3	65.3
Financial income	-0.4	1.7	3.0	3.7	7.6
Impairment of shares in group companies	-	-60.0	-	-60.0	-116.0
Impairment of recivables from group companies	-	-	-	-	-117.1
Financial expense	-9.0	-1.6	-14.4	-3.3	-6.3
Net finance items	**-9.3**	**-59.9**	**8.7**	**5.7**	**-166.5**
Group contributions received/rendered	-	-	-	-	37.7
Profit before tax	**-13.8**	**-63.1**	**-1.5**	**-5.2**	**-143.7**
Current tax	1.9	0.6	3.2	2.2	-
PROFIT AFTER TAX	**-11.9**	**-62.5**	**1.7**	**-3.1**	**-143.7**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2021/2022 JUL-JUN
PROFIT FOR THE PERIOD	**-11.9**	**-62.5**	**1.7**	**-3.1**	**-143.7**
Total Other comprehensive income	**-**	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-11.9	-62.5	1.7	-3.1	-143.7

PARENT COMPANY BALANCE SHEET

Amounts in MSEK	2023-03-31	2022-03-31	2022-06-30
ASSETS			
Non current assets			
Other intangible assets	0.2	0.4	0.3
Tangible fixed assets	0.0	0.0	0.0
Shares in group companies	1,074.6	1,130.6	1,074.6
Receivables group companies	2.2	2.2	2.2
Deferred tax asset	9.3	8.3	6.2
Total non-current assets	**1,086.4**	**1,141.5**	**1,083.3**
Current assets			
Receivables group companies	75.9	165.0	116.9
Other recievables	1.3	0.4	1.2
Prepaid expenses and accrued income	1.4	2.0	1.8
Cash and cash equivalents	-	0.5	-
Total current assets	**78.6**	**167.9**	**119.9**
TOTAL ASSETS	**1,165.0**	**1,309.4**	**1,203.2**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	40.1	40.1	40.1
Unrestricted equity	888.1	1,036.8	896.2
Total equity	**928.2**	**1,076.9**	**936.3**
Long term liabilities			
Liabilities to credit institution	25.2	50.3	44.0
Total long term liabilities	**25.2**	**50.3**	**44.0**
Current liabilities			
Liabilities to credit institutions	33.2	36.2	95.1
Trade payables	0.2	0.7	1.0
Payables group companies	172.3	141.0	121.9
Other liabilities	0.3	0.4	0.4
Accrued expenses and prepaid income	5.6	3.9	4.5
Total current liabilities	**211.7**	**182.2**	**222.9**
Total liabilities	**236.8**	**232.5**	**266.9**
TOTAL EQUITY AND LIABILITIES	**1,165.0**	**1,309.4**	**1,203.2**

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 2021/2022 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 presented 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 March 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, 2022 – March 31, 2023, the Group had a loan in the amount of MEUR 6.6 which at the end of the period totaled MEUR 4.8 against which hedges were applied. Related exchange rate changes of MSEK 2.8 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. Since Griffine Enduction S.A, which previously belonged to Cotting Group together with Plastibert, since the beginning of March is not consolidated into the group's accounts, Plastibert is shown as its own segment. Further information about these portfolio companies is available on pages 4–7 of this report.

Amounts in MSEK	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2022/2023 R12 MAR	2021/2022 JUL-JUN
Net sales						
IFG	334.8	371.4	896.2	1,003.9	1,277.2	1,384.9
Drake Extrusion	160.6	190.5	479.2	543.2	682.2	746.3
Cresco	62.6	72.1	209.1	212.1	273.4	276.3
Plastibert	48.0	46.1	131.3	124.5	175.5	168.8
DMT Group	157.7	131.5	443.3	355.9	625.4	538.1
Duroc Rail	55.0	49.7	118.5	104.9	147.7	134.0
Small Company Portfolio	47.7	39.7	143.1	117.3	192.1	166.3
Holding companies/group-wide functions	1.6	1.7	4.9	5.1	6.6	6.8
Eliminations	-1.7	-1.8	-5.2	-5.9	-10.3	-10.9
Griffine	*80.9*	*95.6*	*266.1*	*225.7*	*350.4*	*309.9*
	947.2	**996.5**	**2,686.4**	**2,686.8**	**3,720.2**	**3,720.5**
EBITDA						
IFG	17.3	29.8	1.3	68.6	33.6	100.9
Drake Extrusion	13.0	10.0	-4.8	13.7	7.9	26.4
Cresco	-3.7	14.0	2.8	28.4	10.0	35.5
Plastibert	0.0	1.4	-7.2	2.9	-8.0	2.1
DMT Group	13.9	13.7	38.6	36.0	58.1	55.5
Duroc Rail	18.9	16.8	32.4	30.3	37.3	35.2
Small Company Portfolio	5.0	5.0	16.6	12.7	22.1	18.2
Holding companies/group-wide functions	-4.2	-4.4	-10.8	-13.9	-16.1	-19.3
Griffine	*-2.4*	*-5.9*	*-8.0*	*-30.9*	*-32.3*	*-55.2*
Total	**57.7**	**80.5**	**60.8**	**147.6**	**112.5**	**199.4**
Operating profit/loss						
IFG	10.2	23.6	-19.6	49.7	7.5	76.9
Drake Extrusion	4.5	1.7	-32.2	-8.0	-28.0	-3.8
Cresco	-5.1	12.7	-1.4	24.3	4.3	30.1
Plastibert	-1.0	0.4	-10.4	-0.2	-12.3	-2.0
DMT Group	12.3	12.2	33.9	31.7	52.0	49.8
Duroc Rail	17.0	15.3	26.5	25.6	29.7	28.8
Small Company Portfolio	2.0	2.8	8.9	5.7	12.1	8.9
Holding companies/group-wide functions*	-4.5	-4.7	-190.9	-14.8	-196.5	-20.4
Griffine	*-4.8*	*-24.4*	*-17.3*	*-57.1*	*-45.5*	*-85.3*
Total	**30.5**	**39.5**	**-202.5**	**57.0**	**-176.5**	**83.0**
Net financial items	**-13.5**	**-2.1**	**-17.8**	**-5.8**	**-20.2**	**-8.2**
Profit before tax	**17.0**	**37.4**	**-220.3**	**51.2**	**-196.7**	**74.8**

*The holding company's 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 4th, 2023.

	Nettoskuld			Sysselsatt kapital			Eget kapital		
Amounts in MSEK	**2023-03-31**	**2022-03-31**	**2022-06-30**	**2023-03-31**	**2022-03-31**	**2022-06-30**	**2023-03-31**	**2022-03-31**	**2022-06-30**
IFG	87.4	98.6	155.6	446.7	470.4	561.8	338.9	348.8	383.3
Drake Extrusion	29.9	43.9	44.7	301.6	307.4	342.8	247.5	241.1	268.7
Cresco	30.2	28.1	38.1	218.0	198.3	218.5	229.0	189.2	219.0
Plastibert	10.0	-0.7	4.3	72.5	68.5	74.2	61.7	68.4	69.1
DMT Group	-41.4	-65.6	-67.8	72.8	26.4	35.0	172.9	153.9	164.4
Duroc Rail	10.4	8.8	31.3	48.1	46.0	43.1	44.1	43.7	23.5
Small Company Portfoliio	34.8	21.8	25.5	64.0	44.2	46.6	34.5	29.5	28.4
Holding companies	97.1	42.7	3.2	12.1	10.2	14.7	-57.2	-80.2	13.1
Griffine - disposed	-	*113.1*	*161.0*	-	*233.1*	*255.2*	-	*153.7*	*68.3*
Total	**258.4**	**290.7**	**396.0**	**1,235.9**	**1,404.6**	**1,591.2**	**1,071.5**	**1,148.1**	**1,237.8**

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	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3
Net sales	**947.2**	**996.5**	**2,686.4**	**2,686.8**
Effect from change in exchange rates	-64.3		-159.2	
Effect from acquisitions/disposals	-81.1	-96.0	-266.8	-226.8
Adjusted Net sales	**801.8**	**900.5**	**2,260.4**	**2,460.0**
Organic growth (percent)	-9.9		-7.4	

Alternative earnings metrics

Amounts in MSEK	2022/2023 Q3	2021/2022 Q3	2022/2023 Q1-Q3	2021/2022 Q1-Q3	2022/2023 R12 MAR	2021/2022 JUL-JUN
Operating profit/loss	**30.5**	**39.5**	**-202.5**	**57.0**	**-176.5**	**83.0**
Depreciation, amortisation, write down of tangible and intangible non-current assets and write downs of asset held for sale	27.2	41.0	263.3	90.6	289.0	116.3
EBITDA	**57.7**	**80.5**	**60.8**	**147.6**	**112.5**	**199.4**
Bad debt losses	-	-	20.8	-	20.8	-
Items affecting comparability						
Restructuring costs/dissolution of reserve	1.7	-0.2	1.7	-5.8	1.3	-6.2
Profit from sale of land	-	-1.1	-	-1.1	-	-1.1
Adjusted EBITDA	**59.4**	**79.2**	**83.3**	**140.7**	**134.7**	**192.1**
Depreciation, amortisation, write down of tangible and intangible non-current assets and write downs of asset held for sale	-27.2	-41.0	-263.3	-90.6	-289.0	-116.3
Items affecting comparability						
Write down of tangible assets due to restructuring	-	-	-	-	0.1	0.1
Write down intangible assets	-	14.3	-	14.3	-	14.3
Writedown of assets held for sale	-	-	179.3	-	179.3	-
Adjusted EBIT	**32.2**	**52.6**	**-0.6**	**64.4**	**25.1**	**90.1**
Net financial items	-13.5	-2.1	-17.8	-5.8	-20.2	-8.2
Net tax	-5.4	-12.7	10.2	-16.4	16.8	-9.9
Adjusted profit for the period	**13.3**	**37.8**	**-8.2**	**42.2**	**21.7**	**72.1**
Adjusted earnings per share (SEK)	**0.34**	**0.97**	**-0.21**	**1.08**	**0.56**	**1.85**
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	2023-03-31	2022-03-31	2022-06-30
Long-term interest bearing liabilities	53.9	87.2	77.5
Long-term interest bearing liabilities, right of use assets	103.9	105.5	103.4
Short-term interest bearing liabilities	96.6	95.6	214.3
Short-term interest bearing liabilities, right of use assets	30.2	26.9	27.0
Cash and cash equivalents	-26.2	-24.5	-26.1
Net debt	**258.4**	**290.7**	**396.0**

Capital employed

Amounts in MSEK	2023-03-31	2022-03-31	2022-06-30
Equity	1071.5	1148.1	1237.8
Net debt	258.4	290.7	396.0
Intangible assets from acquisitions	-87.1	-87.2	-87.3
Pension liability	28.1	64.9	58.3
Strategic holdings	0.0	-1.5	0.0
Deferred tax	-35.0	-10.5	-13.6
Capital employed	**1,235.9**	**1,404.6**	**1,591.2**

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 first nine months of the financial year, Group companies bought services totaling MSEK 0.6 (2.2) and sold services totaling MSEK 0.0 (0.2) 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 first six months of the financial year, 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, 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 the values of assets and liabilities at the point in time when the company was shown 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 on. Accordingly, only the loss from the write down on consolidated level, which was done in the previous quarter, remains. The corresponding balance sheet items has been deconsolidated in its entirety.

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

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 borro	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 equivalents	Interest-bearing liabilities less cash and bank balances
Net debt/equity ratio	Net debt/equity
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

Closing Report July 2022 – June 2023	August 18, 2023
Annual Report July 2022 – June 2023	September 27, 2023
Interim Report July 2023 – September 2023	November 7, 2023

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